B5601-001: EMBA MARKETING STRATEGY

SPRING 2020

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# COURSE DESCRIPTION

Marketing activity is the core of operating a business. It provides the managerial focus for interfacing with customers and the source of intelligence about customers, competitors, and the general environment.

The first half of the course focuses on marketing strategy. In order to make effective strategic decisions, managers must identify and measure consumers’ needs and wants, assess the competitive environment, select the most appropriate customer targets, and then develop marketing programs that satisfy consumers’ needs better than the competition. Further, marketing focuses on not only short-run sales and profits but also the long-run relationship of a company to its customers.

The second part of the course focuses on the *decisions* that managers make and the *tools* that they use to support an effective marketing strategy. The attraction and retention of profitable customers must involve consideration of the product or service being offered, the way in which the product is sold and distributed, how pricing is set and structured, and how the value of the offering is communicated.

Through class projects, hands-on group exercises, case studies, and class discussions, we will explore marketing strategy and its implementation through what is traditionally called the "marketing mix." As we progress, it will become apparent that each of these decisions affects the others and that they must all be framed as part of an integrated marketing strategy.

# Course Objectives:

B5601 is the core marketing course in the EMBA program at Columbia Business School. This course emphasizes the role of marketing in creating value for customers, which in turn leads to value for other stakeholders in a firm (e.g., owners, shareholders, employees). The main objectives of the course are to *improve your ability to*:

1. Assess market opportunities by analyzing customers, competitors and the strengths and weaknesses of a company.
2. Design effective marketing strategies to maximize a company’s chance of winning in these markets.
3. Communicate and defend your own marketing recommendations and critically examine and build upon the recommendations of others.
4. Learn the tools necessary to implement marketing strategy and improve performance.
5. Understand the interdependence of marketing decisions and their effects on the firm’s customers and its competition.

**COURSE MATERIAL**

**Required Reading**

The key resources for the course are:

1. B5601 Readings and Cases will be available on the Web site in **COURSEWORKS**.
2. Lecture notes will be distributed in the class and will be available on the Web site in **COURSEWORKS**.

**Optional Reading**

If you are interested in additional background reading, we suggest three books.

The first two are excellent, if relatively encyclopedic, references:

* Capon, Noel, *Managing Marketing in the 21st Century* (2012, 3rd Edition), Wessex.
* Kotler, Philip and Kevin Keller, *Marketing Management* (2011, 14th Edition), Prentice Hall.

The third emphasizes quantitative and financial aspects:

* Best, Roger J., *Market-Based Management - Strategies for Growing Customer Value and Profitability* (2012, 6th Edition), Prentice Hall.

**OVERVIEW OF CLASS SCHEDULE**

**A. Analyzing Customers, Identifying Opportunities, and Developing Strategy**

Professor Ran Kivetz

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| --- | --- | --- | --- |
| **Date** | **Topic** | **Case/Readings** | **Assignments and Deadlines** |
| Mon 1/6Session 1 | IntroductionCustomer Analysis I:Why do Customers Buy & Economic Value to the Customer (EVC)Customer Analysis IIa: A Primer on Behavioral Economics | Case: [Federal Express (B)](https://hbsp.harvard.edu/tu/0fe7c1a3)Post-class reading: * [Note on Marketing Strategy](https://hbsp.harvard.edu/tu/83c7dc56)
* [Basic Quantitative Analysis for Marketing](https://hbsp.harvard.edu/tu/a81b8898)

