University of Washington, Foster School of Business
BA 500 (Marketing Strategy), Fall 2022
Shailendra Pratap Jain; PACCAR 457; Phone 1-2946; spjain@uw.edu
Office Hours: Friday 100 pm – 230 pm
Autumn 2022

COURSE SYLLABUS

OPTIONAL TEXT
- Palmatier & Shridhar, *Marketing Strategy,* Palgrave, 2nd edition, 2018 (P&S). All chapters are in P&S. Except for those noted in the pages that follow, all cases and readings are in the Course Pack which can be bought using the following link: https://hbsp.harvard.edu/import/970762. This text is on reserve in the Foster Library, and is a more strategic treatment of marketing and covers almost all of the issues we will discuss throughout the course…and a lot more in case you are interested.

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. *Session (Pre-Class) Quizzes (individual)* — *10 points*
    2. *Class Contribution (in class; individual)* — *25 points*
        - *In-class participation* — *15 points*
        - *Peer Evaluation* — *10 points*
    3. *Deliverables (Team)* — *90 points*
        - *Breakeven Assignment* — *10 points*
        - *Media Moment* — *20 points*
        - *2 "MEMO" (Case Analyses) Deliverables* — *50 points*
            ➢ Clean Edge Memo — *25 points*
            ➢ Atlantic Computer Memo — *25 points*
        [There are 8 cases to be discussed in class. Of these, 2 are to be submitted as Memo Deliverables as mentioned above.]
        - *Country Selection Matrix* (Uber Case) — *10 points*
    4. *Canvas Participation (individual)* — *10 points*
    5. *Certificates (individual; self-administered)* — *15 points*
        ➢ *Digital Marketing Certificate* — *7.5 points*
        ➢ *Google Analytics Certificate* — *7.5 points*
    5. *Final Exam (individual)* — *50 points*

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.**

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 18, 90-minute Sessions (please refer to pages 7 through 24 of this handout for details of each Session). Conceptually, these 18 Sessions have been divided into three phases.

Phase I. The first phase, comprising of the first 9 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, breakeven 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, promotion, distribution, and pricing. In this phase, you will see the utilization of what you learnt in the first phase.

Phase III. During these last 3 Sessions which complete the core, 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 marketing analytics. 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). 7 of the 18 Sessions have cases which will form spokes for further discussion. The other 11 Sessions include lectures, presentations,

reviews, & 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

Session (Pre-Class) Quizzes (10 points)

Before each Session, you will have an opportunity to respond to a short (5 min) quiz based on the Session's content/readings for that day. There will be a total of 14 quizzes, one for each Session (except for 4 Sessions which have a deliverable due or a guest speaker). There is no make up for quizzes.

Class Participation/Contribution (25 points)

A large part of the Session will be devoted to discussing the case for the day, if assigned. 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 <u>in advance</u>. 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. <u>A key executive skill is the ability to make effective decisions under uncertainty</u>. A case discussion is preparation for just such situations.

Thorough preparation on the part of all class participants is <u>essential</u> 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. <u>So do not expect a perfect all-encompassing solution at the end of the case discussion</u>. 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. <u>It is your responsibility to prepare a complete analysis of every case, ranging</u>

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.

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.

Also, 10 out of 25 points of the class contribution grade in this course will depend on your participation in the team assignments. Towards the end of the course, you will have an opportunity to assess your teammates based on their team assignment contribution, rewarding those who have contributed a lot to these, and holding accountable those who have not. In extreme cases of free riding, a student's overall grade may also be affected.

Breakeven Analysis (10 points)

During the quarter, each team will be required to submit 1 short deliverable relating to *Breakeven Analysis.* Included in this packet is a handout titled Breakeven Assignment (page 26). Please respond to each question in the handout and submit on 10/05/22 by 8:30 am as a single document in the appropriate folder on Canvas.

Media Moment (20 points)

During the quarter, each team will be required to make a 10-min presentation on a topic as indicated in this handout. Teams can search on the internet, in newspapers, magazines, journals, or any other source for help with this presentation. The source should be different from the textbook and the material in the course pack. The 20 points will be divided into two components – content (12 points) and presentation (8 points). The Session descriptions in the pages that follow contain information regarding your team's date for the presentation. Each team will be graded by the rest of the class on the extent to which the team's presentation helped in the class's learning. Please note that a media moment presentation does not count towards class contribution as described above. *Also, post your presentation on Canvas in the folder titled Media Moment.* Give an informative title to your presentation based on the topic your team presented. I will be happy to give you feedback on your slides before your presentation is due.

