



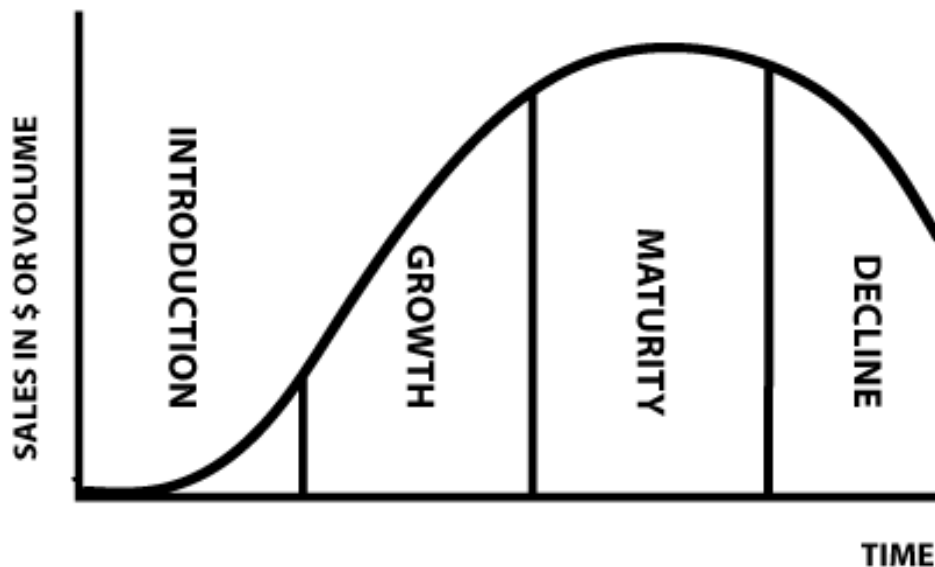
# **MARKETING MANAGEMENT II: MARKETING STRATEGY**

(MKTG 622)

Spring 2010

## **COURSE DESCRIPTION, REQUIREMENTS AND ASSIGNMENTS**

**Professors Geeta Menon, Americus Reed II, David Reibstein and Patti Williams**



### **Objectives**

Building upon Marketing 621, this course focuses on helping you refine skills in developing a marketing strategy and seeing how the marketing tactics need to be in alignment with that strategy. The course will focus specifically on issues such as the selection of which businesses and segments to compete in, how to allocate resources across businesses, segments, and elements of the marketing mix, as well as other significant strategic issues facing today's managers in a dynamic competitive environment.

All of these issues will be discussed and couched in the context of *the dynamic nature of market evolution that occurs throughout the Product Life Cycle (PLC)* pictured above. Students will develop strategic thinking and learn to apply analytical tools to help formulate effective marketing tactics in each phase of the PLC. These concepts will be further concretized in the context of an in depth marketing strategy simulation that will occur throughout the course.

## Process

This course will use three major pedagogical approaches: (1) case discussions, (2) lectures/discussions, and (3) computer simulations.

1. **Case Discussions:** For all case discussions, we will assume that everyone has read and is prepared to discuss the case. It is not necessary to do any library work or bring in outside information about the company or the industry beyond what is described in the case. All of our discussions will be based on the facts described in the case and will pertain to the problems of the company at the time of the case. Any information you might come across about facts of events taking place after the time of the case may lead you astray as to what should have been done during the critical decision period.

We will center our discussions on the problems facing the organization in the case. We will determine the analyses necessary to resolve these problems, and then make educated decisions, and/or eliminate some alternatives. The hope is to draw some general insights about what the options would be, or what actions should be taken if faced with similar situations in the business world. Equally importantly, we will focus on the process for making such marketing decisions in different contexts.

2. **Lectures/Discussions:** In these sessions, we will focus on principles, theories, and basic applications of marketing strategy. Discussion and questions are strongly encouraged. It is our hope that each of you try to see the relevance of these principles to situations you have experienced. We expect that you will share your own thoughts and experiences when some of the concepts have, or have not, been applicable.
3. **Computer Simulations:** Computer simulations are in many ways just like cases. Not only do you consider what you would do in a hypothetical market, but you also make actual decisions about a variety of managerial activities and receive market reactions. Further, there is the benefit of being able to continue the management of a company over time, rather than as a one-shot experience of a case.

