UNIVERSITY OF SOUTHERN CALIFORNIA MARSHALL SCHOOL OF BUSINESS

MKT 560 – MARKETING STRATEGY AND POLICY SPRING 2014

MONDAY/WEDNESDAY: 3:30 P.M. – 4:50 P.M. LOCATION: JKP 210

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Office Hours: By appointment

REASONS TO TAKE THIS COURSE

This course provides you with the opportunity to learn how to apply course material regarding the design and implementation of marketing strategies to a variety of domestic and global business challenges that span multiple industries. It also includes a multi-period competitive market environment simulation that provides periodic feedback to facilitate the evaluation of marketing strategies employed.

COURSE DESCRIPTION

This course is designed to be a hands-on course with an emphasis on cases and a marketing strategy simulation, supplemented by guest speakers, readings and in-class discussions. The course lets you practice the concepts and skills of modern marketing strategy in a simulated market environment. The major, broad topics emphasized in this course are marketing strategy, marketing analysis, and market planning. A complex simulation game, Markstrat, is used throughout the course. The marketing simulation game serves as a continuing, evolving "case" in which course participants working in teams assume marketing management roles.

This course assumes that you have taken the core marketing course in the MBA program. If you have not taken a graduate level marketing management class or do not have relevant experience, please discuss with the professor.

LEARNING OUTCOMES

Students will be able to:

- 1. Develop the necessary skills for the analysis of marketing opportunities, competition, and competitive advantage based on existing frameworks, theories, and empirical generalizations.
- Examine alternative strategies for sustainable competitive advantage and growth over the course of a
 market's evolution and product life cycle and gain experience creating imaginative and effective
 marketing strategies.
- 3. Understand the nuances of how to make decisions about segmentation, targeting, and positioning and how to align the marketing mix with the overall marketing strategy.
- 4. Develop skills in using a customer-focused approach in developing marketing strategies.
- 5. Learn to use various types of metrics and indicators in analyzing the effectiveness and performance of a company's marketing strategies.
- 6. Develop an understanding of how to utilize some basic analytic techniques and models within marketing and interpret their results, including how to analyze the potential profitability of various marketing strategies.

REQUIRED READINGS

- Course Reader of cases and exercise.
- Markstrat Simulation.

RECOMMENDED OR ADDITIONAL READINGS

 Kerin, Roger A. and Peterson, Robert A. (2013). Strategic Marketing Problems (13th Edition). Pearson Education Inc.

GRADE BREAKDOWN AND EXPECTATIONS

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

Торіс	PERCENTAGE OF GRADE	Points	DUE DATE (SEE COURSE SCHEDULE)
CLASS PARTICIPATION	10%	100	1/13 – 4/30
CASE WRITE UPS – 2 WITH EACH AT 15%	30%	300	1/27 - 4/23
MARKSTRAT PROJECT	30%	300	1/27 - 4/30
FINAL EXAM	30%	300	5/9
TOTAL	100%	1,000	

A detailed course schedule is shown on page 6. The Department of Marketing follows the grading policy of the Graduate School of Business. For this course, the grading standard is an average of 3.5.

COURSE FORMAT

Students are expected to be prepared for all sessions and have completed the assignments and readings before each class. Cases, the Markstrat simulation, in-class exercises and guest speakers will be utilized to apply various aspects of marketing strategy to real world settings.

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.

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, Blackberrys, iPhones, iPads or any other electronic devices during class.

CLASS PARTICIPATION

Class participation is an extremely important part of the learning experience of this course because the richness of the learning experience is dependent upon the degree of preparation by *all* students prior to each class session. Additionally, a course that includes case analysis requires students to prepare cases and offer their analyses in the class. Thus, by definition, class participation is an important part of your grade. You will offer your opinions in a group setting many times in your business career. As an added benefit, class participation is a tool for means of preparing you for this dimension of your career.

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?

CLASS PARTICIPATION (CONTINUED)

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.

During class sessions, I assume the responsibility of a facilitator with the purpose of encouraging discussion to obtain all views and, secondly, to help pull together the prevailing views. Note that the direction and quality of the discussion is the *collective responsibility of the group*, not my sole responsibility.