Memo (Case Analyses) Deliverables (50 points)

In addition to the mini deliverable, there will 2 (two) case analyses or 'MEMO' deliverables, each of them to be submitted as a team assignment. Both of these involve detailed and thorough case analyses and memo writing. Submit your analyses using the note titled RECOMMENDATION MEMOS towards the end of this handout (pages 27-33). 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. Specific questions for the case analyses have been provided in this handout. Post your memo as a single file (including all attachments/exhibits) in the appropriate folder on Canvas4

Country Selection Matrix based on the Uber Case (10 points)

For the Uber case due for discussion on 11/16/22, each team should identify 5 countries in the Asia Pacific region (including China and India). Find a reading on global market expansion and based on the set of criteria used for expanding into different countries in this reading, prepare a matrix, crossing the countries with these criteria. Rate each country on each criterion and make a recommendation by rank ordering the countries in your set, with 1 being the most attractive and 5 being the least attractive. Submit this matrix and your recommendation as a single page document on canvas by 6 pm the day before the class. No justification is needed for the rating and ranking but simply the matrix and the recommendation.

Canvas Participation (individual) (10 points)

Throughout the quarter, I will post 6-8 pertinent research papers, news articles, short case studies, weblinks, etc., on Canvas. You will be required to read any one of these during the quarter and post your thoughts on the article/paper/case study. You are welcome to read and respond to more than one or all, which will clearly help your learning. But for assessment, your post is needed for only one. The thoughts should be carefully considered and not merely a summary of my posts. They should show an integration of concepts and ideas discussed in class and generate debate/discussion. You can even respond to the response of one or more of your colleagues. Keep the length of your post to ¼ to ½ page (150-250 words) and ascertain that your post is on canvas by 5 pm on 12/01/22.

Certificates (15 points)

Two self-administered assignments, one on academy.hubspot.com/courses?page=1 [Digital Marketing], and the other on analytics.google.com/analytics/academy/course/6 [Google Analytics for Beginners]. At the end of each assignment, you will receive a certificate of completion. There are two objectives of these assignments:

A. This course is not about digital marketing or social media marketing but marketing strategy in general at a high level. These assignments will give you an exposure and working knowledge of Digital Marketing and Google Analytics, two dimensions of Marketing Strategy that are important to have familiarity with. You can take electives later in your program that focus on/cover these topics in more detail.

B. You will receive certificates of completion after finishing these assignments and you can put this accomplishment on you resume. Recruiters will appreciate the fact that you have these qualifications/certificates.

Note that these assignments will not be submitted to and/or evaluated by me. They are self-administered and all you need to do is to send me/TA an email showing me your certificates of completion for each, the deadline for which is 6 pm on Monday, 11/28/22. I will not extend this deadline. If I do not receive this email from you by this deadline, you will not receive credit for this part.

Final Examination (50 points)

The final examination (**12/02/22, 1030 am to noon for Section B; 130 pm to 300 pm for Section A**) will be in classroom P390 and will be based on the material covered throughout the

quarter. It will be integrative and a thinking type exam rather than a memory recall type. <u>Please do not schedule any travel around the exam date as no make-up/alternative exam will be scheduled</u>.

<u>Meeting the professor</u>

Please feel free to schedule an appointment with the professor. 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 # 7);

II.   INDIVIDUAL SESSION DESCRIPTIONS AND GUIDELINES FOR PREPARING FOR EACH SESSION (PAGES # 8 TO 25);

III.   BREAKEVEN ASSIGNMENT (PAGE # 26);

IV.   THE "RECOMMENDATION MEMOS" FORMAT DESCRIPTION (PAGES # 27 TO # 33) 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

