

**Bus 254a
Marketing Strategy**

**Mondays and Wednesdays
11:00 am – 12:30 pm**

Spring Semester 2009

Lemberg 54

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**Office Hours: Mondays and Wednesdays 9:30am – 11am
or by appointment**

**Brandeis University
International Business School**

Course Description:

Marketing is the sum of the activities undertaken by a company to create, capture and sustain value for its customers, thereby stimulating sales and profits for itself. To do this, companies must define their products or services in terms of their benefits to their target customers. These benefits must then be priced, distributed and communicated in ways that maximize customers' perceived value in the products, the company and the brand.

In this course we will focus on the strategic value of building and sustaining a company's brand, as well as effective ways of communicating the brand and its value proposition through promotional activities and channels of distribution. In addition, we will explore the evolving and complementary role of the internet in acquiring, communicating and selling to a company's customers.

Course Objectives:

1. Analyzing a wide range of strategic marketing challenges and opportunities, and developing integrated marketing plans which maximize profit and long-term corporate health.
2. Concepts covered include in part:
 - Creating and sustaining brand equity, preventing equity dilution
 - Managing brand portfolios, global branding, sub-branding and brand loyalties
 - Branding, product definition and sustaining value propositions
 - Selection and redefinition of target customer segments over time
 - Customer relationship management
 - Pricing to capture maximum value, optimizing revenue models
 - Communicating the brand through advertising, experiences, and sponsorship
 - Communicating the brand through multiple channels of distribution
3. To refine each student's analytic and decision-making skills, his/her ability to express ideas and solutions persuasively in case discussions and to listen critically and respectfully to the ideas of classmates.

Course Requirements:

Marketing strategy integrates all marketing disciplines while thinking strategically about the company's brand equity and competitive forces in the marketplace. Therefore, this course assumes a solid foundation in marketing. BUS 252a Marketing Management is strongly recommended as a prerequisite. That course's textbook, *A Framework for Marketing Management, Second Edition*, is a useful primer for those in need of a refresher.

This course is intended for students who are serious about marketing and have already taken a foundational marketing course, like bus 252a; some may have had marketing work experience as well. I will assume that everyone in class has that solid marketing foundation and comes to class having done both quantitative and qualitative analysis, and are ready to share this analysis with their classmates.

Course Approach

In each session of this course we will analyze and solve a strategic marketing challenge. We will use our time together in the classroom to sharpen our skills in diagnosing problems, to build a framework to understand marketing's complexities, and to discover techniques and concepts useful in developing integrated marketing solutions for these challenges.

To benefit from this approach, each student must come to class prepared with an analysis and a solution for the opportunity or challenge at hand, not just a regurgitation of case facts. Class time together will follow a discussion format, with a constant challenging of viewpoints from the instructor and fellow students alike.

Each class will focus on an individual case. One student will be randomly selected at the beginning of each class to "open" the discussion, and to provide a 3-5 minute overview of the basic facts.

To further sharpen students' strategic and tactical marketing decision making, student teams will compete in a marketing simulation exercise over the course of the semester. The simulation will give students experience dealing with the ramifications of their strategies and decisions in a competitive marketplace over time.

Course Materials

Textbook: There is NO required textbook. Readings will be in the form of case studies, Harvard Business School notes and articles clipped from current news sources.

CoursePacks: Case studies are the focal point of most class discussions. Course packs with the cases we will cover are REQUIRED and only available through XanEdu, NOT the bookstore. I've chosen XanEdu because it is much, much more cost effective for you. To access XanEdu please go to the XanEdu Home webpage: <http://www.xanedu.com>.

- If you have previously registered at XanEdu, log in. If you are new to XanEdu, click the 'Register' link and then click the 'Student Registration' button under "New Users Register Here". Complete and submit the registration form.
- Once logged in, (My XanEdu Page) click on 'Buy a New Coursepack'.
- Enter your Country, State and Institution.
- Click on the CoursePack you want under 'Available CoursePacks'. The system will walk you through the purchase of the CoursePack.
- To access this CoursePack at another time, please go to the XanEdu homepage and login using your User Name and Password. (You will need Acrobat Reader to view some of the articles. If you do not already have Adobe, you may download the software for free at: <http://www.adobe.com/products/acrobat/readstep2.html>.)

XanEdu CoursePack Info:

- **Institution:** Brandeis
- **Pack Title:** BUS 254A: Marketing Management, Spring 2009
- **PackID:** 274696
- **Term:** Spring 2009
- **Professor:** G. Zimmerman

You have two choices in purchasing this pack:

A. Online access only: \$116.62

- You can print articles on your own.
- You can view on the screen.
- There are certain items from Harvard Business School Publishing that you will not be able to save to your machine, but you will be able to print and view them.
- Access will be immediate. You will be accessing PDF files.
- You will be able to access this pack for six months.

