University of Washington, Foster School of Business

BA 500 (Marketing Strategy), Fall 2015
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Office Hours: Wednesdays 2.30 pm to 3.30 pm

COURSE SYLLABUS

OPTIONAL TEXT

- Kotler & Keller, *A Framework for Marketing Management*, Prentice Hall, 6th edition, 2015 (K & K). All chapters are in K & K. Except for those noted in the pages that follow, all cases and readings are in the Course Pack available at the Bookstore. This optional text (also on reserve in the Foster Library) is a comprehensive resource for material relating to marketing theory and practice. It is an "encyclopedic" treatment of marketing and covers almost all of the issues we will discuss throughout the course.

PERFORMANCE EVALUATION

- Grades will be based on class contribution, several deliverables, and a final exam. The breakdown of the grade for the Marketing Strategy core is as follows:

  1. Class Contribution 15%
  2. Deliverables 55%
     - Media Moment 05%
     - 2 Mini Deliverables 10%
     - 2 “MEMO” Deliverables 40%
       - Clean Edge Memo 20%
       - Atlantic Computer Memo 20%

  [There are 10 cases to be discussed in class. Of these 10 cases, 2 are to be submitted as Memo Deliverables as mentioned above.]
  3. Final Exam (open notes, open book) 30%

CODE OF CONDUCT

Please familiarize yourself THOROUGHLY with the Foster MBA Honor Code. In keeping with this code, some key aspects are repeated here. Each student is required to write and sign a deliverable affirmation for every assignment turned in to the instructor. This affirmation should state the following: “I have neither given nor received unauthorized aid on this deliverable.” In marketing, each of the deliverables is team-based, therefore every member of the team must sign this statement. If this signed affirmation is missing, your deliverable will not be graded. Also, please do not use ANY past deliverable of any students – whether at Foster or not - to guide your work. Doing so will constitute a violation of the Foster MBA Honor Code.
Course Objectives

The ultimate goal of most (but not all) businesses is to make profits. If businesses make sustained losses over a period of time, they cannot survive (without intervention). Profits fundamentally depend on a firm’s ability to persuade consumers to buy its products/services, contributing to its revenue streams, while keeping costs to a minimum. A key purpose of marketing is to enable businesses to successfully interface with consumers. In this sense, business success is heavily dependent on the marketing function. Over the years, sufficient research has been documented that has enabled us to accord a structure and scientific discipline to the “marketing common sense”. Today, we understand that marketing involves identification and satisfaction of consumer needs through a process of exchange that creates value for the marketer as well as the consumer – value that is in some important way superior to that delivered by competition. Identification of a consumer need is typically accomplished by research and satisfaction is achieved by offering the consumer the right product at the right price and at the right time promoted using the right strategies and made available through the right outlets - in short, using the right marketing mix.

The Marketing Strategy component of the core will introduce you to a marketing strategy framework and related concepts that are central to understanding and analyzing a marketing situation. This component will also sensitize you to the activities which marketers undertake in trying to achieve success for their products/services/corporations. Finally, it will provide you with practice in solving marketing problems through frequent use of case studies. There are several readings and cases which form an integral part of the material for the course, and you will find that reading them analytically (as against superficially) will give you a significant advantage in your respective careers, regardless of which functional discipline you finally opt for.

Course Design

The Marketing Strategy course comprises of 20 sessions, each session running 110 minutes (please refer to pages 7 through 25 of this handout for details of each session). Conceptually, these 20 sessions have been divided into three phases.

Phase I. The first phase, comprising of the first 8 sessions, will focus on the concepts, tools, and analyses that underlie marketing decisions. Topics will include, among others, consumer analysis, competitor analysis, market segmentation and positioning, break-even analysis, designing and conducting marketing research, and issues associated with designing a marketing strategy. Concepts and techniques from core disciplines like psychology, sociology, and economics will be used frequently throughout the course and particularly during the first phase.

Phase II. The second phase, comprising of the next 6 sessions, focuses on using the concepts and tools learnt in the first phase to make effective marketing decisions pertaining to product design and development, pricing, promotion, and distribution. In this phase, you will see the utilization of what you learnt in the first phase.

Phase III. The last 6 sessions will complete the core. During these sessions, we will focus on special topics which are related to each of the topics covered in the preceding part of the course. Included in these are issues relating to brands, global issues in marketing, and ethics. These sessions will also be used for topics that students want re-discussed or explained in detail.
Teaching Style

In terms of teaching style, the course will rely HEAVILY on your contribution to the class proceedings (more on this issue on the next page). 10 of the 20 sessions have cases which will form spokes for further discussion. The other 10 sessions include lectures, presentations, reviews, and discussions. Thus, a conscious attempt has been made to balance workload using a mix of cases and other forms of pedagogy without compromising on the learning objectives.

Performance Evaluation

Class Contribution (15%)

A large part of the session will be devoted to discussing the case, if assigned for the day. References to the text and other readings will be in light of the case and rarely for their own sake. It is imperative therefore that you do the assigned reading for the session in advance. The following steps are recommended in terms of preparing for a case for a given class session:

1. First, give the case a cursory reading (45-60 minutes).
2. Next, go through the readings and chapters assigned/recommended for the day. Think of your own experiences as a consumer and/or a marketer that may relate to the concepts discussed in the text and the additional readings. This will help you “visualize” the material in the text and “live it,” in some sense.
3. Now read the case carefully and analytically (more on this later).
4. Once you’ve understood the main issues, go back to the key concepts of the day’s readings and chapters and apply them to the case. Try and make notes as you go along to enhance recall if and when you are called upon in the class to discuss any issues in the text or in the case.
5. If the case asks you to make a decision, think through the issues being faced by the case protagonist and based on a careful analysis, suggest a recommended course of action.

