



MARKETING STRATEGY

SPRING 2012

COURSE NUMBER:	BUS 771 (001C)
CLASSROOM:	Sage 2221
CLASS SCHEDULE:	Tuesday, 6:00pm – 9:10pm
INSTRUCTOR:	Dr. Aliosha Alexandrov
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OFFICE HOURS:	Tue/Thu 11:30am-1:00pm (or by appointment)

COURSE DESCRIPTION

Marketing Strategy is often designed to be a capstone marketing course. In this course we adopt the Interactive Learning Model of the Harvard Business School. The model operates under the premise that “success in business comes from experience and knowledge, from the ability to analyze and reflect, from observing and interacting with others, and learning from these encounters.”

The primary learning objective in this course is to develop a mental framework for solving general marketing problems. Much of the material in this class may not be new; the focus is on the use of concepts to make evaluations and decisions about marketing. Having taken a variety of courses prescribed by the MBA program, you are now ready to put all the pieces together for a complete picture. You will work with the tools you have developed in other courses and play the role of a marketing manager.

In a nutshell, the mental framework for how to think of marketing strategy is: marketing strategy should be a roadmap that identifies where you are, where you want to be, and what you should do as you go from where you are to where you want to be. Strategy should have a long-term view and should tell a story that ties together different marketing and business issues. The focus is on thinking about the strategy framework and how to apply this framework to guide your strategic decisions. The main idea in this class is to think about how different issues should be considered when developing a strategic story.

COURSE OBJECTIVES

The course has several broad objectives. Every student will reach these objectives proportionate to their commitment to the goals and willingness to do the required work to achieve them. The first objective is to enhance each person’s ability to identify marketing problems, analyze their nature, and develop solutions consistent with analysis. A second broad objective is to give you an opportunity to apply your marketing knowledge to real-life situations.

More specifically, the course aims to help students achieve the following objectives:

- Understand the role of strategic planning in marketing management.
- Be able to go through the process of developing an integrated marketing plan for an organization.

- Be able to go through the process of analyzing comprehensive case scenarios.
- Be able to recognize cross-functional implications of marketing decisions via simulations.
- Be able to explore marketing topics in greater detail and apply these to real world situations.
- Develop, improve and use written communication skills.

TOPICS

The following topic will be covered:

Topic 1: Fundamentals of Customer Strategy; Customer Driven/Value Innovation

Topic 2: Strategic Marketing Planning Process

Topic 3: Situation/Environmental Analysis

Topic 4: SWOT Analysis

Topic 5: Goals/Objectives

Topic 6a: Customer Analysis (Consumer Behavior)

Topic 6b: Customer Satisfaction & Loyalty

Topic 7: Differentiation & Strategic Positioning

Topic 8: Tactical Marketing Strategies: New Product and Brand Management

Topic 9: Tactical Marketing Strategies: Strategic Pricing & Distribution Issues

Topic 10: Tactical Marketing Strategies: Integrated Marketing Communication

Topic 11: Implementation & Management of Market Driven Strategies

Topic 12: International Considerations

Topic 13: Ethics, Social Responsibility, and Sustainability

COURSE MATERIAL

Required:

- Kim, W. Chan and Renée Mauborgne (2005), *Blue Ocean Strategy*, Boston, Massachusetts: Harvard Business School Press.
- Birnbaum, Bill (2004), *Strategic Thinking: A Four Piece Puzzle*, Costa Mesa, CA: Douglas Mountain Publishing
- Capstone Business Simulation Subscription (manual will be distributed by the instructor)

Article (articles are available via online library database “Business Source Elite” / EBSCO Host):

- Levitt, Theodore (2006), “What Business Are You In?” *Harvard Business Review*, 84 (October), 126-138.
- D’Aveni, Richard A. (2007), “Mapping your Competitive Position,” *Harvard Business Review*, (November), 110-120.
- Keller, Kevin Lane (2000), “The Brand Report Card,” *Harvard Business Review*, (January-February), 147-157.
- Keller, Kevin Lane, Brian Sternthal, and Alice Tybout (2002), “Three Questions You Need to Ask About Your Brand,” *Harvard Business Review*, (September), 80-86.
- Gourville, John and Dilip Soman (2002), “Pricing and the Psychology of Consumption,” *Harvard Business Review*, (September), 90-96.
- Holt, Douglas B, John A. Quelch, and Earl L. Taylor (2004), “How Global Brands Compete,” *Harvard Business Review*, (September), 68-75.
- Barthel, Patrick and Vera Ivanaj (2007), “Is Sustainable Development in Multinational Enterprises a Marketing Issue,” *The Multinational Business Review*, 15 (Spring), 67-87.