B. Digital (Online access)+ Printed coursepack (hardcopy): \$158.22

- Access to the PDF files will be immediate so you can start your readings.
- You can view all items on screen.
- You will be able to view the readings online for six months.
- You can print some items if you'd like with the exception of the Harvard material which constitute the majority of our materials (Harvard restriction).
- We will drop ship you a personal desk copy that will include all articles and cases. Ground shipping typically takes 2-3 days. XanEdu ships from Michigan, but is not guaranteed. There are three shipping options that will be shown to you when you are purchasing the pack and all pricing will be next to each choice (ground, expedited and overnight).

Course Pack questions:

If you have any questions about accessing your CoursePack, please contact Customer Service at: contact@xanedu.com or 800-218-5971. Customer Service is available from 8:00 am - 8:00 pm EST Monday through Fridays and Noon-5:00 PM Saturday through Sunday.

Simulation Registration: Students must register for the marketing simulation game, *StratSimMarketing*, at www.interpretive.com/students. Interpretive charges an individual license fee for each student (i.e. not just one student per team.) All team members must have paid and be registered for the team to begin the simulation. The fee is \$39.95 per student. Students will receive an individual user id and password at the beginning of the semester to complete the registration and payment process which will give you online access to the simulation game, a PDF manual, FAQs and customer support. Registration must be completed by Wednesday, January 21.

Grading

For the purpose of grading, assignments will be weighted as follows:

Class Participation	35%
Team simulation exercise	40%
- Strategic Plan	10%
- Stockholders Meeting	15%
- Market Capitalization	10%
- Team Peer Evaluation	5%
Mid-term/case write-up	25%
TOTAL	100%

Disabilities:

If you are a student with a documented disability on record at Brandeis University and wish to have a reasonable accommodation made for you in this class, please see me immediately.

Academic Integrity:

You are expected to be familiar with and to follow the University's policies on academic integrity (see <http://www.brandeis.edu/studentlife/sdje/ai/>). Instances of alleged dishonesty will be forwarded to the Office of Campus Life for possible referral to the Student Judicial System. Potential sanctions include failure in the course and suspension from the University.

Class Participation:

Students are expected to attend every class and participate on a regular basis. Less value will be placed on the quantity of your contributions than on their quality. Absence from more than three classes can result in a failing grade for participation in this course. If you have to miss class for any reason, please notify me in advance by email.

To allow me to get to know you more quickly, please send me an email with your preferred email address and a few sentences about your work experiences and career goals. Also, please select your seat for the semester by the start of the second class, and use a name card, at least for the first several sessions.

Final Exam: There is no formal final exam for this course.

Mid-term Exam/Case write-up: The Mid-term will test your knowledge of the issues and skills covered in class and through the materials to-date and will consist of a case analysis and write up of up to 4 pages of a case assigned for class discussion. Students must submit their analysis before the start of class assigned for that case discussion. No submissions will be accepted after class has begun. *This is an individual assignment. Students are NOT to confer with friends and classmates.* **(Due before class on Wednesday, March 4)**

Marketing Simulation Exercise: The marketing simulation exercise gives you hands-on strategic and tactical experience integrating all aspects of marketing for a growing company in the automotive industry. You will compete against other management teams in the class.

I will assign you to a team or firm. Each team will be made up of approximately 3 to 4 classmates. You, as a team can assign roles or functional responsibilities to your members as you see fit. You may find that you need or want to reassign responsibilities as the semester progresses. Conflicts between team members may arise and should be resolved by team members on their own. "Free riders" hurt the overall team performance in the simulation. Hence individual scores will be adjusted to reflect team contribution as reported in the team self-evaluation at the end of the semester. To complete assignments successfully will require contribution from all team members, not just one or two individuals. As a last resort, if an individual is not reasonably contributing to the efforts of his or her team, I will, upon written petition of all other team members, having exhausted reasonable efforts to foster collaboration and participation of all team members, authorize teams to "fire" a non-performing individual from the team. This individual will fail the simulation portion of the course.

Simulation Exercise Team Assignments:

Weekly Electronic Business Decision Submissions (9 plays) (By midnight Wednesdays, beginning 1/28 through 4/1). Each week represents one simulation “year.” It is each team’s goal to maximize the performance of your respective firm over the ten periods of the simulation. The simulation places you in a competitive market environment in which the actions of rival firms must be taken into account. This emphasizes marketing research-informed strategic marketing decision-making, competitive analysis, as well as strategic planning. The results of decisions taken on Wednesday evening will be available online by Thursday morning at 9am for the entire industry and your particular firm. It is each team’s responsibility to submit decisions. If your team misses the deadline, the game will assume that you intended to make no new moves or undertake no new initiatives. Clearly this will not generate a good outcome. Be sure to assign responsibility for inputting team decisions.

