

UNIVERSITY OF CALIFORNIA AT BERKELEY: Haas School of Business

**BA 206: Marketing Management; Spring, 2000**

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**Course Objectives**

**BA 206** is the core marketing course in the MBA program. The course objectives are:

1. to introduce you to the role of marketing in organizations;
2. to teach the basic concepts and tools used in marketing, including:
  - elements of marketing analysis: customers, competition, company
  - elements of the marketing mix: the 4 P's;
3. to assist in learning how to apply these concepts and to practice making decisions through:
  - In-class case analyses (exposing you to examples of successful and unsuccessful marketing applications)
  - the Markstrat Simulation;
4. to improve presentation and writing skills and provide opportunities to articulate and defend positions via:
  - oral presentations, and
  - written individual and group projects.

The overall theme of the course is to emphasize the process of thinking : qualitatively, quantitatively, and strategically, using concrete, real-life practical examples as specific exemplars, drawing from both traditional areas of marketing as well as newer areas including internet marketing and global marketing.

**Course Materials**

Text: Winer, *Marketing Management*, Prentice Hall, 2000.

Larréché and Gatignon, *MARKSTRAT 3*, South-Western, 1998.

A reader containing the cases for the course should also be purchased.

**Course Administration**

The course consists of lectures, case analyses, and participation in a marketing simulation, MARKSTRAT. The lectures will complement the text and will not attempt to cover all points raised in the reading. Details on the MARKSTRAT simulation will be provided at a later date.

**Course Grading**

Individual Assignments	
Four assignments	40%
Group-Assignments	
MARKSTRAT project	25%
Advertising project	15%
Class participation	20%

*Individual assignments* include analyses based on case questions (assignment 2 and 3), as well as

others. They should be done individually, typed, and be ~~2~~ 2 pages in length excluding appendices. They are due in class on the date the case is discussed. Students may discuss the case with whomever they wish but must write the analysis themselves. The best 4 of 5 will count towards your grade.

2/1 # 1: Identify a new product or service (e.g., an internet service; new website, high technology product, industrial or consumer good etc.) and estimate the demand (including web site visits, sales, etc.) for the first three years under optimistic, realistic, and pessimistic scenarios.

2/8 # 2: ODI Case: Calculate how much the consumer saves by switching to ODI; or Calculate current and future demand for ODI contact lenses

2/24 # 3: Clip a newspaper or magazine ad that you like/ dislike and briefly describe reasons for your choice.

3/14 # 4: ART Case: Design a Subscription Package for ART.

4/6 # 5: Identify a high-tech business that you believe has been successful or you believe has failed. Briefly describe the business and your analysis of why it succeeded/ failed along with a recommendation of what you think they should have done differently.

**MARKSTRAT Assignment.** The MARKSTRAT assignments will be done in teams. Students will be assigned to teams or ~~3~~ firms ~~2~~ for the simulation.

**Advertising Assignment.** Form ~~3~~ teams ~~2~~ of 3-5 people. Identify a marketing opportunity (real/ imaginary), create an advertising plan, execute it and present it to the class.

**Class Participation.** Participation enriches the quality of our classroom and your learning experience, and also makes up a significant portion of your grade. Students participating in class do at least one grade better than those that do not participate.

For effective class participation you need to have read the assigned materials before the class session. Case discussions are a critical component of the learning process for this course. I might "cold call" on you, asking you questions about the assigned material and your opinions. If, for any reason, you have not read the materials please let me know before the class.

Effective class participation includes your 1) asking questions about concepts you have either not understood or agree or disagree with; 2) sharing your experience or point of view with the class; 3) building on points raised by others; 4) relating topics discussed to previous class discussions. Note that the **quality** of your participation is what counts, not the amount you participate. Excessive participation might actually reduce your grade if you are seen as monopolizing a class discussion, or not adding to its quality.

Class attendance is mandatory. Regular and **punctual** attendance is a necessary but not a sufficient criterion for high class participation grades. **Please do not come to class late as this distracts other class members and me. Once you are in class, please do not leave the class for any reason.** Switch off all cell phones, pagers etc. before you enter the classroom. Please stay in the same seats through the semester. This will assist me in getting to know you faster.

## Course Outline Course Outline

### 1/18 Course introduction.

Case: Federal Express Money Back Guarantee (A)  
Read: Chs. 1, 2.