A large-scale computer simulation, SABRE, will occupy a significant part of our time and activity. For this exercise, you will work in your pre-assigned learning teams. The strength of SABRE is that it provides us with a common context in which we can discuss the principles of marketing strategy. It will also allow us the opportunity to test alternative actions and analyses without the cost of implementing them in real settings.

## Course Materials

All course materials will be available at <http://www.study.net>

## Course Website

Many of the course's activities (SABRE-related and otherwise) will involve the use of Wharton's **webCafé** software, which you can access at:

<http://webcafe.wharton.upenn.edu/mktg>

Please bookmark this website and check it as often as necessary. This site will contain information about SABRE, copies of class handouts, and other general information about the course. If you have any problems accessing it, please send email to [webcafe@wharton.upenn.edu](mailto:webcafe@wharton.upenn.edu).

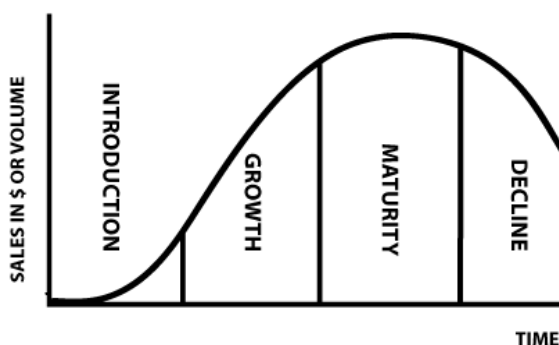
## Grading

The weighting of the inputs for the final course grade is:

<b>Class Participation</b>	<b>20%</b>
<b>SABRE Performance</b>	
<b>Periods 1-3</b>	<b>20%</b>
<b>Periods 4-6</b>	<b>20%</b>
<b>Initial SABRE Strategy Statement</b>	<b>7.5%</b>
<b>Final SABRE Memo</b>	<b>7.5%</b>
<b>Final Exam (Tues May 4th, 6-8 pm)</b>	<b><u>25%</u></b>
	<b>100%</b>

COMMON EXAM SCHEDULE			
MONDAY MAY 3			
9:00 a.m. – 11:00 a.m.	MKTG 476	MKTG 776	
3:00 p.m. – 5:00 p.m.	MGMT 101 NURS 112	PHYS 102 PHYS 141	PHYS 151
6:00 p.m. – 8:00 p.m.	ACCT 297 ACCT 897	BPUB 250 FNCE 101	FNCE 602
TUESDAY MAY 4			
12:00 p.m. – 2:00 p.m.	MATH 103 MATH 104 MATH 114	MATH 115 MATH 240 MATH 241	MKTG 754-002 MKTG 754-004
3:00 p.m. – 5:00 p.m.	ASTR 001	CHEM 101	ECON 001
6:00 p.m. – 8:00 p.m.	ACCT 202 MKTG 622	NURS 054 STAT 101	STAT 430 STAT 431

## Course Outline



### Session

1. March 18 **Thursday (TH):** *Overview of Strategic Marketing Issues*  
*Case: Aqualisa Quartz: Simply a Better Shower*
2. March 23 **Tuesday (T):** *Introduction to SABRE*  
*Reading: "SABRE Manual" section in course book.*
3. March 25 **Thursday (TH):** *Research for Strategic Decision Making*
4. March 30 **Tuesday (T):** Marketing in the Introductory Stage—  
*Case: Medicines Company. (A)*
5. April 1 **Thursday (TH):** *No class – time off for SABRE decisions \*\*Passover*
6. April 6 **Tuesday (T):** Marketing in the Growth Stage—  
*Surviving Competition—Case: VIAGRA*
7. April 8 **Thursday (TH):** Marketing in the Maturity Stage—*Multiproduct*  
*Resource Allocation: Mini Case: Piel Cosmetics*
8. April 13 **Tuesday (T):** Marketing in the Maturity Stage—*Dynamic Product*  
*Management Strategies*  
*DOVE Case Evolution of a Brand*
9. April 15 **Thursday (TH):** *Case: Canadian Children's Cereal*
10. April 20 **Tuesday (T):** Marketing in the Decline Stage
11. April 22 **Thursday (TH):** *Case: Marketing Strategy for Future Technologies*
12. April 27 **Tuesday (T):** *Concluding Session*
- May 4<sup>th</sup> **Tuesday:** *Final Exam, 6:00pm – 8:00pm (location TBA)*

