Nature and Purpose of the Course

In this course we:

- Introduce you to key marketing ideas and phenomena, especially the core theme of delivering benefits to customers.

- Develop your skills in marketing analysis so that you can select marketing strategies that are right for your customers, your market, and your firm.

- Develop capabilities to identify the best set of marketing tactics to position your product, develop a brand image, communicate (to and from) customers, set your price, and get your product to your customers.

- Analytic topics include understanding both new and traditional media to select the right mix and spending; calculating customer lifetime value to know when to invest in trust and customer satisfaction; and setting the best price for products and product features.

- Strategic topics include positioning to reduce price competition and maximize profit, developing channels of distribution that solve customer needs efficiently.
enabling you focus on that which you can do well and profitably, and integrating strategy, marketing, and operations.

You will learn to address issues such as the following:

- Your firm launched a new shower product in Great Britain. Using breakthrough technology it that solves a critical consumer need and is easy for plumbers to install, but it is not selling.
- A competitor enters your core market with a potentially disruptive product and you must decide how (whether) to respond.
- Your media budget is the lowest in the industry. You need creative solutions using web-based media.
- You seek to enter a new market, but do not know the culture, the language, or have a means to get your product to consumers.
- You want to identify and focus your efforts on customers that are profitable. But which ones are profitable in the long term?
- You have a great idea for a new product, but have to customize it for your market and create an image.
- You have ten features you can add to your product; some are costly and some are not. Which ones will customers value sufficiently to justify including?
- What do you gain and what do you lose by moving your marketing online?

**Updates for 2012**

We seek to help you develop skills that enable you to select marketing strategies and tactics even as media and culture change. We focus on basic ideas and concepts so that your skills guide you and your firm through rapid changes in the marketing environment. To establish greater relevance we’ve updated many examples and foci for 2012. We’ve:

- Included more international content
- Added more examples of marketing analytics
- Enhanced Web 2.0 content
- Updated critical examples (and videos)
- Integrated action learning.
Course Materials

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

Organization of Course

The course helps you learn marketing by three interrelated activities. The activities are of equal importance for the course, your careers, and in the evaluation of your work. (A final individual essay accounts for the remaining 10% of the evaluation.)

- **Theory.** Some sessions are devoted to concepts and methods designed to help you structure and analyze marketing problems. Although these sessions are interactive and illustrated with real examples, we expect the ideas to be new to most students,

- **Cases.** Example business problems enable you to apply the methods presented in the theory sessions. You discuss these cases in case groups. Class discussion highlights the analysis and recommendations. The discussion ends with a synthesis and generalization.

- **Action learning exercise.** Each group selects a target issue for an organization and uses the concepts developed in the course to arrive at a recommendation. This action-learning exercise draws on the voice of the customer to identify the best recommendation.

Forming teams

To get the most out of 15.810, you should form teams to prepare for the cases, both written and oral. The target size is three people. Four is viable but more than four or less than three is strongly discouraged.

The basic ideas of marketing transcend national borders and it is essential to be able to analyze and adapt to new environments. To explore these issues and to learn from your fellow classmates, I encourage you to form multinational teams. You will be better able to understand the issues in these cases if your team is drawn from a variety of regions with a variety of experience.

Please submit to your project-and-team TA a roster of your team members. Do this by the end of the second day of classes, Monday, September 10. (Give the list to the project-and-team TA at the end of class or e-mail to the TA later that day.) Please designate a contact person and provide a telephone number and e-mail for that person. If you are a free agent or a team of only two members, submit your name or roster anyway. We will perform a random matching and distribute a list by Wednesday, September 12. For teams formed this way, please designate a contact person and let us know his/her
name, telephone number, and e-mail as soon as possible. For the case on September 10 you can prepare with your tentative group.

I encourage you to name your team to give it some personality. This is, in a way, your first exercise in branding. For example, in previous years teams had names such as the Masters of Sales and Marketing, Fourcast, and the Prophet Margins. Try to avoid mundane names such as the Three Marketeers or names based on your initials. We will vote on the best name.

**Participating in Class**

The benefit that you derive from the course depends upon the extent to which you expose your own viewpoints and conclusions to the critical judgment 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. Comments and questions should be relevant to the material being discussed and build upon the discussion that is developing. Please try to avoid lengthy discourses on extraneous material and avoid repetition of issues that have already been discussed.

It is imperative that you read all of the cases and come to class with a series of comments that you think will be interesting to the class. Your colleagues are counting on your insight. It is not fair to them if you miss class sessions. Everyone learns from your comments.

The best way to prepare is to answer the discussion questions (posted on Stellar – be sure to check for updates and hints). These questions provide an outline of how we might proceed in class. If you can answer each question well, you will understand the basic issues of the case.

