MARKETING MANAGEMENT
ITM505 (Fall 2017)

INSTRUCTOR

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COURSE OBJECTIVE

The objective of this course is to provide you with an understanding of the decisions and challenges faced by managers at the marketing operations level in a firm. You will learn about team development and management, planning processes, and the analytical tools used by marketing managers. You will also be involved with strategy development, implementation and change.

More specifically, the goals of the course involve the development of your skills in:

- Conducting a marketing environmental analysis
- Formulating marketing strategies
- Conducting marketing research and using other tools used in the practice of marketing
- Monitoring and controlling strategic marketing plans

We will utilize a variety of methods: readings, lectures, cases, in-class discussions, videos, and individual and experiential assignments. Open class participation and discussion are essential. Because many of the discussions will be based on assigned readings, it is critical to have done them carefully in preparation for each session.

GENERAL INFORMATION

Course Website

The site is available through http://klms.kaist.ac.kr. You are required to access the website on a regular basis. The site will contain useful material including: announcements, syllabus, assignment guidelines, readings, and PowerPoint slides from class lectures.

Course Materials

- ✓ PowerPoint slides from class lectures are the ***core*** materials.
- ✓ We will discuss five business cases in class, which you can purchase at the following website:
  1) **Cree Inc.: Introducing the LED Light Bulb (Harvard Business School case)**
  https://hbr.org/product/cree-inc-introducing-the-led-light-bulb/515026-PDF-ENG
  2) **Ontela PicDeck (Kellogg Business School case)**
  https://hbr.org/product/ontela-picdeck-a-customer-segmentation-targeting-and-positioning/KEL450-PDF-ENG
  3) **L'Oreal China: Marketing Strategies for Turning Around Chinese Luxury Cosmetic Brand Yue Sai (INSEAD Business School case)**
  https://hbr.org/product/l-oréal-in-china-marketing-strategies-for-turning-around-chinese-luxury-cosmetic-brand-yue-sai/INS291-PDF-ENG
  4) **Eastern Condiments Private Limited (A) (INSEAD Business School case)**
  https://hbr.org/product/eastern-condiments-private-limited-a/INS666-PDF-ENG
  5) **AccorHotels (INSEAD Business School case)**
  https://cases.insead.edu/publishing/case?code=35253

Important Dates/Deadlines

Submit Personal Information	Sept 9
Group Formation	Sept 9
Case 1	Sept 16
Marketing Project Topic	Sept 16
Part I of Marketing Plan	Sept 30
Part II Research Plan	Oct 14
Case 2	Oct 14
Case 3	Oct 21
Case 4	Nov 4
Part II of Marketing Plan	Nov 11
Case 5	Dec 2
Group Presentations	Dec 9
Final Marketing Plan Report	Dec 16

Class Format and Preparation

Class meetings will revolve around lectures, video presentations, case discussions, and exercises. In order to get the most out of class sessions, it is important that you prepare for each class and actively participate in discussions and exercises.

In each class, the lecture and discussion will expand on concepts covered in the assigned reading, explore their implications, and examine how they affect us professionally and personally. It is required that you read the assigned book case(s) before coming to class. The lectures and case discussions are based on the assumption that you are familiar with the material from the reading and will serve to supplement the basic theory introduced in the text. Notes for each lecture will be posted on the class website before the class meeting except for the case discussion.

Classroom Etiquette

Out of respect for the other students in our class, it is important that each of us focus our full attention on the class, for the entire class period. Please be mindful of the following guidelines: arrive to class on time, being certain to leave yourself enough time to get situated before class begins. Although you may believe that no one notices your arrival, some students find latecomers extremely distracting. Once you are in your seat, leave the class only when absolutely necessary. You will be penalized for late arrival or early leave; it will be reflected in your class participation score.

Turn off/silence your cell phone and any other communication devices. Many students have mentioned that they are distracted by other students using their phones, or sending and receiving SMS messages on their cell phones.

Group Formation

Students are required to form groups consisting **about five members each**. Each group has to ***email*** me a list of its members (members' names, student ID's and email addresses) by ***Sept 9th, 11:59pm***. It is recommended that the group be formed as soon as possible, as that will aid in choosing your group's project by Sept 16th. Then I will assign a group number to each group. ***Group members are required to sit together in each class***.