The case situations that will be discussed have been developed after careful research on actual situations in real companies. The case writer has attempted to describe enough of the background and details of the situation in order to provide an adequate basis for class discussion. Each case is bound to lack some facts that, ideally, you would like to have to make a possibly better decision. You may be aware that in real life, management decisions frequently must be made in the absence of information. A key executive skill is the ability to make effective decisions under uncertainty. A case discussion is preparation for just such situations.

Thorough preparation on the part of all class participants is essential to having a fruitful class discussion. Merely reading the case will not be enough. After an initial reading to get the broad pattern, go back and study the case thoroughly, developing your understanding of the problems confronting the individuals in the case in light of the material covered till that point in time, the assigned text, and other readings on that particular day. Make any notes you find helpful and mark up the case to facilitate structuring your understanding of the situation. Identify the major problems and key relationships. Conceive alternative solutions to the problem and identify the advantages and disadvantages of each. Rarely does a case contain an ideal solution to the problem highlighted in it. So do not expect a perfect all-encompassing solution at the end of the case discussion. In most cases, no such answer will emerge because each management problem often has multiple alternative solutions, each involving different degrees of costs and benefits. The major benefit of the case discussion is that it provides the participants...
with a perspective and a repertoire of ideas which non-participants will lack. It is your responsibility to prepare a complete analysis of every case, ranging from identification of the problem, through an analysis of the problem, to the generation of alternative solutions and final recommendation. Be prepared to defend your stand and recommendation in the class if called upon in class to discuss these.

The purpose of class participation is for you to contribute to and demonstrate learning through the reading material assigned for the day and the case discussion. Do not worry if you have a language or diction problem. So long as you can articulate a concept, everything else is secondary. Do not feel that just because you may not speak English as fluently as you would like to or as some of your peers do, you cannot or should not participate in the class. Class contribution is particularly critical during case discussions.

Attendance is strongly advised. Class contribution is one of the components of the grade, so if you are unable to attend one or more sessions, your performance on this component of evaluation will suffer. In addition, learning in a course like Marketing Strategy and related fields is perhaps enhanced more through discussion and debate rather than a one-way flow of communication. If you are planning to miss a session, please inform the professor at least two sessions in advance.

**Media Moment (5%)**

During the quarter, each team will be required to make one 10 min presentation on a topic relating to content matter for the day’s session. The team can search for this topic on the internet, in newspapers, magazines, journals, or any other source. The source should be different from the optional textbook and the material in the course pack. The presentation needs to be treated as formal. The 5% will be divvied into two components – content (4%) and presentation (1%). The session descriptions in the pages that follow contain information regarding your team’s date for the presentation. More information will be provided during the first session.

**Mini Deliverables (10%)**

During the quarter, each team will be required to submit 2 short deliverables, with each deliverable worth 5% of the overall marketing grade. These deliverables will be pertinent to the topic for a specific day. More information is contained in this handout and will be shared during the first session.

**Memo Deliverables (40%)**

In addition to the “general deliverables”, there will 2 (two) ‘MEMO’ deliverables for Marketing Strategy, each of them to be submitted as a team assignment. Both of these involve detailed and thorough case analyses and memo writing. Submit your case analysis using the note titled RECOMMENDATION MEMOS towards the end of this handout. The analyses will be graded largely on how well you have addressed the issues in the case and the logic you have followed in arriving at the recommendations. Suggested questions for the case analyses have been provided in this handout. Prior to each memo submission date, a review session will be held to help you in your submission.

**Final Examination (30%)**

The final examination will be based on the marketing material covered throughout the quarter. It will be integrative and a thinking type exam rather than a memory recall type. A special review session is scheduled to guide you through the preparation for the exam.

*Shailendra Pratap Jain*
Meeting the professor

Please feel free to schedule an appointment with the professor during and beyond his office hours. You are encouraged to discuss any aspects of the course with him outside of the class as well.

Additional Sources of Information

The following is a partial list of possible sources of further information to enhance your understanding of and develop greater interest in the field. Items 7 through 12 are more theoretical and may not be easy reading for the uninitiated. However, if you are interested in theory building and technical aspects of Marketing Modeling and related topics, you may find these useful.

1. Adweek
2. Brandweek
3. Business Week
4. The Economist
5. Fortune International
6. Harvard Business Review
7. Journal of Advertising Research
8. Journal of Consumer Psychology
9. Journal of Consumer Research
10. Journal of Marketing
11. Journal of Marketing Research
12. Marketing Science
13. Sloan Management Review
14. The Wall Street Journal (in particular, the section dealing with Marketing)

THE NEXT SECTION OF THIS HANDOUT CONTAINS:

I. AN OVERVIEW OF SESSION TOPICS AND IMPORTANT DATES (PAGE # 6);
II. INDIVIDUAL SESSION DESCRIPTIONS AND GUIDELINES FOR PREPARING FOR EACH SESSION (PAGES # 7 TO 25);
III. THE “RECOMMENDATION MEMOS” FORMAT DESCRIPTION (PAGES # 26 TO # 32) THAT YOU WILL NEED FOR YOUR TWO ‘MEMO’ DELIVERABLES.

PLEASE ASCERTAIN THAT YOU ARE NOT MISSING A PAGE. IF YOU ARE, BRING IT TO THE PROFESSOR’S ATTENTION IMMEDIATELY.
### OVERVIEW OF SESSION TOPICS AND IMPORTANT DATES

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**FINAL EXAM** 12/14/15, 10 am to 12 noon
FALL 2015

BA 500  MARKETING STRATEGY CORE

Session#  Session Topic and Assignment  Date
1.  Introduction and Course Overview  09/30/15

Case  :  Aqualisa Quartz: Simply a Better Shower.
Read  :  “High Performance Marketing: An Interview with Phil Knight.
Optional  :  Chapters 1, 2 in K & K.

