

MARKETING MANAGEMENT

Introduction

As businesses become increasingly defined by networks of partnerships and by its customers, the role of marketing is changing accordingly. Rather than simply responding for sales, marketing encompasses making sure that every aspect of the business is focused on delivering superior value to customers. As such, marketing management as a distinct business activity will be responsible for being the expert on the customer and keeping the rest of the networked organization aware. The skill of marketing is the skill to monitor customers, competitors, and collaborators, and to find in each domain a better way to design and deploy the firm's capabilities to serve the customers profitably. In this way, marketing helps to set a firm's strategic direction.

This role of marketing takes different forms at different levels of the organization. At the corporate level, marketing will inform the problem of defining the business the company is in and help determine the mission, scope, shape, and structure of the firm. Here, some of the major roles will be to assess the attractiveness of alternative markets, to promote customer orientation, and to develop the firm's overall value proposition. At this level, the role of marketing as a culture is evident. At the business level, the key issue will be how to compete in the chosen business. This will be achieved by segmenting the market and, after a careful analysis of competitors and selected customers elect a distinctive position. Finally, at the operational level the familiar issues related to the marketing mix need to be resolved.

The first (and arguably most important) element of the marketing mix is product/service selection (within the chosen market). A second critical element is price (for individual products and lines, while accounting for discounts, special conditions, promotions, etc.). Next come decisions regarding the distribution systems, i.e. the design and control of channels of distribution, through which our products and services move to the ultimate users. These decisions also involve addressing "going to market" issues such as sales-force, agents, and partners. Finally, Market communications decisions include components such as print and television advertising, direct mail, trade shows, point-of-sale merchandise displays, sampling, and telemarketing.

Each level of strategy and each dimension of marketing must be developed in the context of the preceding level. The final implementation has to be founded in sound formulation at all levels. To complete the picture, marketing objectives and strategies have to be formulated taking into account the firm's core competencies as well as its resource limitations.

Objectives

The objectives of this course are:

1. To introduce key basic marketing concepts needed to deal with business problems such as segmentation, targeting, positioning, marketing mix, marketing services, pricing decisions, market orientation.
2. To provide the marketing perspective in approaching business problems, including strategy development. We will do this by covering: (1) Market and opportunity analysis, and (2) Product, branding, and pricing decisions, and other marketing-related courses will enrich this list.
3. To illustrate the range of marketing tasks in the organization, including the functional responsibilities of marketing managers. To refine decision-making, analytical skills, and the ability to debate ideas with the help of others.
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Learning Outcomes

By the end of this course, students will be able to:

- Structure their approach in analysis of business cases
- Get acquainted with main marketing concepts and frameworks of marketing management
(e.g., value proposition, segmentation, targeting position, marketing mix, managing customer base, and pricing)
- Evaluate alternative marketing decisions according to their expected impact on company and customer
- Analyze marketing decisions in terms of their expected profitability
- Segment a market according to different criteria
- Decide on the best method of segmentation in light of the decision at hand
- Select the optimal target segment
- Create and analyze a positioning statement
- Define the marketing strategy to launch a new product
- Evaluate whether and how to extend a product line
- Evaluate the tradeoffs between short term and long term decisions in marketing
- Analyze the factors that must be taken into account when setting prices
- Choose optimal pricing strategies in different competitive environments
- Use learnings from the class for marketing strategy development

Competences

General Competences (refer to list of general competences in the MBA)

- Decision Making
- Critical Thinking
- Judgment
- Communication

Specific Competencies

- ▣ Leverage basic marketing concepts for solving complex business problems
- ▣ Set priorities and make trade offs while making marketing decisions
- ▣ Distinguish and understand the relationship between strategic and tactical marketing

decisions and define the appropriate measurement tools to understand their impact on performance

- ▣ Apply quantitative analysis to measure the impact of marketing decisions, making adequate

assumptions when necessary.

