

**University of Southern California  
Marshall School of Business  
MKT 445: New Product Development and Branding  
Syllabus: Spring 2011**

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**Class Times and Locations:**

Tue., Thurs.	10:00 AM - 11:50 AM	HOH 304	(Section 16490R)
Tue., Thurs.	4:00 PM - 5:50 PM	ACC 236	(Section 16492R)

**Office Hours:**

Thurs. 1:00 PM to 3:00 PM  
(or by appointment)

**Overview**

This course addresses two of the most important problems companies face: how to develop successful new products, and how to build and sustain brands. It will be useful to students interested in a wide range of careers, including marketing research managers, product managers, entrepreneurs, and consultants.

The first part of the course, on new product tactics, will cover interview techniques for understanding customers' needs, quantitative market research methods for measuring customer preferences, and ways of predicting how successful a product will be if it is launched.

The second part, on new product strategy, will focus on analyzing a company's unique resources to decide which types of products it should develop. We will also address how to develop new resources, and how to respond to products developed by innovative new competitors.

The third part, on branding, will study how to build and sustain brands, when to extend an existing brand to cover a new product, and when to launch an entirely new brand.

**Prerequisite:** BUAD 307 - Marketing Fundamentals

**Required Texts**

1. Course Reader

2. New Products Management by C. Merle Crawford and Anthony Di Benedetto  
*The University Bookstore has the (new) 10th edition of this book. If you would like to save money, you may purchase the 9th edition on Amazon:*

<http://www.amazon.com/New-Product-Management-C-Merle-Crawford/dp/0071263365/>

3. Positioning: The Battle for Your Mind by Al Ries and Jack Trout, *20th Anniversary Edition*

## **Laptops and Cell phones**

Please keep your laptops closed and cell phones silenced during class.

The only exceptions are that the messenger bag game and product strategy game will require at least one team member to bring a laptop to class.

## **Grading**

25%	Midterm exam 1
25%	Midterm exam 2
40%	Final team project
10%	Class participation

An individual one-page write-up is due prior to each case discussion (you choose 5 out of the 7 cases to write up). The quality of these write-ups will be used as a tie-breaker for students who are on the border between two grades.

## **Midterm Exams**

There will be two midterm exams. The exam questions will be based on material from the lectures, case discussions, and readings. They will consist of multiple choice questions in which you are asked to select all answers that are correct. You can score between zero and four points for each question. For example, if choices B and C are correct, and A and D are not, then you will receive one point for circling B, one point for circling C, one point for *not* circling A, and one point for *not* circling D.

## **Case Discussions**

There are seven case discussions. For each case, the class schedule (see below) lists questions you should think about as you read the case.

For 5 out of the 7 cases (of your choice), you should then submit a one-page write-up (double spaced) answering these questions 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. These write-ups will also be used as a grading tie-breaker.

## **Final Team Projects**

You should join a team of between 3 and 5 people who are all in the same section. You will work with this team on the messenger bag game and product strategy game, and also on the team project. Following are project deadlines.

April 5: One-paragraph project proposals are due by e-mail.

April 21 and 26: In-class project presentations (15-minutes per team) will take place.

April 28: Presentation write-ups are due at the start of class. Please e-mail me a copy and also bring a hard copy to class. The write-up should be 6 to 8 pages (double-spaced) and should be careful to cite any sources of information used as the basis of your report, such as books, newspaper articles, web pages, and personal interviews.

Your team should select one of the following two project topics. Please note you should not choose an example that is extensively covered in the case discussions, lectures, or class readings. E-mail me if you have a question about whether a company is okay.

#### Team Project Topic 1: Products Based on New Resources

Find an example of a company that fits the framework described in the lecture on “Developing New Resources.” If you choose this topic, your project should address the following:

- (1) Describe the customer segment that the company serves. What are the needs of this segment?
- (2) What resources are required to serve these customers?
- (3) What was the source of good fortune that initially led the company to start serving this segment?
- (4) What positive feedback loops compelled the company to continue focusing investment on this segment?
- (5) How has the company’s product strategy evolved? Have they stayed focused or diversified into new segments? Do you agree or disagree with their decision?
- (6) How did key competitors respond to the company’s growing strength?

#### Team Project Topic 2: Responding to Competitors with Innovative New Products

Find an example of a company that fits the framework described in the lecture on “Responding to Innovative New Competitors.” If you choose this topic, your project should address the following:

- (1) Describe the innovative new product. In what ways is it superior, and in what ways (if any) is it inferior to the old product?
- (2) To what extent does the new product steal customers from the old product, and to what extent does it expand the market?
- (3) Can the market for the new product support two successful companies, or does it look more like a “winner-take-all” market?
- (4) Did the company with the old product invest in the new product? Did the company with the new product invest in the old product? If both did, which company attacked first?
- (5) What do you think was the best strategic response for the company with the old product? Did they follow this strategy?

