

**THE SMEAL COLLEGE OF BUSINESS
PENNSYLVANIA STATE UNIVERSITY**

**MKTG 450W, Fall 2009
MARKETING STRATEGY**

**Section 4, Wednesday 9:05-12:05, 005 Business Building
Section 5, Wednesday 12:20-3:20, 102 Business Building**

Instructor:	Professor Min Ding	Phone:	(814) 865-0622
Office:	408 Business Building	Fax:	(814) 865-3015
Office Hours:	Friday 2-5 pm (email me first if possible)	Email:	minding@psu.edu

Teaching Assistant: Susan Slopek
Email: sms398@psu.edu
Office Hours: Monday, Thursday 1:30-2:30, 423 Business (or by appointment)
Phone: 5-5944 (during office hours)

OBJECTIVES

This is the capstone course for marketing majors. The course is designed to allow you to:

- Integrate skills learned in other business courses, in particular, marketing courses, and develop a disciplined approach in analyzing marketing situations.
- Expand your decision-making and communication skills by requiring you to make and defend marketing decisions, in both oral presentation and written assignment, when faced with realistic problem and incomplete information.

There are three additional objectives that are unique to the two sections I teach. I like to help you develop:

- Strategic thinking skills;
- Creativity;
- A deep appreciation of some state-of-art marketing research methods.

COURSE MATERIAL

Optional:

Marketing Management, by Philip Kotler and Kevin Keller, 2008, 13e

- Available at most online bookstores (e.g., Amazon)

LEARNING SUPPORT

I will be more than happy to talk to you during my office hours, before and after each class, and if needed, by appointment. My teaching assistant will be grading your written case assignment and case evaluations. I will grade the essay and the exam. If you have any questions for my TA, please email her or set an appointment to meet her in person.

COURSE STRUCTURE

Most of the sessions will be organized as follows:

- Behavior game
- Lecture and Discussion
- Break
- Team Case (70 minutes)

TEAMS

You will be assigned to one of ten teams in your section. As a team, you will be responsible for the Team Case (written and oral).

GRADING

Team-Based:	
Case Analysis (oral and written)	340
Individual-Based:	
Case Evaluation (written, best 8, 30 each)	240
Essay	200
Exam	120
Attendance and Participation	300
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Total	1200

Converting to letter grades:

Normally I follow university recommendation (e.g, A if has higher than 93% of total points, see the table below). However, if I deem the class has done much better than the actual grade distributions in the class, I will give bonus points to the entire class. In other words, you are lower bounded but not upper bounded.

Letter Grade	A	A-	B+	B	B-	C+	C
% of Total Raw Grades	0.93	0.9	0.87	0.83	0.8	0.77	0.73
Raw Grades	1116	1080	1044	996	960	924	876

TEAM CASE ANALYSIS (ORAL AND WRITTEN) (340)

Each team will be responsible for identifying a case, completing a written analysis of the case, and presenting and defending your analysis in class. The written analysis counts for 170 points (see Appendix 2), and the presentation counts for 170 points (30 points stage presence, 100 points delivery of content, 20 points handling questions, 20 points coordination among team members during presentation).

Case Identification

Instead of assigning you a business, I want you to identify a company that you are interested in, and write a business case about it. The most important criterion is to pick something that gets you excited; otherwise you will not have fun.

You should pick a case where a decision that requires some intelligence and marketing knowledge is needed. For example (note I used the word firm here, but it could be non for profit as well),

- A firm is faced with choosing between two or three strategies (e.g., should Philadelphia Inquirer, or any paper newspaper, shift their focus to internet based version).
- A firm has already decided to choose a strategy, but you don't agree, and you think you have a better idea.
- A firm that most people thought is not going to make it, but you don't agree, and you want to show us why you are right (and why people should buy its stock, etc)

Two examples (*note you cannot use these examples for your case, as they were in the past*)

Apple, 2000. This is the time Steve Jobs officially took the title of CEO. There was a lot of doubt at the time whether he could turn around Apple (which was considered to be dead by most people), on the other hand, Steve had an established track record of producing creative new products and building brands.

Garmin, 2007. This is a firm develops and markets various global positioning system (GPS) based products (e.g., navigation system). It is a dominant firm in an expanding industry, and its future can be quite promising if it does things right. But there is quite a bit of uncertainty about exactly how big the market is, what types of new products should be developed, etc.

Some examples of cases selected by past students in my class:

- Coach; Bitten; Miller Chill; Vera Wang; Bare; Telsa Motor; ...