Strategic Plans. (Due 1/28) Each firm will be responsible for submitting a written strategic plan. Your strategy will serve as your firm’s roadmap throughout the simulation. Your plan should consist of at least 5 elements: business definition and rationale, source of competitive advantage, performance objectives, key success factors and strategic assumptions. In addition, it would be very useful to complete a SWOT analysis for your firm. You may append your SWOT analysis as an appendix to the strategic plan.

1. Business definition – your mission statement, value proposition, target market segment(s), etc. Be sure to include your rationale for these choices.
2. Source of competitive advantage – with whom will you compete and how do you plan to win the competition.
3. Company goals and performance objectives - define a clear set of metrics or standards by which you will measure your performance and your goals for each of these metrics (these might include SOM, stock price, cumulative net income, etc.).
4. Key success factors – What is required of your firm to successfully execute this strategy (examples: product development, first in market, etc.)
5. Strategic assumptions – for your strategy to be successful, what underlying assumptions have you made?

The purpose of this document is guidance. If you articulate a mission, a set of goals and develop a plan (strategy) to achieve those goals, your yearly decisions should be consistent with the statements. This does not mean you should blindly follow your original plan if it is not working as intended. Adjustments may be necessary to the mission, goals and/or strategy.

Stockholders Meeting. (4/8, 4/20, 4/27, 4/29) Each team will make an oral presentation at the end of the semester to your stockholders (the rest of the class and me) at the annual stockholders’ meeting. You will have 25 minutes to convince us, your stockholders, that you have a handle on what has transpired in the past, an understanding of where the industry is going in the future, and an effective strategy to deal with the future (as though the simulation were not ending), with specific goals and metrics. As an important part of your presentation, each team must also include a 5 minute Q&A session to field questions from shareholders. The goal of this presentation is to persuade stockholders to continue to hold the stock and/or to invest additionally in the management team. You are encouraged to use PPT or Adobe slides and may also use any other props and/or handouts that you feel help you to make your

case clearly and persuasively. All team members are expected to participate in the oral presentation. Plan for smooth and logical segues between presenters.

All PPT slide presentations are due before the start of class on 4/8. Please hand in hard copies of your team slides printed 3 slides per page. Slides may not be altered after this time. No exceptions will be made to any of these ground rules.

Helpful suggestions:

- The simulation is dynamic and outcomes for each period depend upon decisions made by all the teams in your industry collectively. It can be very helpful to maintain a journal of deliberations and decisions including interpretations of industry dynamics, assumptions, strategic actions, the outcomes of those actions, and changes that may be necessary.
- “Gaming” has not proven to yield best results. In other words, play strategically, as though the simulation were continuing past the 9th period, as though you were a real, ongoing company and your careers depended on long-term corporate success. Teams that have postured for a 9 period “game” have been disappointed in the outcomes.
- Be careful and cognizant of cash flow, as you would in a real company. As we all know, cash on hand is essential for any strategy.
- Be sure to consider the key success factors for any company in this industry. Think strategically.

****NEW One Week Simulation Trial****

Feed back from students suggests that a one-week trial of the simulation before the game begins in earnest would have been helpful. On Wednesday, September 21, if you have already registered for the game, you can play a mock round of the simulation. This mock round will help to familiarize you with the decisions that you will need to make in the game and the sources of information that are available to players. The big difference between the trial and the real game is that you will not be on a team, but will be playing individually, and will not have the same company profile that you will have when the game begins on September 28. I strongly recommend that you take the opportunity to learn about the game through this simulation.

TA (teaching assistant) for Simulation

I have a TA to help you with the simulation. She will conduct 2 introductory sessions to help familiarize you with the game. The dates for these sessions as well as the TA’s email address and phone number will be announced the first day of class. She will also be available by appointment throughout the semester to answer questions about the simulation. She will not tell you what to do or give you strategic advice, but she will be able to help clarify your own thinking about concerns or issues that may arise.

Office Hours

Office hours are Mondays and Wednesdays from 9:30 am – 11:00 am in **Sachar 124a**, and by appointment. I enjoy the opportunity to get to interact with you as much as possible. Email has proven very helpful in this regard. Please don't hesitate to contact me if you need assistance in any manner, or have comments, concerns or words of praise for some aspect of the course.

The best way to contact me and to schedule an office visit is by email. My email address is: gzimmerm@brandeis.edu

Or, you may deliver messages through Karen Muise, Lemberg 160, by email at kmuisse@brandeis.edu, or by phone at (781)-736-2240.

Assignments

Class #1: Marketing Strategy (Wed 1/14)
Module: Introduction

- Discussion:**
1. Course Introduction
 2. Assignments
 3. Marketing Strategy
 4. StratSim Marketing Simulation overview
 5. The Case Study Method – How to prepare for class

Pre-assignment

Registration: Register online for the simulation. Deadline is Wednesday, January 21.

