

May 21, 2018

Marketing Innovation

15.814

MIT Sloan School of Management

Fall 2018

Preliminary Syllabus

Time	Section A: MW, 1:00 - 2:30 PM Section B: MW, 2:30 - 4:00 PM
Classroom	E62-250
Course Website	TBA
Professors	John Hauser hauser@mit.edu * (617) 253-2929 * E62-538 http://web.mit.edu/hauser/www Juanjuan Zhang jjzhang@mit.edu * (617) 452-2790 * E62-537 http://jjzhang.scripts.mit.edu
Administrative Assistants	Allison McDonough almcd@mit.edu * (617) 324-6710 * E62-571 Briana Blake brianabl@mit.edu * (617) 324-4095 * E62-531
Teaching Assistants	Section A: TBA Section B: TBA

Course Objectives

This is the introductory marketing course at the MIT Sloan School of Management. The course has been redesigned and relaunched to emphasize the marketing of innovation. Upon completion of this course, you will be able to:

- Select the right target market
- Target that market effectively
- Position your product or service for maximum success
- Combine analytics, frameworks, and customer insights for maximum potential

This course emphasizes both marketing theory and practice. The lecture sessions introduce proven solutions to marketing problems, the case sessions illustrate the application of these techniques in various industries, while the practice sessions provide an opportunity for you to develop a concrete marketing plan for your Action Learning project.

Course Materials

1. **Course packet:** The course packet contains case articles that are copyright-protected. You can purchase the course packet on Study.Net or at CopyTech. Please read the cases and readings before attending the session (see the table at the end of this syllabus).
2. **Slides:** Slides for the lecture sessions will be available on the course website at least 24 hours before class. You are encouraged to review these slides before coming to the lecture. Slides for the case sessions will not be posted; we want to think together with you in class.
3. **Supplementary materials:** We will post supplementary course materials, such as lecture notes, data, and apps on the course website. These materials are free to download. (We thank the authors for sharing these contents.)
4. **Textbook:** There is no required textbook for this course. For a reference volume that includes marketing terms, examples, and a general taxonomy of issues I recommend Philip Kotler & Kevin Keller, Marketing Management, 15e, Prentice-Hall.

Evaluation

The course helps you learn marketing through four interrelated activities.

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| 1. An Action Learning project (team) | 40% of final grade |
| 2. Class participation (individual) | 20% of final grade |
| 3. Two case write-ups (team) | 20% of final grade |
| 4. A dorm design project (team) | 10% of final grade |
| 5. Three pre-case exercises (individual) | 10% of final grade |

The expectations for each grade component are explained as follows.

1. Action Learning project (team)

MIT Sloan is the world's leader in Action Learning. Each team selects an innovation and uses the marketing techniques learned in the course to develop a marketing plan for it. The project deliverables are as follows and they are equally weighed in project grading.

- A written marketing plan for your Action-Learning project, due before class on November 28.
- An in-class presentation of your marketing plan at the end of the semester.

You are allowed to coordinate the topic of your Action Learning project with topics covered in co-curricular activities such as an Enterprise Management Track project, an Entrepreneurship and Innovation Track project, a project in cooperation with the Trust Center, or an idea for an innovation that you or someone you know developed.

You are strongly encouraged to start on the project as soon as your team is formed. This way you will be able to incorporate what you have learned in each session into your project, and to smooth out your workload throughout the semester.

Detailed guidelines of the Action Learning project, as well as hints and suggestions, are posted on the course website. To learn more about Action Learning at MIT Sloan, please visit:

<http://mitsloan.mit.edu/actionlearning>

2. Class participation (individual)

Your class participation grade is based on attendance and input.

Attendance: You learn by attending classes and your peers learn from your participation. However, emergencies do happen. Absence due to serious illness, childbirth, military service, or bereavement is excused. By Sloan policy, absence due to job interviews or attendance at co-curricular events is not excused. The Career Development Office is careful not to schedule activities that conflict with class time.

Input: You should view class participation as an opportunity to ask questions to enhance your understanding of the material and to suggest examples that demonstrate such understanding. 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 of extraneous materials and repetition of issues already discussed.

It is imperative that you read all of the cases and readings. Come to class with a series of comments that you think will be interesting to the class. Your colleagues are counting on your insight. The best way to prepare for a case discussion is to answer the case discussion questions posted on the course website. 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.

Your input to class discussion will be evaluated by the TA and the professors based on quality (as opposed to quantity). 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 is okay to disagree with case facts; just do not ignore them.) It is great if your analysis builds upon or challenges prior comments, even if the class does not agree with your analysis. Usually the analysis depends upon hidden assumptions so there is more than one right answer. Be sure to use the concepts from the readings and the lecture sessions. These concepts effectively unlock the challenges of the cases.