Focal Issue or Decision:

The case will center on a focal issue or decision (or related issues). This could be any marketing problems, although it should involve some segmentation, position, and targeting elements. My personal preference is something on early stage

products or new product development, but your taste may differ. The setting must be now.

Written Analysis (*this is simply a guideline*)

Opening (half page)

Identify the firm, time (must be current), persons involved (if any), identify issue or decision to be analyzed, create interest, be brief.

Background (3-5 pages)

Overview of the industry, firm, and specific issue or decision to be addressed/discussed.

Case Story (3-5 pages)

Specifics of the problem, include relevant data here if needed (table, graph, pictures, etc).

Analysis (4-6 pages)

Do a detailed analysis of the problem, then propose possible strategies (with a minimum of 2, ideally 3), provide rationale. For each strategy, discuss (1) the most likely outcome (2) best possible outcome, and (3) worst possible outcome of the strategy (remember, there are many uncertain factors that you cannot predict perfectly). Use tables or graphs as you see fit.

You must include some quantitative analysis (e.g., market share, profit, breakeven, net present value, ... You don't have to do all of them, but incorporate at least some).

Recommendation and Conclusion (2 pages)

Based on the analysis you conducted, you will select your recommendation (which strategy to use). More importantly, justify why. Finally, discuss the case in broader terms, what people should take away from this case and your analysis.

References

Include all relevant references here.

Tables and Figures

Put all your tables and figures here at the end of the document.

Oral Analysis (*Business casual*)

Your oral presentation is based on your written analysis. You will need to give a 70 minutes presentation (Powerpoint slides), in most cases, you should plan enough material for 40 minutes and expect 30 minutes be spent on discussion.

CASE EVALUATION (240)

Format:

- Take notes during presentation (remember you will not see the written case, so you should get as much info as possible during the presentation)
- Write your evaluation and submit
- It should be 2 pages long and include the following 4 sections

- A brief summary of the case (one paragraphs)
- Strength of the analysis (bullet points)
- Weakness of the analysis (bullet points)
 - **The half-baked** (deficient analysis on an issue, and/or key issues overlooked)
 - **The really bad** (errors in analysis, such as incorrect logic)
- Your suggestions on what they could have done to make this a better analysis (bullet points)

Grades:

- 30 points each
- You can write evaluations for up to **nine** cases (you cannot write one for your own). Only the eight best evaluations will be counted towards your final grade. So you don't have to write 9 if you are happy with the 8 you have written.

ESSAY (200)

Marketers understand the importance of word-of-mouth (WOM). Until recently, it was almost impossible to collect actual WOM data in most cases. The internet, and especially social network sites, has changed this.

I want you to write an essay on this topic, here is what you need to write

- Pick an individual that you know well (could be you), and describe the social network around this person (only those who will have an impact on this person on his/her purchasing decision, I know you all have a lot of friends),
 - Draw a graph of this network, with this focal individual in the center, and each contact as a dot, and relationship as line between the dots, thicker line indicates stronger relationship (or different types of relationships as you define them) (you can draw it using software, or draw it on paper and scan it)
 - Describe the role of each of these individuals in affecting this individual's buying behavior (*pick 2 different product categories*) – use a table, each row being a different contact.
 - You need to specify the relationship among the people who are connected to you. For example, you have friends A, B, C, you need to tell me A are close to B, B does not know C, and A and C are simply acquaintance. Reflect this in the drawing as well.
- Tell me what information you described above will be tremendously useful to a firm who wants to sell a product in each category to this individual, and why.
- Describe how a firm could obtain such information/data. You could suggest how a firm could do this on Facebook, for example.
- Describe how a firm should market to this individual through this network, and if the firm wants to market to this group of people, what is the strategy (who they should target first, etc).

This essay should be 8-10 pages, excluding Figures/Tables.

EXAM (120 POINTS)

The exam will contain essay questions based on up to three selected classes during the semester. One week before the exam, I will tell you which classes' material will be used for the exam. It will cover lecture, case presented by teams, games, and anything else we discussed in these classes.

CLASS ATTENDANCE AND PARTICIPATION (300 POINTS)

Attendance will be taken at every session. The absences will be handled as follows:

- Two absences can be justified with normal excuses (e.g., job interview, sick, etc), and you need to email me before the class if possible. If not, I will deduct 15 points for each absence.
- Each additional absence (beyond the first two) will cost you 15 points, unless you have extraordinary reason for not showing up.
- If you have symptoms associated with the swine flu, see policy in Appendix. I will handle it on a case-by-case basis.