(See page 3 of this handout for details.)

Download and read the simulation manual and begin familiarizing yourself with the format, resources, and decisions required for the game. The better you prepare for the simulation, the better you will do.

Readings: Note on Marketing Strategy (HBS 9-598-061)
Marketing Strategy – An Overview (HBS 9-500-005)

Monday, January 19 – No Class – Martin Luther King Day

Class #2: Sustaining Value, Building on Customer Relationships (TUESDAY 1/20)
Module: Sustaining Value

Readings: Brands and Branding (HBS 9-503-045)

Case: Starbucks: Delivering Customer Service (HBS 9-504-016)

- Questions:**
1. What factors accounted for the extraordinary success of Starbucks in the early 1990's? What was so compelling about the Starbucks value proposition? What brand image did Starbucks develop during this period?
 2. Why have Starbucks' customers satisfaction declined? Has the company's service declined, or is it simply measuring satisfaction the wrong way?
 3. How does the Starbucks of 2002 differ from the Starbucks of 1992?
 4. Describe the ideal Starbucks customer from a profitability standpoint. What would it take to ensure that this customer is highly satisfied? How valuable is a highly satisfied customer to Starbucks?
 5. Should Starbucks make the \$40 million investment in labor in the stores? What's the goal of this investment? Is it possible for a mega-brand to deliver customer intimacy?

Class #3: Rethinking Market Segmentation & Communications Strategy (Wed 1/21)
Module: Sustaining Value

Reading: Market Segmentation, Target Market Selection & Positioning (HBS 9-506-019)

Case: Marketing at the Vanguard (HBS 9-504-001)

Questions:

1. What does the Vanguard brand stand for?
2. Who has been Vanguard's target customer? Whom have they not targeted?
3. How can Vanguard continue to grow?
4. How important is additional advertising and direct marketing to drive growth?
5. How sophisticated a marketer is Vanguard?

Additional: **Plan to participate in the one-time trial of the simulation tonight. To participate, you must be registered with StratSims. You will play individually, not as a team member. All decisions must be made before midnight, Wednesday January 21. Results will be available by 9am on Thursday, January, 22.**

Class #4: Global, Umbrella & Sub-Brands (Mon 1/26)
Module: Sustaining Value

Reading: Rediscovering Market Segmentation (R0602G)

Assignment: Online registration for simulation is due.

Additional: Team assignments will be distributed today.

Case: Land Rover North America, Inc. (HBS 9-596-036)

Questions:

1. Situating the decision: Why is LRNA launching the Discovery?
2. Understanding Category Motivation: Why do people buy SUVs?
3. Market Segmentation: Who is the typical SUV consumer and how is this changing?
4. Product Differentiation: What are the differences among competitive SUV offerings?
5. Strategies for Growth of a Niche Brand: What strategic considerations are involved in moving this brand forward?

Class #5: Strategic Plans (Wed 1/28)
Module: Marketing Strategy

Simulation: *Week 1 team decisions must be submitted before midnight tonight.*

Due: Strategic Plans are due by the end of the class period at 12:30pm. Please **refer to page 5** of this syllabus for detailed instructions about this group assignment. We will not meet as a class, rather you may use the class period to work as a team to complete your strategic plan and on your week 1 decisions for the simulation. No case or readings are assigned for this class.

Class #6: Marketing as a Catalyst for Category Redefinition (Mon 2/2)
Module: Sustaining Value

Case: Vans: Skating on Air (HBS 9-502-077)

- Questions:**
1. What were some of the key characteristics of Vans' earliest customers in the 1960s and 1970s? What was the public perception of skateboarding during this era?
 2. What was Vans' competitive advantage during its early days (in the 1960s and 1970s)? What was its value proposition to customers?
 3. How has the company's competitive position changed over time? How has the company's value proposition changed over time?
 4. In recent years, Vans has expanded in a number of directions. The company has (a) increased the number of sports it is affiliated with; (b) diversified its product portfolio; (c) expanded its distribution; and (d) broadened its promotional mix. Analyze each of these decisions in terms of their impact on Vans' customer base, its brand image and the overall alternative sports category.
 5. The biggest question facing Schoenfeld now is "how to drive that next stage of growth" (case p.2). The first option is to focus on the shoe category. The challenge here is to fix the Women's Collection, and decide what to do about the Outdoor Collection. The second option is to focus on growing within the "entertainment" category, despite the fact that the company admits it has little expertise in this area. The challenge here is to figure out which projects to focus on, including movies ("we don't know the first thing about the movie business"), music ("we don't really know how to make and sell music"), and videogames ("I can't say for sure how this will play out"). Do you believe the company should be focusing on shoes, or on entertainment, or both?
 6. On the bottom of page 1 of the case, Schoenfeld states, "I'm not running the business to become a \$1 billion company." On the other hand, he does appear to be pursuing an aggressive growth strategy. Do you think Vans should attempt to transform itself into a billion-dollar megabrand? Why or why not? (Note that one of Vans' competitors, Airwalk, attempted to transform itself into a billion-dollar megabrand in the 1990s, but failed miserably after its core customer base perceived it as "selling out," see case p.13)

