School of Business
MBA, Fall 2016

MBAD 6274 Sec. 13: Marketing Management
Class meets 7:10 to 9:40 p.m., Thursdays, Duques 651

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Course Description

Most people believe that marketing is primarily about selling or advertising, activities performed by personnel who work in a firm’s marketing department. In fact, marketing activities take place in almost all parts of present-day organizations, and are increasingly performed by managers outside of the marketing department. This course will demonstrate that marketing is a process for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the customer, the organization as a whole and its stakeholders. It is thus an organization-wide responsibility and has numerous social obligations.

The course covers a variety of phenomena that impinge on the marketing process and the major decisions associated with it. The emphasis is on understanding the drivers of firm performance in the marketplace and sharpening decision-making skills. This means understanding the behavior of consumers, competitors and the economy. It means understanding the criteria for marketing decision making, strategic planning and resource allocation in the areas of market research, product design, pricing, distribution, advertising and sales promotion. This understanding must come together in an integrated manner if the firm is to be successful in achieving its goals and maximizing its performance.
The first half of Marketing Management focuses on understanding the external contexts of marketing—environmental influences, the nature of markets, competition and firm strategy, buyer behavior, and marketing segmentation and positioning.

The second half shifts focus on the Marketing Mix. Marketing decision-making is about the tasks and decisions comprising the work of marketing managers. This part of the course covers all the decisions made in budgeting and crafting the marketing mix—i.e., product, distribution, pricing and communication strategies. The lectures and readings are brought alive via an interactive simulation involving 5 rounds of decision over 5 years of “time.” This is explained below. The simulation exercise integrates much of what you have study in both halves of marketing management.

Finally, the second half includes some important special topics in marketing—global and sustainability issues in marketing.

To achieve its objectives the course employs a combination of theoretical and experiential learning with the emphasis on the latter. The course includes a review of the key concepts and theories of marketing management via lectures, but the emphasis is on applying this understanding. To do this the course includes the analysis and discussion of comprehensive Harvard style written company cases.

**Class Rules and Format**

Generally, during the class session there will be a lecture interspersed with “discussion problems” followed by case discussions or group exercises. Lectures are not designed to cover the material in the text or readings. Rather lectures highlight key concepts and supplement the readings. Much of the class sessions will be devoted to applying these concepts through class discussion and analytical exercises.

Students are expected to come to class having read the assigned readings, analyzed the cases, and be prepared to discuss the scheduled topics.

**Open Laptop computers are NOT permitted in the class for any purpose other than taking class notes. This shall be part of the Student Honor code.**

Lecture slides will be available on Blackboard after the class.

The dress code for students making a class presentation is business casual.

You are subject to the GW Student Code of Conduct. It is your duty to show integrity in all your work, but also to report any instance of dishonesty you become aware of. **If any student does not participate in a given team task**, his/her name cannot be submitted with the associated deliverable.
Plagiarism is a serious violation of academic honesty. Always cite the source of your information and ideas if they belong to others. **DO NOT USE term papers and case analyses published on websites.** You will not be able to properly separate information in these papers and your own thinking. Just avoid looking at them.

**Working Teams**

The Case Analyses and Simulation are conducted in teams of 5 members. Each student is assigned to **two different teams**, one for case analyses, and one for the simulation.

**Class Discussions & Participation**

Students are expected to be prepared for and attend classes and actively participate in the class and team discussions. **Unexcused absence(s)** will affect your final grade significantly. Except in an emergency, excuses must be obtained in advance of class.

All students must have a **name tent** on their desk in class.

Students are expected to contribute qualitatively and substantively to class discussions and in-class exercises.

**NOTE:** No specific component of the grading system is earmarked for class discussion and attendance. However, an unusual lack of class participation or attendance **will lead to a reduction in your calculated grade.**

**Readings and Tasks**

**Readings**

- Harvard and Darden Business School Cases (purchase and download from [http://hbsp.harvard.edu/product/cases](http://hbsp.harvard.edu/product/cases) and [https://store.darden.virginia.edu/business-case-study](https://store.darden.virginia.edu/business-case-study))
- *PharmaSim: The Marketing Management Simulation, Student Manual*. By Michael Deighan, Thomas Kinnear and Stuart James, Interpretive Software, Charlottesville, VA. **PDF version available online after you register.** Please register and download the manual at [www.interpretive.com](http://www.interpretive.com). This should be done **before the first class** so you can be prepared for the introductory lecture.
- Other relevant articles from the business and scholarly press such as Business Week, Wall Street Journal, Journal of the Academy of Marketing Science, Journal of Marketing, Harvard Business, etc. Some of these readings will be posted to BB, but due to copyright restrictions some cannot. The latter can be purchased and downloaded from the sites indicated in the Schedule of Classes.
Written Case Analysis (WCA)