GRADE

The grade components and the associated weights are as follow:

1) In-Class Group Exercise & Attendance	10%
2) Business Case Reports (Individual Assignment)	40%
3) Marketing Project and Group Presentation	50%
4) Class Participation	+/- 5%

Scores on each of the above components will be summed to arrive at an overall score for each student. In general, I do not like to give any 'F' grades in my course. **However, *I will definitely fail a student for dishonest behavior*, such as cheating or plagiarism in any of the assignments.**

1) **In-Class Group Exercise**

The classroom experience is very important in your learning process. In addition to lectures, time will be allocated to in-class group exercises. These exercises will be in the form of (a) discussing cases and (b) answering in-class questions.

For type (a), cases and assignment will be handed out in advance. We will do three case analyses throughout the course. Following this, I will assign one group to provide the solution to the

assignment. The other groups will be expected to add their comments and join in a discussion of the assignment. For type (b), each group of students will then get 10-15 minutes to discuss the assignment with one another. In order to facilitate group discussion, **each group of students is required to sit together for all classes during the semester**. Group participation points will only be given to members of the group who are present for the discussion – so if you know ahead of time that you are going to be absent for a class, let me know.

2) **Case Reports**

Cases describe interesting marketing problems encountered by real firms. We use them as good examples that illustrate and apply marketing concepts and skills in the course. Cases also give you an opportunity to make and justify marketing decisions. In cases we will focus on identifying the marketing problems, introducing marketing concepts and skills that can help solve these problems, and applying these concepts and skills to recommend a course of action for the firm. **There is no "right" answer to a case**, but some answers are better than others. **The strength of your reasoning and analysis is as important as your recommendations.**

The amount you learn from a case depends on how carefully you read and analyze it. You are expected to read each case thoroughly and come to class ready to contribute to case discussions. In many cases some of the material is, by design, not particularly relevant to the problem at hand, while the case omits other data you would like to have, and would try to obtain using market research, if you were the decision-maker. This can be a pain, but it does reflect the real world of business. Some of our discussion may revolve around what "missing information" we would like to have.

For each case, you are responsible for an individual case write up.

You are to use absolutely NO OUTSIDE MATERIALS when answering case questions. Everything you need is in the case.

When writing cases, put yourself in the shoes of when the case was written. For example, the Cree Inc. HBS case was written based in 2013, so pretend that it is 2013 right now and that you know nothing about what Cree Inc. has or has not done since then. The goal here is to see if you can make a reasonable argument (and support your argument) without relying on what the company actually did after the case was written.

Questions for the case report will be posted on the class website at least 2 weeks in advance to the due date. **Do not write more than (single-spaced) 2 pages (single-spaced) for each case report**. Identify your report with your name and the name of the case. This information may be in the top margin.

General Guidelines for Case Reports

Write in a professional style as if you were a consultant to the firm, giving your best (and highly paid!) advice. Use strong and active verbs and appropriate marketing terms and concepts. The styles of *Business Week* and *The Wall Street Journal* are good models in most instances. You

will end up with some well-crafted sentences that your English teacher would call “run on”, but they may be efficient in business prose: “I recommend that Mr. Whitfield immediately reduce costs by canceling TV advertising, laying off surplus warehouse staff, reducing R&D spending to 2015 levels and avoiding construction of the proposed San Diego factory. Further, I suggest an intensive market penetration strategy by offering 10% volume-based price discounts for a three month period starting July 2016.”

In most business situations, there are two or three possible courses of action. There is rarely a single "right" answer for each case, just as there is rarely a single right marketing decision in actual business practice. Marketing is a set of skills, concepts, knowledge, analytical techniques and approaches which, when applied appropriately and consistently, can greatly enhance the effectiveness of business. Your recommendation should be specific and based on comprehensive reasoning and rigorous analysis. Sometimes you will need to make assumptions to justify some of your arguments. **In that case, make sure that you explicitly state those assumptions and provide for contingency actions if they do not hold.**

Don't be afraid to commit to one strategic alternative (e.g., recommend price discounts) even though this will rule out other options (in this case, more advertising). However, make sure to provide some reasoning for why your strategic alternative may be wrong and why other alternatives may work as well (though, don't harp on these alternatives too much). Also, just because there are multiple right answers, doesn't meant that there are no wrong answers! For example, recommending heavy promotional expenditures by a firm about to become bankrupt doesn't make sense. Think of the four elements of the marketing mix, all the pros and cons of your recommendation versus those of alternative strategies, consider the possible implications and ramifications, and make a decision.

Technical Issues

Use a spell checker. Then carefully read through your work and make appropriate corrections. Make sure all your recommendations are consistent and compatible with each other. Don't have another person do the proofreading. We want you to learn good editing skills as well as good writing.