Session #	Topics	Dates
1.	Introduction & Course Overview *[Aqualisa Case]*	09/19/22
2.	Context & Consumer Analysis (Teams 1 & 9 Media Moment)	09/21/22
3.	Competitor Analysis *[Netflix Case]* (Teams 2 & 10 Media Moment)	09/26/22
4.	Competitor & Company Analysis (Teams 3 & 11 Media Moment)	09/28/22
5.	Market Research *[Voss Water Case]* (Teams 4 & 12 Media Moment)	10/03/22
6.	Quantitative Issues in Marketing ***[Breakeven Assignment Due]***	10/05/22
	Review Session (1050 am to 1150 am)	10/07/22
7.	Market Segmentation, Targeting, & Positioning I (Teams 5 & 13 Media Moment)	10/10/22
8.	Market Segmentation, Targeting, & Positioning II ***[Clean Edge Case Memo Deliverable Due]***	10/13/22
9.	Marketing Strategy	10/17/22
10.	Product Strategy I *[Groupon Case]*	10/19/22
11.	Product Strategy II (Teams 6 & 14 Media Moment)	10/31/22
12.	Distribution Strategy (Teams 7 & 15 Media Moment)	11/02/22
	Review Session (1-230 pm)	11/04/22
13.	Pricing Strategy ***[Atlantic Computer Case Memo Deliverable Due]***	11/07/22
14.	Advertising and Promotions (Teams 8 and 16 Media Moment)	11/09/22
15.	Advertising Strategy *[Charles Schwab Case]*	11/14/22
16.	International Marketing Issues *[Uber Case]*	11/16/22
17.	Guest Speaker (TBA)	11/21/22
	Review Session (1-230 pm)	11/25/22
18.	Brands *[Rosewood Hotels and Resorts]*	11/29/22

Session#	*Topic and Assignment*	*Date*
1.	**Introduction & Course Overview**	**09/19/22**

Case	:	Aqualisa Quartz: Simply a Better Shower.
Optional Read	:	Chapter 1 in P&S.

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 <u>marketing mix</u>.
- 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:
  a. What is the Quartz Value proposition to the consumers? To plumbers?
  b. Why is the Quartz not selling?
  c. 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?
  d. Aqualisa currently has 3 brands: Aqualisa, Gainsborough, and Showermax. What is the rationale behind this multiple brand strategy? Does it make sense?
  e. 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#	Topic and Assignment	Date

2.	**Context & Consumer Analysis**	**09/21/22**

Optional Read : Chapter 2 (pages 35-43) in P&S.

Objectives

- An overwhelming majority of products and services fail. One reason for their failure is that the marketing of these products/services is based on a superficial understanding of the consumer. Thus, when designing a marketing strategy or understanding a business opportunity, <u>it is crucial to understanding your consumers deeply</u>. 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 consumer needs. We will also examine issues relating to the 'context' within which a company operates and how it can impact its marketing strategy and outcomes.

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 your formal as well as informal interactions with consumers. Come prepared to discuss these interactions and experiences.
- Consider the following questions as you prepare for the class:
- a. What are the types of consumption situations that consumers are faced with?
- b. How will you characterize the pre-purchase search processes underlying these different consumption situations?
- c. How is the choice made for a) a first time purchase, b) repeat purchase?
- d. What are consumer-level post-purchase considerations that marketers must be concerned with?

MEDIA MOMENT:
- *TEAMS 1 & 9 present on "CONSUMER ANALYSIS".*
  - *10 min presentation followed by 5 min Q&A*

Session#	*Topic and Assignment*	*Date*
3.	**Competitor Analysis**	**09/26/22**

Case   :   Netflix: Is it the end? Or the beginning?
(*available on Canvas in "Course Material" folder*)

Optional Read :   Chapter 4 in P&S.

Objectives

- In this Session, we will use a very current/recent Netflix Case written specifically for this session to examine demand as well as supply side competition (among other aspects of marketing strategy). The goal of the Session is to understand the importance of analyzing competition in crafting a marketing strategy.

Preparation Guidelines

- Consider the following questions as you prepare for the class:
    a. What are the reasons – actual as well as potential – for the decline in Netflix's subscription base?
    b. Who are its direct as well as indirect competitors?
    c. What are Netflix's and their strengths and weaknesses?
    d. What is the likelihood that Netflix can compete successfully with them? What are the 'actions' Netflix needs to take to do so?
- In addition to thinking about the above case specific questions,
    a. Each group should find a reading – <u>any reading</u> on competition/competitor analysis.
    b. Bring a summary of this reading to class (no submission needed, this is just a cheat sheet).

