Sloan School of Management, MIT
15.809
Marketing Management

Instructor
Duncan Simester
simester@mit.edu

Teaching Assistants
Nell Putnam-Farr
elpf@mit.edu

Web Sites

The MIT Stellar site for the course contains Powerpoint slides for each lecture together with other useful materials. The Stellar site is at:
http://stellar.mit.edu/S/course/15/su14/15.809/

There is also a study.net site for the class, which contains the cases and background reading for the course.

Nature and Purpose of the Course

Marketing is not just selling or advertising. It is a rigorous, disciplined science that applies a reasoned framework to the selection of target markets and the optimization of marketing decisions. In this course you will learn to look at marketing problems through the lens of an analytical framework that will help you better understand:

- How to anticipate and take advantage of surprising inconsistencies in the customer decision process
- How to evaluate the attractiveness of different markets
- How to manage the product development process
- A structure for thinking about the design and management of distribution channels
- Why pricing decisions are complex and how they get made
- How to manage an advertising campaign

The course has two parts: a tactical portion and a strategic portion. The strategic portion focuses on identifying organizational competencies and using these competencies to analyze industries and identify target markets. The tactical portion of the course reviews the methods that firms can use to optimize their
profits in the markets that they choose to target. Topics covered in the tactical portion include pricing, promotion, distribution and product issues.

The course is designed as an introductory survey of marketing topics for students who have not previously taken a marketing course. There are no pre-requisites.

**Course Materials**

The course draws upon a readings packet containing cases and required readings. There is no required textbook for this subject.

In the final class session I will provide an extensive list of additional reading, grouped by the topic headings that we cover in class.

**Evaluation of Work**

1. Class Participation 20
2. Group Case Reports 60
3. Final Project 20

**Organization of Course**

The course is organized so that each class is either a lecture or a case discussion. Lecture classes and case classes alternate, with the lectures covering material relevant to the next case. Copies of the slides I will be using will be available on the Stellar website in Powerpoint format. You should plan to review these slides before coming to class.

The slides are not complete - they will need to be annotated during the lectures. If you miss a class make sure you get annotations from a colleague.

**Cases Generally**

The cases facilitate the discussion of marketing problems in real situations. You should read these cases carefully and come to class prepared to provide constructive input as the class works together to address the issues of the case. The only materials I expect you to have read before coming to class are the cases.
The best way to prepare is to attempt to answer the discussion questions (posted on the website). If you can answer each question well, you will understand the basic issues of the case.

**Group Case Reports**

Each group will be required to hand in six group case write-ups:

- Barco
- TAL Apparel
- Tweeter etc.
- Soren Chemical
- Indian Premier League
- Snapple

The reports should consist of (at most) 3 pages and should address the questions that will be distributed. Your reports must be handed in at the start of the class in which the case will be discussed. These cases will be graded.

You should discuss the cases only within your group. All group members should contribute to the case write-up, which is expected to be original material.

Questions for each case can be found on Stellar. Use these questions to guide your reports (and to help prepare for our discussion of the other cases). Some additional recommendations:

1. Your write-ups should be in bullet point form.
2. Separately answer each question. Use headings to highlight which questions you are answering.
3. Start with the most obvious points and then work from there. Do not omit the obvious points.
4. I am more interested in the quality of your analysis than the accuracy of your conclusions. Make sure that you give both the pros and the cons of each alternative.
5. Read the previous session's lecture notes before writing your analysis.
6. Structure your answers using sub-headings if necessary to make it clear that you have used an analytical approach to reach your answers. The grader will be treating (apparently) random lists of issues with caution.
A common remark made by students after the case discussions is that their group talked about most of the important points but ran out of space in which to write them all down. This is symptomatic. The course helps you to identify which of the details hidden in the myriad of facts comprising each case are most relevant. The page constraint forces you to reveal what you think is relevant.

**Final Exercise**

The final exercise will be available on the Stellar site. It is a group exercise and must be emailed to Nell Putnam-Farr elpf@mit.edu at a date that will be advised (after the final class).

**Class Discussion**

The benefit that you will derive from the course will depend upon the extent to which you expose your own viewpoints or conclusions to the critical judgement of the class. You should view class participation both as an opportunity to ask questions to enhance your understanding, as well as an opportunity to suggest examples that demonstrate your understanding of the material.

