

BUSML 6253: MARKETING MANAGEMENT



THE OHIO STATE UNIVERSITY
FISHER COLLEGE OF BUSINESS

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Course Overview

Peter Drucker, groundbreaking business writer, consultant and teacher, famously said:

“The business enterprise has two and only two basic functions: marketing and innovation. Marketing and innovation produce results; all the rest are costs.”

If Drucker is right, marketing as a *functional area* should be a training ground for leaders and a hub of influence within the organization. Further, the *processes* of marketing should be strategic, cross-functional and bottom-line oriented, helping everyone “do” marketing—with the marketing function becoming a powerful engine for growth.

Yet this is not the case in many firms today. In fact, often “marketing” is viewed as a department—one that does little more than act as a brochure factory, or maintain the company’s Facebook page and Twitter account, or otherwise participate in activities that are viewed as ancillary in the pursuit of growth.

This perspective is limiting, however. The most successful firms frame marketing as strategic and not just limited to tactics such as advertising, social media, the creation of a cool logo and business cards, or other “fluff” as some have called such activities. Drucker was not wrong in placing marketing in the context of a key strategic engine for results! And in line with his view, marketing is not something that just lives in one departmental silo. Everyone, no matter the functional area in which they work, must understand how marketing works, how everyone contributes to marketing, and the critical role marketing should play in organizational success. This view reframes marketing from a set of functional tasks to a system for market-based management.

Our course presents the concepts and tools of market-based management. The goal of a market-based management system, one in which marketing drives growth, is to deliver superior levels of customer value, satisfaction and loyalty. Therefore the focus of the course is on identifying, creating and delivering value within the realities of the organization’s competitive landscape. The course includes application of market-based management concepts and models to the diverse situations faced by students in the class.

A variety of tools and teaching approaches will be used to achieve our objectives. For some topics, I will rely on conventional lecture and class discussion. Other topics are best covered in a more experiential fashion through the use of cases and field or immersion exercises.

PLEASE NOTE:

You are all consumers, and therefore you have implicit theories about how marketing works (or doesn’t work). These theories might be true for you, but are not an adequate basis for strategic decision making in an organization unless you are the organization’s only customer! You are probably not the target audience for every organization we will study, so you have to be careful to avoid thinking that what YOU want or believe is what the actual target audience wants / believes.

Course Materials

Textbook: Market Based Management, by Roger J. Best (6th Edition), Prentice Hall (Upper Saddle River, NJ), 2013.

The text is fairly quantitatively-oriented, allowing you access to many different types of analysis tools. These tools can be used in decision-making, in the analysis of cases or to help you evaluate the efficacy of a decision in your organization.

Course Packet: Cases in particular offer an opportunity for practical application of the concepts introduced through lectures and readings. Using cases also has the benefits of (1) giving the class a common knowledge base for discussion, and (2) enabling each student to develop a “mental map” of market-based decision making.

The cases used in this course span a range of industries, products, and company contexts. These cases are unique in that they describe highly challenging, yet generic, marketing problems which actual firms had to deal with at particular points in time. The challenge and the ultimate learning follow from analyzing the situation as it existed for the firm at that particular time. As such, hindsight is not admissible evidence in case analysis. The main purpose of using cases is to conduct *analysis*, not to build a collection of *facts* about industries, firms and products.

Additional Readings: Assigned readings not found in the Course Packet will be posted on the course Carmen website. On occasion, optional business press readings related to course topics may be posted on Carmen as well.

Course Administration

Email is the most reliable way to contact me. I have given you my cell number, which you are free to use for calls between 9:00 am and 9:00 pm EST and as a way to send a text message to me any time. Please don't hesitate to call me if you need me. If you would like to set up a face-to-face appointment for any reason, just let me know and we can get together. (Please note: do not leave any voicemail messages in my office voicemail as I do not use it.)