MEDIA MOMENT:
- *TEAMS 2 & 10 present on "COMPETITOR ANALYSIS".*
    o *10 min presentation followed by 5 min Q&A*

Session#	*Topic and Assignment*	*Date*

4. **Competitor and Company Analysis** **09/28/22**

Read : Framework for Marketing Strategy Formation
Optional Read : Chapter 2 (pages 56-57), P&S

Objectives
- This class continues the 'analysis' part of the course. While Consumer, Context, and Competitor analyses form the external part, Company analysis constitutes the internal part of the analysis.
- We will also talk about 'Collaborators' as part of the analytical framework using the reading for the day.

Preparation Guidelines
- Go through the reading carefully. Study the framework contained in it.
- Recall your own experience and relate each element of the framework to your experience(s). Which elements of the framework are more relatable and which less?
- Based on the reading and your analysis of your experience(s), come prepared to discuss your thoughts.

MEDIA MOMENT:
- *TEAMS 3 & 11 present on "INTERNAL ANALYSIS".*
  - *10 min presentation followed by 5 min Q&A*

Session#	Topic and Assignment	Date

5.	**Market Research**	**10/03/22**

Case : Voss Water (*available on Canvas in "Course Material" folder*)
Read : Note on Low-Tech Marketing Math.

Objectives
- This Session will be devoted to understanding 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 Evy (Course TA) who will then e-mail the reports to you. Please send your e-mail (one per team) before 5 pm on Friday, September 30, 2022. If you send your request later than this deadline, Ali is under no obligation to honor your request.**

Preparation Guidelines
The following questions will form the basis of class discussion.
a. What information would you ideally want to analyze to make the "go/no go" decision?
b. How did you decide which information to purchase?
c. Given the information at hand, what method of data analysis did you use?
d. Are there any limitations to the data as it applies to helping Brandon decide?
e. What are the assumptions behind your analysis? How sensitive is your recommendation to those assumptions?
f. Are there any qualitative factors that should affect your "go/no go" decision?
g. What is your recommendation to Brandon?

MEDIA MOMENT:
- *TEAMS 4 & 12 present on "WHAT IS GOOD MARKET RESEARCH?".*
o *10 min presentation followed by 5 min Q&A*

Session#	*Topic and Assignment*	*Date*

6. **Quantitative Issues in Marketing & Review** **10/05/22**

- ***Submit the 'Breakeven Assignment' (see page 26 of the syllabus) on Canvas by 830 am on 10/05/22. Ascertain that the submission is a single file and posted in the appropriate folder on canvas.***

Case	:	Clean Edge Razor: Splitting Hairs in Product Positioning
Optional Read	:	Chapter 2 (pages 40-52) in P&S.

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 10/12/22, pertaining to the Clean Edge case.

Preparation Guidelines
- While preparing for this Session, go through the reading (Note on Low-Tech Marketing Math) assigned for the last class thoughtfully and ascertain that you understand the mechanics underlying the calculations.
- Also, read the Clean Edge case and come to the class with questions geared towards preparing you better for the memo deliverable due next class.

Session#	*Topics and Assignment*	*Date*

7.	**Market Segmentation, Targeting, & Positioning I**	**10/10/22**

Read   :   A Note on Market Definition, Segmentation, & Targeting

Objectives
- This Session will introduce us to the central concepts of segmentation, targeting, and positioning (STP).
- We will also get an opportunity to apply our understanding of the 4Cs to decisions pertaining to STP.

Preparation Guidelines
- Choose a product/service category.
- Examine its 4-6 main competing brands.
- Based on the reading, discuss as a team which segment of consumers do these brands target and how do they communicate to the consumer what they would like them to believe about them. In other words, how do they create and build associations with their brands in the consumers' minds?

MEDIA MOMENT:
- *TEAMS 5 & 13 present on "SEGMENTATION, TARGETING, & POSITIONING".*
  - *10 min presentation followed by 5 min Q&A*

Session#	Topics and Assignment	Date

---

8.   **Market Segmentation, Targeting, & Positioning (MEMO I)**   **10/13/22**

- ▪ ***Submit a soft copy of your assignment on Canvas by 830 am on 10/13/22. Please submit ONE SINGLE DOCUMENT containing the memo and all attachments/exhibits.***

        Case   :   Clean Edge Razor: Splitting Hairs in Product Positioning
        Read   :   A Note on Market Definition, Segmentation, & Targeting

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:
- a.   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?
- b.   How is the nondispoable razor market segmented? Examine consumer behavior for nondisposable razors.
- c.   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?
- d.   Be prepared to support your stand with <u>qualitative as well as quantitative</u> reasoning and arguments. Clearly articulate any assumptions that you may have made in your analysis.
- e.   Suggest a marketing program (<u>at a minimum</u>, the 4Ps) along with a <u>Pro Forma Income Statement</u> for your chosen strategy and be prepared to defend it, from a strategic perspective as well as from an implementation viewpoint.