Students often ask, how do you grade class participation? I want you to learn rather than focus on a grade. I do not want to cause you stress. It is not how often you talk. We do not count comments! Quality is important. Simply repeating a comment is not good participation; building on a comment is rewarded. Sometimes, for both US and international cases, I call on students with country experience to provide insight on the product being discussed. This is not participation per se, but I appreciate the help. Really good comments provide breakthrough insight on an issue with which the class is struggling. Really bad comments ignore the flow of the discussion or ignore case facts. (It’s okay to disagree with case facts; just don’t ignore them.) It is obvious to everyone if you haven’t read the case. Please participate – if your analysis builds upon or challenges prior comments or synthesizes discussion that is great, even if the class does not agree with your analysis. Usually the analysis depends upon hidden assumptions so there are many right answers.

Some students worry that they raise their hands and are not called upon. Don’t worry, we notice, but we give preference to students who have not yet spoken in that class or
an earlier class. It is important that you provide insightful comments when you are called upon. We really focus on quality, not quantity. Of course, more high-quality comments are better than fewer.

Yes, quality is subjective so we have two independent measures. The TA grades class participation in real time and, independently, I grade class participation after each class. (That’s why there is a seating chart – spatial memory is important.) Please remember to bring your name cards to class. This is an exercise in branding – you want me, the TAs, and your colleagues to associate your insights with you, the brand.

**Group Case Reports**

I strongly encourage you to discuss the case within your group. You will benefit from defending your ideas and you will learn by discussing other group members’ approaches. For the cases which are not due as written cases you may discuss the general issues with other students at MIT Sloan. However, you should not discuss these cases with any students who may have studied them in a prior semester. For the two written cases 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. Because a key benefit of case discussion is that you form ideas and defend them to your peers, you are not to consult any files from previous years on the cases.

Each group must hand in two case write-ups. No case is due in the last week of 15.810 to allow you time to focus on the final project. For 15.810, you may choose any TWO of the following five cases:

- Brita
- BBVA Compass
- Snapple
- Aqualisa
- BMW Films

The case reports should consist of approximately 5 pages of text (space-and-a-half, 12-point fonts) and should address the discussion questions. Longer reports are strongly discouraged. (As Pascal said: “I’m sorry I wrote you such a long letter; I didn’t have time to write a short one.”) You may refer to figures or computations that use data from the case. Therefore, you are allowed, but not required, to have a small number of exhibits at the end of your report. Your reports must be handed in at the start of the class in which the case will be discussed.

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. You are free to use bullet-point if you find it helpful.
2. **Separately answer each discussion 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 interested in the quality of your analysis rather than any specific set of conclusions. Make sure that you give both the pros and the cons of each alternative. Describe the theory and process by which you arrived at your conclusions. The TA is **not** looking for key words, but rather critical thinking.

5. Review the lecture notes before writing your analysis. The theory presented in the lectures will help guide your analysis.

6. Structure your answers using sub-headings, when necessary, to make it clear that you have used an analytical approach to reach your answers.

7. (Apparently) random lists of issues without structure leaves the TAs guessing as to which issue you consider most critical to the case analysis. If you provide an unstructured list that happens to include both good and bad answers you will get far less credit than a structured list that captures the essence of the case.

8. Quality is more important than quantity.

9. Although the TA is working from a detailed set of guidelines based on my analysis of the case, the TA is authorized to deviate for solutions based on careful analysis of the case facts.

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. The role of the course is to help 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 to me what you think is relevant. However, do not despair during the case discussion – sometimes the class focuses on a few of the key issues. Each case discussion is unique. There may be important points that are not discussed. A point that you make in your written discussion may still be very important, even if it is not discussed in that particular class. Look for it in case discussion that occurs later in the semester.

**Individual Assignment**

In addition to your two team-based case write-ups, each person must hand in an individual assignment that answers the following question:
"What are the three most important lessons that you learned about marketing in this course that will help you as a manager?"

This assignment should be no more than one page in length and should briefly summarize each of the three lessons.

You will receive credit simply for handing in this assignment on or before the last schedule class. This assignment will not be individually graded or returned. The answers will be used to help determine final grades for students close to the letter cutoffs.

**Action Learning – Exercise on the Practice of Marketing**

An exercise on the practice of marketing is in the readings packet and is posted on Stellar. It is a group exercise that asks you to apply all of the material that is covered in 15.810. It is due on the last scheduled day of classes for 15.810. See detailed instructions in the readings packet and on Stellar. You are allowed to coordinate the topic with topics covered in co-curricular activities such as the Enterprise Management seminar. However, for 15.810 you must satisfy the requirements of the 15.810 project – please do not hand in a report prepared for a co-curricular activity.