Class #7: Product Positioning: Radical vs. Incremental Innovation (Wed 2/7)
Module: Creating Value

Simulation: *Week 2 team decisions must be submitted before midnight tonight.*

Case: Microsoft: Positioning the Tablet PC (HBS 9-502-051)

- Questions:**
1. How should Microsoft position the Tablet PC – as a radical innovation that will dramatically change consumers’ relationships with their PCs, or as a high-end laptop? Why?
 2. Who should the initial target market for the Tablet PC be?
 3. Imagine that you are Bert Keely. How do you convince consumers to adopt your vision of a world in which “the personal computer becomes truly personal?” More specifically, you know that there are going to be obstacles to consumer adoption of this product. What do you think the biggest obstacles are going to be? How do you plan to overcome those obstacles?
 4. Bill Gates’ prediction is that within five years, the Tablet PC will be the most popular form of PC sold in America (case pg 1). Why is Gates so excited about this product? What value does it create for users? What do you think the “killer app” for this product is going to be?
 5. The Tablet PC is not a single technology; rather, it pulls together a number of innovations, including ClearType, RichInk (the “ink as ink” idea), handwriting recognition, voice recognition, wireless capability, a new software utility (Windows Journal), digital content (eBooks), and so on. How important are these various innovations? Do these technologies have to be perfect or will consumers accept something less than perfect?

Class #8: Market Segmentation; Revenue models
Module: Creating Value

(Mon 2/9)

Readings: Market Segmentation, Target Market Selection, & Positioning (HBS 5-506-019)

Case: XM Satellite Radio (A) (HBS 9-504-009)

- Questions:**
1. What is the value proposition of XM to different consumer segments? Who should be the primary target market for XM?
 2. What aspects need to be considered in pricing the radio receiver and subscription fee? What is the optimal price for monthly subscription? Assume a five-year lifetime for a customer. How would your answer change if the lifetime was longer or shorter?
 3. How should the price of the service change over time? Should you price high initially and then decrease it over time? Should you price low initially and then increase it over time?
 4. What aspects need to be considered in allowing advertising to run on XM's service? How does the fact that the firm could also earn money on advertising affect the optimal subscription price?
 5. What are the implications of the expected launch plans for XM's rival Sirius?
 6. What revenue model should Robert Acker recommend that XM pursue to capture value from satellite radio?
 7. Given the business model selected, what should the marketing plan for launching the XM service be? (Communication strategy, channel design, pricing and incentives.)

Class #9: Non-Traditional or Reverse Positioning Strategy
Module: Creating Value

(Wed 2/11)

Simulation: *Week 3 team decisions must be submitted before midnight tonight.*

Case: IKEA Invades America (HBS 9-504-094)

- Questions:**
1. What factors account for the success at IKEA?
 2. What do you think of the company's product strategy and product range? Do you agree with the matrix approach described in Figure B of the case?
 3. Despite its success, there are many downsides to shopping at IKEA. What are some of these downsides? IKEA's Vision Statement (in figure C of the case) describes how the company seeks to build a "partnership" with its customer. What do you think of this vision statement?
 4. The fact that IKEA hopes to have fifty stores in operation in the United States by 2013 is an indication of how optimistic the company is about the viability of its value proposition in this country. Do you think IKEA is being overly optimistic in its growth plans? How would you improve IKEA's value proposition to make it even more attractive to American consumers?
 5. To achieve the kind of growth that IKEA is hoping for, should the company change its product strategy? If so, in what way(s)? What about its product range – are there limitations to the matrix approach? Should the company expand its product lineup to include a greater number of styles and price points? In what other ways should the company consider changing its product lineup?
 6. If you had to predict, what do you think IKEA's value proposition and product lineup will look like in ten years?
 7. Some industry observers have suggested that IKEA should open a number of smaller, satellite stores across the United States (e.g. in shopping malls, etc.). By offering a limited range of IKEA products, these "IKEA Lite" shops would presumably give consumers who do not otherwise have access to a full-size IKEA the opportunity to experience the brand. In addition, consumers who *do* live near a full-size IKEA would be able to use these mini-outlets to make minor purchases (e.g., purchase a set of mugs, as opposed to an entire living room set). Do you agree with this idea? Why or why not?

