

UNIVERSITY OF SOUTHERN CALIFORNIA
MARSHALL SCHOOL OF BUSINESS
BUAD 307 MARKETING FUNDAMENTALS SUMMER 2014
(UPDATED ON MAY 27ST)
MONDAYS AND WEDNESDAYS: 12:00 – 2:30 P.M.; LOCATION: ACC 301

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Office Hours: M 2:30-3:30 or by appointments

REASONS TO TAKE THIS COURSE

1. Maybe you are taking this course because you have no choice (if you are a finance or accounting major): you may be surprised that marketing can be equally quantitative and analytical but much more interesting (I am biased, of course);
2. Maybe you are taking this course because you are wondering whether there are some logics behind real business world (if you are a science major): you will find in this course many applications of economic theories and psychological findings that have strategic implications;
3. Maybe you are taking this course because you could not understand business language (if you are an engineering major): you may find ways to better communicate with marketers;
4. Maybe you are taking this course because you are interested in starting up your own ventures in the future: You are in the right place, as the first and foremost entrepreneurial question is whether there is a revenue at all.
5. Maybe you just need some easy credits and little homework while enjoying the laid-back summer time: It is also my every-year wish! But I recommend you to avoid this course at all cost as it may overwhelm you.

COURSE DESCRIPTION

People may have many misconceptions on "marketing": marketing is just about advertising, selling, or even price wars. However, marketing is much more than advertising and even the most skillful marketing cannot make consumers buy things that they don't want; Marketing is also different from selling: a successful marketing companies does not need to worry about sales skills: products will sell by themselves; Marketing can be an effective tool to prevent price war from happening.

So what is marketing? Marketing involves two basic sets of activities. The first set starts with identifying consumer needs and ends with positioning the product or service to satisfy those needs and differentiate it from competition. In between, rigorous analysis of the competition, the customer, the environment, and the company's own capabilities are required. The second set of activities revolves around the "marketing mix" – letting the consumer know about the product in an attention-getting, convincing, and motivating way, getting it to the consumer through the best combination of distribution channels, pricing it effectively, and offering incentives to try, purchase, and purchase more. At any point along the way, failure to get one of these activities right may result in the failure of the product. Positioning is the key to product success, but even a perfect product with brilliant positioning won't last long if its benefits are not clearly communicated to the right people, if its price is too high or too low, if it is sold through the wrong retailers, or displayed poorly.

LEARNING OUTCOMES

Students will be able to:

1. Offer reasonable recommendations for brand extensions to existing manufacturers;
2. Propose a promising marketing plan for a new product or service concept;
3. Develop creative and critical thinking and analytical skills to assess and solve marketing problems.
4. Practice business communication skills, including presentations, debates, case discussions, and writing analytical reports and business proposals.

COURSE FORMAT/APPROACH

Class meetings will revolve around formal lectures, video presentations, and in-class activities such as case discussions, quizzes, in-class exercises, debates, presentations, business proposals. In order to get the most from this course, it is extremely important that you are prepared for class. I will only highlight the material covered in the text or readings, on the assumption that you can do the required background reading yourselves and you would prefer to take the initiative and acquire *additional* information and experiences in class that *supplement* your basic theoretical readings.

Therefore it is important for you to prepare for class adequately before coming to the classes: otherwise you will learn substantially less from the discussions and exercises, and not only will you not be able to participate in class effectively, but it is also likely that you will not perform well on the cases and team presentations.

REQUIRED READINGS

- Dhruv Grewal and Michael Levy (2012), *M: Marketing* (3rd Edition), McGraw-Hill and Irwin, ISBN 978-0078028854. (It is fine if you prefer a newer version: the book is just for reference.)
- Course Reader of Harvard Business School cases studies (five cases are included)

GRADE BREAKDOWN AND EXPECTATIONS

The following 1000 point grading system will be utilized for the course:

TOPIC	PERCENTAGE OF GRADE	POINTS	DUE DATE (SEE COURSE SCHEDULE)
ATTENDANCE AND CLASS PARTICIPATION	10%	100	5/21 – 8/6
CASE REVIEW	10%	100	6/16 – 7/28
TEAM DEBATE	10%	100	6/30
CLOSE-BOOK QUIZ	30%	300	6/9; 6/25; 7/16
CONSULTING EXERCISE	20%	200	7/7
FINAL NPD PROJECT PRESENTATION	10%	100	7/30; 8/4
FINAL NPD PROJECT REPORT	10%	100	8/5
TOTAL	100%	1000	

A detailed course schedule is attached. The Department of Marketing follows the grading policy of the Marshall School of Business. For this course, the grading standard is an average of 3.0.

