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, developing channels of distribution that solve customer needs efficiently, strategic pricing, 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 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 or the language, how do you 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 many 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?

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; it is essential to be able to analyze and adapt to new environments. To explore 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 experiences.

Please submit to your TA a roster of your team members. Do this by the end of the second day of classes, Wednesday, September 11. (Give the list to the 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 post a list on Stellar by Friday, September 13. 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 SWA case you can prepare with your tentative group.

I encourage you to name your team to give it some personality. This is your first exercise in branding. For example, Fall 2012 the teams judged to have the best names were the Angry Nerds, Brandaid, the Hype Writers, and Mint Condition. Names such as the Three Marketeers or names based on your initials are usually judged to be less creative. The class will vote on the best name and I will award t-shirts to the branding champions in each section.

### 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.
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. 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 TA, 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 who are taking 15.810 in Fall 2013. You should not discuss 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. Doing so violates MIT Sloan professional standards.
Each group must hand in two case write-ups. No case is due in the last two weeks of 15.810 to allow you time to focus on the final project. For 15.810, you may choose one case in H1 and one case in H2. The eligible cases are:

- Brita (H1)
- BBVA (H1)
- Aqualisa (H1)
- NYT Paywall (H2)
- Swatch (H2)

The case reports should consist of approximately 5 pages of text (space-and-a-half, 12-point fonts, standard margins) 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. 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. We accept pdfs if the TA receives them prior to the start of class. The file name should include your team name, the case, and 15810. For example, Angry_Nerds_Brita_15810.pdf.

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. Stress those questions you judge are critical. Not all questions should be given equal weight.

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 TA 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 works 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 scheduled 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. You may submit a pdf prior to the last class. The file name should include your name, 3L, and 15810. For example, Yourlastname_Yourfirstname_3L_15810.pdf.

**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 next to 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 pro-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. You may submit a pdf prior to the start of class on the due date. The file name should include your team name, Action, and 15810. For example, Angry_Nerds_Action_15810.pdf.

**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, childbirth, military service, or bereavement. Remember that you can 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 is 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 TA and I are available throughout the semester; please feel free to approach the TA or me after class or in the halls. We can also try to arrange other times. We maintain a discussion forum on Piazza to answer your questions as quickly as feasible.

**MIT Sloan Values (https://mysloan.mit.edu/offices/deans/values/Pages/default.aspx)**

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).

Listeners, Graduate P/D/F Option, Guest Speakers, Core Coordination

The Graduate P/D/F Option is allowed. Listeners are strongly discouraged because major benefits of course come from participation in class discussion and in the action learning exercise.

There are two guest speakers – one from corporate and one entrepreneur. I try to schedule these speakers as much in advance as is feasible. Sometimes we need to rearrange sessions due to their schedules. If so, I endeavor to keep the order to all other sessions the same.

In June 2013 all first-year core courses meet with the four elective-core courses to coordinate assignments. We seek to avoid multiple assignments being due on the same date. Coordination may require minor changes in the due dates of assignments, but will not affect the material covered.