Bases for Evaluation and Feedback

<i>Assignment</i>	<i>Weight</i>
1. Organizational Application #1 (<i>Week 4 class session</i>) Due by 6:00 pm on the day of our Week 4 class meeting (Mon section, Sept 26; Wed section, Sept 14). <i>You will use your organization to apply models or concepts introduced in the course. Instructions for this application write-up are found on page 10 of the syllabus.</i>	15%
2. Midterm Exam (<i>Week 8 class session</i>) <i>The in-class midterm will be essay / short-answer in format. The Monday section will take the exam on Mon October 24. The Wednesday section will take it on Wed October 19.</i>	35%
3. Organizational Application #2 (<i>for everyone, due via Dropbox by 6:00 pm December 14</i>) <i>You will use your organization to apply course models and concepts. Instructions for this application write-up are found on pages 11-12 of the syllabus.</i>	35%
4. Class Participation and Engagement (<i>ongoing</i>)	15%

Note: Participation and Engagement in Discussion

Each one of you is expected to attend class and contribute to class discussions when we meet as a group.

To a large extent, learning in this class is related to your willingness to expose your insights and viewpoints to the critical judgment of your classmates. Do not expect to do well in this course by simply coming to class, taking notes, and synthesizing, recalling, or reproducing these notes for my evaluation on a test. To do well, you must learn from **active participation** in class discussions. In evaluating your participation, I use several criteria such as:

- does the comment merely restate the facts or does it provide new insights?
- does the comment add to our understanding of the issues or is it frivolous . . . an attempt to get "air time" that day? (i.e., you have only one thing to say, and want to say it no matter how irrelevant it is to the on-going discussion.)
- is the comment timely and linked to the comments of others?
- is the comment action-oriented, or simply a descriptive statement?
- does the comment move the discussion along by giving a new perspective?
- is the comment clear and concise, or obscure and rambling?
- does the comment reflect a concern for maintaining a constructive and comfortable classroom atmosphere?

Clearly, I emphasize quality of participation a lot more than quantity. It is entirely possible that you can participate a great deal and receive a low grade for class participation. (But also, and as a reminder, you can't participate if you are not in the classroom—so if your participation is great when you are present, but you miss class often—you will receive a low class participation score.)

One final note regarding amount of participation: If at any time you feel that you wish to participate more—but feel that for some reason you are prevented from doing so—please let me know immediately so that you and I can address the situation.

There is a distinct learning curve associated with case analyses, and experience suggests that you will find it increasingly easy to participate in the discussion as the semester goes on. If, however, the idea of speaking in front of a large class is discomfoting, or if you have difficulties with participating due to the pace of the discussion relative to your language skills, please let me know. I will be happy to work with you to find solutions.

Final Grade Distribution

As required by Fisher College of Business and GPO policies, the distribution of final grades across all students enrolled in M&L 6253 must average approximately 3.2 on a 4.0 scale. **Past experience indicates the likely modal grade for students in this class will be a "B+."**

Instructor Bio

Dr. Deborah Mitchell Clinical Associate Professor

Deborah Mitchell has a unique background that combines academic and industry expertise.

She received her Ph.D. in Marketing and Behavioral Science from the University of Chicago and began her academic career as a faculty member at the Wharton School of the University of Pennsylvania. She has held faculty positions at Stanford University Graduate School of Business and the Johnson Graduate School of Management (Cornell). Prior to joining Fisher in 2014 she was a faculty member at the Wisconsin School of Business (University of Wisconsin-Madison), where she taught various marketing courses and was awarded “School of Business Teacher of the Year” by full-time MBA students two years in a row.

Deborah’s research has been published in the *Journal of Consumer Research*, *Journal of Consumer Psychology* and *Journal of Advertising*. In addition to her academic career, Deborah has worked closely with industry leaders as president of CypressTree Corp. Clients have included Time-Warner, CNN, Bristol Meyers Squibb, General Motors, TIAA-CREF and Syngenta. Her consulting work has focused heavily on brand-based change initiatives, with an emphasis on integrating brand, strategy and leadership development across a variety of organizations.



Class Schedule

(Fall Semester, Term 1 & Term 2)

Readings found in Text (T) and Course Packet (CP)

Please note: it is your responsibility to know (a) the section in which you are enrolled, (b) the dates your section will meet, and (c) the due dates for your section's deliverables.

First Meeting: Setting the Context and Expectations

Week 1: Wednesday Section, August 24 / Monday Section, Aug 29

Topic: Course Introduction: What is Marketing?