3) Marketing Project and Presentation

Teams will present their work in class in addition to submitting written reports at the end of the semester. The project will help you apply marketing principles to real complex business situations. The team presentation will improve your professional skills of presentation and give you experience working in a team. In this semester-long project, your team will complete a marketing plan for an existing Korea-based company of your choice. Your plan can deal with any of the following issues facing the company:

- Marketing an existing product/service in an existing market
- Marketing an existing product/service in a new market (National or international)
- Marketing a new product/service in an existing market

Expectations for Part I, II, and III. Throughout the whole semester, the marketing project is separated into three stages. Marketing plan Part I, Part II, and Part III will be integrated into a final report that will be presented in class. I will provide feedback before and after the due date of each part.

In Part I, you are supposed to collect background information and define the problem you will be working on. In Part II, you are supposed to conduct a market analysis and design a research plan. You will collect data to study consumer demand and potential marketing opportunities, and analyze the data. In Part III, you develop marketing strategies in terms of elements of the marketing mix.

Final Report. The final report will cover Part I, II and III. Limit your final report to 20 pages (excluding appendices).

Due date: All case reports and assignments are to be submitted by email before class on the due date. Missing the deadline results in 0 points.

"Free Rider" Problem: In the business world you live and die by the results of your team as a whole. We prefer to give a single grade to all members of a group, but understand that there may be substantial "outlier" behavior by particular group members. After handing in the final report, you will also receive a link for a peer evaluation form rating the contribution of each team member. Since a significant proportion of your grade depends on group work, the peer evaluations are taken very seriously. If there appears to be consensus that one group member did not pull his or her weight (or alternatively, that one member was crucial to the team's success) I will adjust an individual's project/group assignment grade up or down according to the peer evaluations. Please be fair in rating others.

4) Individual Class Participation

There will also be individual class participation points – i.e., marks given to individual students for activities relevant to this class. To grade class participation, I will follow the "Ren (仁) ratio" principle (http://greatergoodscience.blogspot.hk/2007/02/whats-your-jen-ratio.html). "A person of *jen*, according to Confucius, "brings the good things of others to completion and does not bring the bad things of others to completion." If you add to the classroom experience for the class as a whole, through comments, questions, answers, humor, or any other good things, you stand to score up to 5 extra points. On the other hand, if you serve as a negative influence, through late-coming, talking to your neighbors, missing deadlines, or any other such distracting actions, you may lose up to 5 points of your grade. If you never contribute in class and submit all your assignments in time, your score will simply be zero.

Since individual participation is important, I would like each student to hand in a **photo card** by **Sept 9th**. Please **download the photo card form from the course website** (look under "Assignments") and submit your completed card before the due date.

Academic Integrity

Academic integrity is a critical value of the university community. Integrity violations destroy the fabric of a learning community and the spirit of inquiry that is vital to the effectiveness of the University. I have ***absolutely no tolerance for cheating or plagiarism*** and there are no acceptable excuses.

KAIST places a strong emphasis on academic integrity and has introduced regulations to back this up. To help students and staff to understand the policy, a website has been established that explains the regulations, provides assistance for students in avoiding plagiarism, and sets out the role of faculty and staff when a case of cheating or plagiarism comes to their attention.

The penalty for cheating can range from failure of an assignment to failure of the course. Cheating entails offering or receiving assistance from other people or sources. For assignments identified as group work, it is expected that all members of the group will have contributed, and that only members of the group will have contributed. The penalty for plagiarism is course failure. Plagiarism is copying anything from another source without citing that source. You are required to provide appropriate citations when you use ideas and arguments or otherwise draw on others' work.

Grade Rebuttals

If you feel that a calculation or judgment error has been made in the grading of an assignment, please write a note describing the error and give it to me **with the original graded document**. If it's a judgment issue, you should also include documentation in support of your opinion (e.g. a photocopied page from the textbook or lecture ppt with the relevant information highlighted). I will get back to you as quickly as possible with an answer (ideally, by the next class session). Please note that any request for reassessment of a grade usually results in a review of the ENTIRE assignment. This means that if errors are detected in the grading of other questions, they will also be corrected, whether they are in your favor or not. Students have one week from the date an assignment/exam is returned to submit a grade rebuttal—after one week, no rebuttals will be accepted.

PLEASE NOTE: I will not discuss or consider changing the grade on any assignment that has not first been submitted as a formal, written rebuttal. If you go through the rebuttal process, but are still unsatisfied with the outcome, you may then make an appointment to see me so that we can discuss the issue further. **There are absolutely no exceptions to this policy.**

Appendix - Guidelines for Marketing Project

Marketing Plan
You and your team members will complete a marketing plan for an existing company of your choice. Teams will present their work in addition to submitting a written report at the end of the semester. I will be available for assistance if you need additional input.