- *Suggested Readings* – Articles related to the topic of discussion are uploaded on D2L. They provide deeper theoretical insights. The suggested reading **will** be discussed in class. Internalizing their content and making arguments based on them in your written work is **expected**.
- Additional articles of your choosing that will assist you in formulating your contribution to the class discussions and in understanding the topic area.

Optional:

- Any guidebook for developing a marketing plan. This can also be a basic marketing text book as they often contain sample plans. Sample guidebook: Wood, Marian Burk (2008), *The Marketing Plan Handbook* (3rd), Upper Saddle River, NJ: Pearson/Prentice Hall.

GRADES

Your grade will depend on how well you perform on the requirements of the course. If some parts are not clear to you, I will be glad to explain it in greater detail. Do not make assumptions. If your assumptions are wrong, you are responsible for their consequences.

	Assignment	Weight
Individual Assignments	Individual Case Analysis	15%
	12 Quizzes	15%
	Weekly Discussion Presentation	22%
	Participation	6%
Group Assignments	Simulation	21%
	Marketing Plan	21%
	Total:	100%

Letter grades for all assignments and your final course average are calculated on a relative basis. At the end of the semester there may be a curve, based on the highest and standard deviation of scores. The table below indicates how scores are converted into grades. Final scores are not rounded.

Score	Letter grade
93+	A
90 – 92.9	A-
87 – 89.9	B+
83 – 86.9	B
80 – 82.9	B-
77 – 79.9	C+
72 – 76.9	C
67 – 71.9	C-
65 – 66.9	D+
63 – 64.9	D
60 – 62.9	D-
< 60	F

CASE ANALYSIS

You are responsible for one case analysis for a company with a problem discussed in the current media and for turning in written case reports. The report is due on the date indicated on the weekly schedule. The report should be approximately 3 to 5 single-spaced pages long. I expect a concise and well-written report that provides sufficient detail about the case analysis.

When preparing the case, place yourself in the role of the decision-maker and identify the problem. The next step is to perform the necessary analysis and to come to a set of recommendations. More specifically, the following areas should be addressed:

Situation Analysis (40%)

Analysis (qualitative and quantitative) of external and internal environment, summary of the situation and identification of major issues

Recommendations (50%)

General recommendation, specific recommendation, rationale behind recommendation, issues in implementing recommendations

Presentation of Written report (10%)

Organization of report (e.g., flow, clarity, to the point), writing style (easy to understand, free from errors), professional appeal

QUIZZES

The 12 online quizzes cover the assigned readings for the week, and are open book. Each quiz consists of 10 questions (multiple choice, fill in the blank, and/or true/false questions.) The quiz for the week should be completed by Sunday 5:00pm. You can take it before or after the class on Tuesday. The time duration per quiz is limited to 18 minutes.

WEEKLY DISCUSSION PRESENTATION

You can find the discussion questions in the weekly schedule appendix. The discussion questions relate to the assigned readings for the week.

The weekly discussion assignment consists of two components: a paper and a presentation. The relative grade of the components is 50/50. Each student, according to a schedule, will write an essay paper explaining his/her point of view. Keep in mind that multiple perspectives may be possible, so pick the one which is most convincing to you, provide support based on research, and defend it.

The paper will be presented in class and the discussant should engage the audience in a debate augmenting the weekly topic. The main objective of the presentations is to **provide diverse and in-depth information contributing to the topic of the day**. The presentation will be evaluated by several judges from the class who will be appointed according to a schedule. The responsibilities of the judges are to: (1) be familiar with the topic and the readings for the week, (2) ask, sometimes provocative, questions, (3) provide objective and educated assessment.