It is imperative that you read all of the cases to be discussed and come to class with a series of comments that you think will be interesting to the class. If you must miss a class, warn the TA so that you do not lose credit for class participation. Try to remember to bring your name cards to class.
<table>
<thead>
<tr>
<th>Class</th>
<th>Day</th>
<th>Section A</th>
<th>Section B</th>
<th>Material</th>
<th>Class Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>6/16</td>
<td>8.30am – 10am</td>
<td>10.15am – 11.45am</td>
<td>Lecture</td>
<td>Introduction to the class</td>
</tr>
<tr>
<td>2</td>
<td>6/16</td>
<td>1pm – 2.30pm</td>
<td>2.45pm – 4.15pm</td>
<td>Lecture</td>
<td>Customer Decision-Making</td>
</tr>
<tr>
<td>3</td>
<td>6/17</td>
<td>8.30am – 10am</td>
<td>10.15am – 11.45am</td>
<td>Case</td>
<td>Aqualisa Quartz</td>
</tr>
<tr>
<td>4</td>
<td>6/17</td>
<td>1pm – 2.30pm</td>
<td>2.45pm – 4.15pm</td>
<td>Case</td>
<td>Horizontal Competition</td>
</tr>
<tr>
<td>5</td>
<td>6/18</td>
<td>8.30am – 10am</td>
<td>10.15am – 11.45am</td>
<td>Case</td>
<td>Barco</td>
</tr>
<tr>
<td>6</td>
<td>6/18</td>
<td>1pm – 2.30pm</td>
<td>2.45pm – 4.15pm</td>
<td>Lecture</td>
<td>Vertical Competition</td>
</tr>
<tr>
<td>7&amp;8</td>
<td>6/20</td>
<td>8.30am – 11.45am</td>
<td>8.30am – 11.45am</td>
<td>Exercise</td>
<td>Product Line Design Exercise</td>
</tr>
<tr>
<td>9</td>
<td>6/23</td>
<td>8.30am – 10am</td>
<td>10.15am – 11.45am</td>
<td>Case</td>
<td>TAL Apparel</td>
</tr>
<tr>
<td>10</td>
<td>6/23</td>
<td>1pm – 2.30pm</td>
<td>2.45pm – 4.15pm</td>
<td>Lecture</td>
<td>Marketing Strategy Summary</td>
</tr>
<tr>
<td>11</td>
<td>6/24</td>
<td>8.30am – 10am</td>
<td>10.15am – 11.45am</td>
<td>Lecture</td>
<td>Pricing</td>
</tr>
<tr>
<td>12</td>
<td>6/26</td>
<td>8.30am – 10am</td>
<td>10.15am – 11.45am</td>
<td>Case</td>
<td>Tweeter</td>
</tr>
<tr>
<td>13</td>
<td>6/26</td>
<td>1pm – 2.30pm</td>
<td>2.45pm – 4.15pm</td>
<td>Lecture</td>
<td>Product Development</td>
</tr>
<tr>
<td>14</td>
<td>6/27</td>
<td>8.30am – 10am</td>
<td>10.15am – 11.45am</td>
<td>Lecture</td>
<td>Channels: Problems</td>
</tr>
<tr>
<td>15</td>
<td>6/30</td>
<td>8.30am – 10am</td>
<td>10.15am – 11.45am</td>
<td>Case</td>
<td>Soren Chemical</td>
</tr>
<tr>
<td>16</td>
<td>6/30</td>
<td>1pm – 2.30pm</td>
<td>2.45pm – 4.15pm</td>
<td>Lecture</td>
<td>Channels: Solutions</td>
</tr>
<tr>
<td>17</td>
<td>7/1</td>
<td>8.30am – 10am</td>
<td>10.15am – 11.45am</td>
<td>Case</td>
<td>Indian Premier League</td>
</tr>
<tr>
<td>18</td>
<td>7/2</td>
<td>8.30am – 10am</td>
<td>10.15am – 11.45am</td>
<td>Lecture</td>
<td>Advertising</td>
</tr>
<tr>
<td>19</td>
<td>7/3</td>
<td>9.30am – 10.30am</td>
<td>9.30am – 10.30am</td>
<td>Case</td>
<td>Snapple</td>
</tr>
<tr>
<td>20</td>
<td>7/3</td>
<td>10.30am – 11.45am</td>
<td>10.30am – 11.45am</td>
<td>Lecture</td>
<td>Final Class</td>
</tr>
</tbody>
</table>
Required Reading

The course includes 7 case discussions. Please read all 7 cases before you arrive on campus for the start of the program.

To obtain the cases you need to use the study.net site. This site contains both the cases for the class and the background reading. You will also find a list of discussion questions.

On the MIT Stellar site you will find other materials, including Powerpoint slides for each lecture. The Stellar site for the class is:
http://stellar.mit.edu/S/course/15/su14/15.809/

Cases

Aqualisa Quartz: Simply a Better Shower (HBS 502030)
Barco Projection Systems (A) (HBS 591133)
TAL Apparel Ltd: Stepping Up the Value Chain (HKU358)
Tweeter etc. (HBS 597028)
Soren Chemical (HBS 4188)
Indian Premier League (SPM-38)
Snapple (HBS 599126)
Background Readings

The Customer Decision Process
Get Closer To Your Customers by Understanding How They Make Choices
Always Leave Home Without It

Marketing Strategy 1: Horizontal Competition
Understanding Horizontal Competition
Even Commodities Have Customers
The Grass Isn’t Greener

Marketing Strategy 2: Vertical Competition
Understanding Vertical Competition
How to Drive Value Your Way
When Marketing is Strategy

Marketing Strategy 3: Summary
How Managers Become Leaders
The Big Lie of Strategic Planning
Simple Rules for a Complex World

Using Demand Information Effectively: The Product Line Design Exercise
A Step-by-Step Guide to Smart Business Experiments
Good Data Won’t Guarantee Good Decisions
The Failure Tolerant Leader
Enlightened Experimentation: The New Imperative for Innovation

Pricing
Mind Your Pricing Cues
Price Cues and Customer Price Knowledge
Thinking Twice About Price

Marketing Channels
Designing Supply and Distribution Channels
Economics Organization and Efficiency
Internet Channel Conflict: Problems and Solutions
Direct and Indirect Bargaining Costs & the Scope of the Firm
Launching a World-Class Joint Venture

Product Development
A Month is 15 Weekends: Lean Startup Machines