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.

CASE STUDIES

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.

As for exhibits utilized during case discussions, copyright laws typically prohibit the sharing of most materials that support each case discussion. In those cases when such is not the case, I will make that material available to you by request.

In preparing for cases prior to class, I recommend reading a case more than once. The first reading should give you a sense of what the case is about and the types of data contained in the case. In subsequent readings, it is recommended that you underline or otherwise mark up each case to easily identify important points relating to the business and the situation. I encourage you to devote equal attention to the exhibits in the case as they contain information that will be most useful in the development of a comprehensive analysis of each case.

Learning from a case is typically achieved in two steps. 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. Additionally, you will be expected to substantiate your conclusions based on your analyses of the assigned case during class discussions. Marketing strategies should be specific and support the overall objectives and recommendations and incorporate relevant material presented in class assignments and/or case exhibits. 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. There is rarely a *single* right answer for a case, just as there is rarely a *single* right marketing decision in actual practice.

The facts and research results must be analyzed, noted and subsequently followed by the application of sound logic and reasoning to fully evaluate the manner in which the information provided affects the points in the case and will influence your conclusions and recommendations. You are also encouraged to expand your analysis beyond the data in the case to formulate recommendations that, with the benefit of your additional analysis, will more effectively address and/or resolve the business issues.

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.

CASE STUDIES (CONTINUED)

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.

As an aside as well as a word of advice, information you may gather regarding the strategies actually selected by the firms in the cases should be incorporated into your recommendations with caution. Firms make many strategic mistakes and strategies they actually pursue are often inferior to alternative strategies they could have chosen.

I also encourage you to employ the Case Analysis Outline shown on page 7 to analyze a case. This outline incorporates the primary elements of an Integrated Strategic Marketing Plan (ISMP) thus providing you with an opportunity to thoroughly and comprehensively analyze real world marketing issues to arrive at a complete understanding of and solution to the issues at hand.

GUIDELINES FOR EFFECTIVE CASE ANALYSES

Some general guidelines for preparing an effective case analysis follow:

- As you analyze each case, the case analysis template on page 7 provides a methodology that will produce a thorough and complete case analysis.
- 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

Two cases will be assigned to each student between January 27^{th} and April 23^{rd} . Each is worth 15 percent of the grade for a total of 300 out of 1,000 points. You will be asked to address the case questions in your write-up. Please see pages 8-9 for details.

MARKSTRAT PROJECT

You will be asked to form teams of 4-5 students to for the Markstrat simulation which will take place throughout the semester. Please submit team members to me by Wednesday, January 22^{nd} by email. This assignment is worth 30 percent of the total course grade or 300 out of 1,000 points. Late reports will be penalized ten (10) percent for missing the deadline and ten (10) percent for each day thereafter.

Each team's Markstrat Firm Performance will make up part of the grade. Each firm's performance will be based on a compendium of measures. Whereas the goal is to maximize the Share Price Index, other key drivers will be considered as well, such as ROI, Market Share, Net Contribution, and Revenue. In order to avoid "raiding" the company by the end of the game, the company's fitness to meet the future is incorporated as an important element of a firm's performance.

Each team will prepare a Markstrat Final Report and Presentation. This final report will discuss and evaluate your firm's strategies and performance over the course of the simulation and incorporate the lessons learned from your experiences during the simulation. A brief presentation will be given in class summarizing the highlights of the Markstrat Report.

The grade for this assignment may be influenced by each team member's contributions. If you believe participation was disproportionate among team members, please complete the peer evaluation form on page 10 and submit it at the time the assignment is due. All other team members will also be asked to complete the form.

FINAL EXAM

A final exam will be given during the final exam period. It will cover all key frameworks and principles of marketing strategy and policy covered throughout the course. More details on the content and format will be discussed in class. This exam represents 30 percent of the final grade or 300 out of 1,000 points.

STUDENTS 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. It is often difficult to distinguish between a culpable act and inadvertent behavior resulting from the nervous tensions accompanying examinations. Where a clear violation has occurred, however, the professor may disqualify the student's work as unacceptable and assign a failing mark on the paper.