Section B: 130 pm to 3 pm; Section A: 315 pm to 445 pm

This is the first of two 'MEMO' deliverables. Submit a memo <u>not exceeding 1.5 pages</u>, along with no more than 5 attachments/exhibits that support your recommendation, by 830 am on 10/13/22. One of these attachments should be the Options Grid. Please state your assumptions clearly. You can choose to have one of these 5 attachments 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#* | *Topics and Assignment* | *Date* |

_____

9.   **Marketing Strategy**   **10/17/22**

          Read   :   Ken Chenault Reshuffles His Cards (*Use the link below*)

http://archive.fortune.com/magazines/fortune/fortune_archive/2005/04/18/8256988/index.htm

          Marketing Objectives and Strategy Formulation

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:
a. Based on the Fortune article, dissect Ken Chenault's strategy in <u>threadbare detail</u>. What components are related to marketing? What components are related to other management functions?
b. Identify 3-5 key aspects of his strategy that you think drove the success of his strategy.
c. Explain why you feel these were the keys to his accomplishments.

_____

Session #	*Topics and Assignment*	*Date*

10.	**Product Strategy I**	**10/19/22**

Case   :   Groupon
Optional Read :   Chapter 3 (pages 85-87; 122-126) in P&S.

Objectives
- In this Session, we will discuss Product Strategy from the viewpoint of the theory of product life cycle, how it helps predict and explain market evolution and enables marketers to be prepared for the future that is usually riddled with uncertainty. We will do so in the context of Groupon, a popular company which most modern marketers are aware of and have followed at some time in the past few years.

Preparation Guidelines
- Consider the following questions as you prepare for the class:
  a. Does Groupon have a sustainable business model?
  b. How do you explain Groupon's unprecedented growth? Why had Groupon been so appealing to consumers?
  c. Is Groupon good for merchants? Why are some merchants excited about Groupon promotions but others highly skeptical?
  d. Estimate the profitability of Groupon promotion for American Apparel (case p. 6). What assumptions do you need to make for estimating this profitability and how sensitive are your results to these assumptions?
  e. Groupon has attracted a lot of competitors. Does it have any competitive advantage?
  f. What is your assessment of Groupon's new initiatives dubbed as Groupon 2.0?

Session #	*Topics and Assignment*	*Date*
11.	**Product Strategy II**	**10/31/22**

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 a new product development process.

MEDIA MOMENT:
- *TEAMS 6 & 14 present on "NEW PRODUCT DEVELOPMENT".*
  - *10 min presentation followed by 5 min Q&A*

Session #	*Topics and Assignment*	*Date*
12.	**Distribution Strategy**	**11/02/22**

Read : How to win in an omnichannel world

Objectives
- In this Session, we will explore situations 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.
- We will also discuss how the channel universe is evolving and changing based on the emergence of several other channels and the implications thereof.

MEDIA MOMENT:
- *TEAMS 7 and 15 present on "DISTRIBUTION IN THE NEW ECONOMY".*
  - *10 min presentation followed by 5 min Q&A*

Session #	Topics and Assignment	Date

13.   **Pricing Strategy**   **11/07/22**

- ***Submit a soft copy of your assignment on Canvas by 830 AM on 11/07/22. Please submit ONE SINGLE DOCUMENT containing the memo and all attachments/exhibits.***

          Case   :   Atlantic Computer

          Read   :   Principles of Pricing

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:
  a. What price should Jowers charge DayTraderJournal.com for the Atlantic Bundle (i.e.,Tronn servers+PESA software tool)?
  b. 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) versus utilizing one of the other pricing approaches?
  c. How is Matzer likely to react to your recommendation?
  d. How is Cadena's sales force likely to react to your recommendation?
  e. What can Jowers recommend getting Cadena's hardware-oriented sales force to understand and sell the value of the PESA software effectively?
  f. How are customers in your target market likely to react to your recommended pricing strategy? What response can be provided to overcome any objections?
  g. 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 memo <u>not exceeding 1.5 pages</u>, along with no more than 5 attachments/exhibits that support your recommendation, by 830 am on 11/07/22. One of these attachments should be the Options Grid. Please state your assumptions clearly. You can choose to have one of these 5 attachments 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 #	*Topics and Assignment*	*Date*