The Harvard Business School style cases will be analyzed in groups. Group analysis often leads to superior learning because it allows the members to exchange and synthesize different views about the problem and its solutions. Each group is required to submit a written case analysis for the assigned Harvard cases on the date the case is scheduled for in-class discussion. This analysis should identify the main problems/opportunities presented in the case, and should propose solutions/courses of action. It is important in these analyses to apply specific theories and principles of marketing from the readings and class discussions.

The cases are to be purchased online from the Harvard Business School website (www.hbs.edu/research/cases.html).

Each team will be asked to present their analysis of ONE of the cases (Main Case) to the class. This group will conduct additional research on the company or industry as relevant and submit a complete written analysis to the professor. The written should not exceed 10 double spaced pages in 12 pt. (plus figures, tables, appendix if needed).

NOTE: For this course the focus is on applying marketing concepts and theories. Please DO NOT use SWOT for your case analysis as it is too general an approach.

For the Main Case your analysis approach should focus on:

(1) defining the nature of the problem,
(2) the alternative courses of action available to the firm
(3) the relevant information from the case, marketing theories and concepts most applicable to addressing the problem, and
(4) the recommended strategy for dealing with the problem. The strategy should clearly follow from the alternatives in (2) in relation to (3). The strategy should include implementation guidelines.

The presenting group is allowed max 45 minutes of class time for set-up, presentation (30 mts) and class discussion (15 mts). Please plan, organize and practice your presentations.

All groups other than the presenting group will submit a written analysis of each case not to exceed 3 double spaced pages (12 pt.) Additional research is not required for these analyses. These shorter papers should focus on two issues:

(1) analyses of the problem, and
(2) your recommendations and rationale for them.

Thus all groups will submit ONE longer paper for the Main Case analysis and FOUR shorter papers for the “other” cases.
All students are to come prepared to class and participate in the discussion for ALL 5 CASES. The professor may call on members of other groups to share their opinion on issues raised in the case.

**PharmaSim Simulation**

*All* students will need to register online and pay the approx. $40 user fees for the *PharmaSim* simulation. Please note: the Professor does not have any personal interest in *PharmaSim* nor receives any remuneration from Interpretive or any publisher of reading materials assigned in this course.

The simulation is web based at www.interpretive.com and is administered by the firm. Interpretive will create a special site for our GWU MBA class. The firm will email each student an ID and PW for registering and accessing the simulation. The simulation manual can be downloaded from Interpretive after you register.

Registration for PharmaSim will be available only in the seventh week of class.

In *PharmaSim* students are given control of planning and implementing the marketing strategy for a pharmaceutical product (an over-the-counter cold medicine). The task involves careful analysis of industry and market data, consumer behavior patterns and competitive strategy. Based on the analyses students develop and implement marketing strategies to manage the brand through several decision cycles (representing 5 years of time). The simulation requires struggling with business fundamentals and the interplay between marketing, strategy and finance. Repeatedly, the students must study the new data provided by the simulation, analyze the current situation, plan/modify a marketing strategy to operate in it and then execute that strategy into the future. Like real life, they will face uncertainty from the market environment and from their own decisions. Incrementally, they learn to adjust their strategy as they discover the nature of consumer behavior, the available strategic options, linkages among parts of the market, conflicts, tradeoffs and potential outcomes.

Here is a sample of the kinds of decisions *PharmaSim* teams will make:

- Analyze market research data;
- Design brands to appeal to different market segments;
- Allocate budgets for sales promotion and advertising campaigns;
- Organize a sales force, and distribution strategy;
- Analyze the nature and effects of pricing decisions;
- Allocate scarce funds to R&D, advertising, promotion, sales and distribution;
- Select and prioritize R&D projects, leading to new product features;
- Understand competition from other brands in the market and how to respond;
- Financial performance is directly linked to your marketing performance.
- Adjust strategy and tactics in response to financial performance, competitive tactics, and customer needs.
Deliverables and Grading

Deliverables

1. ONE Written Analysis of the Main Case assigned to each student team, not exceeding 10 double spaced pages in 12 pt. (plus figures, tables, appendix if needed).
2. Four Written Briefs on the other 4 cases not exceeding 3 double spaced pages in 12 pt. each, focusing on: (1) analyses of the problem, and (2) your recommendation(s) and its rationale.
4. Final Exam.