RETURNING GRADED PAPERWORK

Returned paperwork, unclaimed by a student, will be discarded after four weeks and, hence, will not be available should a grade appeal be pursued by a student following receipt of his/her grade.

PROFESSOR/STUDENT INTERACTION

If at any time during the course you have questions regarding the preparation of assignments or other course-related issues, please do not hesitate to contact the professor to arrange a mutually convenient time to meet.

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 strategic marketers and to achieve your personal objectives for this course.

MKT 560 – MARKETING STRATEGY COURSE SCHEDULE SPRING 2014

SESSION	DATE	Торіс	ASSIGNMENTS
1	1/13	Introduction and Foundations	Sustainable Marketing Leadership article
	1 /1 7	OF MARKETING STRATEGY	Markstrat Online Student Handbook
2	1/15	OPPORTUNITY ANALYSIS AND	How to Delight Your Customers Links not, Jakon Modesting and Web 2.0 Cose
	1/20	CUSTOMER VALUE MARTIN LUTHER KING DAY	Hubspot: Inbound Marketing and Web 2.0 Case
3	1/20	MARKET SEGMENTATION,	Rediscovering Market Segmentation
3	1/22	TARGETING AND POSITIONING	Elli Lilly: Developing Cymbalta Case
		TARGETING AND TOSTHONING	Markstrat Teams Due
4	1/27	PRODUCT STRATEGY	Break Free from the Product Life Cycle
	1/2/	TROBUCT STRITEGT	Innovation at Lego Group (B) Case
			First Case Assignments Due
5	1/29	CUSTOMER AND PRODUCT	Customer-Centered Brand Management
		STRATEGIES	Steve Ziemniak, Mattel
6	2/3	BRAND STRATEGY	Win the Brand Relevance Battle and then Build Competitive Barriers and The Brand
			Relationship Spectrum: The Key to the Brand Architecture Challenge
			Markstrat Decision #1
7	2/5	Brand and Mobile Strategies	Bank of America: Mobile Banking (Abridged) Case
8	2/10	LUXURY BRAND STRATEGY	How Far Can Luxury Brands Travel? Avoiding the Pitfalls of Luxury Brand Extension
			Louis Vuitton in Japan Case
9	2/12	LUXURY BRAND STRATEGY (CONT.)	Sophie Rydyck, BCGC
			Markstrat Decision #2
	2/17	President's Day	
10	2/19	BUSINESS STRATEGY	Nike's Global Women's Fitness Business: Driving Strategic Innovation Case
11	2/24	SERVICE BLUEPRINTING	Service Blueprinting: A Practical Technique for Service Innovation
			Markstrat Decision #3
12	2/26	MARKETING MANAGEMENT AND	Identifying New Product Development Best Practice
1.2	2 /2	New Product Development	Brannigan Foods: Strategic Marketing Planning
13	3/3	MARKETING MANAGEMENT AND NEW PRODUCT DEVELOPMENT	The 12 Different Ways for Companies to Innovate
		(Cont.)	Barry Calpino, Kraft Foods Markstrat Decision #5
14	3/5	DESIGN THINKING	Ten Tools for Design Thinking
15	3/10	DESIGN THINKING DESIGN THINKING AND INNOVATION	Design Thinking and Innovation at Apple Case
16	3/12	DESIGN THINKING AND INNOVATION DESIGN THINKING AND	Design Thinking Design Thinking
10	3/12	INNOVATION (CONT.)	Ravi Sahwney, RKS Design
			Markstrat Decision #4
	3/17-22	SPRING BREAK	
17	3/24	INTEGRATED MARKETING	Advertising's New Medium: Human Experience and Doing Better at Doing Good: When,
		COMMUNICATION (IMC) STRATEGY	Why and How Consumers Respond to Corporate Social Initiatives
18	3/26	IMC STRATEGY (CONT.)	The Pepsi Refresh Project: A Thirst for Change Case
19	3/31	MARKETING CHANNEL STRATEGY	Competing in the Age of Omnichannel Retailing
			Markstrat Decision #6
20	4/2	CHANNEL STRATEGY (CONT.)	7-Eleven in Taiwan: Adaptation of Convenience Stores to New Market Environments Case
21	4/7	PRICING STRATEGY	Pricing to Create Shared Value
			Netflix: Valuing a New Business Model Case
			Markstrat Decision #7
22	4/9	PRICING STRATEGY (CONT.)	The Eleganzia Group Case
23	4/14	MARKETING METRICS STRATEGY	Using the Balanced Scorecard as a Strategic Management System
			Making Balanced Scorecard Work to Implement Business Strategies at Magic Technology
			Case
24	4/16	GLOBAL MARKETING STRATEGY	Tailoring Your Strategy to Fit the Culture
25	4/21	Garage Barrage	Markstrat Decision #8
25	4/21	GLOBAL BRAND STRATEGY	L-Oreal: Global Brand, Local Knowledge Case
26	4/23	GLOBAL BRAND STRATEGY (CONT.)	BBC Worldwide: Global Strategy Case
27	4/20		Last Case Assignments Due
27	4/28	Envir Drowner Dyn	Markstrat Presentations
28	4/30	FINAL PROJECT DUE	Markstrat Presentations and Projects Due (Continued)
29	5/9	FINAL EXAM	Friday, May 9 th from 2:00 – 4:00 p.m.