Objectives
- The ultimate goal of business is to make profits/create value. Fundamentally, how profitable/value-creating' a firm is depends on its ability to persuade consumers to buy its products/services, contributing to its revenue streams. Marketing's purpose is to enable businesses to successfully interface with and persuade consumers. In this sense, business success is heavily dependent on the marketing function. Over the years, sufficient research has been documented that has enabled us to give a structure and scientific discipline to the "marketing common sense." Today, we understand that marketing involves identification and satisfaction of consumer needs through a process of exchange that creates value for the marketer as well as the consumer. Identification of a consumer need is typically accomplished by research; satisfaction is achieved by offering consumers the right product at the right price and at the right time promoted using the right strategies and made available through the right outlets - in short, using the right marketing mix.
- In this session, we will use the Aqualisa Quartz case as the springboard to set up the framework for the rest of the Marketing Strategy core. In addition, we will try and develop an initial understanding of the role that marketing plays in business success.

Preparation Guidelines
- Consider the following questions as you prepare for the class:

1. What is the Quartz Value proposition to the consumers? To plumbers?
2. Why is the Quartz not selling?
3. Aqualisa spent 3 yrs and Euro 5.8 million developing Quartz. Was the product worth the investment? Is Quartz a niche or a mainstream product?
4. Aqualisa currently has 3 brands: Aqualisa, Gainsborough, and Showermax. What is the rationale behind this multiple brand strategy? Does it make sense?
5. What should Rawlinson do to generate sales momentum for the Quartz product? Should he change his marketing strategy to target consumers directly, target the DIY market, or target developers? Should he lower the price of Quartz? Or should he do something different altogether?
Session# | Session Topic and Assignment | Date
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2. | Consumer Analysis | 10/05/15

Read: Get Inside the Lives of Your Customers. Should You Listen to Your Customer?

Deliverable: “Understanding Consumers” (Note in the Course Pack).

Optional: Chapters 6, 7 in K & K.

Objectives
- An overwhelming majority of products and services that are launched fail. One reason for their failure is that the marketing of these products/services is based on a superficial understanding of the customer. Thus, when designing a marketing strategy or understanding a business opportunity, it is crucial to understanding your consumers deeply. Answering questions like "Who are (or could be) the customers? What needs do they seek to fulfill? Who/what is currently fulfilling their needs?" gives information on many critical issues such as the type and degree of need, size of the market, potential margin generated, and potential competitive issues. The purpose of this session is to develop an appreciation and understanding of the process of uncovering and analyzing customer needs.

Preparation Guidelines
- While preparing for this session, think of your own experience as a consumer in specific buying and consumption situations based on the readings for this session. Also, reflect on the consumer interview your team conducted (see below for a description). Come prepared to discuss your experience. Part of this session will be devoted to listening to your experiences as consumers and interview findings, and formulating a structure around these shared experiences.
- Consider the following questions as you prepare for the class:
  1. What are the types of consumption situations that consumers are faced with on a day-to-day basis?
  2. How will you characterize the pre-purchase search processes underlying these different consumption situations?
  3. How is the choice made for a) a first time purchase, b) repeat purchase?
  4. What are consumer-level post-purchase considerations that marketers must be concerned with?

For this session, your team is required to interview a customer based on the guidelines included in your Course Pack. The purpose of having you conduct this interview is to bring you face to face with a consumer and gain a deeper understanding of consumer psychology, motivations, and behavior. Much of the class will be spent on discussing your experiences/observations/findings in this customer interview. Note that this is NOT a formal, graded deliverable. However, going through the process of understanding consumers by speaking them face to face is critical to good marketing decisions.

MEDIA MOMENT: TEAM 1 WILL PRESENT THEIR INTERVIEW REPORT AND FINDINGS.
Session# | Session Topic and Assignment | Date
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3. | Competitor Analysis | 10/07/15

Case: Note on the Motorcycle Industry.
Read: Competitor Analysis: Anticipating Competitive Actions.
Optional: Chapter 11 in K & K.

Objectives
- In this session, we will examine demand as well as supply side competitive strategies. The springboard for the discussion will be the case 'Note on the Motorcycle Industry'. This is less a case and more a historical chronicle of the onset of global competition in many categories as we know today, and many important lessons can be learned about competitor analysis from this interesting document.

Preparation Guidelines
- Read the case thoroughly and try and gain an understanding of the environment in which different players were competing, the nature of the strategies they employed, and the outcomes they achieved or failed to achieve.
- Consider the following broad question after analyzing the strategies of different competitors:

1. What was the strategy adopted by the US/UK manufacturers?
2. What was the strategy adopted by the Japanese manufacturers?
3. What were the main differences in the two strategies?
4. What are the lessons learnt about competitive strategy and how competition should be analyzed and addressed?

Liberally use the material covered in the other parts of the core to bring additional insight into the discussion pertaining to this case. You might find your understanding of Strategy from Professor Hill’s class last quarter particularly useful.

MEDIA MOMENT:
TEAM 2 WILL MAKE A PRESENTATION RELEVANT TO UNDERSTANDING/ANALYZING COMPETITION.
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<td>Market Segmentation, Targeting, and Positioning I</td>
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Read : Market Segmentation, Target Market Selection and Product Positioning.

Optional : Chapters 8, 10 in K & K.

**Objectives**
- This class deals with two central concepts in business planning – segmentation and positioning. We will arrive at an understanding and appreciation of these concepts through the readings assigned for this session and in-class discussion.

**Preparation Guidelines**
- While preparing for this session, think of a brand that you consume regularly. Then think of reasons why you consume it. Lastly, think of ALL POSSIBLE REASONS that led you to believe these to be the reasons for your consumption.
- Next, think of a brand that you DO NOT consume and that belongs to a different category from the first. Then think of reasons why you do not consume it. Lastly, think how you came to believe these reasons as the basis for not consuming this brand.
- Based on the readings for the day and your above analysis of your brand choices, come prepared to discuss your thoughts.