The week of February 16th is Winter Break. Enjoy your time off!!

Class #10: Hit Branding (Mon 2/23)
Module: Creating and Capturing Value

Case: Pokemon: Gotta Catch 'Em All (HBS 9-501-017)

- Questions:**
1. Evaluate the success of Pokemon at the time of the case. What key factors drove performance?
 2. Do you agree with Toys R Us Chairman Michael Goldstein that Pokemon was a sustainable phenomenon? Could this fad have been morphed into a long-lived brand franchise? Why or why not? How? What is your brand plan?
 3. Can trends and fads in the toy industry be predicted, or is this business as serendipitous and uncontrollable as Lucas President Roffman claims? Counter 4Kids' President Al Kahn's contention that "MBAs have nothing to offer him" as he manages properties going forward.
 4. What does this case teach you about the kind of brand manager that you want to be?

Class #11: Building, Managing and Sustaining Brands (Wed 2/25)
Module: Creating and Capturing Value

Simulation: *Week 4 team decisions must be submitted before midnight tonight.*

Case: None
Guest Lecturer, Lloyd Mintz, CEO, Nine Oaks
"Licensing and brand management in the entertainment industries"

Class #12: "Fighting Brand" Strategy: Good, Better, Best (Mon 3/2)
Module: Capturing Value

Reading: *When Do You Know the Price is Right?* HBR reprint 95501

Case: Eastman Kodak Company: Funtime Film (HBS 9-594-111)

- Questions:**
1. Diagnose the reasons for Kodak's market share loss. Assess the likely development of the market if Kodak maintains the status quo.
 2. What should Kodak's objectives be at this point? What are the possible trade-offs between market share, profitability and brand equity?
 3. Evaluate the general concept of the Funtime proposal and its implementation details given consumer behavior.
 4. Evaluate other action plan options such as a price cut on the flagship Gold Plus brand, and increased advertising. Be explicit about your objectives and your expectations from competitors and the marketplace.

Hint: You'll need to do SOM and b/e calculations.

Class #13: Pricing & Product Selection in Competitive Markets (Wed 3/4)
Module: Pricing to Capture Value

DUE: Your hardcopy case write up is due **BEFORE** the start of class.
THIS IS AN INDIVIDUAL ASSIGNMENT

Readings: Note on Behavioral Pricing (HBS 5-599-114)

Simulation: *Week 5 team decisions must be submitted before midnight tonight.*

Case: Tweeter etc. (HBS 5-597-028)

- Questions:**
1. Describe Tweeter's positioning prior to 1993. Describe Tweeter's positioning after 1993. Is this a positive change? Why or why not?
 2. In 1993, what were Tweeter's competitive alternatives? What would you have done?
 3. What is the purpose of regular price protection policies? What are they designed to do and who are they designed to influence? How is Automatic Price Protection (APP) the same and how is it different?
 4. Is APP a defensive strategy or an offensive strategy on the part of Tweeter? What are the implications of APP for growing Tweeter's market share over time?
 5. Has APP been effective?
 6. What are the major competitive challenges that Tweeter faces today? In light of these challenges, should Tweeter keep or abandon APP?

*Be specific and detailed in you analysis and recommendations.
Hint: Analyze mean prices within categories and between comparable products.*

Class #14: Global Branding Communication Strategy (Mon 3/9)
Module: Communicating Value

Readings: *The Strategic Communication Imperative* (reprint SMR174)

Case: Heineken N.V.: Global Branding and Advertising (HBS 9-596-015)

- Questions:**
1. What are Heineken's strengths and weaknesses? Is Heineken a global brand?
 2. Evaluate the research. What has been learned?
 3. How can the Heineken brand be developed through marketing communications?
 4. What should be the role of Heineken's headquarters in shaping the marketing of the brand worldwide?

Class # 15: Global Branding and Communications Strategy (Wed 3/11)
Module: Communicating Value

Simulation: *Week 6 team decisions must be submitted before midnight tonight.*

Case: Samsung Electronics Company: Global Marketing Operations (HBS 9-504-051)

- Questions:**
1. What are the ingredients of SEC's corporate turnaround strategy?
What are the implications for marketing?
 2. How strong is the Samsung brand? Can Samsung pass Sony and become a top ten global brand?
 3. As Chief Marketing Officer, what are Kim's roles and responsibilities?
How has he built his influence?

Class #16: Embedding Popular Culture in Brands (Mon 3/16)
Module: Communicating Value

Readings: *Tacit Meaning in Disguise: Hidden Metaphors in New Product Development and Market Making* (reprint BH213)
GZ's PPT slide summary of Prof. Gerald Zaltman's *How Customers Think* (Available on WebCT)

Case: Mountain Dew: Selecting New Creative (HBS 9-502-040) (**multi media case**)

- Questions:**
1. Carefully analyze the existing and proposed Mountain Dew ads.
 2. How well does each ad leverage:
 - a. The brand's historic equity
 - b. The consumers' cultural understandings of the brand
 - c. The communications goals for this campaign?
 3. Which ads would you invest in? Why?

