B5601-001: EMBA MARKETING STRATEGY

FALL 2019

Professors: Ran Kivetz, Ph.D. Andrey Simonov, Ph.D.
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Office Hours: By appointment By appointment

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TA (Part B): Malek Ben Sliman MBensliman20@gsb.columbia.edu

TA Office Hours: By appointment – schedule via email

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 CANVAS.
2. Lecture notes will be distributed in the class and will be available on the Web site in CANVAS.

Optional Reading

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

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

The third emphasizes quantitative and financial aspects:
# OVERVIEW OF CLASS SCHEDULE

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

Professor Ran Kivetz

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Case/Readings</th>
<th>Assignments and Deadlines</th>
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<tbody>
<tr>
<td>Mon 1/7</td>
<td><strong>Session 1</strong></td>
<td><strong>Case: Federal Express (B)</strong></td>
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<tr>
<td></td>
<td>Introduction</td>
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<td></td>
<td>Customer Analysis I: Why do Customers Buy &amp; Economic Value to the Customer (EVC)</td>
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<td>Tue 1/8</td>
<td><strong>Session 2</strong></td>
<td>Read: &quot;To Understand Your Customers, You Have to Know How they Think&quot;</td>
<td>Group Retention Exercise (Assignment #1) given in class. PPT due via Canvas by Friday, January 25, at 10:00 a.m.</td>
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<tr>
<td></td>
<td>Customer Analysis IIA: A Primer on Behavioral Economics</td>
<td>Read: &quot;A Nobel Bridges Economics &amp; Psych&quot;</td>
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<td></td>
<td>Customer Analysis IIB: Incentives &amp; Behavior Change</td>
<td>Read: &quot;Why Cash Fails&quot;</td>
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<td></td>
<td>Developer Strategy I: Branding; Segmentation, Targeting and Positioning</td>
<td>Skim: &quot;The Goal-Gradient Hypothesis Resurrected&quot;</td>
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<tr>
<td>Wed 1/9</td>
<td><strong>Session 3</strong></td>
<td>Skim: &quot;The Effects of Effort &amp; Intrinsic Motivation&quot;</td>
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<td></td>
<td>Developing Strategy I: Branding; Segmentation, Targeting and Positioning</td>
<td>Skim: &quot;Earning the Right to Indulge&quot;</td>
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<td>Fri 1/25</td>
<td><strong>Session 4</strong></td>
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<td></td>
<td>Developing Strategy I (continued): Branding; Segmentation, Targeting and Positioning</td>
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<td>Sat 1/26</td>
<td><strong>Session 5</strong></td>
<td><strong>Case: American Airlines (A)</strong></td>
<td>STP Exercise (Assignment #2) given in class. Solution due via Canvas by Monday, February 4, at 5:00 p.m.</td>
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<td></td>
<td>Competitive Analysis</td>
<td><strong>Case: Virgin America</strong></td>
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<td></td>
<td>Developing Strategy II: Branding; Segmentation, Targeting and Positioning</td>
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<tr>
<td>Fri 2/8</td>
<td><strong>Session 6</strong></td>
<td><strong>In-class presentations of retention exercise</strong></td>
<td>This is a joint session with Professors Kivetz and Simonov</td>
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<td></td>
<td>Customer Analysis III: Retention</td>
<td>Read: &quot;What's a Customer Worth?&quot;</td>
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<td>Customer Lifetime Value (CLV)</td>
<td>Skim: &quot;Customers As Assets&quot;</td>
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<td>The Perils of Customer Growth &amp; Mid-Course Wrap-up</td>
<td><strong>Case:</strong></td>
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<td>Oct 22</td>
<td>Introduction to Marketing Implementation</td>
<td><strong>Starbucks</strong></td>
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<td><strong>Starbucks in the New Millennium</strong></td>
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<td>Fri 2/22</td>
<td>Mid-term exam in class</td>
<td>Post-class reading:</td>
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<td></td>
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<td>- Finding your innovation sweet spot</td>
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<td>- B5601 Math Primer</td>
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# B. Marketing Implementation