*Case Question*: What should the CEO do with the customer complaint?

*Class Objectives*:

1. Introduce Marketing and examine its importance.
2. Describe course objectives, structure, and expectations, and illustrate pedagogical approach.

## SECTION 1: MARKETING TOOLS

### 1/20 Basic Marketing Math

Case: Gillette Safety Razor Division  
Note: Basic Quantitative Analysis for Marketing

*Case Question*: Should Gillette enter the cassette tape industry? Why or why not?

2 students will be asked to present their quantitative analysis prior to opening the class for discussion.

*Class Objectives*:

1. Explore how to find data from a case and use it to make go/no-go, and pricing decisions.
2. Discuss how to temper quantitative analysis with qualitative strategic thinking.

### 1/25 Case: Zenith: Marketing Research for High Definition Television (HDTV)

*Case Questions*: What will the demand for HDTVs be? What research must be conducted to examine consumer preferences?

*Class Objectives*:

1. Decide whether, when, and how to conduct research.
2. Demonstrate importance of assumptions; and issues related to innovative products.

### 1/27 Marketing research.

Read: Ch. 4  
Note: Four Steps to Forecast Total Demand

*Class Objective*:

1. Study types of research methods, their pros and cons, and suitability for different situations.

### 2/1 Individual Presentations

*Assignment 1*: Demand forecast for a new product/ service under multiple scenarios.

Six to ten participants will be chosen at random, at the start of class, to make extempore presentations of their demand forecasting problem and estimation method.

*Class Objectives*:

1. Practice in "rough cut" estimation based on secondary data sources: finding and using data.
2. Practice in presentation skills, class discussion and constructive evaluation of others' ideas.

### 2/3 Developing a marketing strategy.

Read: Ch. 3

*Class Objectives*:

1. Outline importance of strategic considerations in Marketing decisions.
2. Discuss historical evolution of marketing and discuss future evolution.

*In Class Debate*: Will the web introduce new strategic considerations for marketers, or merely reemphasize some of the old?

Students will assign themselves to two groups: those for the proposition (Web will introduce new strategic considerations) and those against the proposition (merely reemphasize the old) and the class will be conducted as an open debate moderated by the instructor.

**2/8 Case: Optical Distortion Inc.**

*Assignment 2:* Calculate how much the consumer saves by switching to ODI.

OR

Calculate current and future demand for ODI contact lenses

*Case Questions:* What characteristics of ODI make it unappealing to customers?

One participant will be called to present the consumer-saving analysis, and one participant will be called upon to present the demand analysis, prior to opening the class for group discussion.

*Class Objectives:*

1. Demonstrate importance of "process of thinking" by using classic case.
2. Show the synergies between quantitative and qualitative analyses.

**2/10 Consumer and Organizational Buyer Behavior**

Read: Chs. 5 and 6.

*Class Objectives:*

1. Discuss stages in decision making to explore role of marketing at each stage.
2. Discuss decision making methods and their impact for marketers.

*In-Class Exercise:* How did you decide on an MBA at Haas?

Students will be asked to volunteer to discuss their decision making process.

**2/15 Case: Land Rover North America, Inc.**

*Case Questions:* Who buys SUVs and why?

What should Land Rovers's positioning be?

*Class Objectives:*

1. Underscore dual role of company strengths and market opportunities.
2. Show how to use segmentation methods, and perceptual maps to identify available positions.

**2/22 Competitor Analysis**

Read: Chapter 7

Note: Note on the Structural Analysis of Industries

*Class Objectives:*

1. Emphasize that competition ? "competitors"
2. Discuss pros and cons of choosing between alternate competitive strategies

**SECTION 11: MARKETING MIX VARIABLES**

**2/24 Advertising: Good and Bad Ads from around the world!**

Watch: TV the night before!

*Assignment 3:* Clip a newspaper or magazine ad that you like/ dislike and briefly describe reasons for your choice.

*Class Objectives:*

1. Demonstrate variety in objectives and executions.
2. Discuss pros and cons of creativity versus business requirements.

**2/29 Communications and Advertising Strategy**

Read: Chp. 8

*Class Objectives:*

1. Demonstrate the science behind the art of advertising
2. Underline need for consistent "look" in marketing communication strategy.