Note, however, coming to class does not ensure a high participation grade. You have to be actively involved in class. I will do whatever it takes to get everybody involved. I have high expectation for you, and being able to articulate your thoughts in front of a group is a key skill you need to acquire in college. Being incomplete (or wrong) is human, but it takes a smart (not just brave) person to admit and acknowledge other people's insights. Clearly, you should plan to attend at least 8 team presentations (for Case Evaluation).

Please state your name every time before you make comments, remember to promote your brand!

What you should not do in class:

- Do not use laptops in class (if you want to be exempted because you always use laptop to take notes and this is the only reason you want to use it, let me know now).
- Do not listen to music.
- Set cellphone to silent and do not use it for internet.
- In general, you should not do anything that is obvious to other students that you are doing things unrelated to class.

MARKETING RESEARCH

It is important that you stay in the forefront of marketing research, and it is also important you see what your professor contributes to the field as a researcher, in addition to the teacher you normally encounter. I will discuss my research from time to time, and give you opportunities to even participate in some of them. If you decide to participate, you will be paid (in cash and product).

ACADEMIC INTEGRITY

Smeal Honor Code:

We, the Smeal College of Business Community, aspire to the highest ethical standards and will hold each other accountable to them. We will not engage in any action that is improper or that creates the appearance of impropriety in our academic lives, and we intend to hold to this standard in our future careers.

The Academic Integrity Pledge is statement of authenticity that should accompany each student deliverable. It certifies that the student has completed the work in accordance with the professor's guidelines for the course.

Academic Integrity Pledge (to be included in all your assignment submissions):

I, <Student Name>, affirm that I have neither given, received, nor witnessed unauthorized aid on this deliverable and have completed this work honestly and according to the professor's guidelines.

DELIVERABLES AND DEADLINE:

Team Case (Team-Based, one copy from each team):

- Submit the topic (email to me) at least one week before presentation
- Written case analysis and PowerPoint Slides (for presentation) due 11:59pm of the Monday before your presentation (lose 20 points if miss deadline)
 - Submit the Written Case to TA (copy me) through email, with subject line as *450w, Section X, Team Y, Name of your case*
 - Submit the PowerPoint slides to me through email, with subject line as *450w, Section X, Team Y, Name of your case, Presentation*

Case Evaluation (Individual-Based):

- Due 11:59pm of the Friday following the presentation
- Submit evaluation to TA (copy me) through email, with subject line as *450w, Section X, Case Evaluation, Name of Case You are Evaluating, Your Name*

Essay:

- Due 11:59pm, November 18, 2009
- Submit to me through email, with subject line as *450w, Section X, Essay, Your Name*

Remember to include Academic Integrity Pledge in all Written Submissions (worth 10% of the grade for each assignment)

MASTER SCHEDULE

Please note minor changes to the syllabus will happen and will be announced in class in advance, it is your responsibility to stay informed.

	Time	Lecture/Discussion	Team Presentation	Games
1	August 26, 2009	Self-Introduction (3 min each) Course Overview (and why dating is a marketing problem) Form Team		
2	September 2, 2009	Team meeting with me (in my office), 20 minutes per team (case topic)		
3	September 9, 2009	Consumer Market and Buyer Behavior	Team 1	Be Rational (Trust Game)
4	September 16, 2009	Business Market and Buying Behavior	Team 2	Equilibrium, Rationality, Prisoner's Dilemma
5	September 23, 2009	Competition	Team 3	Ultimatum Game
6	September 30, 2009	Segmentation, Positioning, and Targeting	Team 4	Super Rationality (Beauty Contest)
7	October 7, 2009	Product Development and Launch	Team 5	Repeated Game
8	October 14, 2009	Pricing Strategies	Team 6	Cheap Talk and Signaling
9	October 21, 2009	Distribution Strategies	Team 7	Coordination Strategic Moves
10	October 28, 2009	Communication Strategies	Team 8	Credible Commitment
11	November 4, 2009	Special Topic – Pharmaceutical Industry	Team 9	Moral Hazard
12	November 11, 2009	Special Topic – Disadoption	Team 10	Setting the Rules, Incentives
13	November 18, 2009	Special Topic – Customer Metrics <u>Essay due before 11:59pm</u>		Auctions
	November 25, 2009	Thanksgiving Holidays, No Class		
14	December 2, 2009	Special Topic -- Incentive Aligned Marketing Research		
15	December 9, 2009	Recap and Exam		

APPENDIX 1. UNIVERSITY POLICIES

Academic Integrity: According to the Penn State Principles and University Code of Conduct:

Academic integrity is a basic guiding principle for all academic activity at Penn State University, allowing the pursuit of scholarly in an open, honest, and responsible manner. According to the University's Code of Conduct, you must not engage in or tolerate academic dishonesty. This includes, but is not limited to cheating, plagiarism, fabrication of information or citations, facilitating work of another person, or work previously used without informing the instructor, or tapering with the academic work of other students.