Class #17: Corporate Image Advertising (Wed 3/18)
Module: Communicating Value

Simulation: *Week 7 team decisions must be submitted before midnight tonight.*

Case: Chevron Corporation: Corporate Image Advertising (HBS 9-591-005)

- Questions:**
1. Who should be the target of Chevron's corporate advertising? Are they aiming at the right target?
 2. What is the value of corporate image advertising?
 3. Do the measures used enable Chevron to differentiate between effective and ineffective advertising?

Class #18: Internet Customer Acquisition
Module: Selling the Brand and the Message

(Mon 3/23)

Readings: Customer Profitability and Lifetime Value (HBS 9-503-019)
Companies and the Customers Who Hate Them (HBR reprint R0706E)

Case: Internet Customer Acquisition Strategy at Bankinter (HBS 9-103-021)

- Questions:**
1. Evaluate Bankinter's business strategy by considering its strengths, weaknesses, opportunities and threats.
 2. Evaluate Bankinter's Internet customer acquisition strategy.
 3. Bankinter is considering a proposal from a potential e-collaborator called IberianWines.com. This is a website that sells fine wines from Spain and France to consumers in Spain. Through this site customers are able to place orders, be notified of new vintages of their favorite wines when they are available, receive recommendations for new wines based on their past purchases, view ratings of the wines they purchased through the website and receive wine of the month promotions. Members are also able to send gifts, follow results of leading wine competitions, plan trips to vineyards, and search databases. IberianWines.com also offers articles and reviews featured by wine connoisseurs and famed sommeliers for interested wine aficionados. IberianWines.com wants €100 referral fee for every customer that clicks on a Bankinter banner at its website and fills out an application form. Current e-collaborators are typically paid €60, which is often shared equally with the consumer, however IberianWines.com wants €100 for itself. The company is also open to other contract forms.
IberianWines.com has indicated that it has very small clientele in the young adult market. Students with internet access often sign up for bank accounts but rarely transact through them afterwards. Due to this, Bankinter is not sure how to estimate the cash flow of new customers from IberianWines.com. Cash flows from existing internet customers and e-collaborators are a starting point, but it is not sure how the different demographic profile of IberinaWines.com customers would affect its estimates of the lifetime value of customers.
 - a. What is your estimation of the lifetime value of an average customer from IberianWines.com? (See Bankinter Customer Profitability spreadsheet online at WebCT) The comments in cells A11 through A16 in the spreadsheet will probably be helpful in understanding the spreadsheet. You can change the parameters in cells highlighted in green in the spreadsheet.
 - b. Should Bankinter agree to pay an additional €100 referral fee for every customer that clicks on a Bankinter banner at IberianWines.com website? If not, how much should they be willing to pay and how should they structure their contract with IberianWines.com?
 4. What should Bankinter's strategy be for the e-collaborators, alliances, and branch 8700 programs in general? To answer this question, you can perform sensitivity analysis by changing the values of cells in green in the Bankinter Customer Profitability spreadsheet. If you were running

Bankinter, what strategy can you adopt to change some of the parameters (such as attrition rates, cash flows, and ratio of profitable to unprofitable customers)? Which parameters would you like to change? How easy or hard will they be to change and what impact will such a change have?

5. What action plan would you recommend to Ana Peralta? Prepare an executive summary to be presented to analysts in the forthcoming meeting with them.
6. What are the advantages and shortcomings of computing lifetime value?

Class #19: Cross-Selling, CRM and the Internet
Module: Selling the Brand and the Message

(Wed 3/25)

Simulation: *Week 8 team decisions must be submitted before midnight tonight.*

Readings: Strategy and the Internet, by Michael Porter (HBR reprint 6358)

Case: Arrow Electronics, Inc. (HBS 9-598-022)