Name plate: Please always bring your name plate to class. This is your opportunity for branding – you want the professors, the TA, and your peers to associate your insights with you, the brand.

Seating: Past experience suggests that fixed seating enhances brand recognition. During the first two classes you are free to trade seats. For example, you may want to sit with your teammates. We will distribute a seating chart during the first class for a preliminary record of class membership. We will distribute a second chart during the second class to finalize your seats for the semester. Please mark your name on the seating chart, and keep that seat for the rest of the semester.

3. Case write-ups (team)

We will study six cases during the semester. In addition to discussing the cases in class, your team will submit write-ups on any two of these cases. Each case write-up contributes to half of your case grade. A case write-up is due at the beginning of the class when that case is to be discussed.

Each case write-up should consist of approximately 5 pages of text (space-and-a-half, 11- or 12-point font) and should address the discussion questions posted on the course website. Longer reports are strongly discouraged. You may refer to figures or computations that use data from the case. You should attempt to use concepts introduced in the readings and in the lecture sessions. Therefore, you are allowed, but not required, to have a small number of exhibits at the end of your report.

A common remark made by students is that their team thought about most of the important points but ran out of space to write them all down. One purpose of case write-ups is to help you identify which of the details hidden in the myriad of case facts are the most relevant. The page constraint forces you to prioritize your thinking.

You will benefit from defending your ideas and by discussing other team members' approaches. For the cases which are not due in written form, you may discuss the general issues with other students at MIT Sloan. However, because a key benefit of case study is

that you form ideas and defend them to your peers, please do not discuss these cases with any students who may have studied them in a prior semester. For a case write-ups, please discuss only within your team. All team members should contribute to each case write-up, which is expected to be original material. Again, to get the most out of your case study, please do not consult any files from previous years on the cases.

Below are some additional recommendations on how to manage case write-ups:

- Feel free to use bullet points if you find them helpful.
- Separately answer each discussion question. Use headings to highlight which questions you are answering.
 - If necessary, structure your answers with sub-headings to make it clear that you have used an analytical approach to reach your conclusions.
- Do not omit the obvious points. In fact, it helps to start with the most obvious points and drill down further from there.
- Review the lecture slides and the readings before writing your analysis. The theory presented in the lectures serves as a useful guide.
- Random lists of issues without structure leave the TA guessing as to which issue you consider the most critical. 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.
- Quality is more important than quantity.
- We are more interested in your thought process 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. Your TA is not looking for key words, but rather critical thinking.
- Although the TA is working from a detailed set of guidelines based on our analysis of the case, the TA is authorized to deviate for solutions based on careful analysis of the case facts.

4. Dorm design project (team)

We have collected consumer data to measure students' preferences among the features of dormitories. This project is loosely based on a recent study used by MIT to plan construction of new dormitories in Kendall Square. You will be asked to use the data to make decisions about which dormitories to construct. This exercise provides you with direct experience with the most common method used to design new products based on consumer preferences. Detailed instructions are posted on the course website.

5. Pre-case exercises (individual)

One of the cases requires that you understand the qualitative issues of marketing communications. Another requires that you understand the frameworks for pricing. Others require that you understand the basics of marketing analytics. We created three pre-case exercises to help you practice simplified versions of these concepts, frameworks, and methods. The experience you earn from the pre-case exercises make it easier to analyze and discuss the case that is due soon after the pre-case exercise is due. Each of you should please submit your individual work on the problem sets. Exercises are graded \checkmark -, \checkmark , or \checkmark + and the grades are often what breaks ties for students on the border between two letter grades.

Forming teams

To get the most out of this course, you should form teams to prepare for the cases and to complete the Action Learning project. The target size is five people. Teams of more than five people are not allowed, and teams of fewer than four people are strongly discouraged.

Please form your team using the tools provided on Canvas. As a backup please submit to your TA a roster of your team members by the end of the second class. Please designate a contact person for your team and provide an email address and, if possible, a phone number. If you are a free agent or a team of fewer than four members, submit your name or roster anyway, and we will help you grow a team by random matching.

You are encouraged to name your team to give it some personality. This is, again, your branding opportunity. Names from previous years include: Gross Prophets, Angry Nerds, and Hype-writers. We encourage you to be creative. We will give a prize to the most creative team name as voted by your peers.