## DETAILED COURSE EVALUATION CRITERIA

1. ***Measuring SABRE Performance:*** Your team's performance in the SABRE simulation will constitute a major part of your grade. The primary measure we will use is the net cash flow generated by your business ("Net Contribution"), which you will be striving to maximize within your virtual industry. Each cohort will have two independent industries consisting of six teams each. While the starting positions for each of the six firms *within* an industry are different, the starting positions for each of the six firms *across* industries are the same. Therefore, we will be comparing your Net Contribution to the firms in other industries that are endowed with the same starting positions. In other words, if your team is "Firm A," we will compare your Net Contribution to that of the other "Firm A's" in the entire Wharton MBA program (WEMBA + WOMBA) to judge your SABRE performance.

In order not to discourage any team prematurely, we will measure Net Contribution at two points in time, first for the early three decisions (periods 1-3) and then again for the later three decisions (periods 4-6). This will give us the possibility to reward turnarounds and penalize "fizzle-outs." Hence, you will receive two scores which will then be averaged for your grade in this component of the course. In addition, to dissuade unrealistic end-gaming, the quality of your team's final strategic position will also be considered by the instructor when evaluating your overall SABRE performance. *Specifically, teams that leave their firms in poor ending positions (drastically reducing marketing spend across all inputs) may be given an evaluation lower than expected (than based on their Net Contribution alone).*

2. ***Initial SABRE Strategy Statement—TEAM ASSIGNMENT (DUE 4/06/10):*** Assess your market position, including your products, competitors, and potential for growth. In doing so, consider questions such as: How do buyer-preferences vary throughout the market? What are the principal strengths and weaknesses of your firm and its starting position? What is the best possible competitive position for your firm? Then complete a similar analysis for the five competitors within your industry. This report should use the results through the first round of decisions made by each team.

Following your analyses, please provide a clear statement of your objectives, your strategy for achieving those objectives, and the tactics you have been employing to implement your strategy.

This report should not exceed **THREE** double-spaced typewritten pages (not including tables and appendices).

3. ***Final SABRE Memo—TEAM ASSIGNMENT (DUE 4/27/10)*** Assess your final market position, including your products, competitors, and discuss how your strategies have changed over time in response to competition, industry evolution, and other strategic dynamics. Write this memo as if the audience were the next marketing management team that will be taking over your firm in the next hypothetical period. Discuss strengths and weaknesses, "blind spots" that you missed, and things that you would do differently. Describe briefly the strategy

you foresee for your firm in the next hypothetical six periods. Please provide a clear statement of your firm's future objectives, strategies and tactics looking forward, and based on what you have learned throughout the 622 course. This report should use the results through the final round of decisions made by each team.

This report should not exceed **THREE** double-spaced typewritten pages (not including tables and appendices).

4. **Final Exam:** There will be a two-hour exam held during the regular final exam period (Tuesday, May 4th, 6-8pm). It will consist of a small number of short-answer/brief essay questions, and will not consist of any in-depth case analyses. The questions will explore how well you can extend the lessons learned both in class, and through the SABRE simulation itself, to real world management decision-making environments.

**NOTE: Classroom Participation Info:**

All course sessions involve active classroom discussion based on careful preparation of the readings and cases, with a focus on both theoretical questions and practical implications. You should be prepared both to share your ideas and to listen to and interpret issues presented by others. The quality of your contribution counts for more than the quantity. Comments that move a discussion forward in a productive direction are particularly welcome.

If you have documentable special circumstances such as time conflicts between multiple exams, illness, or grave personal difficulties such as a death in the family, you should petition the MBA Program Office, which will work with the faculty in appropriate cases to find a resolution. The MBA Program Office will require documentation of your conflict as a matter of course. See the University website (Pennbook) for policies covering absences resulting from religious observances. You should never approach your instructors with requests to reschedule exams or to make special accommodations.