Grading

The final grade will be determined using the following calculus:

- Written Case Analysis (Main 1) ....................... 20%
- Written Case Analyses (Other 3) ....................... 20%
- PharmaSim Performance and Final Report ............. 20%
- Final Exam .............................................. 20%
- Peer Evaluation of Main Case Presentation ........... 10%
- Peer Evaluation of Team Work (2) ..................... 10%

TOTAL 100%

The professor uses only the following letter grades for the final grade awarded for the course: A, A-, B, C, F.

NOTE: The team grade for Case Analysis and PharmaSim will be lowered for any team member who receives low ratings (less than 50%) in Peer Evaluations from his/her team indicating unusual lack of participation or contribution. The overall calculated grade for a student may also be lowered by the professor in the event of unusual lack of participation in class discussion, or unexcused absence from classes.

Your grade for cases analyses is based on your written reports, (2) peer evaluation of class presentation, and (3) peer evaluation by your team members.

Your grade for PharmaSim is based on (1) performance on the PharmaSim simulation exercise, (2) the rationale and explanations provided in the written Final Report to support your decisions, and (3) peer evaluations by your team members.

Performance on the PharmaSim simulation is evaluated as follows based on the firm’s market share and financial performance. The objective is to improve the long-term profitability (Net Income) and market share (share of industry sales revenue) of the OCM-
CM Group. Both performance indices are evaluated over all periods of the game and consistency of performance over the years is rewarded. [Share Price is not directly evaluated but it tends to reflect market share and profitability over time so students should also keep an eye on Share Price.]

**General PharmaSim grade scale:**
- Build market share and build profit: A
- Build share/maintain profit, or maintain share/build profit: A-
- Build/maintain either share or profit but lose on the other: B
- Lose share and profit in four or more of the decision periods: C

Maintaining profits or share means staying within plus/minus 1% of previous values. Profitability is Net Income. Market Share is calculated as the share of industry sales revenue (not units sold or retail sales).

**Specific PharmaSim grade:** The Professor may make adjustments to the “General Grade” you receive based on the Final Report and the following considerations:
1. The rationale for your target market selection and how well you utilize information provided by the simulation to make your decisions.
2. What did you learn from playing the game.
3. Evidence of erratic, inconsistent, or casual play will significantly lower your grade (for example from B to C or even F).

**CLASS AND READING SCHEDULE**

The following schedule is NOT absolute. The Professor reserves the right to make changes and adjustments as we go along. If a student misses a class, it is his/her responsibility to find out what was covered in the class and if there have been any schedule changes.

**Session 1, Thursday September 1**

**Introduction to Marketing Concepts**

**Relationship Marketing and the Life Time Value of a Customer**

**Additional Readings:**
- Marketing Myopia, Ted Levitt [posted to BB]
- Relationship Marketing [posted to BB]

**Optional:**
- Marketing Analysis Toolkit: Customer Lifetime Value Analysis,” by Steenburgh and Avery, HBS 9-511-029, or
- “Customer Profitability and Lifetime Value,” by Elie Ofek, HBS 9-503-019. [either can be purchased at http://hbsp.harvard.edu/product/cases].
Session 2, Thursday September 8

1. The Marketing Environment
Tapping into Global Markets
Chapter 3 pp. 73-84
Chapter 8

Additional Readings:
Notes on Three Generations [posted to BB]
Lohas Article—Nielsen [posted to BB]
Optional:
Global Mid Class—OECD [posted to BB]

Session 3, Thursday September 15

1. Marketing Strategy & Competition
Chapter 2, 12, Readings

Additional Readings:
Competitive Strategy, Porter [posted to BB]
Core Competence, Prahalad & Hamel [posted to BB]
Marketing Networks, Achrol & Kotler [posted to BB]
Optional:
Open Innovation, Chesbrough [posted to BB]
Hypercompetition, D’Aveni [posted to BB]
Crowdsourcing [posted to BB]
The Long Tail, Anderson [posted to BB]

Session 4, Thursday September 22

1. Buyer Behavior.
Chapters 6, 7, Readings

Additional Reading:
Optional:
Consumer Behaviour Theory: Approaches and Models, Jeff Bray [posted to BB]
Note on Motivation Research [posted to BB]
Notes on Neuro Marketing [posted to BB]