PARTICIPATION

You are expected to participate in our weekly discussions by to offering views and explanations on the subject being studied.

CAPSTONE SIMULATION

We will be using an innovative computer simulation game for this class (www.capsim.com). The simulation is designed to give you a more realistic “feel” for how business decisions affect the organization as a whole. Thus, in addition to marketing-based decisions, you will also be making decisions concerning such areas as finance and production. An important goal with regard to the simulation is to gain a better appreciation for how the functional areas within a firm work together to achieve stated objectives.

- Each student enrolled in the class will need to purchase the simulation from the online vendor. The individual price is about **\$54**. I have set up the simulation already. Register and search for industry **C49334**. The name of the class is: **BUS-771 Marketing Strategy (Spring 2012)**.
- Each team is required to submit a one-page summary that outlines the general strategy that the team will pursue. In the summary, select three measures (out of the six possible: cumulative profit, stock price, ROA, ROS, ROE, Asset Turnover, Market Share) which you want to be graded on. Your strategy and the three measures should be related. Read the success measure definitions carefully. For example, Market Share is industry share, not share of one segment. The deadline is on the class schedule.
- Round decisions are to be submitted by the corresponding deadlines (Thu by 1:00pm). Rounds will be processed few hours later. Rounds cannot be reprocessed, so make sure all decisions are submitted on time.
- The Capstone grade will be based on the three success measures averaged for the last three rounds. The table below indicates how your Round-6, Round-7 and Round-8 success on selected three measures convert into a score.

	You are one of N teams with this Success Measure: N =					
Place	1	2	3	4	5	6
1st	90	92	94	96	98	100
2nd	86	88	90	92	94	96
3rd	82	84	86	88	90	92
4th	78	80	82	84	86	88
5th	74	76	78	80	82	84
6th	70	72	74	76	78	80

This score can be adjusted. For example, if you focused on three success measures, and you were the only team that focused on these measures, and you had top performance in all measures, then request to have your score of 90 increased to somewhere in the A range. Finally, even if your ‘score’ is good, but I see you drifted from your intended strategy without clear reason, or you had clear coordination problems, then I may lower your score.

MARKETING PLAN

This is also a team assignment. Each team is responsible for writing a marketing plan for a good or service of their choosing. Please refer to the “Main Sections of a Marketing Plan” file posted in the content area / course information area of our D2L site. Your grade for this assignment will be derived as follows:

Written Marketing Plan
1. Executive Summary (5%)
2. Situation Analysis (10%)
3. Goals / Objectives (10%)
4. Target Market Description & Analysis (5%)
5. Marketing Strategy (10%)
6. Marketing Program (40%)
7. Financial Plans (10%)
8. Implementation controls (5%)
- Appendix
- Creativity of Marketing Plan (5%)

WEEKLY SCHEDULE

The weekly schedule contains information about the overall flow of the course as well as week-by-week assignments and readings. You can find the class schedule in the appendix to the syllabus.

COURSE POLICY

- Academic Dishonesty – University policy with respect to academic misconduct will be strictly enforced. Any attempts at cheating, plagiarism, or facilitating academic dishonesty will be severely dealt with and may result in a penalty of an “F” for the course.

The University of Wisconsin Oshkosh is committed to a standard of academic integrity for all students. The system guidelines state: “Students are responsible for the honest completion and representation of their work, for the appropriate citation of sources, and for respect for others’ academic endeavors.” (UWS 14.01, Wisconsin Administrative Code)

Students are encouraged to review the procedure related to violations of academic honesty as outlined in chapter UWS 14, Wisconsin Administrative Code. The system guidelines and local procedures can be found on the Dean of Student website at <http://www.uwosh.edu/dean/conduct.htm>.

EMAILS

- Please include **BUS-771** in the subject line in your emails.
- Emails about group issues/questions should be addressed not only to me but also to all group members.

If there is *any* confusion regarding the instructions for *any* assignment for this course, please consult me (the professor for the course) directly and immediately.