[Economic Benefits and Value Creation](https://canvas.gsb.columbia.edu/files/140159760/download?download_frd=1)Read: “[To Understand Your Customers, You Have to Know How they Think](https://canvas.gsb.columbia.edu/files/140159761/download?download_frd=1)”Read: “[A Nobel Bridges Economics & Psych](https://canvas.gsb.columbia.edu/files/140159762/download?download_frd=1)”Read: “[Why Cash Fails](https://canvas.gsb.columbia.edu/files/140159763/download?download_frd=1)” |  |
| Tue 1/7Session 2 | Customer Analysis IIb: Incentives & Behavior Change | Skim: “[The Goal-Gradient Hypothesis Resurrected](https://canvas.gsb.columbia.edu/files/140159765/download?download_frd=1)”Skim: “[The Effects of Effort & Intrinsic Motivation](https://canvas.gsb.columbia.edu/files/140159764/download?download_frd=1)”Skim: “[Earning the Right to Indulge](https://canvas.gsb.columbia.edu/files/140159766/download?download_frd=1)” |  |
| Wed 1/8Session 3 | Competitive AnalysisDeveloping Strategy I: Branding; Segmentation, Targeting and Positioning | Skim: [Assessing Competitors Current Objectives](https://canvas.gsb.columbia.edu/files/140160186/download?download_frd=1)**Case:** [**American Airlines (A)**](https://hbsp.harvard.edu/tu/a60da253)Read: “[How do Brands Create Value?](https://canvas.gsb.columbia.edu/files/140159773/download?download_frd=1)”Read: “[Brand Equity](https://canvas.gsb.columbia.edu/files/140159767/download?download_frd=1)”Post-class reading: * [Market Segmentation and Targeting](https://canvas.gsb.columbia.edu/files/140159768/download?download_frd=1)
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| Thurs 1/9Session 4 | Developing Strategy II: Branding; Segmentation, Targeting and PositioningCustomer Lifetime Value (CLV) | **Case:** [**Virgin America**](https://www8.gsb.columbia.edu/caseworks/RanKivetz/152e0)Read: “[What’s a Customer Worth?](https://www8.gsb.columbia.edu/caseworks/RanKivetz/152d0)”Skim: “[Customers As Assets](https://canvas.gsb.columbia.edu/files/140159769/download?download_frd=1)” | ***STP Exercise (Assignment #1) given in class. Solution due via Courseworks by Friday, January 24, at 10:00 a.m.*** |
| Fri 2/7Session 5 | Customer Analysis III: RetentionMarket Penetration & Mid‑Course Wrap-up | **Case:** * [**Starbucks**](https://hbsp.harvard.edu/tu/30687b84)
* [Starbucks in the New Millennium](https://www8.gsb.columbia.edu/caseworks/RanKivetz/152f0)

Case: [TiVo in 2002 --- Consumer Behavior](https://hbsp.harvard.edu/tu/f17b2559)Read: “[Crossing the Chasm](https://canvas.gsb.columbia.edu/files/140159770/download?download_frd=1) -- and Beyond,” Ch. 2. |  |
| Sat 2/8 | Midterm exam in class (on campus) |  |  |

**B. Marketing Implementation ­**

Professor Andrey Simonov

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| **Dates** | **Topic** | **Readings** | **Assignments for class** |
| Fri 03/08Session 7 | Introduction to Marketing Implementation and New Products | **Mini Case:** Apple vs. Samsung: The $2 Billion CasePart 1: <https://www8.gsb.columbia.edu/caseworks/RanKivetz/15300> Part 2: <https://www8.gsb.columbia.edu/caseworks/RanKivetz/15301>Post-class reading: * [Understanding Conjoint Analysis in 15 Minutes](https://canvas.gsb.columbia.edu/files/137130472/download?download_frd=1)
* [A New Way to Gain Customer Insights](https://www.strategy-business.com/article/00092?gko=8478d)
 | **Online survey**  |
| Sat 03/09Session 8 | Pricing  | **Case:** [The New York Times Paywall](https://hbsp.harvard.edu/tu/3ec7cf46)Post-class reading: * [Principles of Pricing](https://hbsp.harvard.edu/tu/2408746f)
 | **Online survey**  |
| Fri 03/22Session 9 | Pricing Distribution | **Case:** [Soren Chemical](https://hbsp.harvard.edu/tu/68ed86ea)Post-class reading: * [Trade Promotion: Essential to Selling through Resellers](https://sloanreview.mit.edu/article/trade-promotion-essential-to-selling-through-resellers/)
 | **Online survey**  |
| Sat 03/23Session 10 | Promotion | **Case:** [BBVA Compass: Marketing Resource Allocation](https://hbsp.harvard.edu/tu/23444fa5)Post-class reading:* [Marketing Promotions](https://hbsp.harvard.edu/tu/de45d756)
 | **Online survey**  |
| Fri 04/05 |  **Third Assignment Due at 8:30am (Product Design Exercise)** |
| Fri 04/05Session 11 | PromotionCourse Review | **In-class case (read before the class):** **- Mini Case:** [Bazaar.com](https://www8.gsb.columbia.edu/caseworks/RanKivetz/15310) |  |

**Review sessions (Optional):**

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| **Date, Time , Place** | **Agenda** |
| [MONTH] [DATE] [DAY] [TIME] [location] | Conjoint analysis review session |
| [MONTH] [DATE] [DAY] [TIME] [location] | Final exam review session |

# STUDENT EVALUATION

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| Class Participation | 20% | (individual) |
| First Assignment (STP) | 15% | (group) |
| Second Assignment (Product Design) | 15% | (group) |
| Midterm Examination | 25% | (individual) |
| Final Examination | 25% | (individual) |

**(1) Class Participation**

A large portion of the class time will be devoted to analyzing assigned cases, group discussion, and in-class exercises. You will work with your group in a number of in- and out-of-class exercises. We ask that you sit with your study group in class to enable quick break-out discussion for in-class exercises.