CASE ANALYSIS OUTLINE

- 1. Statement of the Issues A concise summary of the underlying issues in the case.
- **2. Situation Analysis** A thorough analysis of the industry, competition, customer and company and development of an expanded SWOT analysis.

Industry/Market

- · Industry/Market size
- · Trends
- Technological changes
- · Legal/Regulatory issues

Competitive

- · Major players in the marketplace
- · Competitive strategies
- · Market shares (if available)

Value Chain

- Partners who are included in the value chain (i.e., suppliers, distributors, retailers, etc.)
- · Groups that have some influence on the customer experience (media, government, activist organizations, etc.)

Customer

- Customer needs/perceptions
- · Market segments
- · Trends

Company

- · Core competencies
- · Revenue and profit of firm
- Positioning
- · Marketing mix

Expanded SWOT

- · Strengths, weaknesses, opportunities and threats
- · Strategies to mitigate weaknesses and threats
- · Strategies to capitalize on strengths and opportunities
- 3. Alternatives and Analysis Alternative ways of addressing identified issues and analysis of each alternative (pros and cons) including supporting evidence to provide a compelling rationale for resolving the identified issues. Integrate germane concepts from the course readings where appropriate.
- **4. Recommendations** Recommended courses of action that should be taken in addressing the identified issues. Provide a cogent rationale that supports the recommendations accompanied by supporting data and exhibits. Additionally, a means or method for feedback should accompany these.
 - Target Markets Clearly and specifically define the primary and secondary target markets.
 - **Objectives** Define revenue, profit, market share, and the 4 P marketing objectives for at least a one year period following the last year that data is provided in the case.
 - **Strategies** Develop comprehensive marketing strategies for each of the 4 P's that will accomplish the established objectives.
 - **Profit-and-Loss Statement** Develop a P&L for the year following the last year of data in the case if financials are provided.
 - **Implementation Plan** Develop in a pert chart planned activities with persons responsible to accomplish recommended objectives and strategies.
 - Contingency Plans Define metrics to monitor the objectives and back-up plans that have been
 developed in the event that objectives based on recommendations are not being met or exceeded.
- 5. Appendices Supporting information relevant to issues, alternatives or recommendations.

INDIVIDUAL CASE ASSIGNMENT

Due on the Date the Case is Discussed in Class –Monday, January 27th – Wednesday, April 23rd

Cases have been assigned to apply policies and marketing strategies to real world business situations and enhance your analysis, critical thinking and problem-solving skills. The learning from a case comes in two ways. The first involves pre-class preparation that encompasses the ability to diagnose case problems and issues, to select and apply appropriate forms of analysis (e.g., quantitative, logic, experience, conceptual) and to make decisions about case solutions. Each student should make a decision about what should be done *before* coming to class and be able to document that solution on the basis of analysis.