Weekly Schedule

Class Date	Task/Activity
<p>Week 1 (Jan 31)</p>	<p>Introduction</p> <p>Readings:</p> <ul style="list-style-type: none"> ▪ Syllabus ▪ Capstone Simulation Manual <p>Discussion:</p> <ul style="list-style-type: none"> ▪ Getting to know you. Tell us who you are, what you do, etc.
<p>Week 2 (Feb 7)</p>	<p>Topic 1: Fundamentals of Customer Strategy; Customer Driven/Value Innovation</p> <p>Readings:</p> <ul style="list-style-type: none"> ▪ Power Point Outline ▪ Blue Ocean Strategy – Ch 1, 2 ▪ Article: <i>What Business Are You in?</i> ▪ Capstone Simulation Manual (again) <p>Weekly Discussion:</p> <ul style="list-style-type: none"> ▪ The fact that customers have more power is one of the major shifts taking place in the new economy. In what ways have you personally experienced this shift in power? Is this shift uniform across all industries and markets? How so? Be sure to define the term "consumerism" in your discussion. How does the shift in power relate to the need of firms to be customer driven? <p>Quiz 1</p>
<p>Week 3 (Feb 14)</p>	<p>Topic 2: Strategic Marketing Planning Process</p> <p>Readings:</p> <ul style="list-style-type: none"> ▪ Power Point Outline ▪ Strategic Thinking – Ch 1, Appendix A&B <p>Weekly Discussion:</p> <ul style="list-style-type: none"> ▪ Defend or contradict this statement: "Developing marketing strategy is more important than implementing marketing strategy because if the strategy is flawed, its implementation doesn't matter." When addressing this question, be sure to describe what a marketing strategy is. What criteria would you use to compare the importance of strategy and implementation? <p>Quiz 2 Simulation: Practice 1,2</p>
<p>Week 4 (Feb 21)</p>	<p>Topic 3: Situation/Environmental Analysis</p> <p>Readings:</p> <ul style="list-style-type: none"> ▪ Power Point Outline ▪ Blue Ocean Strategy – Ch 3 <p>Weekly Discussion:</p> <ul style="list-style-type: none"> ▪ (1) Select a brand and describe the generic, product type, and brand product market of which the brand is a part (see topic outline for examples of a product-market analysis). <ul style="list-style-type: none"> • There are some dangers in concentrating product-market analysis only on a firm's specific brand and those brands that compete directly with a firm's brand. Discuss. ▪ (2) The book "Blue Ocean Strategy" discusses six paths for reconstructing market boundaries in creating a blue ocean. Provide additional examples of brands (or companies) for each path exemplifying its successful, or unsuccessful, use. Tie the examples to the external, internal, and customer analyses discussed in the Power Point Outline. <p>Quiz 3 Simulation: Practice 3, 4</p>
<p>Week 5 (Feb 28)</p>	<p>Topic 4: SWOT Analysis</p> <p>Readings:</p> <ul style="list-style-type: none"> ▪ Power Point Outline ▪ Strategic Thinking – Ch 2 <p>Weekly Discussion:</p> <ul style="list-style-type: none"> ▪ (1) Support or contradict this statement: "Given the realities of the new economy and the rapid changes occurring in business technology; all competitive advantages are short lived. There is no such thing as a sustainable competitive advantage that lasts over the long term." Defend your position. Discuss sustainability in general and in particular to strategy.