Read: Can This High-Tech Product Sell Itself? (CP)

In-class Activity in lieu of Case

Part I: Leveraging Organizational Strengths, Creating a Customer Value Strategy

Week 2: Wednesday Section, Aug 31 / Monday Section, Sept 12

Topic: Marketing, Customers and Value Creation

Read: Chapters 1 and 4 (T)

Case: Gaming the Gamers (CP)

Week 3: Wednesday Section, Sept 7/ Monday Section, Sept 19

Topic: Market Potential, Market Demand, Market Share; Segmentation Strategies

Read: Chapters 3 and 5 (T)

Case: XM Satellite Radio (A) (CP)

Week 4: Wednesday Section, Sept 14 / Monday Section, Sept 26

Topic: Competitive Advantage

Read: Chapter 6 (T)

Read: The Real Meaning of Value (CP)

Due: Organizational Assignment #1 (*due in Dropbox by 6:00 pm the day of your Week 4 class session*)

Week 5: Wednesday Section, Sept 21 / Monday Section, Oct 3

Topic: Positioning

Read: Chapter 7 (T)

Case: TiVo (CP)

Week 6: Wednesday Section, Sept 28 / Monday Section, Oct 10

Topic: Repositioning and Updating the Strategy

Read: Charting Your Company's Future (CP)

Case: Eileen Fisher: Repositioning the Brand (CP)

Week 7: Wednesday Section, Oct 5 / Monday Section, Oct 17

Topic: Lifetime Value and the "Virtuous Cycle"

Read: Chapter 2 (T)

Case: A Taste of Frankenmuth (CP)

Week 8: Wednesday Section, Oct 19 / Monday Section, Oct 24

MIDTERM EXAM (*held in class the day of your Week 8 class session*)

Part II: Translating a Customer Value Strategy into Specific Marketing Mix Elements

Week 9: Wednesday Section, October 26 / Monday Section, October 31

Topic: Products and Product Line Decisions

Read: How Far Can Brands Travel? (CP)

Case: Dr. Tim's (CP)

Week 10: Wednesday Section, November 2 / Monday Section, November 7

Topic: Channels and Going-to-Market

Read: Chapter 9 (T); How You Slice It: Smarter Segmentation for Your Sales Force (CP)

Case: Goodyear: Aquatred (CP)

Week 11: Wednesday Section, November 9 / Monday Section, November 14

Topic: Integrated Marketing Communications

Read: Chapter 10 (T)

Case: Maersk Line: B2B Social Media (CP)

Week 12: Wednesday Section, November 16 / Monday Section, November 28

Topic: Pricing

Read: Chapter 8 (T)

Case: Fair & Square Pricing at JCPenney (CP)

Week 13: Wednesday Section, November 30 / Monday Section, December 5

Topic: Ethical Decision-Making in a Marketing Context (Guest speaker David Freel)

Read: Article on Carmen, "In Lean Times, Big Companies Make a Grab..."

Case: Aspen Skiing Company (A) (CP)

Course Wrap-Up

Week 14: Online Material (available beginning Thursday December 1)

Topic: Revisiting the Question, "What is Marketing?" (and Looking Ahead)

Read: Chapter 11 (T)

Due by 6:00 pm Wednesday December 14: Organizational Assignment #2

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Detailed Information for Class Preparation and Assignments

Case Preparation (General Info and Study Questions)

General Comments about Cases:

The cases for this course will be used as the foundation for discussion of the concepts and ideas for each session. I have selected cases that are closely linked to the text and readings for that class session, so it is probably most helpful for you to read the text and articles first, and then read the case. The text and articles will help you establish the context for the case.

The cases must be analyzed at the time set forth in the narrative of the case. A case written in 1998, for example, cannot be solved with “smart phone apps,” as those did not exist in 1998. Also, you should not do additional research on the firm or the industry. While some of you do have specialized knowledge related to many of the cases, I try to keep as “level a playing field” as possible. In other words, each of you should be able to competently analyze the cases, regardless of your field or job title, using just the information in the case and the text and articles.

What the organization actually did may not be relevant to our discussion. You never know whether the organization made an optimal decision, or how the organization would have fared if a different path was chosen. Therefore, there is no credit or reward given to those who do have knowledge of the organization’s actual strategies. Don’t engage in any outside research about the case.

As you have come to learn throughout your program, there is usually no right or wrong solution to a case. The emphasis in this class is on using the concepts to justify your conclusions and solutions. Your opinion as a consumer is seldom really helpful. Even if you are a member of the target audience you are not the sole customer of the organization. Your opinion, when backed up by information, data, concepts and models, is welcome. To that end, please pay close attention to the quantitative data. And as you know, often, the devil is in the details.