- ▣ Confidently make marketing decisions in light of the uncertainty in the customer and

competitor behavior surrounding these decisions

- ▣ To develop and use tools to measure the impact of marketing decisions when their impact on

profitability is unclear and occurs over time.

Content

The course has two major delivery segments:

1. General sessions: Case discussions according to the course outline.
2. Lectures: Two or three of the course sessions will be lectures. The objective of these sessions is to consolidate the different concepts raised during the case discussions. Remember, however, that this is a course in which experiential learning methods are the major way to construct an intimate understanding of the principles of marketing to have the confidence and skills to do the job.

In addition to cases, you will receive a few technical notes and papers containing frameworks that might guide and ease your analysis. Some additional readings will be handed out to you in class, but you are not required to prepare them for class discussion.

For some of the cases, you will be given a set of preparation questions. The objective of these questions is to guide your analysis helping you focus your period of individual study. Therefore, you are not required to answer the preparation questions in written form in order to prepare the case. These questions will be also available at the course's website.

Methodology

Class interactions will be the major way of achieving the goals of this course. Participation will therefore be rewarded accordingly. Participation grades will take into consideration depth of insight, rigor, relevance to the discussion, synthesis and consistency, clarity and conciseness, energy, and frequency.

The benefit that you derive from this course will be in direct proportion to the extent to which you expose your own viewpoints or conclusions to the judgment of the class. You should view class participation as an opportunity to enhance your understanding of the material. Be prepared to provide constructive input as the class works together to address the issues of the case.

The situations in the cases are complex. Rarely will there be a single right answer, although there may be wrong answers. The class does not need to always come to a unanimous consensus because the appropriate response often depends upon which assumptions are accepted. Real learning takes place when you see how others address a problem about which you have thought carefully.

Case preparation is a personal matter which involves the development of an individual marketing problem-solving style. Cases are semi-structured problems, and problem definition skills the main

“product” of repeated exposure to these learning devices. As such, there is no universally valid formula for case preparation. Nevertheless, most students seem to travel a general path, which includes:

1. Reading the case quickly; almost skimming it for the major issues and sense of its layout.
2. Re-reading the case carefully, annotating, highlighting, and distinguishing important information, omissions, and questions raised by the reading.
3. Deciding what the action issues really are. For example: Is this case really about pricing, or is pricing, while an important issue, symptomatic of some deeper management issue needing examination and resolution?
4. Deciding on what analysis questions will inform the issue on the actions that need to be taken.
5. Answering these analysis questions as formulated using the data available from the case and making clear and well-informed assumptions about necessary but missing information.
6. Deciding on a course of action from the analysis, and explicitly considering and rejecting plausible alternative courses because of the analysis.
7. Developing a plan by which the desired action may be achieved or implemented within the company, people, and other constraints encountered in this situation.
8. Testing the plan and the analysis before class against the analysis of others in your team meetings.

Evaluation

Grades in this course will be based on class participation (60%), a midterm group project and presentation (20%) and a final exam (20%).

The group project is based on a pricing simulation, which will replace the midterm exam. Each group will play pricing simulation for two weeks and then prepare a short presentation with their conclusions of the exercise. These presentations will take place during the midterm exam period. Further details will be provided during the course.

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Class participation shall be evaluated on the sound marketing reasoning and understanding of the concepts developed in the course.



Professor's Biography

Isabelle Engeler
Assistant Professor of Marketing

Isabelle Engeler completed her postdoctoral research at New York University's Stern School of Business and the University of St. Gallen and holds a PhD in Management from the University of St.Gallen.

Isabelle investigates psychological aspects in consumption, pricing, and goal achievement as well as topics related to de-biasing methods in survey research. She uses experimental methods, particularly large-scale field experiments with consumers or marathon runners.

Isabelle has led consulting projects in the US and Europe on behavioral pricing, market positioning, or customer satisfaction measurement and has worked in the Swiss watch making and online trading industry.