**Class Attendance**

Attendance is mandatory. However, emergencies do happen. If you must miss a class, warn me or the TA on the day prior to class. Excused absences are for health, child-birth, military service, or bereavement. Remember that you can only get credit for class participation if you are actually in the class. The CDO and the MBA office are careful not to schedule activities that conflict with class time.

The room scheduled for 15.810 are larger than the target class size. Please do not sit in the last row. This keeps the class as compact as feasible so that we can all benefit from discussion.

**Getting in Touch with the Professor and the TAs**

You may have many questions about the course or marketing. The TAs are available throughout the semester; please feel free to approach the class-participation-and-case TA after class or in the halls. We can also try to arrange other times. We also maintain a discussion forum to answer your questions.
An important concern in any discipline is the ethics of its practitioners. This is certainly true in marketing and advertising. Ethical issues arise in the case discussions. Indeed, some managers in the cases act in ways you might not consider ethical. These actions are left in the case specifically to raise ethical issues. We encourage you to address these issues in class discussion.

We subscribe to the MIT Sloan professional standards and MIT’s standards of Academic Integrity (https://mysloan.mit.edu/offices/deans/values/Pages/default.aspx). Please arrive on time for class with uninterrupted attendance for the duration of the class. I will endeavor to end class on time. Furthermore, please maintain a professional atmosphere. This includes, but is not limited to, using respectful comments and humor, employing appropriate manners and decorum, using computers and technology suitably (e.g., silencing wireless devices, no web-browsing or emailing), and refraining from distracting or disrespectful activities (e.g., avoiding side conversations and games). Portable computers are to remain closed during class. Tablet devices are not to be used during class even though course packets are available electronically. This policy is in place for all core classes and will be revisited as necessary.

It is expected that in order for a student to sign his/her name to a team assignment the student will have done a substantial amount of work on that specific assignment. It is not, for example, acceptable to rotate the work across assignments so that on any given assignment the student signing has not done a substantial amount of work. Violation of this guideline hurts you, your team, and your colleagues. When in doubt, please follow the guidelines in MIT’s Handbook for Students on Academic Integrity (http://web.mit.edu/academicintegrity/plagiarism/quoting.html).