**3/2 Channels of Distribution**

Read: Chps. 9 and 10

*Class Objective:*

1. Describe channel functions; and discuss factors affecting channel choice.

**3/7 Case: Dell Online.**

*Case Questions: How can Dell achieve its goal of \$20 billion?*

*Class Objective:*

1. Examine implications of the internet for distribution.

**3/9 Introduction to MARKSTRAT.**

Read: MARKSTRAT 3 manual, chs. 1-6.

**3/14 Case: American Repertory Theatre**

*Assignment 4: Design a Subscription Package for ART.*

*Case Questions: Is ART satisfying customers' wants? Should it?  
What price should ART charge?*

*Class Objective:*

1. Exposure to non-traditional marketing scenarios.

**3/16 Pricing.**

Read: Ch. 11.

*Class Objective:*

1. Describe pricing methods and factors influencing which method to use.
2. Discuss pricing tactics across time, brands, and contexts.

**3/21 Case: American Airlines: Fare Wars!**

*Case Questions: Is Value Pricing good for consumers? The company? The industry?*

*Class Objectives:*

1. Demonstrate the interplay between psychology and economics in pricing.
2. Demonstrate the effect of potential future actions on today's decisions.

**3/23 Sales promotion.**

Read: Ch. 12.

*In Class Debate: Have sales promotions cheapened the brand?*

Students will assign themselves to two groups: those for the proposition (Sales promotions have cheapened the brand) and those against the proposition (they have not cheapened the brand) and the class will be conducted as an open debate moderated by the instructor. At the end of class, I will summarize some of the latest academic research on this issue.

*Class Objective:*

1. Discuss types of promotions.
2. Explore the tension between advertising and promotions.

**3/27-3/31 Spring break.**

#### 4/4 **Group Advertising Presentations**

**Group Assignment:** Identify a new product or service (this may be the same one one of your group members chose for your individual assignment 1) and design an advertisement for it.

All groups will present their a) advertising objective; and b) execution. Groups will get 5 minutes to present (including set up).

*Class Objectives:*

1. Exercise in translating theory to practice
2. Building group dynamics.

### **SECTION III: INTEGRATIVE STRATEGIC ANALYSES IN SPECIAL SITUATIONS**

#### 4/6 **Customer management.**

Note: Five keys to keeping your best customers.

Read: Ch. 13.

**Assignment 5:** Identify a high-tech business that you believe has been successful or you believe has failed. Briefly describe the business and your analysis of why it succeeded/ failed along with a recommendation of what you think they should have done differently.

Six to ten participants will be chosen at random, at the start of class, to present their assignments.

*Class Objectives:*

1. Exposure to real-world business successes and failures and reasons for success.

#### 4/11 **Service Marketing**

Case: ETrade Securities, Inc.

Read: Ch. 14

*Case Question:* Should ETrade continue being low-cost or should it add value?

*Class Objectives:*

1. Demonstrate the strategic tradeoff between price and quality.

#### 4/13 **No class: MARKSTRAT group work.**

#### 4/18 **High-tech marketing.**

Case: Leadership Online: Barnes & Noble vs. Amazon.com (A)

Note: Marketing and the World Wide Web

Read: Ch. 15.

*Case Question:* Will Amazon.com survive?

*Class Objectives:*

1. Reemphasize need for sustainable competitive advantage.
2. Expose students to different business objectives.

#### 4/20 **Direct Marketing**

Case: Calyx and Corolla

*Case Questions:* What is the economics of Calyx and Corolla's business? How should

*they grow?*

*Class Objectives:*

1. Emphasize lifetime value of a customer.
2. Expose students to differences in direct versus traditional marketing.

**4/25 No class: MARKSTRAT group work.**

**4/27 New Product Development**

Case: Launching the BMW Z3 Roadster

Read: Ch. 17

*Case Questions: Evaluate the BMW promotional campaign.*

*Class Objectives:*

1. Exposure to non-traditional marketing methods.

**5/2 Global marketing.**

Read: Ch. 16

Case: Citibank: Credit Card in Asia (A).

*Case Questions: In which countries (if any) should Citibank launch the credit card?*

*Class Objectives:*

1. Evaluate the "think global-act local" maxim.

**5/4 Team Presentations**

MARKSTRAT wrap.

Course summary.