MEDIA MOMENT:
TEAM 3 WILL MAKE A PRESENTATION RELEVANT TO THE DAY’S TOPIC OF SEGMENTATION/TARGETING/POSITIONING. USE OF DIGITAL CONTEXT IN ENCOURAGED.
Objectives

- This session will be devoted to understand the purpose of market research, some types of market research, an 'ideal' research process, pitfalls of various research designs, and to gain exposure to an actual research situation facing a bottled water company.
- This case illustrates important principles of Marketing Research and Marketing Math. It is a two-stage case. First, your team must decide which research to purchase within your $9,500 budget (Note: You do not need to use the entire budget. Your task as consultants is to use the appropriate amount of research without exceeding the budget). You then “purchase” the research (a set of reports) from me and use the results to make a “go/no go” recommendation to Brandon Miller (protagonist in the case). 

  Once you have decided which reports you need, please e-mail the TA, who will then e-mail the reports to you. Please send your e-mail (one per team) before 4 pm on Tuesday, October 13, 2015. If you send your request later than this deadline, the TA is under no obligation to honor your request.

Preparation Guidelines

The following questions will form the basis of class discussion.

- What information would you ideally want to analyze to make the “go/no go” decision?
- How did you decide which information to purchase?
- Given the information at hand, what method of data analysis did you use?
- Are there any limitations to the data as it applies to helping Brandon decide?
- What are the assumptions behind your analysis? How sensitive is your recommendation to those assumptions?
- Are there any qualitative factors that should affect your “go/no go” decision?

This is the 1st of the two mini deliverables. Bring your deliverable in the form of a note not exceeding 1.5 pages in length (12 point font, 1 inch margin all around) clearly explaining a) what should be the key criteria/criterion that the case protagonist should rely on in making his decision, b) why did you choose the reports you did, i.e., how did the use of these reports help your team in addressing these criteria, and c) your recommendation (which should stem from your answers to parts a and b).
Session# | Session Topic and Assignment | Date
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6. | Quantitative Issues in Marketing & Review | 10/19/15

Read : Note on Low-Tech Marketing Math.
Case : Clean Edge Razor: Splitting Hairs in Product Positioning
Optional : Chapters 8, 10 in K & K.

Objectives
- This class deals with the fundamentals of ‘marketing math.’ Basic but critical issues like margin and contribution calculations, market share assessment, and breakeven analysis will be discussed.
- In addition, we will spend some time discussing the memo deliverable due on Oct 26, 2015, pertaining to the Clean Edge case.

Preparation Guidelines
- While preparing for this session, go through the reading thoughtfully and ascertain that you understand the mechanics underlying the calculations.
- Also, read the case and come to the class with questions geared towards preparing you better for the memo deliverable due next class.

MEDIA MOMENT:
TEAM 4 WILL MAKE A PRESENTATION RELEVANT TO QUANTITATIVE DIMENSIONS/ASPECTS OF MARKETING DECISION MAKING.
Session# | Session Topic and Assignment | Date
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7. | Marketing Strategy | 10/21/15

Read : Ken Chenault Reshuffles His Cards.
Optional : Chapter 2 in K & K.

Objectives
- This session will serve to link up the material covered in the Marketing Strategy Core so far and introduce some higher level integrative strategic issues.

Preparation Guidelines
- Consider the following questions as you prepare for the class:
  1. Based on the Fortune article and the other readings, dissect Ken Chenault’s strategy in threadbare detail. What components are related to marketing? What components are related to other management functions?
  2. Identify 3-5 key aspects of his strategy that you think drove the success of his strategy.
  3. Explain why you feel these were the keys to his accomplishments.

You are welcome to do further research to find out what has happened with Amex since the time of this article’s publication. Doing so may help in informing you how various external and internal forces shape the evolution of a firm.
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- **Submit a hard copy of your assignment to the professor right before the class begins. Please submit ONE SINGLE DOCUMENT containing the memo and all attachments/exhibits.**

Case: Clean Edge Razor: Splitting Hairs in Product Positioning

**Objectives**
- This session firms up our understanding of segmentation and positioning through the case discussion and the deliverable. We will also get an opportunity to apply some critical quantitative analytic techniques to a marketing situation.

**Preparation Guidelines**
- Consider the following questions as you prepare for the class:
  1. What changes are occurring in the nondisposable razor category? Assess Paramount’s competitive position. What are the current strategic challenges for Paramount’s current products as well as for Clean Edge?
  2. How is the nondisposable razor market segmented? Examine consumer behavior for nondisposable razors.
  3. What are the arguments for launching Clean Edge as a) a niche product, b) as a mainstream brand, and c) as a product based on another strategy? Which would you recommend? What are the strategic implications of your recommendation?
  4. Be prepared to support your stand with qualitative as well as quantitative reasoning and arguments. Clearly articulate any assumptions that you may have made in your analysis.
  5. Suggest a marketing program (at a minimum, the 4Ps) along with a Pro Forma for your chosen strategy and be prepared to defend it, from a strategic perspective as well as from an implementation viewpoint.

*This is the first of two ‘MEMO’ deliverables. Submit a memo not exceeding 1.5 pages, along with no more than 5 attachments/exhibits that support your recommendation. One of these attachments should be the Options Grid. Please state your assumptions clearly. You can choose to have a separate attachment exclusively for stating your assumptions or you can state your assumptions as you go along (e.g., as footnotes to an exhibit). The memo and the Options Grid formats have been given to you as attachments to this handout towards the end. Please follow the format guidelines closely as there are points set aside for formatting. This is a VERY popular case and is used at many of the top several b-schools. Do not rely on/use deliverables of other teams at Foster or outside under any circumstances.*
Session #  | Session Topic and Assignment | Date
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9. | Product Strategy I | 10/28/15

Read: Defeating Feature Fatigue
Extend Profits, Not Product Lines.

Optional: Chapters 10, 12, 13 in K & K.