If you find yourself with a conflict due to your career search or recruiting activity, you should work with the MBA Career Management Office to find a resolution. Employers cannot require a student, as a condition of his or her employment candidacy, to participate in recruiting-related activities at a time that conflicts with his or her academic schedule. An employer's inflexibility on this issue is considered a violation of Wharton's recruiting policies. A time conflict due to a job interview, a career pursuit or travel is not an appropriate reason to request accommodation on an academic commitment.

**NOTE: Ethics Matrix for this course.**

	Materials							People				
MKT G 622 Marketing Management Strategy	Approved calculator	Laptop / other electronics	Summary sheet	Current book / class notes	Past notes / summaries	Past exams / assignments	Internet content / other outside materials	Learning team / approved work team	Other student(s) in same section	Student(s) in other sections (same term)	Wharton student not taking the class this term	Person outside of Wharton
Readings	A	A		A			A	W	D	D		
Cases	A	A		A				W	D	D		
All SABRE Decisions	A	A		A				W <sup>1</sup>				
SABRE Memo 1	A	A		A				W				
SABRE Memo 2 (final)	A	A		A				W				
Medicine's Company #s	A	A		A								
Piel Cosmetics #s	A	A		A								
Canadian Cereal #s	A	A		A				W				
Future View Input	A	A		A								
Final Exam Prep	A	A		A				W	W	W		
Final Exam	<sup>2</sup>		A	A	A							
	A = Allowed material Blank Cell = Not allowed							W = Allowed to work together D = Discussion of general concepts and procedures is allowed but no sharing of specific answers. Blank Cell = Not allowed				
<b>Other comments:</b> (1) You are not allowed to share any of your SABRE team information, specific decisions, strategy, or planning <b>with any other SABRE team. No collusion whatsoever is allowed for the SABRE Simulation.</b> (2) <b>The Final Exam does NOT require a calculator</b>												
The information above covers many common situations but will not cover every circumstance. Remember: The <a href="#">Wharton MBA Code of Ethics</a> that you accepted requires, among other things, that you represent yourself and your work honestly, don't try to gain unfair advantage over other students, follow the instructor's guidelines and respect confidentiality of your work and the work of others.												
Should you have questions, please contact your ethics liaison or professor.												

Week	Monday	Tuesday	Wednesday	Thursday	Friday
March 15 - 19	15	16	17	18 1. Case: <b>Aqualisa Quartz: Simply a Better Shower</b>	19
March 22 - 26	22	23 2. Introduction to SABRE Period 0 results are available	24	25 3. Research for Strategic Decision Making	26 Cluster TA Review Session 5-7pm: Location TBA
March 29 – Apr 2 ( <i>Passover begins at sundown on the 29<sup>th</sup></i> )	29	30 4. Case: <b>Medicines Company (A)</b>	31	1 5. (No regular class) Period 1 decisions due by 9am Period 1 results returned by 10:00 PM	2 ( <i>Good Friday</i> )
April 5 – 9	5	6 6. Case: <b>VIAGRA</b> Period 2 decisions due by 9AM Period 2 results returned by 10:00 PM Strategy paper (SABRE) due at end of class NOTE:24 hr Turn around on SABRE	7 Piel Cosmetics #s due by 7pm	8 7. Multiproduct Resource Allocation Mini Case: <b>Piel Cosmetics</b>	9 Period 3 decision due by 12 PM Period 3 results returned by 10:00 PM
April 12 – 16	12	13 8. Dynamic Product Management Strategies Case: <b>DOVE: Evolution of a Brand</b>	14 Canadian Cereal #s are due by 7PM	15 9. Case: <b>Canadian Children's Cereal</b>	16 Period 4 decisions due by 12 PM Period 4 results returned by 10:00 PM
April 19 - 23	19	20 10. The Decline of Markets Period 5 decisions due by 9AM Period 5 results returned by 10:00PM	21 Future View input due by 7PM	22 11. Case: <b>Marketing Strategy for Future Technologies</b>	23
April 26 – April 30	26	27 12. Concluding Session Period 6 results returned at end of class <b>Final (SABRE) Memo Due</b>	28	29	30

Medicines Company #s due by Sun March 28<sup>th</sup> 7pm

\*Easter Sunday April 4<sup>th</sup>

Period 6 decisions due by Sun April 25<sup>th</sup> 7pm

**FINAL EXAM:**  
**Tuesday,**  
**May 4<sup>th</sup>, 2010**  
**6:00-8:00pm**