**Final Comments**

Marketing is a fun topic. It is the eyes and ears of a firm. Marketing drives demand. Marketing identifies which products or services customers want and marketing identifies how to design, communication, and delivery those products. Marketing draws on psychology, sociology, economics, statistics, management science, and machine learning. Marketing requires both qualitative skills and quantitative skills. Marketing is really a state of mind distributed throughout the enterprise as the interface with the customer. In the end I hope you will enjoy the course and benefit from its ideas.
<table>
<thead>
<tr>
<th>CLASS</th>
<th>DAY</th>
<th>DATE</th>
<th>TOPIC OR CASE</th>
<th>TYPE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>W</td>
<td>Sept 5</td>
<td><strong>Strategic Positioning and Review of 4 P’s and 5 C’s</strong></td>
<td>Theory</td>
</tr>
<tr>
<td>2</td>
<td>M</td>
<td>Sept 10</td>
<td>Southwest Airlines (positioning and service design)</td>
<td>Case</td>
</tr>
<tr>
<td>3</td>
<td>W</td>
<td>Sept 12</td>
<td>Brita Products Company* (positioning, disruptive new product)</td>
<td>Case</td>
</tr>
<tr>
<td>4</td>
<td>W</td>
<td>Sept 19</td>
<td>Marketing Analytics, Customer Lifetime Value</td>
<td>Theory</td>
</tr>
<tr>
<td>5</td>
<td>M</td>
<td>Sept 24</td>
<td>BBVA Compass: Marketing Resource Allocation* (analytics)</td>
<td>Case</td>
</tr>
<tr>
<td>6</td>
<td>M</td>
<td>Oct 1</td>
<td><strong>Product Design and Voice of the Customer</strong></td>
<td>Theory</td>
</tr>
<tr>
<td>7</td>
<td>W</td>
<td>Oct 3</td>
<td><em>In-class project meetings: Topic and customer identification</em></td>
<td>Practice</td>
</tr>
<tr>
<td>8</td>
<td>W</td>
<td>Oct 10</td>
<td>Snapple* (product design, 4 P’s, entrepreneurial growth)</td>
<td>Case</td>
</tr>
<tr>
<td>9</td>
<td>M</td>
<td>Oct 15</td>
<td>Guest lecture (specifics are being arranged)</td>
<td>Practice</td>
</tr>
<tr>
<td>10</td>
<td>W</td>
<td>Oct 17</td>
<td>Aqualisa Quartz: Simply a Better Shower* (product design)</td>
<td>Case</td>
</tr>
<tr>
<td>11</td>
<td>M</td>
<td>Oct 29</td>
<td><strong>Pricing and Conjoint Analysis</strong></td>
<td>Theory</td>
</tr>
<tr>
<td>12</td>
<td>W</td>
<td>Oct 31</td>
<td>Virgin Mobile USA: Pricing for the Very First Time (segmentation)</td>
<td>Case</td>
</tr>
<tr>
<td>13</td>
<td>M</td>
<td>Nov 5</td>
<td><strong>Framing</strong></td>
<td>Theory</td>
</tr>
<tr>
<td>14</td>
<td>W</td>
<td>Nov 7</td>
<td>BMW Films* (Framing and new media)</td>
<td>Case</td>
</tr>
<tr>
<td>15</td>
<td>W</td>
<td>Nov 14</td>
<td><strong>Communications to and from Customers</strong></td>
<td>Theory</td>
</tr>
<tr>
<td>16</td>
<td>M</td>
<td>Nov 19</td>
<td>*In-class project meetings: Finalize projects, review VOC</td>
<td>Practice</td>
</tr>
<tr>
<td>17</td>
<td>M</td>
<td>Nov 26</td>
<td>Swatch (advertising, framing, integration, 4 P’s)</td>
<td>Case</td>
</tr>
<tr>
<td>18</td>
<td>W</td>
<td>Nov 28</td>
<td><strong>Getting Your Product to Consumers (and Sabritas, IKEA)</strong></td>
<td>Theory</td>
</tr>
<tr>
<td>19</td>
<td>M</td>
<td>Dec 3</td>
<td>Aravind Eye Hospital, Madurai, India (distribution and integration)</td>
<td>Case</td>
</tr>
<tr>
<td>20</td>
<td>W</td>
<td>Dec 5</td>
<td>Dove: Brand Evolution (societal issues, social media)</td>
<td>Case</td>
</tr>
<tr>
<td>21</td>
<td>M</td>
<td>Dec 10</td>
<td><strong>Synthesis</strong></td>
<td>Theory</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>Dec 10</td>
<td>Exercise on the Practice of Marketing is due.</td>
<td>Practice</td>
</tr>
</tbody>
</table>

* Cases eligible for group case write up. Two from Brita, BBVA, Snapple, Aqualisa, BMW.
Required Readings (Numbered by class)

1. Note on Marketing Strategy (9-578-061)
   Analyzing Consumer Perceptions (9-599-110)
2. Southwest Airlines: 1993 (A) (9-694-023)
3. The Brita Products Company (9-500-024)
   Note on Defensive Marketing Strategies (available on Stellar)
4. Customer Profitability and Lifetime Value (9-503-019)
   Note on Life Cycle Diffusion Models (available on Stellar)
5. BBVA Compass: Marketing Resource Allocation (9-511-096)
6. Note on the Voice of the Customer (available on Stellar)
   Note on Engineering Product Design (available on Stellar)
8. Snapple (9-599-126)
   Understanding Brands (9-509-041)
10. Aqualisa Quartz: Simply a Better Shower (9-502-030)
11. Principles of Pricing (9-506-021)
   Note on Conjoint Analysis (available on Stellar)
12. Virgin Mobile USA: Pricing for the Very First Time (9-504-028)
13. Note on Consumer Behavior (available on Stellar)
14. BMW Films (9-502-046)
   The Buzz on Buzz (HBR R00606)
15. Conceptual Models of How Advertising Works to Persuade Individuals (UV2935)
   Social Media (9-510-095)
17. The Birth of the Swatch (9-504-096)
18. Distribution Policy (9-585-045)
   Note on Incentives in Channels of Distribution (optional, available Stellar)
19. The Aravind Eye Hospital, Madurai, India: In Service of Sight (9-595-098)

PowerPoint Presentations for Theory Classes

Copies of the PowerPoint presentations are available on Stellar in both 1-to-a-page format and 6-to-a-page format. (We recommend 6-to-a-page, two-sided if you print them – saves paper.) These PowerPoint presentations are updated just prior to the session. Please check Stellar prior to class.

MIT Time

Class begins 5 minutes after the scheduled time and ends 5 minutes before the scheduled time. For example, the 1:00-2:30 class runs from 1:05-2:25; the 2:30-4:00 class runs from 2:35-3:55. Official time is determined by the clock in the classroom. If the clock is fast or slow, let us know and we will endeavor to get it set correctly.