Part I - Background and Problem

Identify a marketing problem for an existing company. The problem may pertain to different issues, including the introduction of a new product, repositioning of a product, market penetration or market development, diversification, whether and how to extend a current line of products, how to increase profits when the demand/profitability of an existing product is declining, global marketing etc. Pretend you are addressing a hypothetical Board of Directors. The Board will make a GO/NO GO decision based on your first report.

Conduct a marketing audit and describe the company. To obtain relevant information, consult secondary sources in the library, on the Internet, electronic databases, business magazines and journals, annual reports and other reports.

But better yet, go talk to the company!! Ask them what problems they are having. Do they want to increase sales? Are they having problems with awareness among college students? Are their margins to thin? Do they need better access to distributors? Let them tell you what they want! That's the easiest and best way to get access to the company and to pick a plan for the project.

Describe in detail:

- *Company*. Start by selecting a company and collect brief background information about it. Describe the overall strategic plan of the company, including its mission statement, company objectives and goals. In case your problem/product pertains to a particular brand or strategic business unit, focus the discussion on them.
- Clearly state the *Problem* that you are planning to address. Identify your objectives.

Part II - Market Analysis and Research

Conduct a marketing audit and describe the company's marketing situation (library, Internet, electronic databases, business magazines and journals, annual reports and other report. You may also want to contact the company and inquire about existing internal data sources and ask permission to use them for your analyses)

Describe in detail.

- *Market situation*. Present relevant data on target market(s) over the past years, including the composition, size, and growth of the market segments. Previous studies on similar products may help you to present data on consumer needs, perceptions, and buying behavior trends.
- *Product situation*. Describe the company's product offering, sales, prices, contribution margins, net profits.
- *Competitive situation*. Identify and describe the major competitors that satisfy similar needs, including their size, goals, market share, product quality, marketing strategy, and positioning.
- *Distribution situation*. Present data on the size and importance of each distribution channel. How does the product/service reach the customers? Are there distributors? Is it available in stores (which ones), though direct mail, or on the Internet? Does the company sell directly to customers?
- *Macroenvironment situation*. Describe socio-economic and demographic trends that may influence the performance of the company/brand/product in the future.

Then, identify the product strengths and weaknesses, as well as the opportunities and threats that the business is facing. In other words, conduct a *SWOT* analysis. Identify opportunities that match strengths of the company/product and threats that may harm future activities.

Determine the specific information needs. What additional (primary) information will you need to formulate marketing strategies? Collect information on consumers (e.g., demographics, lifestyles, psychographics, purchase patterns, etc.), your product (e.g., positioning, willingness to pay, purchase intention, etc.) and competitors (e.g., positioning, loyalty, etc.) Carefully develop the research plan for collecting the information. Develop and describe the following *Data collection method (*survey, experiment, observation, focus groups, historical data, and/or statistical databases. You may need more than one method) and *Data analysis method (* If you have formulated particular hypotheses, design appropriate statistical tests to test these hypotheses - recitation leaders will help you with this).

After the research plan has been specified, it is time for its implementation. Collect, code, and analyze the data according to the research plan. Based on the first results you may want to adapt your initial research plan and redo some of the analyses. Then interpret and report the most important findings that are related to your marketing problem.

Part III – Marketing Strategy Development

General marketing strategy. Develop a new marketing strategy based on the information collected in Part I and Part II. First present the marketing strategy in general terms, addressing the following issues (if applicable):

- *Target market(s)*. Describe the market segments that will be targeted.
- *Positioning*. How will the product be positioned in the market, given the positions taken by competitors?
- *Marketing mix*. Specify each element of the marketing mix. For example:
    - What product(s) will be offered to the market? Is it a product modification, variant, or innovation?
    - Based on what product attributes is the product positioned in the market?
    - What price will the consumer pay? Do you recommend segmented pricing? Specify it.
    - What sales force activities will you recommend?
    - What channels will be used to distribute the product?
    - Which advertising media will you use for your communication message(s)?
    - What level of advertising spending do you recommend?
    - What is the general communication message to the customer?
    - Will you be offering sales promotions?
- *Research*. What additional marketing research is needed to track consumer preferences and competitors' actions? Is additional investment in R&D desirable?

Action program. Specify each element of the marketing strategy. <u>What</u> will be done <u>when</u> and what are the <u>costs</u> of the specific actions.