14. **Advertising & Promotions** **11/09/22**

Read : Integrated Marketing Communications (*Use the link below*)
https://www.ama.org/publications/JournalOfMarketing/Documents/jm.15.0419-integrating-marketing-communications.pdf

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, TV, online, social, mobile,…that you believe was particularly 'good' or effective. BASED ON THE READING FOR THE DAY AND ALL THE MATERIAL COVERED IN THE COURSE PERTAINING TO CONTEXT, CONSUMER, COMPETITIVE, COMPANY, AND 4Ps, come prepared to discuss the ad in class and explain why you found the ad appealing/effective.
- *This is NOT A DELIVERABLE. But each team is expected to bring such an ad to the class.* Owing to time limitations, only 1-2 teams will be asked to informally present its thoughts, explaining why the team felt the ad was effective. Thoughtful structuring of all teams' explanation is encouraged.

MEDIA MOMENT:
- *TEAMS 8 and 16 present on "A SUPERBOWL AD THAT FAILED AND WHY IT FAILED".*
  - *10 min presentation followed by 5 min Q&A*

Session #	*Topics and Assignment*	*Date*

15. **Advertising Strategy** **11/14/22**

Case : Charles Schwab: The "Talk to Chuck" Advertising Campaign

Objectives
- This Session will build on the last Session using the vehicle of the Case Charles Schwab.

Preparation Guidelines
- Consider the following questions as you prepare for the class:
  a. What circumstances motivated development of the TTC campaign?
  b. Evaluate the company strategy behind the TTC campaign.
  c. How effective was the TTC test market? Evaluate the results.
  d. Would you support Saeger's TTC budget request for 2006?

Session #	*Topics and Assignment*	*Date*

16.	**International Marketing Issues**	**11/16/22**

Case : Uber and the Sharing Economy: Global Market Expansion and Reception

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:
a. How is the sharing economy characterized? What challenges does this economic model face? Is this economic model a viable alternative to or significant alteration of capitalism? Can sharing economies go global?
b. Examine consumer behavior is the shared ride category. What are some of the cross-cultural differences pertaining to this category?
c. Should Uber enter Asia Pacific? What are the pros and cons of Uber's choice?
d. What strategies should Uber implement to expand globally if it chooses to do so?
e. Is Uber a global brand? Why or why not?
f. In general, what specific elements of the marketing mix are more/less easily standardizable across different cultures?

Each team should identify 5 countries in the Asia Pacific region (including China and India). Find a reading on global market expansion and based on a set of criteria in this reading, prepare a matrix, crossing the countries with these criteria. Rate each country on each criterion and make a recommendation by rank ordering the countries in your set, with 1 being the most attractive and 5 being the least attractive. Submit this matrix and your recommendation as a single page document on canvas by 6 pm the day before the class. No justification is needed for the rating and ranking but simply the matrix and the recommendation.

Session #	Topics and Assignment	Date
17.	**Guest Speaker: Frances Youn, Kroger**	**11/21/22**

Both sections will meet at the same time from 830 am till 1030 am.
Room: Founders Hall 580

Session #	Topics and Assignment	Date

18.   **Brands**   **11/29/22**

Case   :   Rosewood Hotels and Resorts: Branding to Increase Customer Profitability and Lifetime Value

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.
- This session features a case which will be <u>co-taught by Professor Lance Young</u> who will focus on the financial aspects of the case. I will focus on the brand strategy aspects of the case.

Preparation Guidelines
- Think of a 'strong'/'weak' brand. What in your mind makes it 'strong'/'weak'? Base your response on your experiences as a consumer, as an employee, research your team has conducted on this brand, and/or any other material you have read in this or other courses.
- Does the strategy of incorporating the name Rosewood into the name of each hotel align with your understanding of what constitutes a strong/weak brand? Why or why not?

FINAL EXAM IN CLASS (P 390) ON FRIDAY, 12/02/22
Section B: 1030 am to 12 noon
Section A: 130 pm to 300 pm

More details will be announced closer to the exam date.