Finally, don’t tackle a case with any pre-conceived notions of what the most effective strategy might be. Consider the text and readings, consider the data and information in the case, and be open to possibilities that your assumptions can be altered.

Case Preparation Questions:

Note, the issues listed below are NOT the only relevant issues for the case. However, these issues are certainly important and by thinking about these issues you will be well prepared to explore ALL the issues in the case. Please note that with all cases, you must evaluate the case at the time it was written, using only the information available in the case. Assume you have all data and information that was used by relevant decision-makers to plan strategy and tactics.

1. Gaming the Gamers (Week 2)

- (Consider how the experience maps are similar to and/or how they differ from one another.)
- Summarize briefly consumer needs and motivations based on differences and similarities.
- Then brainstorm one sample business idea that would generate more revenue, profit or loyalty from customers in one or more segments.

2. XM Satellite Radio (Week 3)

- Which kinds of listeners are most likely to value what XM can offer?
- How does this help determine the consumer demand for this service?

3. TiVo (Week 5)

- From the consumer's standpoint, what is TiVo? Who is TiVo best suited for?
- Analyze the situation from the standpoint of the networks, the advertisers and the cable companies. What do they want TiVo to be? Think about the competition: what are Microsoft's strengths and weaknesses in this market?

4. Eileen Fisher: Repositioning the Brand (Week 6)

- What is the Eileen Fisher brand? What are its core associations, what is its meaning?
- How is the brand's meaning embodied in its products, stores, employees and advertising?
- How healthy is the Eileen Fisher brand?
- Should the brand be repositioned to appeal to the emerging and/or nascent segments?

5. A Taste of Frankenmuth (Week 7)

- Who is the typical Frankenmuth customer? How satisfied are they? To what extent are they loyal?
- Evaluate the businesses' and town's data collection efforts.
- What should Annette recommend in terms of resource allocation? What should the town do?

6. Dr. Tim's (Week 9)

- What are the constraints / parameters that will affect how, or how much, Dr. Tim's can expand?
- What are your recommendations for achieving growth? (Be prepared to support your recommendations.)

7. Goodyear: Aquatred (Week 10)

- Should Goodyear broaden its distribution to mass merchandisers? Should they be offered the Aquatred?
- Are there any channel partners who absolutely must be given the Aquatred? Why or why not?

8. Maersk Line: B2B Social Media (Week 11)

- Why do you think Maersk Line has been so successful in social media? Evaluate their platform and performance.
- How do you think competitors will react to Maersk Line's success in social media?
- What should Maersk Line do next?

9. Fair & Square Pricing at JCPenney (Week 12)

- Is JCPenney a brand that can be "Target-ized" or "Apple-ized"? Why or why not?
- Evaluate the new pricing program. Should anything be changed? Why or why not?

10. Aspen Skiing Company (A) (Week 13)

- If you took over as Aspen Skiing Company's next director of sustainability, what would your priorities be? How would you manage differently from Auden Schendler?
- How should Aspen Skiing Company respond to the request to join the Kleercut boycott?

Individual Organizational Assignment #1

(Due by 6:00 p.m. on the date of your Week 4 class session. Please upload to Dropbox.)

Purpose: To help you internalize the notion of “customer focus” by understanding your organization’s most and least loyal customers.

First, provide a one page summary of your organization (what kinds of products and services you provide, who are your typical customers, size, location(s), mission, etc.), and your role in that organization. This summary is intended to inform me and will not be graded or be included in the length restrictions for the assignment.

Assignment: Consider (a) the discussion of customer loyalty in Chapter 1 of your text book, and more broadly (b) the ways that organizations have collected data to understand customers in the material assigned and covered in Weeks 1-3.

First, describe the types of **customers** for your organization who are extremely loyal and those who are not loyal. Be as specific as you can, providing profitability information where available. You don’t have to “name names” but you should be able to demonstrate that you truly know which customers are valuable to you and which are not. Note: If “organization” is too large a unit of analysis, please choose a location, a division or unit which makes sense for you.

Then, describe any methodologies your organization (location, division, unit) uses to collect data on customer profitability, customer loyalty and what your customers value. Assess whether your organization’s data collection efforts are effective in finding and keeping loyal customers and of finding ways to eliminate non-loyal customers.