The second part of learning from cases comes from realizing that other people do not always diagnose, analyze, and solve problems the way you do. Understanding others' positions, learning from them and countering them with your own are a critical part of the learning experience. To do so, you must listen to each other as well as talk in class. Only when you have tried to defend your position can you fully understand its strengths and weaknesses. There is rarely a *single* right answer for a case, just as there is rarely a *single* right marketing decision in actual practice.

Analysis is more than noting that certain facts pertain to one of the central points around which the case is being analyzed. The facts must be noted, but then reasoning must be applied to determine how and in what way these facts affect the points in the case.

Information regarding the strategies actually selected by the firms in the cases should be incorporated with caution. Firms make strategic mistakes when ineffective strategies are executed that are inferior to alternative strategies that they could have chosen.

Individual Case Write-up Assignment

You will be assigned to prepare a case analysis write-up on one of the following seven cases that will be covered between Monday, January 27th and Wednesday, April 23rd:

- Innovation at Lego Group (B) Due 1/27
- Bank of America Mobile Banking Due 2/5
- Louis Vuitton in Japan Due 2/10
- Nike's Global Women's Fitness Business: Driving Strategic Innovation Due 2/19
- Brannigan Foods: Strategic Marketing Planning Due 2/26
- Design Thinking and Innovation at Apple Due 3/10
- The Pepsi Refresh Project: A Thirst for Change Due 3/26
- 7-Eleven in Taiwan: Adaptation of Convenience Stores to New Market Environments Due 4/2
- Netflix: Valuing a New Business Model Due 4/7
- The Eleganzia Group Due 4/9
- Making Balanced Scorecard Work to Implement Business Strategies at Magic Technology 4/14
- L-Oreal: Global Brand, Local Strategy Due 4/21
- BBC Worldwide: Global Strategy Due 4/23

Please answer the case questions that can be found in the Course Reader the page before the case or in the PowerPoint slides for the evening the case will be discussed. The length of the paper is to be no longer than five single-spaced pages, excluding exhibits. Each write-up will be 15 percent of the grade for a total of 300 out of 1.000 points. The case is to be handed in at the end of the class in which the case is discussed. Late papers will not be accepted.

INDIVIDUAL CASE ASSIGNMENT (CONTINUED)

Guidelines for Effective Case Analyses

Case write-ups *should incorporate the readings* on the topic area in which the case is assigned and focus on *new product development and branding issues*.

You are also highly encouraged to expand your analysis beyond these questions to issues that you think should be addressed to more effectively analyze the case. Using information outside of the case is encouraged because it brings a real perspective to the case.

The following are general guidelines for preparing an effective case analysis:

- Clearly identify upfront all of the major issues identified in the case.
- Provide a coherent, well-organized analysis, not just a regurgitation of facts presented in the case.
- Be concise. Provide a strong, logical flow throughout your paper. Do not spend time rehashing or paraphrasing the details of the case.
- The supporting analysis should be thorough, carried out correctly and consistently, and should draw, whenever relevant, on material presented in class or assigned in readings.
- Be sure to consider alternatives to recommendations with support of the pros and cons of each.
- Recommendations should be practical, cost-effective, and appropriate to the timing (short-term or long-term)
 of the problem at hand and supported with case data and exhibits where relevant.
- Tie your appendices to the text of the report.
- Specifically address and answer all of the case preparation questions in your write-up.

Grading

The following criteria will be utilized to grade the case analyses:

- 1. Statement of the relevant issues presented in the case
- 2. Analytical soundness
- 3. Quality of addressing case questions
- 4. Quality and support of recommendations

MARKSTRAT PROJECT PEER EVALUATION

Please complete the following project peer evaluation form for the Markstrat Project assignment. Divide 100 points among your team members in accordance with their contribution to the team project. *Include yourself in the distribution of points*. For example, if your team had four team members and each member contributed equally to the project, the team members would each earn 25 points. If your team members did not contribute equally, then give each person the number of points that you feel fairly represents each member's contribution to the completion of the assignment.

Team:	
NDP Project Topic:	
Your Name:	

Names of Team Members	Points
Total	100

Comments: Please feel free to comment on the contributions of individual team members to the team project.