Any violation of academic integrity will be investigated, and where warranted, punitive action will be taken. For every incident when a penalty of any kind is assessed, a report will be filed, using the *pdf* form at this URL: <https://intranet.smeal.psu.edu/smeal/integrity/index.html> This form is used for both undergraduate and graduate courses. This report must be signed by both the instructor and the student, and then submitted to the Associate Dean for Undergraduate Programs in 202 Business Building.

Affirmative Action & Sexual Harassment:

The Pennsylvania State University is committed to a policy where all persons shall have equal access to programs, facilities, admission, and employment without regard to personal characteristics not related to ability, performance, or qualifications as determined against any person because of age, ancestry, color, disability or handicap, national origin, race, religious creed, gender, sexual orientation, or veteran status, Direct all inquiries to the Affirmative Action Office, 328 Boucke Building.

Americans with Disabilities Act:

The Smeal College of Business Administration welcomes persons with disabilities to all of its classes, programs, and events. If you need accommodations, or have questions about access to buildings where programs, and events. If you need assistance during a class, program, or event, please contact the member of our staff or faculty in charge. Access to Marketing courses should be arranged by contacting the Department of Marketing, (814) 865-1869, in 455 Business Building.

An Invitation to Students with Learning Disabilities:

It is Penn State's policy to not discriminate against qualified students with documented disabilities in its educational programs. If you have a disability-related need to modifications in your testing or learning situation, your instructor should be notified during the first week of classes so that your needs can be accommodated. You will be asked to present documentation from the Office of Disability Services (located in 116 Boucke Building; 863-1807) that describe the nature of your disability and the recommended remedy. You may refer to the Nondiscrimination Policy in the *Student Guide to University Policies and Rules*.

H1N1 (swine flu) Policy

According to CDC guidelines, if anyone has the symptoms associated with the flu, it is best if s/he does not come into contact with others for 7 days after the symptoms begin or until that person is symptom-free for 24 hours, whichever is longer. Please follow prudent procedures throughout the semester, such as, (1) Covering your nose and mouth with a tissue when coughing or sneezing, and discarding the tissue in the trash afterwards, (2) Washing hands often with soap and water, especially after coughing or sneezing, and 3) not touching eyes, nose, or mouth as much as possible. In compliance with Pennsylvania Department of Health and Centers for Disease Control recommendations, students should NOT attend class or any public gatherings while ill with influenza. It is very important that individuals avoid spreading the flu to others. Students with the flu do not need to provide a physician's certification of illness. However, ill students should inform their teachers (via email/phone) as soon as possible.

APPENDIX 2. TEAM CASE GRADING SHEET

Case Analysis (Written, 170 points)	Points	Awarded
1. Opening (half page)	10	
<ul style="list-style-type: none"> • Case identification: creates interest, relevant, current 	5	
<ul style="list-style-type: none"> • Issue, opportunity or decision and persons involved (if any) identified appropriately and explained briefly; 	5	
2. Background (3-5 pages)	25	
<ul style="list-style-type: none"> • Clear and concise description of the industry, firm, competitive field, person and products involved and why they are relevant to the opportunity, issue or decision being analyzed 	25	
3. Case Story (3-5 pages)	25	
<ul style="list-style-type: none"> • Opportunity, issue or decision is clearly and coherently explained supported by relevant tables, pictures, graphs, etc. 	25	
4. Analysis (4-6 pages)	60	
<ul style="list-style-type: none"> • At least 2 possible strategies are identified and a sound rationale is provided for each; strategies are supported by relevant tables, pictures, graphs, etc. 	20	
<ul style="list-style-type: none"> • Possible outcomes (most likely, best possible and worst possible) are presented for each strategy and are supported by relevant tables, pictures, graphs, etc. 	20	
<ul style="list-style-type: none"> • Strength of quantitative analysis 	20	
5. Recommendation and Conclusion (2 pages)	25	
<ul style="list-style-type: none"> • Summarized recommendation and justified feasibility of recommended strategy with proofs 	15	
<ul style="list-style-type: none"> • Clear description of the take-away from the case 	10	
6. General	25	
<ul style="list-style-type: none"> • Points explained concisely; structure and sections are identified appropriately and transitions used effectively (flow and readability) 	10	
<ul style="list-style-type: none"> • Correct grammar, spelling, punctuation 	10	
<ul style="list-style-type: none"> • Accurate references to tables, figures, etc. 	5	
TOTAL	170	