COURSE OVERVIEW

This course introduces you to the concepts and skills essential in marketing strategy. In simple words, marketing is the part of business strategy that requires firms to satisfy consumer needs in a manner that makes their products and services attractive to consumers, while at the same time helping the firm achieve its objectives. Without customers who provide revenue and profit by buying a firm’s products and services (this includes the "products" of not-for-profit organizations), firms have no value - they eventually go out of business and the rest of business strategy is pointless.

Effective marketing strategy requires the firm to create a marketing mix where all elements of its marketing strategy work well, and work well with each other. These elements include much more than the “four P’s” you may have heard about - product, price, promotion, and place. For simplicity this syllabus refers to a firm’s offering as a "product," but this can refer to a tangible product, a service, or even a behavior change - think of an institution dedicated to reducing drunk driving or increasing literacy. It will also refer to "profit," but keep in mind that many government and not-for-profit organizations measure "profit" using non-monetary objectives.

COURSE OBJECTIVES

The overall objective of this course is to equip you with knowledge of marketing. We will take the perspective of a marketing manager who needs to develop, evaluate and implement effective marketing strategies. The more specific objectives are:

- To acquire an understanding of basic marketing concepts.
- To understand the strategic role of marketing.
- To gain an understanding of the elements of the marketing mix and their interaction.
- To identify and address the key decisions facing marketing managers.
- To practice the process of analyzing a marketing situation or opportunity, formulating market strategy, and developing and implementing a marketing plan.
REQUIRED READINGS

Readings should be completed before the session for which they are assigned. Your course readings come from the following sources:


**Case Packet:** The assigned cases are available for purchase at the NYU professional bookstore.

**Outside Readings:** I normally incorporate examples from sources such as *The Wall Street Journal*, *The New York Times*, and *Business Week*. These examples are provided in an effort to get students to pay more attention to current events as they relate to course material. They may be used as a basis for class discussion. Students will be responsible for understanding the contents of these examples and handouts. I also highly encourage students to participate by pointing me to articles that are relevant to material covered in class, and I will incorporate these as well.

Course materials are available using Blackboard. Go to [http://sternclasses.nyu.edu](http://sternclasses.nyu.edu) and log in with your Stern ID and password. Click on B01.2310 (Marketing Concepts & Strategies). It is an important part of the course and you will want to refer to it frequently for information on each session. The site contains:

- Important announcements
- The course syllabus
- Copies of the Powerpoint slides we will use in class each day (I try to post slides one week prior to each lecture; please note that slides I use for case discussions will be posted only after the class to encourage you to think on your own.)
- Handouts for that class
- Assignments due in that class period

YOUR COURSE GRADE

Your grade is a composite of the following (discussed in more detail in the next section):

- **Class Participation** 10%
- **4 Brief case recommendations (One-pagers)** 10%
- **Major case assignments**
  - *The New Beetle* 15%
  - *TiVo 2002* 15%
  - *Mary Kay Cosmetics* 20%
- **Final Exam** 30%

If there is a problem with the grade a student receives on an assignment: If you think a mistake has been made in the grading of an assignment or exam, please formally write me a note that describes the mistake made in the grading and submit that note with the original graded document. Please note that any request for a reassessment of a judgment call made in the grading of any answer will result in the re-grading of the ENTIRE document.
COURSE COMPONENTS

The course uses a combination of lectures, class discussion, recent press articles, case studies, assignments and exams, as follows:

1. Class Participation

   Students in management education learn a lot from each other, drawing on different experiences, viewpoints and opinions unique to each individual student. Class participation is an important part of marketing courses. You are expected to contribute to class discussions of readings, cases and current events. Participation will be monitored and credit will be given based on the QUALITY of your participation in the course.

   You don’t have to speak very frequently or in every class to earn the highest possible class participation grade. It is what you say and how it contributes to the class discussion that matters, not how much you say or how often you say something!

   It is important for your classmates, and me, to know who you are. Please help us out by using your desk name card during every class session in the semester. This helps your classmates, and me, learn and remember who you are, and makes it easier to call on each other by name.

   Please come to class on time and make sure you give yourself enough time to settle down. Class will begin promptly at the time it is supposed to start. Remember, if you’re not in class, you may miss your opportunity to participate if your name is called and this will lead to negative repercussions on your class participation grade.

   For the most part, class participation will be voluntary. However, in order to encourage a wider participation, there will be days when I come to class with a list of randomly generated names; I will then call upon these people to answer questions in class – these questions could be small ones or big ones, but you have to be in class in order to participate, and this will count towards your class participation grade.

   Whenever you know in advance that you will be absent, please let me know. If you miss class due to a pressing emergency, please provide me with the necessary documentation to excuse your absence. In either case, be sure to obtain copies of notes from your classmates to insure that you do not miss any important material.

   In sum, in order to maximize on your class participation grade:
   - Attend class and be punctual
   - Read the assigned chapters/cases and be prepared for class
   - Participate by offering insightful comments that move the class discussion forward

2. Cases

   The cases describe real-life marketing problems. They are interesting examples that help us discuss and apply marketing concepts and strategies and give you an opportunity to make and justify marketing decisions. There is no “right” answer to a case, but there are many weak answers that are the result of inadequate analysis. We are usually not concerned with what happened to a firm after a case ends, but rather what we can learn by identifying the problems in the case, and then using concepts from the course to create effective marketing strategies that address them.