- Questions:**
1. How do the Arrow/Schweber (Arrow) salespeople build their relationship with their customers? Specifically, how do they leverage Arrow's product line B&S versus VA products to add value to their customers?
 2. What is Arrow's business model? What value does it add for its suppliers? What value does it provide its customers?
 - a. In order to understand the Arrow's customer management model, it is important that we have an answer to the question of "what does Arrow sell and to whom," and "where does it make money?" The following information should provide you with some directions to develop a matrix of sales of book and ship and value added products to transactional and relational customers.
 - b. On case pg 11, it is mentioned that, under the optimistic scenario, Arrow would lose all its transactional customers. In exhibit 7, we find that under the optimistic scenario Arrow will cannibalize \$293 million of B&S sales.
 - c. On pg 11 of the case, it is mentioned that under the pessimistic scenario Arrow would lose all of its transactional customers and 40% of its relationship customers. In exhibit 7, we find that under this scenario, Arrow will cannibalize \$601 million of B&S sales.
 - d. With the matrix of what Arrow sells to whom, and the fact that Arrow makes 10 – 15% gross margins on VA products (case page 8, last paragraph; for your analysis you can take an average of 12.5%). On page 6, it says that Arrow makes 20 – 25% on standardized (or B&S) products (assume 22.5%). Calculate the impact on Arrow's profitability under different scenarios if it were to work with Express.
 3. How does Express affect Arrow's business model and its selling effort? Will Arrow be able to keep its margins above 15%, the objective set by Steve Kaufman (case page 11)?
 4. What is your action plan? How should Arrow respond to the Express proposal? Should they accept or reject it? What other measures should they take?
 5. Explore the relationship between Arrow and its suppliers. How do the suppliers reward franchised distributors? What are design wins? Jump balls?
 6. How does the Arrow salesperson build their relationship with customers that buy B&S and VA products from Arrow? What is the impact of the internet on the Arrow salesperson?
 7. Do you think the internet is a friend or a foe to Arrow? In what ways can Arrow leverage the internet to facilitate its sales effort?

Hint: Don't let the B2B terms overwhelm you. They are good terms to know. Exhibit 3 conveniently lists all the relevant terms. Keep it handy.

Class # 20: **Selling Yourself, Your Ideas, and Your Products** (Mon 3/30)
Module: **Selling the Brand and the Message**

Readings: *Ending the War Between Sales and Marketing* (HBR reprint R0607E)

Ned Dubilo, EVP Smith Barney/Citi. Lecture on personal selling.

Class #21: **Capstone Case: Integrated Mktg Plan for an Existing Product** (Wed 4/1)
Module: **Integrated Marketing Strategy**

Simulation: *Week 9 team decisions must be submitted before midnight tonight.*

Case: Kingsford Charcoal (HBS 9-506-020)

- Questions:**
1. What is your action plan? What should brand managers Marcilie Smith Boyle and Allison Warren propose to their managers, Gordon and LaMontagne? (*Hint: 4 Ps*)
 2. How did Clorox get itself into its present situation? Of what relevant trends should Kingsford brand managers be aware?
 3. Why do people grill? Profile a frequent griller. Why do people use charcoal versus gas when grilling?
 4. How does your action plan affect Kingsford's business objectives including market share, profit and franchise?
 5. What is the relevant category definition here? What marketing objectives do you recommend for the Kingsford brand?

Class #22: Capstone Case: Integrated Mktg Plan for an Existing Product (Mon 4/6)
Module: Integrated Marketing Strategy

Case: Product Team Cialis: Getting Ready to Market (HBS 9-505-038)

- Questions:**
1. What are the most relevant dimensions along which to segment the patient market for ED treatment? Of the segments identified, which would you target initially with Cialis?
 2. What is Viagra's positioning in the marketplace in 2002? How would you characterize the Viagra brand?
 3. What would be the most effective way to position Cialis in the marketplace?
 4. What marketing mix activities should accompany the launch of Cialis?
 - a. What would be the most important messages to communicate to the target patients? To physicians? To partners?
 - b. What medium would you use to reach each of these parties and what would your relative resource allocations be to each?
 - c. How would you price Cialis (assuming no health care coverage)? What type of promotions would you offer?
 5. What competitive response do you anticipate from Pfizer? From Bayer-GlaxoSmithKline?

Class #23: Course Review (Wed 4/8)
Module: Marketing Strategy

Case: There is no case assignment due for this class. We will review all the cases we've analyzed this semester. In preparation, take the time to review the cases we've discussed this semester. What are the 2 or 3 important points of learning for each case?

DUE: PowerPoint slides are due from all teams at the start of class.

All teams must submit hard copy of their PPT slides at the start of class. Teams may not alter their slides after they have been submitted for any reason. On the day of your presentation, be sure that your slides are loaded and ready to go before the start of class so that we can use every minute productively.

Each student will also turn in their individual, confidential team assessments.

Final Project Presentations

Team 1

Each student will bring a presentation evaluation sheet to each of the last four days of class in order to rate other teams' presentations.

Passover Break 4/9 thru 4/16. Enjoy the holiday and your time off.

Class #24: Marketing Strategy (Mon 4/20)
Module: Shareholders' Meetings

Teams 2 - 4

No class on Wednesday, 4/22 – Brandeis Thursday schedule

Class #25: Marketing Strategy (Mon 4/27)
Module: Shareholders' Meetings

Teams 5 - 7

Class #26: Marketing Strategy (Wed 4/29)
Module: Shareholders' Meetings

Teams 8 - 10