There are several opportunities for earning bonus points, such as for outstanding performances in the class exercises. The purpose of bonus points is to incentivize students' participation.

LAPTOP OR OTHER COMMUNICATION DEVICES POLICY

To maximize the richness of the learning experience, eliminate distractions and to demonstrate the utmost respect for all, you are expected to refrain from using laptops, cell phones, iPads or any other electronic devices during class, unless receiving special permission from me, such as in-class exercises. Anyone who use the above device in regular class meetings without my authorization will be considered as absent from class. In addition, all points he/she make in that course will be void. Also note that the person who receives such penalty may not be warned in class. Thus it is important to be self-discreet.

ATTENDANCE

Students are expected to attend *all* class sessions. Class discussions are an integral part of the learning experience throughout this course. It follows that the frequency and quality of your participation in and contribution to these discussions will have a direct and meaningful relationship to the value as well as the short and the long term benefits you will derive from the course. Please notify me in advance if you are unable to attend any class whenever possible.

CLASS PARTICIPATION

In the first three weeks students are expected to carry their name tags to help me identify their names. Cold calling will take place to encourage active participation and gain multiple perspectives and points of view to achieve the level of richness of the learning experience each student expects from this course.

The grading of class participation will be based on the student's willingness to actively participate and the quality of the comments expressed, not necessarily quantity. When evaluating participation, I will address the following questions:

- Does the participant attend class regularly arrive on time? Is the participant prepared?
- Do comments add to an understanding of the topic of discussion? Does the participant go beyond simple repetition of case facts to include thoughtful and insightful analyses and conclusions?
- Is the participant a good listener? Are the points made relevant to the discussion? Are they linked to the comments of others? Is there a willingness to interact with other class members?
- Is the participant an effective communicator? Are concepts presented in a logical, concise and convincing manner?

A class participation rating of 2, 1 or 0 will be given to each student based on his or her contributions during each class. A 2 rating will be awarded to those students who provide excellent contributions to class discussions. A 1 rating will be awarded to those students who attend class and provide some proactive, positive contribution to class discussions. A 0 rating will be awarded to those students who are absent or provide no or negative contributions.

Ten (10) percent of the course grade or 100 out of 1,000 points will be allocated to class participation. Missing class sessions will negatively impact your final grade. One missed session will reduce your final grade by 0.5 percentage points plus the loss from missing the class assignments. There will be one free pass for this course in which the absence will not be counted against the final grade.

CASE STUDIES: EXPLANATIONS

Cases are viewed not only as vehicles for developing analytical skills and for applying concepts and frameworks introduced in readings and lectures but also as examples of the issues and challenges that are common to real world settings. Some cases demonstrate successful implementation of objectives and strategies while others illustrate those that failed. Oftentimes, we learn at least as much from failures as we do from successes.

The most relevant and recent case studies have been selected for each session. It should be noted, however, that while those that reflect the current business environment frequently provide the best illustration, cases on most topics presented in this course have not been published within the past year or so. As a result, a selection of the best and most recent cases available will be utilized to maximize the learning outcomes of each class session.

In preparing for cases prior to class, I recommend reading a case more than once. The first involves pre-class preparation that encompasses the efforts to identify the problems and issues presented in the case, to select and apply the appropriate forms of analysis (e.g., quantitative, logic, experience, conceptual) and, finally, to develop effective, comprehensive solutions and recommendations, all of which you will be expected to complete *before* coming to class. The second step is taken in the classroom during the discussion of the case as a variety of methodologies applicable to a successful diagnosis, analysis, and solution to business issues, which at times will differ from yours, are introduced and found to be equally appropriate solutions. Understanding others' positions, learning from them and countering and/or enhancing them with your own are a critical part of the learning experience. To do so, you must listen to each other as well as speak. Only when you have defended your position can you fully understand its strengths and weaknesses.