Objectives
- In this session, we will discuss some fundamental issues relating to product strategy. In particular, we will discuss a model of consumer purchase decision making and will also discuss the pros and cons of brand and line extensions.

Preparation Guidelines
- Consider the following questions as you prepare for the class:

1. What is the fundamental purpose why consumers buy products/services?
2. Think of a ‘model’ of consumer purchase decision making.
3. Are line and brand extensions good? Or are they bad? Why? Or why not?

MEDIA MOMENT:
TEAM 5 WILL MAKE A PRESENTATION RELEVANT TO PRODUCT STRATEGY ISSUES PERTINENT TO TODAY’S SESSION CONTENT.
### Objectives

- In this session, we will discuss the classic case EMI and the CT Scanner. This case has been discussed by thousands of MBA students all over the world to grapple with the issue: how can a firm that is spectacularly successful become paralyzed in such a short period of time? An examination of this question will lead to a discussion of the theory of product life cycle and how it helps predict market evolution and enables marketers to be prepared for the future that is usually riddled with uncertainty.

### Preparation Guidelines

- Consider the following questions as you prepare for the class:
  1. Describe the situation EMI faces in the case.
  2. How did EMI end up being in this situation? Discuss all factors that could be responsible.
  3. What could EMI have done differently to be in a better position?
  4. What should EMI do now and why?

### MEDIA MOMENT:

TEAM 6 WILL MAKE A PRESENTATION RELEVANT TO PRODUCT LIFE CYCLE.
### Session # | Session Topic and Assignment | Date
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11. | Advertising and Promotions (Mini II) | 11/04/15

Read : Marketing Communications.
Optional : Chapters 17, 18 in K & K.

**Objectives**
- This session will focus on considerations involved in advertising strategy. In particular, a framework to analyze/critique advertising will be discussed.

**Preparation Guidelines**
- Pick an ad in print, or on TV that you believe was particularly 'good' or effective. BASED ON THE READINGS FOR THE DAY AND ALL THE MATERIAL COVERED IN THE COURSE PERTAINING TO MARKET, CONSUMER, COMPETITIVE, COMPANY ANALYSES, AND 4Ps, come prepared to discuss the ad in class and explain why you found the ad appealing/effective.
- *This is the 2nd of the two mini deliverables.* Bring your deliverable in the form of a note not exceeding 1.5 pages in length, explaining why you felt the ad was effective. Try and attach the ad if possible (though this is not required). *Thoughtful structuring* of your explanation is likely to lead to a higher score on this deliverable.
12. Pricing Strategy I

Read: Pricing It Right: Strategies, Applications, Pitfalls.
Optional: Chapters 13, 14 in K & K.

Objectives
- In this session, we will discuss some high level issues pertaining to pricing strategy.

Preparation Guidelines
- Consider some of your recent purchases. Analyze what factors guided your purchases. In particular, how did you process the price information? What role did price play in your purchase? How did you make tradeoffs between price and other features of the product or the situation?

MEDIA MOMENT:
TEAM 7 WILL MAKE A PRESENTATION RELEVANT TO PRICING ISSUES.
Objectives

- In this session, through the case Natureview Farm, a popular and widely used case, we will explore a situation that marketers face routinely – how to make changes to their distribution structure. In doing this, we will discuss the strategic role and functions that distribution channel members perform and the costs and benefits associated with performing them.

Preparation Guidelines

- Consider the following questions as you prepare for the class:
  1. How has Natureview succeeded in the natural foods channel?
  2. What are the two primary types of growth strategies under consideration by Natureview?
  3. How do the three options compare financially in terms of yearly revenue, gross margin, required investment, and profit potential?
  4. If the venture capitalists extended their deadline for meeting the $20 million revenue target by 12 to 18 months, would that change your recommended action plan?
  5. What are the strategic advantages and risks of each option? What channel management and conflict issues are involved?
  6. What action plan should the company pursue? What changes in the current marketing mix, sales, brand, and channel partner arrangements do you recommend in order to implement the action plan?

MEDIA MOMENT:
TEAM 8 WILL MAKE A PRESENTATION RELEVANT TO DISTRIBUTION/CHANNEL ISSUES. USE OF DIGITAL CONTEXT IS ENCOURAGED.
**Session #** | **Session Topic and Assignment** | **Date**
---|---|---
14. | Pricing Strategy II (MEMO II) | 11/18/15

- Submit a hard copy of your assignment to the professor right before the class begins. Please submit ONE SINGLE DOCUMENT containing the memo and all attachments/exhibits.

- Case: Atlantic Computer: A Bundle of Pricing Options
- Read: Financial Analysis for Profit-Driven Pricing. How to Fight a Price War.
- Optional: Chapter 14 in K & K.

**Objectives**

- The goal of this session is to examine an actual pricing situation that involves the application of all the concepts discussed in the course so far (consumer analysis, competitive analysis, company analysis, segmentation, positioning, product strategy, etc.). Also, we will discuss how various ECONOMIC as well as PSYCHOLOGICAL considerations impact price of a product upwards or downwards.

**Preparation Guidelines**

- Consider the following questions as you prepare for the class:
  1. What price should Jowers charge DayTraderJournal.com for the Atlantic Bundle (i.e., Tronn servers+PESA software tool)?
  2. Think broadly about the top line revenue implications from each of the four alternative pricing strategies. Approximately how much money over the next three years will be “left on the table” if the firm were to give away the software tool away for free? i.e., status quo pricing) vs. utilizing one of the other pricing approaches?
  3. How is Matzer likely to react to your recommendation? How is Cadena’s sales force likely to react to your recommendation?
  4. What can Jowers recommend to get Cadena’s hardware oriented sales force to understand and sell the value of the PESA software effectively?
  5. How are customers in your target market likely to react to your recommended pricing strategy? What response can be provided to overcome any objections?
  6. How is Ontario Zink’s senior management team likely to react to the Atlantic Bundle?