   The amount you learn from a case depends on how carefully you read and analyze it. You are expected to read each case thoroughly and come to class ready to contribute to case discussions. The syllabus contains a set of issues and study questions for each case that help focus your effort
(see Appendix). Please read these carefully before reading a case. However, these questions will not always cover every important issue or every issue that we will discuss.

3. **Brief Case Recommendations (a.k.a. One-Pagers)**

At the start of a class scheduled for a case discussion, you are required to hand in a brief (less than one page, double-spaced) recommendation for any four of the five cases that we discuss that are not used for written case assignments (see cases marked with an “*” in the course outline on page 6 of this syllabus). These one-pagers earn 10% of your grade (i.e., 2.5% per case). They also help you earn class participation points since by preparing them you prepare yourself to contribute more to the class case discussion.

In this One-pager, you have to:

(i) describe what you think are the two or three major problems in the case, and

(ii) make a recommendation for each problem.

[Note that you are not expected to answer the questions appended to this syllabus; these questions are meant for guiding the case discussion in class. I get this question several times from students during the semester; if you ask me this question, I will take it as an indication that you did not read this syllabus!]

The objective of these One-pagers is to get you thinking in more depth about a case, and take a stand on the key issues, before class begins. Beginning with an opinion helps create a more interesting class case discussion, even if you change your opinion during class. Each one-pager will be graded $\sqrt{+}$ (2.5%), $\sqrt{}$ (2%) or $\sqrt{-}$ (1.5%). On an average, I expect that most people will get a $\sqrt{+}$ for this One-pager. You will get a $\sqrt{+}$ for excellent performance, and a $\sqrt{-}$ for a below-par, but acceptable, assignment. If your one-pager is unacceptable, you will get a zero for that assignment. You will be notified of your grade by your TFs via e-mail within a week of submission (please note that there may be variation in the feedback time depending on how busy the TFs are as these cases come in).

Please make sure that the One-pagers are your own work. Again, they are due at the start of class – no exceptions! Please hand in hard copies of your one-pagers. Soft, electronic versions will not be accepted!

4. **Major Case Assignments**

You are responsible for completing and submitting three major case assignments. Each is an in-depth analysis of a case. The three cases will give you experience at applying what you have learned in the course to solve specific marketing problems, and to combine different elements of the marketing mix to create marketing strategy and tactics, and make marketing decisions. They also give you experience at describing and justifying your decisions and the rationale for them in a clear and effective manner. Late assignments will not be accepted. These cases are:

- *The New Beetle* (to be done in groups of 3-5 students; worth 15% of the grade)
- *TiVo 2002* (to be done in groups of 3-5 students; worth 15% of the grade)
- *Mary Kay Cosmetics* (to be done individually, or in groups of up to 5; worth 20% of the grade)

The assignment questions will be posted on the course web site two weeks before they are due. You may discuss general concepts in these assignments with your classmates, if you wish, but the specific analysis, recommendations and rationale, and writing should be your (group’s) own work.
5. **Exam**

The Final Exam earns 30% of your grade. The exam will cover all material discussed in class and all reading assignments (textbook, class notes, cases and other supplementary reading material). The exam is open-book/open-notes, but rumor has it these external props do not help! You either know your material because you have attended class, done your readings and kept up with your assignments, or you do not. You may also bring a calculator.

**CLASSROOM ETIQUETTE**

Out of respect for the other students in the class, it is important for you to focus your full attention on the class, for the entire class period. While most students do observe proper decorum, it takes only a few to bother the entire class, and Stern students have complained to the school about students who use class time for other purposes or act in a disruptive manner. In a busy, electronic age, proper class etiquette means observing the following standards:

- **o** Arrive for class on time.
- **o** If for some reason you do need to arrive late or leave early, please let me know in advance if possible. Please enter and exit quietly by the rear door.
- **o** Turn off your cell phone.
- **o** The only material you should have in front of you is reading concerned with the class. Reading of any other material, such as newspapers or magazines, or doing work from another class, is not acceptable.
- **o** **Very important!!!**
  The only reason to use a laptop during class is to take class notes. You should not be connected to the internet or Stern wireless system during class, unless you are specifically instructed to do so. You are not permitted to use any sort of instant messaging during class. Any violation of these standards for laptops will be considered as very serious.

Thank you for your co-operation in this very important matter!
<table>
<thead>
<tr>
<th>SESSION</th>
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<td>Chapter 12 Hand in Computron Bid for Role-Play exercise in the next class</td>
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<td>The Promotions Mix III – Wrap up and the special case of Super Bowl Advertising</td>
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<td>Course Review</td>
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<td>F, 12/16, 10:00-12:00</td>
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APPENDIX:  
CASE DISCUSSION QUESTIONS  
(For class discussion purposes only; not for your One-Pagers)

CASE #1: MEDIQUIP

Half of the value of goods and services in most industrialized countries are purchased by organizations rather than households. These organizations include private businesses, government agencies, and not-for-profit organizations. Firms selling to these organizations must understand how they make purchase decisions. The Mediquip case provides a good illustration of important issues in organizational purchasing, and the challenges faces by firms selling to organizations.