A typical request I will make during case discussions is to ask for recommendations. It is important to know that the case method of learning *does not typically provide the only answers*. In most case discussions, there will not be a single conclusion to be reached but, rather by design, several viable solutions that may be developed and supported equally well.

While it is important to identify the purpose of the case in general terms, the most critical learning outcomes to be derived from each case are to acquire the ability to develop solid analytical skills, gain an understanding of the marketing principles that apply to the situation presented, evaluate the effectiveness of various alternatives in given applications and to present well developed and solidly-grounded recommendations that are underpinned by strong supporting evidence.

CASE STUDIES: GUIDELINES

Some general guidelines for preparing an effective case analysis follow:

- Identify all of the major issues in the case that need to be raised to conduct a thorough analysis of the case.
- Address the case questions as shown in the Course Reader on the cover page preceding each case.
- Provide a logical, coherent, well-organized analysis. Do not simply piece together sections written by different authors. Make certain the analysis is consistent across the marketing mix elements.
- Focus your specific recommendations on the important issues in the case.
- Recommendations should be practical, cost-effective, and appropriate to the timing (short term or long term) of the problem(s) established in the case. The supporting analysis should be thorough, carried out correctly, and should draw, whenever relevant, on material presented in class or assigned in readings.

CASE ASSIGNMENTS

There are three types of assignments:

- The case reviews: There are five cases required for case reviews: Red Lobster, Peak Sealing, Burberry, Aqualisa Quartz, and Calyx & Corolla. For each case, the class schedule (see below) lists questions you should think about as you read the case. You should then submit a one-page write-up (double spaced) answering these questions and following the above guidelines on Blackboard prior to the start of class. The purpose of these write-ups is to make sure that everyone is well-prepared, so that we can have a productive discussion.
- The debate: There would be a debate session after studying the Apple Inc. in 2012 case. Students will form six or eight teams, each of which will be randomly assigned in one of the following topics: A) whether Apple should launch the iPhone 5c; B) whether Apple should reduce post-launch retail prices in 2012; C) whether Apple should spend more resources in market share battles or new product development; D) whether consumers are better off when Apple collects their personal usage information. For each topic, there will be a three-minute opening introduction per team, followed by a two-minute cross-examination by the second team. This is an opportunity for the second team to clarify points made by the first team. This time is only for clarification, not for the actual debate. Then each team has two rebuttals, each of which has two and half minutes. The audience and I will evaluate each team's argument independently and choose a team winner and a best debater, who will receive 10 bonus points.
- The quizzes: the quizzes will cover key components of the concepts and may reflect facts from the assigned case studies, including the five regular cases and the Apple cases. The quizzes would be in the format of multiple choice questions and short answers.

CONSULTING EXERCISE

Teams consist of up to six students. Choose any existing firms that are not discussed in the case study. Identify a current business problem that the company faces and provide an integrated marketing analysis that can be useful to the company.

Integrate Marketing Plan Recommendations

- What is the company's problem? Provide an SWOT analysis
- Identify important competitors and analyze their SWOT
- How do you think the competition is evolving in the next five years? Where is it headed?
- Who are the targeted customers (try to think beyond demographics)?
- What do customers value? How are these values evolving?
- Is the current marketing mix consistent with desired positioning?
- Recommendations: What do you think the company should do differently? Marketing objectives? Targeting? Positioning? Pricing? Distribution?
- Justify your recommendations by predicting follow-up methods. How to implement the proposed tactical steps? Any risks? Any budget concerns?

NEW PRODUCT DEVELOPMENT PROJECT

Teams consist of up to three students. Choose one of the two following assignments

(A) New Brand-extension Proposal

- Choose a company (not one from the class case discussions).
- Provide a brief overview of the company
- Describe at least 3 important resources the company has: What makes each resource valuable? What makes it difficult to imitate?
- Choose at least one key competitor and describe how its resources are different
- Based on this analysis of resources, come up with an idea for a new product the company could launch. This product can be new to the world, new to the firm, or an extension or improvement
- Describe market research that you would conduct before launching the product. Discuss how you would use at least one qualitative method (e.g. interviews, competition evaluations) and at least one quantitative method (e.g., surveys, perceptual mapping, conjoint analysis).
- Describe how the results of your market research might change your plans for the new product. In what cases would the results cause you to abandon the product idea? How might you change product features in response to the market research?