Details: *Please limit your document to 600 words or less.* You may provide attachments of graphics or analyses, but your attachments should not include much extra narrative material. I do not have specific preferences for format, font, spacing, etc. I do have a strong preference for coherent, professional writing. I expect you will use proper grammar, correct spelling and punctuation and that you will proofread your paper before submitting it. Do not use a cover sheet or title page, but please PUT YOUR NAME on the first page of the document.

Grading: Papers will be graded on how well you demonstrate your understanding of loyalty and data collection concepts and on whether you communicate that understanding in the document.

Late papers will be penalized.

Individual Organizational Assignment #2

Due by 6:00 pm. on December 14

Purpose: To help you understand one of your organization's brands relative to competitors, and to use that information to formulate the basis for a marketing plan.

Part 1: Consider the concepts and frameworks we have developed in our course tied to branding and customer value strategy, including the approach covered in the "Charting your Company's Future" article.

Choose a product/service line or brand (you can use your entire organization if that is the appropriate unit of analysis, but for many of you that will lack specificity) and chart that brand on a strategy canvas (described in the "Charting" article) along with two or more competitors or substitutes. **Prepare the canvas from the target customer's perspective, using specific data if it is available to you.** Please describe the target customer, explain why you chose the factors of competition and how you assessed your relative position on the canvas.

Then, provide your assessment of whether that strategy canvas position of your brand allows that brand to deliver an acceptable value proposition to target customers. Is the brand distinct enough? Focused enough? If not, what should be changed?

Details for Part 1: Please limit your Part 1 document to 600 words or less (this does not include the actual canvas itself, which can be embedded in the document or appended to the end). I do not have specific preferences for format, font, spacing, etc. I do have a strong preference for coherent, professional writing. I expect you will use proper grammar, correct spelling and punctuation and that you will proofread your paper before submitting it. Do not use a cover sheet or title page, but please PUT YOUR NAME on the first page of the document.

Part 2: Provide a detailed set of recommendations regarding how your brand should be marketed for the next 12 months, as captured in the sections of a high-level marketing plan.

Details for Part 2: You may use the following outline for your recommendations (please create in PowerPoint; I strongly encourage the use of bullets, graphics, etc.). Limit the number of slides to 30 slides or less, excluding appendices or exhibits.

OUTLINE FOR PART 2

I. Strategic Frame for the Next 12 Months

A. Competitive Analysis (use same competitors as those used in Part 1 Canvas)

- For each of the top 2—3 competitors:
 - Relative size (e.g., market share if available)
 - Trend (are they growing? flat? shrinking?)
 - Financial health (general snapshot)
 - Customer Value Strategy (who/what/why)
 - Presumed marketing goals
 - Current marketing investment (estimated size of spending on marketing, as well as tools used)

B. Recommended Customer Value Strategy (for your brand, by Segment)

C. Outcome (e.g., sales) Goals (by Segment, for your brand)

- Targets expressed in quantitative terms
- Method used for generating targets

II. Marketing Mix Recommendations for the Next 12 months

A. Channel Design and Policies

- Proposed Channel Structure and Policies
 - *Types & numbers of members, at each level, identified by name if possible*

B. Pricing

C. Communications Goals

- Across the integrated effort, what are your overall communications objectives?

D. Communications Budget

- Amount? (Include brief description, how you arrived at this amount)

- **E. Communications Tactics** (Advertising—include all relevant media, e.g., web, print, etc.; product placement and/or sponsorship; PR and social media; sales promotions/incentives; etc.). Include a Communications Calendar, showing starting point and amount of time that each communications tactic will be in the field.

III. Appendices

Grading:

- Part 1 of this assignment will be graded on how well you demonstrate your understanding of the brand and strategy canvas principles, and on whether you communicate that understanding in the document.
- Part 2 will be graded on how well you align your strategic and tactical recommendations with where the brand is today, given what you've determined needs to happen with the brand (as shown and discussed in Part 1).

Late papers will be penalized.

THE STUDENT-PROFESSOR CONTRACT FOR LEARNING

THE STUDENT'S SIDE

- reading and synthesis of material outside of class
- the "4 P's" of class engagement:

1. Preparation
2. Presence
3. Promptness
4. Participation

THE PROFESSOR'S SIDE

- Preparation
- Concern and devotion to students
- Striving to make the course a satisfying development experience.