Session 5, Thursday September 29

Segmentation, Targeting, and Positioning.
Chapters 9, 10, Readings

**Additional Reading:**
- PRIZM-Nielsen [posted to BB]
- Intro to Perceptual Maps [posted to BB]

Optional—purchase online from Harvard Business School Publishing:
“Rethinking Positioning”—Module Note # 5-506-025

### Session 6, Thursday October 6

1. **Marketing Information Systems.** Chapt. 4, 3 (pp.66-72, 85-91)

   **Additional Readings:**
   - New Product sales Forecasting
   - MDSS: New Product Diffusion Models
   - Marketing Dashboards


### Session 7, Thursday October 13

1. **Product & Service Strategies** Chapters 13, 14 and 15

   **Additional Readings:**


3. Register for PharmaSim before next class.

### Session 8, Thursday October 20

1. **Introduction to PharmaSim** (Read Sections 1-2 of PharmaSim Manual. Available for download online after you register)
PharmaSim Practice Runs: A one-week Practice Period starts Today. TAKE THE MAXIMUM BENEFIT OF THIS! You can “Replay” each decision FOUR times and “Reset” and play the simulation over ONE time from start (i.e., play it twice in all). Students can pay as individual players during practice period.

Session 9, Thursday October 27

1. Brand Management

Additional Readings:
Brand Extensions
Brand Equity
Commoditization of Brands

2. PharmaSim. Practice ends and the real simulation starts tomorrow Wednesday, Nov. 4 at 9 a.m. No more Resets or Replays permitted after that. Only Team Leader can submit final decisions of the team and advance the Team to the next period.

Once the Team finalizes its decisions and the Team Leader advances the game, it cannot be reset. Please be sure of your decisions before you advance the game to the next period. Do NOT advance twice for the same period. If you have a problem, email me.

You should aim to complete Decisions 1 by next week. You can move forward at your own pace but will be penalized if you fall behind by more than two weeks at any point.

Session 10, Thursday November 3

1. Distribution Strategy.

Additional Readings:
“Key Challenges Facing Consumer Packaged Goods Manufacturers and What They Must Do to Survive,” by Olin Thompson, Microsoft Dynamics (posted to BB).
Optional:
“A Note on Category Captains,” Ravi S. Achrol, abstracted from working paper.

2. **PharmaSim**: You should have completed Decision 1 last week and aim to complete Decision 2 this week. You should be writing your rough Final Report as you go along.

   **Note:** After Decision 1 the Simulation moves (jumps to) to Level 3 for the duration of the game.

### Session 11, Thursday November 10

1. **Online Distribution and Marketing**

   **Chapter 21, 22 (pp. 635-642)**

   **Readings:**

   Notes on eMarketing. Posted to BB.

   **Optional:**


2. **PharmaSim**: You should completed Decision 2 last week and aim to complete Decision 3 this week. You should be able to speed up your analysis and decision time by now and move more quickly through decisions 4, 5 and 6.

### Session 12, Thursday November 17

1. **Pricing Strategy and Decisions**

   **Chapter 16**

   **Additional Readings:**

   All Optional:


The above articles can be referenced in the Gelman Library or downloaded from HBS website for a fee.

2. *PharmaSim*: You should aim to have completed Decision 4 and 5 this week.

**Thanksgiving Week**: Move forward towards completing PharmaSim

**Session 13, Thursday December 1**

1. **Marketing Communications & Sales Promotion.** Chapters 19, 20 and 22 (pp. 642-652)

**Additional Readings:**
Optional:
Sales and Trade Promotion-Aberdeen
Media Ad Trends-IBM

2. *PharmaSim*: You should have completed Decision 6 by today. Start wrapping up and refining your Final Report; it is due in-class next week Thursday, Dec. 8.

**Note:** You are required only to complete the simulation exercise up to the 6th round of decisions (Note the first decision period in the simulation is Period 0 so you will make the 6th round of decisions in Period 5).

**Session 14, Thursday December 8**

1. *PharmaSim Final Reports* are due today in class. Final Reports may not exceed 10 double spaced pages, plus tables and figures.

2. **In-class FINAL EXAM.**

**About the Professor**

Ravi S. Achrol (Ph. D. Kellogg Graduate School of Management, Northwestern University) is Professor of Marketing Science since 1991 at the School of Business, George Washington University. From 1981-1991 he was on the faculty of the University of Notre Dame. During 2001-02 and 2002-03 he held the Kmart Corp. Endowed Chair in Marketing at West Virginia University. His areas of research interest include distribution channels,