*This is the second of two MEMO deliverables. Submit a 1 to 1 ¼ page memo along with no more than 5 attachments/exhibits that support your recommendation. One of these attachments should be the Options Grid. Please state your assumptions clearly. You can choose to have a separate attachment exclusively for stating your assumptions or you can state your assumptions as you go along (e.g., as footnotes to an exhibit). The memo and the Options Grid formats have been given to you as attachments to this handout towards the end. Please follow the format guidelines closely as there are points set aside for formatting. This case is popular at several top b-schools. Do not rely on/use deliverables of other teams at Foster or outside under any circumstances.*

Shailendra Pratap Jain
Session#  Session Topic and Assignment  Date
15.  Integration  11/23/15

Optional  :  Chapter 22 in K & K.

Objectives
- In this session, we will use a case featuring a well-known category to see the interplay of different elements of a marketing plan coming together. This case will serve to integrate our thinking about components of a marketing decision.

Preparation Guidelines
- Consider the following questions as you prepare for the class:

1. What are some ways to segment the patient market for ED? What segmentation strategies may be better than others? Which would you target initially for Cialis?
2. What is Viagra’s position in the market in 2002? How would you characterize the Viagra brand?
3. What in your opinion is the most effective way to position Cialis? Why?
4. What marketing mix activities should accompany the launch of Cialis?
   a. What would be the two most important messages to deliver to the physician? To the patient? To partners?
   b. What will be your media strategy and your relative media budget mix?
   c. How would you price Cialis (assuming no health care coverage)?
   d. What type of promotions will you use?
5. What competitive response do you expect from Pfizer? From Bayer-GlaxoSmithKline? How do you plan to deal with it?
Session # | Session Topic and Assignment | Date
---|---|---

Case : Sephora Direct: Investing in Social Media, Video, and Mobile

Objectives
- The goal of this session is to understand the implications of the emergence of social and other platforms in marketing. We will examine a case where a firm is faced with the decision to go digital, has to allocate budget to this endeavor, and figure out how to measure its ROI.

Preparation Guidelines
- Consider the following questions as you prepare for the class:
  1. Assuming Julie Bornstein receives the additional funding, how should Bornstein allocate her budget across the various digital categories? Given that the additional funding requested must be shifted from Sephora’s other marketing spending, where would you propose to cut? Why?
  2. What do you make of Sephora’s digital and social media efforts as of the fall of 2010? Was it wise in your opinion to create Beauty Talk as a separate social platform to Facebook?
  3. As Sephora increasingly dabbles with digital marketing and social media, which competitors should the company be most worried about?
  4. What metrics do you propose Sephora Direct use to measure the success of its digital efforts going forward?
  5. What should be the strategic goal of Sephora’s digital and social marketing programs? How can Bornstein satisfy the CEO’s desire to “win” in the digital space?

MEDIA MOMENT:
TEAM 9 WILL MAKE A PRESENTATION RELEVANT TO DIGITAL MARKETING ISSUES.
<table>
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<tr>
<th>Session #</th>
<th>Session Topic and Assignment</th>
<th>Date</th>
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<tbody>
<tr>
<td>17.</td>
<td>Brands</td>
<td>11/30/15</td>
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Optional : Chapter 9 in K & K.

**Objectives**
- Brands are the engines that determine a company’s fortunes. In this session we will bring together many aspects of the content covered in the Marketing Strategy core so far and unify them under a discussion of Brands, how they become strong/weak, and what are the considerations that should go into branding.

**Preparation Guidelines**
- Think of a ‘strong’ brand. What in your mind makes it ‘strong’?
- Think of a ‘weak’ brand. What in your mind makes it ‘weak’?
- In answering these questions, think about what constitutes brand strength. Base your response on your experiences as a consumer, as an employee, and/or any other material you have read in this or other courses.

**MEDIA MOMENT:**
TEAM 10 WILL MAKE A PRESENTATION RELEVANT TO BRAND-RELATED ISSUES. USE OF DIGITAL CONTEXT IS ENCOURAGED.
Session # | Session Topic and Assignment                  | Date    
----------|-----------------------------------------------|---------
18.       | International Marketing Issues               | 12/02/15

Case      : Citibank: Launching the Credit Card in Asia Pacific (A).
Read      : Distance Still Matters: The Hard Reality of Global Expansion.
Optional  : Chapter 21 in K & K.

Objectives
- This session will help you develop an appreciation for issues involved in marketing at a global level. In addition, you will gain exposure to cultural classifications that carry important implications for marketing.

Preparation Guidelines
- Consider the following questions as you prepare for the class:
  1. Examine consumer behavior in the credit card category. What are some of the cross-cultural differences pertaining to this category?
  2. What are Citibank’s strengths and weaknesses as a brand in Asia Pacific vis-à-vis the US? Is it a global brand? Why or why not?
  3. Evaluate the research in the case. What has been learned? In your opinion, what additional information is required to determine whether Citibank should launch the credit card or not?
  4. Should Citibank launch the credit card or not? What are the qualitative and quantitative reasons for either of the two recommendations?
  5. What should be the segmentation and positioning strategy and what should be the marketing mix if you recommend that Citibank launches the card?
  6. In general, what specific elements of the marketing mix are more/less easily standardizable across different cultures?

MEDIA MOMENT:
TEAM 11 WILL MAKE A PRESENTATION RELEVANT TO INTERNATIONAL MARKETING ISSUES.
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<tr>
<th>Session #</th>
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<tbody>
<tr>
<td>19.</td>
<td>Marketing Ethics</td>
<td>12/07/15</td>
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**Readings**
None.

**Objectives**
- The goals of this session are
  a. To expose you to ethical issues in marketing.
  b. To stimulate a deeper understanding and appreciation of ethical dilemmas inherent in almost every marketing decision.