- Who are the members of the buying center for the CT scanner at Lohmann University Hospital? Is this buying center an official entity? How can Kurt Thaldorf try to find out who is in the buying center as quickly as possible? Will everyone at LUH help him obtain this information? Do you think it is possible for Thaldorf to know precisely who is in the buying center?

- How do the members of the buying center have different interests and objectives? Where are the greatest areas of conflict? How can Thaldorf obtain this information?

- What aspects of Mediquip's CT scanner should Thaldorf emphasize to each member of the buying center? Can he emphasize different aspects to different people without being duplicitous?

- Is it Thaldorf's fault that LUH did not buy a CT scanner from Mediquip? Is there anything he should have done differently?

CASE #2: CALYX & COROLLA

Since the elements of the marketing mix are interdependent, it is important to get an early overview of the entire set of marketing functions at a firm. Calyx & Corolla gives an excellent introduction to the kinds of problems and decisions that marketing addresses, the activities covered by marketing strategy, and how different elements of the marketing mix depend on each other.

Consumer Decision Making

- What are the consumer needs that C&C satisfies?
- How do these compare with needs satisfied by other flower sellers?
- How do consumers make the decision to buy flowers from C&C, and how can C&C try to influence their decision making process?

Identifying Customer Segments

- How would you describe the target consumer segment for C&C flowers?
- Is this the most appropriate target segment, and should the firm try to grow by expanding to reach other segments?
- How much is an existing customer "worth" to C&C? A new customer?
Product Strategy

- What is the "product" that C&C sells, and how is it "positioned" (how does it compare to competing products and consumer needs)?
- How might you describe this product in terms of consumer needs?
- What variety of products is included in C&C's existing product line? How can C&C decide which new products to add to this line as one way to grow?
- What does the brand name "Calyx & Corolla" mean to consumers, and should C&C try to change this meaning?

Pricing Strategy

- How does C&C decide what price to charge consumers for its products?
- How much of this price goes to C&C, and how is the rest divided among the distributors that C&C uses as partners?
- How much more expensive are C&C flowers compared to flowers bought from a flower shop or sent through FTD, and why might a consumer be willing to pay this higher price?
- How sensitive is C&C's profit to changes in its costs for: a) flowers, b) shipping, and c) catalogs?

Communication and Advertising Strategy

- What message is FTD conveying in its communications strategy and what is the objective of this message?
- How are FTD and its member shops allocating their advertising budgets across the year and across different media, and what is the rationale for this allocation? Why is it different for FTD versus member shops?
- How is C&C currently allocating its communications budget to different programs such as advertising and catalogs, and its promotions budget to promotions such as the Bloomingdale's and Contact tie-ins? What are the objectives of each program? Do you think the present balance between advertising and promotion expenditures is a good one?

Choosing Partners in Marketing Strategy

- How is C&C's distribution system different from that used by other flower sellers, and why has C&C chosen this distribution system?
- Why does C&C rely on flower sellers that it cannot completely control instead of growing its own flowers?
- How does C&C use personal selling in its marketing strategy?

Case #3: The New Beetle

Major Case Assignment #1 Questions to be Announced…

Case #4: TiVo

TiVo is a case that touches on issues of marketing strategy for a new product, consumer behavior and other contemporary issues related to marketing in the information age. Please pay attention to the following questions when you read the case:

- Why do firms need to develop new products? What is TiVo's competition, and where are these
products in the product life cycle?

- Which factors affect how quickly consumers are likely to adopt TiVo? Which of these work in TiVo's favor and which against it? How does the competition compare on these factors?

- What kinds of consumers are most likely to be Innovators and Early Adopters for TiVo, versus Early Majority? What can TiVo do to cross the "chasm" between these two groups? Should its initial marketing efforts focus on "crossing the chasm" to the latter, or attracting Innovators and Early Adopters?

- How should TiVo position its product? How does your answer to 1-3 affect this decision?

**Case #5: TiVo 2002**

Major Case Assignment #2 Questions to be Announced…

**Case #6: Kodak Funtime**

- What are the reasons for Kodak's loss of market share? If Kodak maintained the status quo, what is your assessment of the development of the market?

- What should Kodak's objective be at this point? Consider the trade-offs between market share, profitability and brand equity.

- Evaluate the general concept of the Funtime proposal and the implementation details.

- What are some of the other action plans that Kodak should pursue? For example, what about a price cut on the flagship Gold Plus brand?

**Case #7: Computron**

- How far does Zimmermann have to cut price to have a chance?

- What is gained by bidding low? What is lost by bidding low? What is gained by bidding high?

- How do you appraise the market conditions? The competition?

- What is Konig's position (i.e., how is the purchasing vice president likely to think about the problem)?

- What is Zimmerman's position as manager of the European Sales Division? What should he do?

**Case #8: Mary Kay Cosmetics**

Major Case Assignment #3 Questions to be Announced…