(B) Business Plan Proposal

- Creatively think about a new business either providing a new product or solving an unsatisfied consumer needs in a niche market segment;
- Provide analysis on the potential targeted market. Who are your consumers? Why do you target this market instead of others?
- Describe market research methods to evaluate the new venture's performance;
- Explain your marketing strategy: how to improve brand awareness; what channels are best to deliver the product or service to consumers; how do you justify your pricing strategy?
- Provide competition analysis: how do you position your product in the market? How do you respond to competitors' reactions? Do you consider alliance or other strategies?
- Briefly estimate the financial projections. Identify the potential risks that prevent you from reaching the sales milestones.

STUDENT WITH DISABILITIES

Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to the professor as early in the semester as possible. DSP is located in STU 301 and is open 8:30 a.m. – 5:00 p.m., Monday through Friday. The telephone number for DSP is (213) 740-0776.

ACADEMIC INTEGRITY

Students are expected to adhere to the standards of academic integrity that govern students registered at USC. The use of unauthorized material, communication with fellow students during an examination, attempting to benefit from the work of another student, and similar behavior that defeats the intent of an examination or other class work is unacceptable to the University. Where a clear violation has occurred, the professor may disqualify the student's work as unacceptable and assign a failing mark on the paper.

MY PHILOSOPHY

My philosophy is to create a community of learners whereby I facilitate discussions in which we construct knowledge together. Additionally I will give you as much feedback as you would like to help you become better new product development marketers and to achieve your personal objectives for this course.

**BUAD 307 COURSE SCHEDULE (TENTATIVE, SUBJECT TO CHANGE)
 SUMMER 2014**

CLASS	DATE	TOPIC	READING BEFORE CLASS	ASSIGNMENTS DUE
1	5/21	INTRODUCTION: WHAT IS MARKETING		Syllabus;
2	5/26	<i>Memorial Day</i> – No Class		Happy Holiday
3	5/28	Customer Value: Qualitative marketing research	<i>Chapters 1</i>	In-class interviews
4	6/2	Quantitative marketing research: Conjoint analysis	<i>Chapter 6</i>	In-class exercises (Pocket Coffee) Consumer part worth analysis
5	6/4	Product design strategy	<i>Chapters 10</i>	In-class exercise: Optimal product design competition
6	6/9	Price Discrimination	<i>Chapters 8, 9</i>	Quiz I Study Group List due (optional)
7	6/11	Atlanta National Conference –No Class		Happy Streets
8	6/16	Case Study I: Product positioning	<i>Case: Red Lobster</i>	Case Review I due
9	6/18	Marketing Strategy Consumer segmentation	<i>Chapters 5</i>	Economics modeling
10	6/23	Case Study II: Product line strategy	<i>Case: Peak Sealing</i>	Case Review II due
11	6/25	Pricing: Concept	<i>Chapter 13</i>	Quiz II
12	6/30	Case Study III: Critical arguments	<i>Case: Apple</i>	Team debate days
13	7/2	Pricing	<i>Chapter: 14 and 15</i>	Progress Report (Optional)
14	7/7	Applications	Integrate Marketing Strategy	Consulting Presentation
15	7/9	Branding		Psychological experiments
16	7/14	Case Study IV: Branding	<i>Case: Burberry</i>	Case Review III due
17	7/16	Distribution	<i>Chapter: 16 and 17</i>	Quiz III
18	7/21	Case Study V: Channel Choice	<i>Case: Aqualisa Quartz</i>	Case Review IV due
19	7/23	Berkeley National Conference –No Class		Progress Report (Optional)
20	7/28	Case Study VI: Competition Analysis	<i>Case: Carlyx & Corolla</i>	Case Review V due
21	7/30	Final Projects A	New venture or New brand extensions	Presentations
22	8/4	Final Project B		Presentations