Budgets. Also provide a detailed marketing budget for implementing the strategy. Assume that the total marketing budget that you have at your disposal is half of the current (existing) marketing budget. This requires you to develop new creative marketing ideas that are more effective but less expensive than what the company has done so far. Specify the projected revenues, costs (fixed, variable) and profits, and how you allocate resources.

Controls. Outline the controls for monitoring the plan's progress. Specify goals and budgets for the first 8 quarters.

Communicating the Plan

Team Presentation. You are to take the role of a group of consultants presenting to the Board of Directors of the firm. As on any Board, some members know more about the issue than you do, and all will be generally familiar with the firm's situation. But some members have had only a slight opportunity to read the material before a meeting. Leading them through the situation, your analysis and recommendations require considerable skills to hit the right level of detail, without endlessly reciting case facts. Of course, the same is true for your classmates - some of them have had other courses than you and are ready with tough questions; some will know the facts. Try to appeal to all these segments. Also make sure that each member of the group gets some "air time." This is difficult to do in

practice, but is very effective if the group is well rehearsed and the changeovers are seamless. Be well-prepared and pay extra attention to the substantive content, materials and style of the presentation.

Notes:

(1) Practice your presentation well. Your team will have 10 minutes to present the plan.

(2) If you plan to prepare a PowerPoint presentation, please make sure that you thoroughly test it in the classroom. Too often, presentations fail because of problems related to PowerPoint. You are advised to bring overhead transparencies as a backup.

(3) Check out the presentation equipment available in the classroom.

(4) On the day your group is presenting, make sure that all of you are on time.

Final Report. You will prepare the final report for the Board of Directors and the departments involved in the execution of the marketing plan. The report will integrate Part I, II and III. You can use the basic structure as outlined for parts I to III (see Marketing Plan). Plan the writing of the report in advance, make a division of tasks and start on time. While working on Parts I, II, and III, consider the consistency among the corresponding sections of the report. Distribute the workload evenly among team members and over time. Include a title page, table of contents, and executive summary and add a cover to your report. Aim at a length of around 20 pages plus appendices. When preparing the report pay extra attention to the items listed under 'Grading of Marketing Project.'

Appendix - Grading of Marketing Project

1. Final Report

- Clear definition of marketing problems faced by the firm.
- Necessary information collected (library sources, survey, etc.).
- Correct marketing research method. Appropriate financial analysis.
- Thorough, strong, practical, creative and consistent marketing plan.
- Strong basis to support your recommendation.
- Practical action programs.
- Clarity and conciseness in writing.
- Thorough coverage of issues raised during presentation and feedback

2. Presentation

- Message clearly communicated to audience
- Use of marketing terminology
- Professional and persuasive presentation style
- Readability of slides, confident handling of equipment, lighting
- Speaking, eye contact, posture, gesture, movements
- The result appears as if the team worked well together
- Good match of speaker to topic
- Good hand-offs

MARKETING MANAGEMENT (ITM505), Fall 2017
TENTATIVE SCHEDULE

Week	Date	Topic	Assignments & Particulars
1	Sept 2	Course Overview & Strategic Marketing Imperatives	
2	Sept 9	Situation Analysis & Understanding Consumers	Photo card (hard copy) & Group formation due by 11:59pm
3	Sept 16	Case: Cree Inc (HBS case) & Marketing Research	Case report due before class, Marketing Project Topic due
4	Sept 23	Segmentation Targeting Positioning	
5	Sept 30	Group Project Day	Marketing Plan Part I report due by 11:59pm
6	Oct 7	No class (Chuseok Holidays)	
7	Oct 14	Case: Ontela PicDeck (Kellogg case) & Product and Brand Strategies	Case report due before class, Research Plan due by 11:59pm
8	Oct 21	Case: L'Oreal China (INSEAD case) & Distribution Strategies	Case report due before class
9	Oct 28	Mid-term exam	
10	Nov 4	Case: Eastern Condiments Private Ltd (INSEAD case) & Pricing Strategies	Case report due before class
11	Nov 11	Promotion Strategies I	Marketing Plan Part II report due by 11:59pm
12	Nov 18	Promotion Strategies II	
13	Nov 25	Feedback Session*	
14	Dec 2	Case: AccorHotels (INSEAD case) & Digital Marketing	Case report due before class
15	Dec 9	Project Presentation	
16	Dec 16	Final Exam (Final Marketing Plan Report)	Final report due by 11:59pm

* No formal class in that day. Each group will be scheduled 20 minutes to meet the professor and discuss its idea for marketing plan and the feedback on the Part I and II reports.