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, communicate, and deliver 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>
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<tbody>
<tr>
<td>1</td>
<td>M</td>
<td>Sept 9</td>
<td><strong>Strategic Positioning and Review of 4 P's and 5 C's</strong></td>
<td>Theory</td>
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<tr>
<td>2</td>
<td>W</td>
<td>Sept 11</td>
<td>Southwest Airlines (positioning and service design)</td>
<td>Case</td>
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<td>3</td>
<td>M</td>
<td>Sept 16</td>
<td>Brita Products Company* (positioning, disruptive new product)</td>
<td>Case</td>
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<td>4</td>
<td>W</td>
<td>Sept 18</td>
<td><strong>Marketing Analytics, Customer Lifetime Value</strong></td>
<td>Theory</td>
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<td>5</td>
<td>M</td>
<td>Sept 23</td>
<td>BBVA Compass: Marketing Resource Allocation* (analytics)</td>
<td>Case</td>
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<td>6</td>
<td>W</td>
<td>Sept 25</td>
<td><strong>Product: Design and Voice of the Customer</strong></td>
<td>Theory</td>
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<tr>
<td></td>
<td>M</td>
<td>Sept 30</td>
<td><em>Project groups meet on their own to finalize topics</em></td>
<td>Practice</td>
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<tr>
<td>7</td>
<td>W</td>
<td>Oct 2</td>
<td><em>In-class project meetings: Topic and customer identification</em></td>
<td>Practice</td>
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<tr>
<td>8</td>
<td>M</td>
<td>Oct 7</td>
<td>Snapple (product design, 4 P's, entrepreneurial growth)</td>
<td>Case</td>
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<tr>
<td>9</td>
<td>W</td>
<td>Oct 9</td>
<td>Aqualisa Quartz: Simply a Better Shower* (product design)</td>
<td>Case</td>
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<td>10</td>
<td>W</td>
<td>Oct 16</td>
<td>Guest lecture: To be arranged.</td>
<td>Practice</td>
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<tr>
<td>11</td>
<td>M</td>
<td>Oct 28</td>
<td><strong>Price: EVIU, Conjoint Analysis, and other Methods</strong></td>
<td>Theory</td>
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<td>12</td>
<td>W</td>
<td>Oct 30</td>
<td>The New York Times Paywall*</td>
<td>Case</td>
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<tr>
<td>13</td>
<td>M</td>
<td>Nov 4</td>
<td>Guest lecture: Sahver Binici, Olivita Artisan</td>
<td>Practice</td>
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<tr>
<td>14</td>
<td>W</td>
<td>Nov 6</td>
<td><strong>Framing</strong></td>
<td>Theory</td>
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<tr>
<td>15</td>
<td>W</td>
<td>Nov 13</td>
<td>BMW Films (Framing and new media)</td>
<td>Case</td>
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<td>16</td>
<td>M</td>
<td>Nov 18</td>
<td><em>In-class project meetings: Report on VOC and finalize projects</em></td>
<td>Practice</td>
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<tr>
<td>17</td>
<td>W</td>
<td>Nov 20</td>
<td><strong>Promotion: Communications to and from Customers</strong></td>
<td>Theory</td>
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<tr>
<td>18</td>
<td>M</td>
<td>Nov 25</td>
<td>Swatch* (advertising, framing, integration, 4 P's)</td>
<td>Case</td>
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<tr>
<td>19</td>
<td>M</td>
<td>Dec 2</td>
<td><strong>Place: Getting Product to Consumers (and Sabritas, IKEA)</strong></td>
<td>Theory</td>
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<tr>
<td>20</td>
<td>W</td>
<td>Dec 4</td>
<td>Aravind Eye Hospital, Madurai, India (distribution and integration)</td>
<td>Case</td>
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<tr>
<td>21</td>
<td>M</td>
<td>Dec 9</td>
<td>Dove: Brand Evolution (societal issues, social media)</td>
<td>Case</td>
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<tr>
<td></td>
<td>M</td>
<td>Dec 9</td>
<td><em>Action Learning Exercise on Marketing is due.</em></td>
<td>Practice</td>
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<tr>
<td>22</td>
<td>W</td>
<td>Dec 11</td>
<td><strong>Synthesis</strong></td>
<td>Theory</td>
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Required Readings (Numbered by class)

1. Note on Marketing Strategy (9-578-061)
   Note on Strategic Positioning (also available on Stellar)
2. Southwest Airlines: 1993 (A) (9-694-023)
3. The Brita Products Company (9-500-024)
4. Customer Profitability and Lifetime Value (9-503-019)
5. BBVA Compass: Marketing Resource Allocation (9-511-096)
6. Note on the Voice of the Customer (also available on Stellar)
8. Snapple (9-599-126)
   Understanding Brands (9-509-041)
9. Aqualisa Quartz: Simply a Better Shower (9-502-030)
11. Principles of Pricing (9-506-021)
   Note on Conjoint Analysis (also available on Stellar)
14. Note on Consumer Behavior (also available on Stellar)
15. BMW Films (9-502-046)
   The Buzz on Buzz (HBR R00606)
16. Conceptual Models of How Advertising Works to Persuade Individuals (UV2935)
   Social Media (9-510-095)
18. The Birth of the Swatch (9-504-096)
19. Distribution Policy (9-585-045)
20. The Aravind Eye Hospital, Madurai, India: In Service of Sight (9-595-098)

Cases Eligible for Group Case Write-Up

Choose one in HQ (from Brita, BBVA, or Aqualisa) and choose one in H2 (from NYT or Swatch). These cases are indicated by a * and by an underline on the previous page.

PowerPoint Presentations for Theory Classes

Copies of the PowerPoint presentations are available on Stellar in both 2-to-a-page format and 6-to-a-page format. (We recommend 6-to-a-page, two-sided if you print them because it saves paper.) The PowerPoint presentations may be updated prior to a 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.