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 the 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 readings 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.

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:

- The Course syllabus
- Copies of the Power Point slides we will use in class that day
- 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%
- 3 written brief case recommendations 10%
- Written case analyses:
  - *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 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 regrading 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 much 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.

   If you're not in class, you can't learn the material in the course nor contribute to the benefit of your classmates. Whenever you know in advance that you will be absent, please let me know. If you miss class, be sure to obtain copies of notes from at least two of your classmates to insure that you do not miss any important material.

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

   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 three 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 5 of this syllabus). These brief case recommendations earn part 10% of your grade. These case recommendations also help you earn class participation points, since by preparing them you prepare yourself to contribute more to the class case discussion, even you don’t have a chance to speak in that particular class.

   In this analysis you have to: (i) describe what you think are the two or three major problems in the
The objective of these assignments is to get you thinking in more depth about a case, and takes 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 brief case recommendation will be graded “Acceptable” or “Unacceptable,” and will be handed back to you only if judged “Unacceptable.” It will be “Acceptable” as long as you do a reasonable job, and the assignment is your own work.

4. Written Case Analyses

You are responsible for completing and submitting three written 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 except in personal emergencies. 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)

These assignments will be handed out in class and 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 (New Beetle and TiVo 2002) or your own or your group’s (Mary Kay).

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. You may also bring a calculator.
# Course Schedule

<table>
<thead>
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<th>SESSION</th>
<th>DATE</th>
<th>TOPIC</th>
<th>READINGS (Cases in bold) &amp; ASSIGNMENTS</th>
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<td>What is Marketing?</td>
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<td>F, 5/9, 9-11 am</td>
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* You have to choose three out of these five cases for your one-page Brief Case Recommendations.
CASE DISCUSSION QUESTIONS

CASE #1: 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. It is also gives you an opportunity for some initial experience at marketing decision-making, and to use several kinds of quantitative analyses that help you make informed marketing decisions and justify them to others. Don't be concerned if you do not yet understand all of the terminology in the case. We will spend two sessions on this introductory case. We'll also return to Calyx & Corolla when we look at determining the value of a customer in Session 7.

Two general questions for this case are:

1) What are the important issues and decisions that C&C faces in this case, and which do you think are most important?

2) What is C&C's current marketing strategy? Given this strategy and the marketing environment, what is the best way for C&C to grow? How must C&C change its strategy to achieve this growth, and what resources will this require?

To help you think about these two questions from the perspective of particular areas of marketing strategy, the following questions address issues from each of the eight major content areas in the. As you think about these questions, you will no doubt see that C&C's strategy in one area affects its strategy in others - this dependence among different elements of the marketing mix is a very important part of marketing strategy.

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?

Using Marketing Research

Do you think C&C should go ahead with the Minneapolis/St. Paul test?
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 are 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 Contac tie-ins? What are the objectives of each program? Do you think the present balance between advertising and promotion expenditures is a good one?

Evaluating Consumer Response to Improve Marketing Strategy

- If C&C proceeds with the advertising test market in Minneapolis/St. Paul, how can it determine if the results support that expanding this communications program and budget to a regional or national level will be profitable, and that increasing the advertising budget is an effective way for C&C to grow? Try to frame an answer to this question in general terms, without yet using calculations. For Session 8 you will be asked to use quantitative analysis to arrive at a specific answer.
- Should C&C wait until the test market is over to set standards for determining whether or not it succeeded, or do this before the test market begins?
- How can C&C determine whether it is charging the price that maximizes its profits, and how does consumers' price sensitivity affect this?

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 #2: 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 #3: THE NEW BEETLE

Written Case Analysis 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 this "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 you answer to 1-3 affect this decision?
CASE #4: TiVo 2002

Written Case Analysis Questions To Be Announced...

CASE #5: KODAK FUNTIME

- What are the reasons for Kodak’s loss of market share? If Kodak maintained a 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 #6: 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 #7: DELL ONLINE

- How would you judge Dell’s online success?
- What advantage does Dell derive from its online success? Is it a big deal?
- How substantial and sustainable are these advantages compared to its competitors? Which of Dell’s competitors should it worry about? Why?
- What recommendations do you have for Dell so that they increase their operations over the internet?

CASE #8: MARY KAY COSMETICS

Written Case Analysis Questions To Be Announced...