## **Class Schedule**

### ***Introduction***

Tue. 1/11	<b>Course Overview</b> Reading: NPM, Chapter 1
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### ***Part 1. New Product Tactics***

Thurs. 1/13	<b>Understanding Customer Needs</b> Reading: NPM, Chapter 5
Tue. 1/18	<b>Generating New Product Ideas</b> Reading: NPM Appendix B and C
Thurs. 1/20	<b>Perceptual Mapping</b> Reading: NPM, Chapter 6
Tue. 1/25	<b>Conjoint Analysis</b> Reading: NPM, Chapter 7
Thurs. 1/27	<b>Messenger Bag Game</b> At least one member of your team should bring a laptop computer to class.
Tue. 2/1	<b>Messenger Bag Game: Results and Discussion</b>
Thurs. 2/3	<b>Concept Testing</b> Reading: NPM, Chapter 9
Tue. 2/8	<b>Market Testing</b> Reading: NPM, Chapter 18
Thurs. 2/10	<b>Case Discussion: Johnson Wax: Enhance (A)</b> Case questions for one-page write-up: (1) <i>What customer needs are served by the new Enhance product?</i> (2) <i>What determines whether a respondent tries a product in the ASSESSOR test?</i> (3) <i>What determines whether a respondent agrees to a repeat purchase in the ASSESSOR test?</i> (4) <i>Given the results of the ASSESSOR test, what course of action would you recommend to Johnson Wax?</i>

### ***Part 2. New Product Strategy***

Tue. 2/15	<b>Product Launch Strategy</b> Reading: NPM, Chapter 16
Thurs. 2/17	<b>Guest Speaker</b>
Tue. 2/22	<b>Company Resources</b> Reading: "A Resource-based View of the Firm" (in the course reader)
Thurs. 2/24	<b>Midterm Exam 1</b>

Tue. 3/1	<b>Case Discussion: Google, Inc.</b> Case questions for one-page write-up: (1) <i>What are Google's resources?</i> (2) <i>What new products is Google developing?</i> (3) <i>Will its current resources allow Google to be successful with these new products?</i>
Thurs. 3/3	<b>Developing New Resources</b> Reading: Introduction (section 1 only) of “How Do Firms Become Different? A Dynamic Model,” available at: <a href="http://marshallapps.usc.edu/portal/subapps/digitalmeasures/facultyResearch.jsp?surveyId=2640021">http://marshallapps.usc.edu/portal/subapps/digitalmeasures/facultyResearch.jsp?surveyId=2640021</a>
Tue. 3/8	<b>Case Discussion: Real Madrid Club de Futbol</b> Case questions for one-page write-up: (1) <i>What are Real Madrid's resources?</i> (2) <i>What investments do they need to make to sustain these resources?</i> (3) <i>Should Real Madrid try to develop a large fan base in the United States?</i>
Thurs. 3/10	<b>Responding to Innovative New Competitors</b> Reading: “Should You Launch a Fighter Brand?” (in the course reader); Introduction (section 1 only) of “A Dynamic Model of Competitive Entry Response,” available at: <a href="http://marshallapps.usc.edu/portal/subapps/digitalmeasures/facultyResearch.jsp?surveyId=2640021">http://marshallapps.usc.edu/portal/subapps/digitalmeasures/facultyResearch.jsp?surveyId=2640021</a>
Tue. 3/15	<b>Spring Break</b>
Thurs. 3/17	<b>Spring Break</b>
Tue. 3/22	<b>Case Discussion: eReading: Amazon's Kindle</b> Case questions for one-page write-up: (1) <i>Name three companies that are threatened by the Kindle, and describe how the Kindle could hurt their business.</i> (2) <i>How should each of these companies respond to this threat?</i>
Thurs. 3/24	<b>Product Strategy Game</b> At least one member of your team should bring a laptop computer to class.

### **Part 3. Branding**

Tue. 3/29	<b>Building and Sustaining Brands</b> Reading: PTBFYM: Introduction; and Chapters 1 to 7
Thurs. 3/31	<b>Case Discussion: Burberry</b> Case questions for one-page write-up: (1) <i>What challenges did the Burberry brand face in 1997?</i> (2) <i>How did the new management team address these challenges?</i>
Tue. 4/5	<b>Choosing a Name, and Extending Brands</b> Reading: PTBFYM: Chapters 12 to 13; and 23 to 25  Each team should e-mail me ( <a href="mailto:selove@marshall.usc.edu">selove@marshall.usc.edu</a> ) a project proposal with: <ul style="list-style-type: none"> <li>- Names of all team members.</li> <li>- Which topic you have chosen.</li> <li>- A one-paragraph description of your project idea.</li> </ul>

Thurs. 4/7	<b>Case Discussion: Vicks Health Care Division: Project Scorpio (A)</b> Case questions for one-page write-up: (1) <i>Why do customers of cold medicines care about brand names?</i> (2) <i>Should Vicks use the NyQuil brand name or a new brand name for its solid cold medicine?</i> (3) <i>Which market research study (or studies) do you recommend for Vicks?</i>
Tue. 4/12	<b>Midterm Exam 2</b>
Thurs. 4/14	<b>Guest Speaker</b>
Tue. 4/19	<b>Case Discussion: Saturn: A Different Kind of Car Company</b> Case questions for one-page write-up: (1) <i>What resources did General Motors have, and what resources did they lack (at the time of the case)?</i> (2) <i>What made Saturn different than other General Motors brands?</i> (3) <i>Was creating Saturn a good strategic decision?</i>

### ***Conclusion***

Thurs. 4/21	<b>Student Presentations of Team Projects</b>
Tue. 4/26	<b>Student Presentations of Team Projects</b>
Thurs. 4/28	<b>Course Summary</b> Team projects are due at the start of class. Please e-mail me a copy and also bring a hard copy to class.

### **Order of Readings in Course Reader**

Johnson Wax: Enhance (A) HBS Case 9-583-046

Google, Inc. HBS Case 9-910-036

Real Madrid Club de Futbol HBS Case 9-504-063

eReading: Amazon's Kindle HBS Case 9-709-486

Burberry HBS Case 9-504-048

Vicks Health Care Division: Project Scorpio (A) HBS Case 9-582-039

Saturn: A Different Kind of Car Company HBS Case 9-795-010

Wernerfelt, B. "A Resource-based View of the Firm," *Strategic Management Journal*, April-June 1984, p. 171-80.

Ritson, M. "Should You Launch a Fighter Brand?" *Harvard Business Review*, October 2009, p. 65-81.