	<ul style="list-style-type: none"> ▪ (2) Recently, Netflix increased their subscription prices, and split their streaming and delivery services in two separate services. Research the company and conduct a SWOT analysis? Based on your SWOT analyses, (a) were the two strategic moves a logical result, and (b) were there alternative options? <p>Quiz 4 Simulation: Round 1</p> <p>Simulation one-page summary [Due in class]</p>
<p>Week 6 (Mar 6)</p>	<p>Topic 5: Goals/Objectives</p> <p>Readings:</p> <ul style="list-style-type: none"> ▪ Power Point Outline ▪ Strategic Thinking – Ch 3 <p>Weekly Discussion:</p> <ul style="list-style-type: none"> ▪ (1) What are the functions of goals and objectives within a marketing strategy? <ul style="list-style-type: none"> ○ What role, if any; should customers play in the strategic planning process? ○ Should they have a voice in developing marketing goals? ▪ (2) Research several companies in the Fox Valley area. <ul style="list-style-type: none"> ○ What are their goals and objectives? Are they similar or different? Are there companies without goals/objectives? ○ Although businesses differ, is it possible to standardize goals and objectives across companies to allow easier comparison and analysis? What is your opinion? <p>Quiz 5 Simulation: Round 2</p>
<p>Week 7 (Mar 13)</p>	<p>Topic 6a: Customer Analysis (Consumer Behavior) Topic 6b: Customer Satisfaction & Loyalty</p> <p>Readings:</p> <ul style="list-style-type: none"> ▪ Power Point Outline ▪ Blue Ocean Strategy – Ch 5 <p>Weekly Discussion:</p> <ul style="list-style-type: none"> ▪ (1) J. D. Power and Associates is a well-known research company specializing in the measurement of product quality and customer satisfaction. Explore their Web site at http://www.jdpower.com. What role will third-party firms like J. D. Power play in the future, given the increasing use of internal customer satisfaction metrics? ▪ One of the common uses of CRM in consumer markets is to rank customers on profitability or lifetime value measures. Highly profitable customers get special attention, while unprofitable customers get poor service or are often "fired." What are the ethical and social issues involved in these practices? Could CRM be misused? How and why? ▪ (2) Companies need more and more customer data to provide better products/services and optimize their operations. On the other hand, there are concerns about customer privacy. <ul style="list-style-type: none"> ○ Is there a right balance? Answer this question now, and 10 years in the future. ▪ Several years ago Nokia had the most loyal customers in the world. Now, it merely survives. How long does loyalty last? <p>Quiz 6 Simulation: Round 3</p>
<p>Week 8 (Mar 27)</p>	<p>Topic 7: Differentiation & Strategic Positioning</p> <p>Readings:</p> <ul style="list-style-type: none"> ▪ Power Point Outline ▪ Strategic Thinking – Ch 4 ▪ Blue Ocean Strategy – Review "Strategic Canvas" Concept ▪ Articles: (1) <i>Mapping Your Competitive Position</i> and (2) <i>Three Questions You Need to Ask about Your Brand</i> <p>Weekly Discussion:</p> <ul style="list-style-type: none"> ▪ (1) What is "Product Positioning"? What role does the customer play? Discuss the usefulness of the "Strategic Canvas" when positioning a product. ▪ (2) HP left the personal computer business. From a marketing perspective, was there an alternative path to this drastic move? How were they positioned?