Getting Help from the Professor and the TA

You may have various questions about the course or marketing in general. The professors will try to stay after class to answer any questions. You can also email either instructor and/or your TA to set up office appointments. There is also a discussion forum on Canvas that enables you to get help from your peers and the teaching team. In addition, you are encouraged to get to know your TA as soon as possible. We have requested your TA to offer at least two meetings with each team in the semester. The TA will arrange a time and place that is mutually convenient.

MIT Sloan Values

Ethics: An important concern in any discipline is the ethics of its practitioners. This is certainly true in marketing. Indeed, some managers in the cases act in ways you might not consider ethical. These actions are left in the cases specifically to raise ethical discussions. We encourage you to address these issues in class.

Academic integrity: For a student to sign his/her name to a team assignment, the student will have done a substantial amount of work. It is not, for example, acceptable to rotate the work across assignments. 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>

MIT Sloan professional standards: Please arrive on time for class with uninterrupted attendance for the duration of the class. The professors will endeavor to begin and end class on time. Official class time is determined by the clock in the front of classroom. If the clock is fast or slow, let us know and we will try to correct it.

Please maintain a professional atmosphere in class. This includes, but is not limited to, using respectful comments and humor, employing appropriate manners and decorum, utilizing computers and technology suitably (e.g., silencing wireless devices, refraining from web-browsing, emailing, and texting), and avoiding distracting or disrespectful activities (e.g., side conversations). 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.

A complete description of the MIT Sloan professional standards is available on the course website. For further information regarding MIT Sloan Values, please visit:

<https://mysloan.mit.edu/offices/deans/values/Pages/default.aspx>

Class Schedule

CLASS	DAY	DATE	TOPIC	LEARNING METHOD	DISCUSSION LEADER
1	W	Sept 5	Marketing Innovation Overview	Lecture	Prof. Zhang
2	M	Sept 10	The STP of Marketing	Lecture	Prof. Zhang
3	W	Sept 12	Market "Non-Innovation" (MicroFridge)	Case	Prof. Zhang
4	M	Sept 17	Find Your Blue Ocean (Swatch)	Case	Prof. Zhang
5	W	Sept 19	Project Meeting: Find Your Killer Idea	Practice	Profs. Hauser & Zhang
6	M	Sept 24	Listen to your Customer	Lecture	Prof. Hauser
7	W	Sept 26	Match Product Features to Customer Needs – Conjoint Analysis	Lecture	Prof. Hauser
8	M	Oct 1	Communicate Wisely	Lecture	Prof. Hauser
9	W	Oct 3	Communicate Wisely (BMW Films)	Case	Prof. Zhang
10	W	Oct 10	Find the Right Price	Lecture	Prof. Hauser
11	M	Oct 15	Project Meeting: Listen to Your Customer	Practice	Profs. Hauser & Zhang
12	W	Oct 17	Find the Right Price (New York Times)	Case	Prof. Hauser
13	M	Oct 29	Marketing Analytics	Lecture	Prof. Hauser
14	W	Oct 31	Project Meeting: Implementation	Practice	Profs. Hauser & Zhang
15	M	Nov 5	Radical Innovation and Analytics (Aqualisa)	Case	Prof. Hauser
16	W	Nov 7	Profitably Irrational	Lecture	Prof. Zhang
17	W	Nov 14	Marketing Radical Innovation (AIBO)	Case	Prof. Zhang
18	M	Nov 26	Marketing Radical Innovation (Hasbro)	Practice	Andrew Jeas, Director, Global Brand Strategy & Marketing, Hasbro
19	W	Nov 28	Project Presentation I	Practice	You
20	M	Dec 3	Project Presentation II	Practice	You
21	W	Dec 5	Summary of Projects	Practice	Profs. Hauser & Zhang

Milestones

TASK	DUE DATE
Fill out your bio card	By the end of day of class 1 (Sept 5)
Finalize seating and form teams	By the end of day of class 2 (Sept 10)
Case write-ups (two required)	Before the corresponding case class
Pre-case exercise: Communications	Before class, October 3
Project: Design a dormitory	Before class, October 10
Pre-case exercise: Frameworks for pricing	By the end of day, October 12
Pre-case exercise: Customer journey funnel	Before class, October 31
Action Learning project: Written marketing plan	Before class, November 28
Action Learning project: Presentations	In class, November 28 and December 3

Readings

READING	DUE DATE
MicroFridge: The Concept	September 12
Birth of the Swatch	September 17
Note on the Voice of the Customer	September 24
Note on Conjoint Analysis	September 26
BMW Films	October 3
The New York Times Paywall	October 17
Customer Profitability and Lifetime Value	October 29
Aqualisa Quartz: Simply a Better Shower	November 5
Sony AIBO: World's First Entertainment Robot	November 14