DEPARTMENT OF MARKETING

Fall 2015

MKTG.6290 -10

Pricing

Class : M 7:10-9:40 pm, DUQ 356

Office Hours : 2:00 – 4:00 pm MW

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OBJECTIVE:

This graduate seminar focuses on the Price part of the 4Ps. This is one part of the marketing mix that has perhaps undergone the greatest change in recent years because of developments in online marketing and the ability of marketers to monitor consumer behavior on both an individual level and in real time. The approach taken will be to first review traditional approaches to pricing which had remained largely unchanged for several decades – this will provide the seminar participants an opportunity to review general principles of pricing. A significant part of the module will, however, focus on online pricing and how the pricing paradigm has been changed as a consequence.

The seminar will use a number of readings and a set of cases with each class session involving a discussion of the reading and associated pricing principles followed by an analysis of a case that is presented by a student group (no more than two students to a group). In addition, the module will have a short paper requirement (see description below) which will again be done in small groups (of 2) and will entail the detailed exploration of a pricing approach (ex. reverse bidding) in any particular industry/product category context. Towards the end of the module, each group will have an opportunity to present their project to the rest of the seminar participants who can also join in the discussion and critique of the particular project topic/findings.
LEARNING OBJECTIVES:

Seminar participants will be expected at the end of the module to:

1. Gain a perspective on the ways in which perceived utility translates to "price" in a consumer's/customer's mind
2. Understand typical pricing practices that are employed in different industry/product situations as described in the readings/cases.
3. Analyze how the Price part of the marketing mix is changing in today's marketplace and how this is affecting the marketing paradigm
4. Have a detailed view of one subtopic in Pricing through their exploration of it in their outside class project.

GRADING:

Given the short duration of the module, grading will mainly be based on four components:

- Case Analysis: 30%
- Class Project: 30%
- Examination: 30%
- Class Participation: 10%

Final grades will be assigned based on the following cutoffs:

- A: > 90%
- A-: 87-90%
- B+: 85-87%
- B: 80-85%
- B-: 77-80%
- C+: 75-77%
C : 70-75 %

D, F : ?!

COURSE MATERIALS: There is no textbook for the course, because there are very few, if any, textbooks written on this P! The course materials will mainly be readings and cases which have been chosen for the course module at the Harvard Business School Publishing site (see below). If you have any problems locating the site or the course materials, please let the instructor know. Seminar participants can purchase the materials directly from the site.

https://cb.hbsp.harvard.edu/cbmp/coursepacks/overview/39110870

Seminar participants are also encouraged to follow pricing related reports in the business press (Bloomberg Business Week, Financial Times (FT), Wall Street Journal etc.). The instructor may also bring additional materials to class from time to time. (GW Students have free access to FT.com)

Session Schedule

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<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Assignment</th>
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<tbody>
<tr>
<td>Monday, August 31</td>
<td>Introduction</td>
<td>Readings : Principles of Pricing;</td>
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<td></td>
<td>What is unique about Price as a P?</td>
<td>Behavioral Pricing</td>
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<td>How is Price Determined?</td>
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<tr>
<td>Monday, September 7</td>
<td>Holiday – Labor Day – No Class</td>
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Friday, September 11

Price – Profit Relationship
Pricing Methods

Reading: Pricing
Analysis Toolkit:
Pricing and
Profitability Analysis

Cases: Coca Cola’s
New Vending
Machine (A):
Pricing to Capture
Value or Not;
Metabical: Pricing
Policy and Demand
Forecasting for a
New Weight Loss
Drug

Monday, September 14

Online Pricing – How has it
Changed the paradigm?

Reading: Pricing and
Market Making on
the Internet
Case: Virgin Mobile
USA: Pricing for the
First Time

Monday, September 28  Other Issues in Online Pricing  Reading: Dashboard on Online Pricing Cases: Mars Inc. and Curled Metal

Monday, October 5  Examination – In class case

Monday, October 12  Project Presentations
Dr. Rau received his DBA in 1983 from Kent State University, his MBA from the Indian Institute of Management, Calcutta and a BS in metallurgical engineering from the Indian Institute of Technology, Kanpur. He joined SBPM in 1990 and his scholarly pursuits involve marketing management and strategy, international marketing, marketing research and public policy aspects of marketing. In addition to over two dozen articles in leading professional journals, publications by Dr. Rau include the following: *India Business: Finding Opportunities in this Big Emerging Market* (Ithaca, NY: Paramount Books 2002, Amazon Kindle edition, 2011), *Marketing Strategies For the New Europe: A North American Perspective on 1992* (Chicago: Dow Jones-Irwin/AMA, 1990), "Awareness Advertising: Japanese and U.S. Agency Perspectives" (International Journal of Advertising, 1990) and "Organizational Responses of U.S. Multinationals to EC- 1992: An Empirical Study" (Journal of International Marketing, 1993). He has taught previously at Kent State University, the Indian Institutes of Management (Ahmedabad and Bangalore), the University of Delaware, the University of Aarhus (Denmark), the University of International Business and Economics (Beijing, China), Indian Institute of Technology, (New Delhi), INTAN (Malaysia) and Institute for International Business Education (Moscow, Russia). He has also spoken at a number of executive development programs and symposia in the United States and overseas (Argentina, Brazil, Colombia, India, Peru, Singapore, etc.). His industrial work experience includes assignments with overseas subsidiaries of Caterpillar Tractor Company and Exxon, while his consulting experience covers a number of organizations in both the private and public sectors (DuPont, TV Answer, Home Builders Institute, the State of Delaware, U.S. Department of Education, Image Media services (IMS) and others). During the Academic Year 2008-2009, Dr. Rau worked with Infosys Technologies Limited, India (an
end to end technology solutions provider with 8+ billion dollars in revenue) as Fellow, Infosys Leadership Institute.

He currently serves as Chair of the Department of Marketing in GWSB, a role he was in previously for two terms (1995-2001). During 2009-2011, he was Senior Associate Dean of the GW School of Business. In addition, he has served as Director of the GW Center for International Business Education (GW-CIBER) and on two occasions, he has also served as Interim Associate Dean for Research and Doctoral Programs in GWSB.