Breakeven Assignment

DEACON, a large manufacturer of plumbing supplies, wants to introduce a product that increases water pressure. The target market is several hundred thousand businesses (e.g., restaurants) that have a problem with water pressure. In a study conducted by Deacon, 80% of business owners who tested the product said they "definitely would buy it" at some point in the future. With an end-user price of $500 (**plus** plumber's fees), and a variable cost of $100, the product could be a major source of revenue (and profit)! The price (to the end-user) of the competing solution (the "pipe solution") was only $250, but it took up much more space and required much higher plumbers' fees to install. Thus, one benefit Deacon planned to communicate was that their total cost to the end-user (i.e., equipment **plus** plumber's fees) was half that of the "pipe solution". This would be communicated through $1.25 million in magazine advertising to the appropriate parties (plumbers, business owners).

Deacon wants to sell the product through an exclusive arrangement with Muse Supply, a major plumbing supply house that serves commercial renovation contractors. In this industry, the distributor (Muse) receives a margin of 24% of its revenue on any product that it sells, and plumbers receive a margin of 10% of the end-user price of equipment and supplies they use. Muse expects a gross margin return of at least 400% (4.00) on any money it ties up in inventory. Deacon expects that sales volume during the first year (through Muse) would be about 100 units per week, and average distributor inventory would be about 3 times this level. If Muse declines the offer, Deacon will approach Serendipity Enterprises (the world's largest distributor of plumbing products), Muse's top competitor, to offer exclusive distribution.

PLEASE SHOW ALL OF YOUR WORK STEP BY STEP AND CLEARLY.

1. How many units of the new product would Deacon have to sell in order to break even on the advertising expenditure that is planned?
2. How long will it take Deacon to break even?
3. In general, what are the benefits and limitations of knowing the breakeven point? To answer this question, your team can do any research within and outside of the material and reading in the course.

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 1.5 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. <u>RECOMMENDATION</u>

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. <u>BASIS FOR RECOMMENDATION</u>

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 <u>quantitative</u> issues such as NPV, cannibalization, breakeven analysis, pro forma statement of project, sensitivity analysis; as well as <u>qualitative</u> 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 <u>inescapable</u> 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, breakeven, payback)?
  5. <u>Are all assumptions explicitly stated</u> (e.g., growth rates, market size)? These could be stated in exhibits/attachments.

5. <u>DISCUSSION</u>

- 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 <u>try and address them</u> through your recommendation(s) as best as you can.

6. <u>NEXT STEPS</u>
- 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. <u>EXHIBITS</u>
- 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, <u>state every assumption explicitly.</u>
- 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.**

<u>**SAMPLE MEMO FORMAT**</u>

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: <u>NAME OF CASE AND RECO TOPIC</u>

This recommends _____

_____

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

<u>Background</u>

- 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 based on the internal and external situation facing the company.

<u>Recommendation</u>

- 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 _____

<u>Basis for Recommendation</u>

- <u>We state our most important reason here. It is numbered, underlined, and stated in a full sentence</u>. 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.
- <u>We state our second most important reason here</u>. We present data to prove the claim made in point 2.
- 3-4 points are typical but not more or less ideal.

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 ½ 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.

IF IT EXCEEDS 1.5 PAGES, WHATEVER IS IN EXCESS OF THIS PAGE LIMIT WILL BE IGNORED.]

OPTIONS GRIDS (OG)

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.

– 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 and/or breakeven 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 a very basic 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). It can exceed **ONE-PAGE. MAKE SURE THERE IS SERIOUS CONTENT TO GO OVER ONE PAGE.**

Example of an Options Grid

OPTIONS GRID – Wal-Mart- P&G Case

	Option 1	Option 2	Option 3
Description of Option	Maintain Pampers as a premium brand and fully support Luvs	Discontinue support behind Pampers and Luvs	Maintain Pampers as a premium brand and move Luvs into private label position
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.

PLEASE USE THIS EXAMPLE SIMPLY AS A GUIDE, NOT TO BE USED DOGMATICALLY AS AN IDEAL OPTIONS GRID. THE BEST OPTION GRIDs ARE DETAILED, THOROUGH, AND COVER A LOT OF GROUND. THEY SIGNAL CLEARLY HOW MUCH THINKING HAS GONE INTO ANALYZING THE CASE AND ARE A CRITICAL PART OF THE DELIVERBALE, NOT MERELY AN ATTACHMENT.