**Professor Andrey Simonov**

<table>
<thead>
<tr>
<th>Dates</th>
<th>Topic</th>
<th>Readings</th>
<th>Assignments for class</th>
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</table>
  - Part 1: [https://www8.gsb.columbia.edu/caseworks/AndreySimonov/17910](https://www8.gsb.columbia.edu/caseworks/AndreySimonov/17910)  
  - Part 2: [https://www8.gsb.columbia.edu/caseworks/AndreySimonov/17911](https://www8.gsb.columbia.edu/caseworks/AndreySimonov/17911)  
  Post-class reading:  
  - [Understanding Conjoint Analysis in 15 Minutes](https://www8.gsb.columbia.edu/caseworks/AndreySimonov/17911)  
  - [A New Way to Gain Customer Insights](https://www8.gsb.columbia.edu/caseworks/AndreySimonov/17911) | Online survey |
  Post-class reading:  
  - [Principles of Pricing](https://www8.gsb.columbia.edu/caseworks/AndreySimonov/17911) | Online survey |
| Thu 11/14   | Pricing                                    | Case: [Soren Chemical](https://www8.gsb.columbia.edu/caseworks/AndreySimonov/17911)  
  Post-class reading:  
  - [Trade Promotion: Essential to Selling through Resellers](https://www8.gsb.columbia.edu/caseworks/AndreySimonov/17911) | Online survey |
| Wed 12/11   | Promotion                                  | Case: [BBVA Compass](https://www8.gsb.columbia.edu/caseworks/AndreySimonov/17911)  
  Post-class reading:  
  - [Marketing Promotions](https://www8.gsb.columbia.edu/caseworks/AndreySimonov/17911) | Online survey |
| Thu 12/12   | **Third Assignment Due at 9:00am (Product Design Exercise)** | In-class case (read before the class):  
  - Mini Case: [Bazaar.com](https://www8.gsb.columbia.edu/caseworks/AndreySimonov/17911) | |
| Thu 12/12   | Promotion                                  | Course Review:  
  - Mini Case: [Bazaar.com](https://www8.gsb.columbia.edu/caseworks/AndreySimonov/17911) | |
Review sessions (Optional):

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<tr>
<th>Date, Time, Place</th>
<th>Agenda</th>
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<tr>
<td>December 12, Thursday, time TBD</td>
<td>Final exam review session</td>
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STUDENT EVALUATION

<table>
<thead>
<tr>
<th>Class Participation</th>
<th>20%</th>
<th>(individual)</th>
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<tbody>
<tr>
<td>First Assignment (STP)</td>
<td>7.5%</td>
<td>(group)</td>
</tr>
<tr>
<td>Second Assignment (Group Retention)</td>
<td>7.5%</td>
<td>(group)</td>
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<tr>
<td>Third Assignment (Product Design)</td>
<td>15%</td>
<td>(group)</td>
</tr>
<tr>
<td>Mid-term examination</td>
<td>25%</td>
<td>(individual)</td>
</tr>
<tr>
<td>Final Examination</td>
<td>25%</td>
<td>(individual)</td>
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(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

Assignments are to be done in your learning team. A clear typed-up electronic copy should be submitted online in Canvas 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 e-mail your HW directly to your TA only under special circumstances.

You are required to submit the following assignments:

First Written Team Assignment – Group Retention Exercise

The assignment will be given out in class and made available online.

Due by Friday, January 25, at 10:00 a.m. – uploaded in Canvas

Second Written Team Assignment – STP Exercise

The assignment will be given out in class and made available online.

Due by Monday, February 4, at 5:00 p.m. – uploaded in Canvas

Third Written Team Assignment – Product Design Exercise

The exercise is printed at the end of the course reader and will also be made available online.

Due by Thursday, December 12, 9:00 a.m. – uploaded in Canvas

(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 exam will cover the first half of the course and will be made available via Canvas on October 12 at 9:00am and is due on October 19th at 11:59pm. The final exam will cover the second half of the course and will be made available via Canvas on December 20 at 9:00am and is due on December 29 at 11:59pm. Both the midterm and final exams will be take-home and are to be done in a period not exceeding three hours.

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.