	<p>Quiz 7 Simulation: Round 4</p> <p>Individual Case Analysis</p>
Week 9 (Apr 3)	<p>Topic 8: Tactical Marketing Strategies: New Product and Brand Management</p> <p>Readings:</p> <ul style="list-style-type: none"> ▪ Power Point Outline ▪ Strategic Thinking – Ch 5, 6, 19 ▪ Article: <i>The Brand Report Card</i> <p>Weekly Discussion:</p> <ul style="list-style-type: none"> ▪ (1) Eli Lilly & Company manufactures a broad line of pharmaceuticals with strong brand positions in the marketplace. Lilly is also a manufacturer of generic drug products. Is this combination branding strategy a logical one? If so, why? ▪ Based on your experience, are there brands that offer good products but manage poorly their brand, and are there brands that have excellent brand name but offer subpar products? Are such strategies sustainable and feasible? ▪ (2) More than 80% of all new products fail. Research the literature and provide some generalizations about the main reasons. What are the reasons for the failure of superior products? <p>Quiz 8 Simulation: Round 5</p>
Week 10 (Apr 10)	<p>Topic 9: Tactical Marketing Strategies: Strategic Pricing & Distribution Issues</p> <p>Readings:</p> <ul style="list-style-type: none"> ▪ Power Point Outline ▪ Blue Ocean Strategy – Chapter 6 (covers product, price, and cost interplay) ▪ Article: <i>Pricing and the Psychology of Consumption</i> <p>Weekly Discussion 9:</p> <ul style="list-style-type: none"> ▪ (1) You are in the process of planning a hypothetical airline flight from New York to St. Louis. Go to the Web sites of three different airlines (or online travel agencies) and compare prices for this trip. Try travel dates that include a Saturday night layover and those that do not. Try dates less than seven days away, and compare those prices with the prices for flights that are more than twenty-one days out. How do you explain the similarities and differences you see in these prices? Be sure to define and describe the pricing strategy called Yield Management. ▪ (2) The suggested reading “Mental Accounting Matters” discusses different aspects of how people interpret prices and process pricing decisions. Provide three real-life examples of companies/brands utilizing some of the aspects discussed in the article. <p>Quiz 9 Simulation: Round 6</p>
Week 11 (Apr 17)	<p>Topic 10: Tactical Marketing Strategies: Integrated Marketing Communication</p> <p>Readings:</p> <ul style="list-style-type: none"> ▪ Power Point Outline <p>Weekly Discussion:</p> <ul style="list-style-type: none"> ▪ (1) Describe the various means for communicating with customers. Why is it important to have an integrated promotional campaign? ▪ Identify and discuss the important factors in determining the promotional mix for the following products: (a) personal computer, (b) Boeing 777 commercial aircraft, and (c) residential home. ▪ (2) Many people ignore advertising. They never read newspaper ads, never click on online ads, or switch the TV channel when advertising begins. However, advertising budgets increase and companies continue to promote. How does advertising work on a psychological level? Why companies continue to spend money on advertising considering its low efficiency? What are the new trends in promotion? <p>Quiz 10 Simulation: Round 7</p>
Week 12 (Apr 24)	<p>Topic 11: Implementation & Management of Market Driven Strategies</p> <p>Readings:</p> <ul style="list-style-type: none"> ▪ Power Point Outlines ▪ Strategic Thinking – Ch 9, 11, 13, 15

	<ul style="list-style-type: none"> ▪ Blue Ocean Strategy – Ch 7 <p>Weekly Discussion 11:</p> <ul style="list-style-type: none"> ▪ (1) Find a recent news article about an organization that changed its marketing strategy. What were the reasons for the change? How did the organization approach the development and implementation of the new strategy? ▪ (2) Employees often resist change. Discuss best practices in change management. <p>Quiz 11 Simulation: Round 8</p>
Week 13 (May 1)	<p>Topic 12: International Considerations</p> <p>Readings:</p> <ul style="list-style-type: none"> ▪ Power Point outlines ▪ Article: <i>How Global Brands Compete</i> <p>Weekly Discussion:</p> <ul style="list-style-type: none"> ▪ (1) A few years ago, Unilever announced that it will trim more than 1,000 brands. The company wants to focus on 400 of its current 1,600 brands with a core group of so-called power brands that are known globally or region-wide. These 400 brands accounted for 90 percent of the sales revenue of the previous year. Discuss Unilever's decision. What do you see as possible advantages and disadvantages? ▪ (2) McDonalds positions itself differently on the domestic and on the international markets. Research the company and discuss the similarities and differences in doing business in the U.S. and abroad. Which other companies have similar marketing strategy? <p>Quiz 12 Marketing Plan Group Presentations</p>
Week 14 (May 8)	<p>Topic 13: Ethics, Social Responsibility, and Sustainability</p> <p>Readings:</p> <ul style="list-style-type: none"> ▪ Power Point outlines ▪ Article: <i>Is Sustainable Development in Multinational Enterprises a Marketing Issue?</i> <p>Weekly Discussion:</p> <ul style="list-style-type: none"> ▪ (1) In your opinion, what is the relationship between marketing ethics and organizational performance? Can you provide examples detailing the linkage? ▪ (2) In some foreign markets bribing is illegal but common practice. Without bribing doing business there is difficult and sometimes impossible. What should U.S. companies do in such markets? Should they do what "everyone else does", or should they behave in accordance with the U.S. legislation? <p>Group Presentations</p>

Typical Class Format

Questions

Business News (Local & Global)

Quiz discussion / Simulation round overview

Lecturing & Discussion (based on the weekly readings)

Presentations (based on the weekly discussions topic)

Group work (if desired)