Several criteria are considered when evaluating your class participation.

* Most important is the quality of the class participation. Sheer quantity is neither sufficient nor necessarily desirable.
* High quality class participation includes comments that add to our understanding of a situation. They go beyond mere repetition of case facts.
* High quality class participation can be supported with qualitative and/or quantitative analysis based on marketing theory and concepts.
* Your comments should take into account the comments and analyses of your classmates. Participation should move our discussion forward.
* Finally, you need to be present in class in order to receive a strong class participation score. Attendance is mandatory in accordance with EMBA program policy.

A note on **case discussions**: The case method is one of the most effective means of sharpening your decision-making abilities. A case discussion requires that you be an active participant in resolving a marketing problem. The assigned cases are intended to give you practice in assembling data to support a decision. The discussion format provides you with an opportunity to argue your position and to learn from others by listening to their comments, analysis, and criticism. You will learn the most from the cases if you and your classmates prepare and participate fully. You all have different experiences, insights and opinions, and a great deal of what you will learn from the cases will be from each other. It is therefore essential that you be fully prepared for all the cases.

In **Part A** of the course, you will be given a number of discussion questions for each session. These are guidelines for you to **think about and complete on your own (not formally submitted)**. In **Part B** of the course, there will be a number of pre-class questions you are asked to answer via **online surveys**. Many of the pre-class questions do not have a unique answer as they depend on how one interprets and uses the data and other information. Our expectation is that you would respond thoughtfully to the questions, giving reasonable justification for your answers. High quality pre-class responses are supported with qualitative and/or quantitative analysis based on logic and marketing concepts.

**(2) Assignments**

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| Assignments are to be done in your learning team. A clear typed-up electronic copy should be submitted online **in Courseworks** on the due date at the beginning of your class with the **names of all team members clearly indicated**. No late submissions will be accepted. The clarity of your presentation, reasoning, and analysis are extremely important for receiving full credit for your work. An assignment that is delivered to my snail-mail mailbox or to my office will not be accepted. You can email your HW directly to your TA only under special circumstances. You are required to submit the following assignments: |

First Written Team Assignment – STP Exercise

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| The assignment will be given out in class and made available online.**Due by *Friday, January 24, at 10:00 a.m.* – uploaded in Courseworks**  |

Second Written Team Assignment – Product Design Exercise

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| The exercise is printed at the end of the course reader and will also be made available online. **Due by *??, ??, at 8:30 a.m.* – uploaded in Courseworks** |

**(3) Midterm and Final**

The midterm and final examinations will be designed to test your understanding of the topics covered in the lectures, readings, and exercises. The midterm will exam will cover the first half of the course and will be conducted in class on **Saturday,** **February 8** (from **8:30 – 11:30am EST**). The final will cover the second half of the course and will be held on **??.**

The construction of reliable, discriminating and valid exams is a very difficult endeavor, and returning exams precludes the use of those test questions for many years. Since the primary goal of the exam in this course is to evaluate students’ knowledge, returning exams would make it more difficult for that goal to be achieved. Therefore, exams will be available in our offices for all of next semester, either during office hours or by appointment.

**LAPTOP POLICY**

The school laptop policy will be observed: laptops, tablets, cell phones, and any other electronic devices are strictly prohibited. Please print out whatever quantitative or qualitative analysis you have and bring it to class in order to facilitate discussion.

**HONOR CODE**

At no time should you use lecture or case notes from previous sections of the course, nor should you violate the Columbia Business School Integrity Code (printed at the beginning of the readings packet) in any other way.

**COLUMBIA CORE CULTURE**

The purpose of the Columbia Core Culture is to promote a consistent classroom environment of mutual respect, preparation and engagement. Our expectation of you in class is to be:

**Present:** Your success depends on being on time and present for the entire class every session. Attendance will be part of your grade for class participation and students are expected to sit in their assigned seats.

**Prepared:** Bring your nameplate, clicker, and complete any pre-work needed for class discussion. Expect the professor to cold call in class.

**Participating:** Active participation calls for no electronic devices such as laptops, tablet computers, or smartphones during class, except when the professor tells you as part of in-class work.