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<th>20.</th>
<th>Summary &amp; Review</th>
<th>12/09/15</th>
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Read : Marketing is Everything.

**Objectives**
- The last session will be devoted
  a. To recap the central issues discussed throughout the course.
  b. To internalize the marketing strategy framework.
  c. To discuss some future trends that may significantly impact marketing decisions.
  d. To review key concepts with a focus on helping you prepare for the final marketing exam.

**Preparation Guidelines**
- Think about the marketing strategy core. In particular, consider the following questions as you prepare for the class:

1. What is the role of Marketing in a firm?
2. What are the components of a marketing plan?

**FINAL EXAM**
12/14/15, 10 AM TO 12 NOON
RECOMMENDATION MEMOS

A recommendation memo is a routinely used document in leading firms and many of you in marketing/brand management jobs may be writing such memos. Those of you in other functions may be communicating with marketing/brand managers on the basis of such memos. Therefore, it is essential that you gain practice at writing them.

The purpose of a recommendation memo is to concisely recommend a course of action and provide rationale supporting the recommendation. This note describes how your team should approach writing a recommendation memo for the deliverables in the marketing core. The second part of this note gives you a sample memo that you should use to write your own memos for these assignments. Note that the format of the memos may vary from company to company. Therefore, while following the memo format as given in this note, bear in mind that the goal here is merely to expose you to memo writing and enable you to communicate as a manager in as concise a manner as possible.

WHAT IS A RECOMMENDATION MEMO?

The recommendation memo is a one-page document (not including exhibits) that recommends your course of action and rationale. This format promotes a concise and clear strategic thought process. Equally importantly, it mimics managerial practice. If your memo exceeds 1 1/4 pages, it is TOO long!

ELEMENTS OF A RECOMMENDATION MEMO

1. **FIRST PARAGRAPH**
   This paragraph expresses your intent or action (“This recommends…”).
   - Topic overview (the “what”, not “when” or “how”): costs, funding, etc.
   - Ends with the hook: selling idea, the “why” or payoff: this part reveals the author’s point of view.

   **Checklist**
   - Is there a clearly stated purpose/objective?

2. **BACKGROUND**
   This paragraph explains why we are talking about this today. It lays out the story.
   - Historical: not “new” news (i.e., none of your case analysis will appear here).
   - Highlights what brought us to this moment, why we are in this position, what brought about the need to make this decision.
   - Dimensionalize the importance to the organization (e.g., important profit and/or market share goal).
   - Constraints – such as budget, capacity, technology, people, etc.
   - This section is both brief and factual.
Checklist
- Is the background clear, concise, and easy to follow?
- Does it explain why action is needed now?
- Does the appropriate sense of urgency come across?

3. RECOMMENDATION
Here, you detail what to do, when to do it, and how to do it.
- The details of “what”, “when”, and “how”. NO “why”.
- This section should be very specific (100% clear). It must be actionable (How much will it cost, when, how, who). The reader should be able to read this and know how to carry out this recommendation.
- Some cases may require more than one recommendation.

Checklist
- Is the recommendation clear and actionable? Could someone else implement it?

4. BASIS FOR RECOMMENDATION
Here the reader learns WHY each recommendation is the UNIQUE right thing to do.
- 2-3 solid reasons are typical. Any other action should seem less appealing.
- This section flows from the opening “hook”; links to the original recommendation.
- Support includes impact on profit, share, AND anything else affecting long-term performance of the company/brand.
- Analysis should address quantitative issues such as NPV, cannibalization, break even analysis, pro forma statement of project, sensitivity analysis; as well as qualitative issues such as reasons why consumers buy the brand, impact on other brands of the firm, impact on retail relationships, competitive reactions, etc.
- Appeals to precedent and anecdotal evidence in absence of data, but only in limited, carefully constrained manner.
- Shows how the recommendation will put the brand (firm) at a competitive advantage.
- The goal is to read the basis and conclude the recommendation.

Checklist
- Is the recommendation an inescapable conclusion of the basis?
- Does the basis for recommendation appropriately consider:
  1. Market size, category trends?
  2. Core competencies and consistency with mission of the company?
  3. Consumers (builds on important insights)? Competitors?
  4. Financial Attractiveness (e.g., NPV, ROI, break-even, payback)?
  5. Are all assumptions explicitly stated (e.g., growth rates, market size)? These could be stated in exhibits/attachments.
5. **DISCUSSION**
   - Outline other alternatives not selected.
   - Discuss risks and key assumptions (use full disclosure, reference Options Grid) of your recommendation.
   - When you give a precise number or range, you must support the basis as well.

   **Checklist**
   - Is the analysis thorough with key alternatives fairly considered (see the attachment OPTIONS GRID)?
   - Risks associated with recommendation are properly addressed? In other words, don’t just state the risks but try and address them through your recommendation(s) as best as you can.

6. **NEXT STEPS**
   - Orient to the reader
   - Specify date and action needed (what will be done, by whom, and by when)

   **Checklist**
   - Clear follow-up/next steps?
   - If appropriate, lay out timeline with key milestones to implement recommendation.

7. **EXHIBITS**
   - An Exhibit can be a graph, grid, or simple table.
   - List assumptions used in calculations. Do not assume that the reader can read between the lines. So, state every assumption explicitly.
   - Exhibits should have Title, sources, footnotes to calculation. The point of the Exhibit should be instantly clear to the reader.
   - Exhibits should be cited in the proper order (i.e., do not cite Exhibit 4 first in your Memo and then Exhibit 2).

   **Checklist**
   - Is the analysis precise, accurate, and data-based?
   - Are the exhibits clearly laid out, titled, and referenced in the memo?
   - Is every assumption explicitly listed?

**NOTE:** Every memo may not include every element described above. The specific case will dictate what must be included. An example is attached.
SAMPLE MEMO FORMAT

To: (Name of supervisor as per the case goes here; DON’T PUT THE PROFESSOR’S NAME HERE! ☺)
From: Your team designation/title/cohort and number
Date: 
SUBJECT: NAME OF CASE AND RECO TOPIC

This recommends ____________________________________________________________

Implementation will take place within ____ days of approval. Improved sales, reliability, profitability, productivity, and/or reduced costs will result from these actions (state specific numbers if possible). Sales (Name), Finance (Name), and Manufacturing (Name) concur (If applicable).

Background
• These key facts help explain why we are thinking about this situation today.
• At times, the background paragraph is a good place in a recommendation memo to document the gap between the “real” and the “ideal”. When you use it this way, be sure it sets up each of the reasons in the “Basis for Recommendation” section of the memo.
• Do not include obvious or unnecessary facts. Do not include information found while looking into the situation. This is for information that caused us to look into the situation.
• It is best to simply tell a simple and concise story.

Recommendation
• This describes what we are going to do and how we intend to do it. Limit this section to major points. Implementation details and caveats are discussed in the “Discussion” section following the “Basis for Recommendation” section.
• Our objective is to ____________________________________________________________

Basis for Recommendation
• We state our most important reason here. It is numbered, underlined, and stated in a full sentence. We present data here to prove the claim made in point 1, making sure that the first sentence of this section clearly extends from the data. The claim must be the inescapable conclusion of the data. If there are more than four rows of data, use an exhibit (i.e., refer to Exhibit 1). Exhibits must be clearly labeled and numbered.
• We state our second most important reason here. We present data to prove the claim made in point 2.
• 3 points are typical.
Discussion:
- Here we discuss a) implementation details, and b) qualifiers, such as risks and rejected alternative solutions.

Next Steps:
- Here we tell the readers exactly what we want them to do and when we want them to do it. We also lay out a timetable of key milestones to implement the recommendation. A throw-away schedule should be prepared if high stakes are involved.

[YOUR MEMO SHOULD NOT EXCEED 1 ¼ PAGES. THIS PAGE LIMIT IS NOT TO RESTRICT YOUR THINKING. RATHER, IT IS MEANT TO MIMIC MANAGERIAL PRACTICE SO YOU GET EXPERIENCE AT WRITING MEMOS IN FORMATS AS CLOSE TO WHAT IS DONE IN PRACTICE AS POSSIBLE.]
It is important to recognize that every marketing problem has more than one solution. Our task in marketing (in fact, in management in general) is to make educated decisions that we can communicate to others. In doing this, it is helpful to have some tools to evaluate each option facing us. For the marketing core, we will rely on what we call an Options Grid. You are required to complete options grids for each of the assignments. This is so we believe that the more you use them, the more clarity you will gain in examining alternative courses of action in any given marketing/management situation. In addition, options grids will help you to organize your thoughts for writing up memos for the marketing core assignments and could potentially help you in other courses as well. However, note that the options grid and the memo are not meant to be substitutes for formats that other professors expect you to follow for their courses.

The key areas that are included in an Options Grid are as follows:

- **Description of Option:** This is a brief description of what each option entails. It is good practice to describe no more than 4 options. 3 is optimal.

- **Overall Assessment:** Whether you recommend the option or not, AND WHY.

- **Strategic Fit:** How does this option fit with the company’s core competencies and vision?

- **Financial Attractiveness:** What is the NPV or break even for the project or option? Can the company make money on it?

- **Noteworthy Risks:** For every option, we make assumptions that we hope prove true. If they don’t, outcomes could change. Here is the area to point out what those risks and limitations could be.

In general, we want to ‘sell’ our point of view and the Options Grid is a good place to do that. However, in doing so, we may sometimes lose sight of objectivity. Be aware of this fallacy and be brutally critical of your recommendation in writing up this options grid. Do not become a victim of what psychologists call the ‘self-serving bias’.

Attached you will find an example of an Options Grid. When you use Options Grids for the cases in the marketing core, please use the attached general format. An options grid, when used, must be an attachment (and not the main memo itself) and it must not exceed **ONE-PAGE**.
### Example of an Options Grid

#### OPTIONS GRID – Wal-Mart- P&G Case

<table>
<thead>
<tr>
<th>Description of Option</th>
<th>Option 1</th>
<th>Option 2</th>
<th>Option 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maintain Pampers as a premium brand and fully support Luvs</strong></td>
<td>Discontinue support behind Pampers and Luvs</td>
<td>Maintain Pampers as a premium brand and move Luvs into private label position</td>
<td></td>
</tr>
</tbody>
</table>

| Overall Assessment | Do not recommend because of high B/E volume and potential cannibalization. | Do not recommend because of move away from core competency and competitive marketplace | Recommend because of high B/E volume, expected market share growth from current product and anticipated market segmentation (provides product to all consumers and dealers) |

| Strategic Fit (Core Competencies) | Provides innovative product offerings and capitalizes on marketing strengths. | Moves away from strong brand identity. Known for marketing strengths. | Provides superior benefit for premium brand and relationship with discount channels through private label. Provides strong financial outcome |

| Financial Attractiveness | Unit B/E Volume = 11.3 million  
Dollar B/E Volume = $174.7 million | Unit B/E Volume = 11.5 million  
Dollar B/E Volume = $165.7 million | Unit B/E Volume = 10.8 million  
Dollar B/E Volume = $156.6 million |

| Noteworthy Risks | • Does not identify cannibalization.  
• Ability to increase selling prices based on superior technology.  
• Does not anticipate competitive reaction.  
• B/E is short run oriented (1 year).  
• Substantial change in market growth of category. | • Flat to declining market share expected.  
• Does not identify cannibalization.  
• B/E is short run oriented (1 year).  
• Substantial change in market growth of category.  
• Perceived by customer as a move away from premium differentiation. | • Substantial market share increases expected.  
• Does not account for cannibalization.  
• B/E is short run oriented (1 year).  
• Does not anticipate competitive reaction. |