# 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 |
<table>
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<tbody>
<tr>
<td>Classroom</td>
<td>E62-250</td>
</tr>
<tr>
<td>Course Website</td>
<td>TBA</td>
</tr>
</tbody>
</table>
| Professors | John Hauser  
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| 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.

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](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 under- 
stand 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 ig-
nore 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 prelimi-
nary 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 contrib-
utes 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 computa-
tions 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 im-
portant 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’ ap-
proaches. 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 measures 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 \( √-, √, \) or \( √+ \) and the grades are often what breaks ties for students on the border between two letter grades.

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**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.

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**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](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](https://mysloan.mit.edu/offices/deans/values/Pages/default.aspx)
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<tr>
<th>CLASS</th>
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<th>TOPIC</th>
<th>LEARNING METHOD</th>
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<tbody>
<tr>
<td>1</td>
<td>W</td>
<td>Sept 5</td>
<td>Marketing Innovation Overview</td>
<td>Lecture</td>
<td>Prof. Zhang</td>
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<td>2</td>
<td>M</td>
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<td>The STP of Marketing</td>
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<td>Prof. Zhang</td>
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<td>Market &quot;Non-Innovation&quot; (MicroFridge)</td>
<td>Case</td>
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<td>Find Your Blue Ocean (Swatch)</td>
<td>Case</td>
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<td>Sept 19</td>
<td>Project Meeting: Find Your Killer Idea</td>
<td>Practice</td>
<td>Profs. Hauser &amp; Zhang</td>
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<td>M</td>
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<td>Listen to your Customer</td>
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<td>Prof. Hauser</td>
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<td>Match Product Features to Customer Needs – Conjoint Analysis</td>
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<td>Communicate Wisely</td>
<td>Lecture</td>
<td>Prof. Hauser</td>
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<td>W</td>
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<td>Communicate Wisely (BMW Films)</td>
<td>Case</td>
<td>Prof. Zhang</td>
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<td>Find the Right Price</td>
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<td>Prof. Hauser</td>
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<td>11</td>
<td>M</td>
<td>Oct 15</td>
<td>Project Meeting: Listen to Your Customer</td>
<td>Practice</td>
<td>Profs. Hauser &amp; Zhang</td>
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<td>Marketing Analytics</td>
<td>Lecture</td>
<td>Prof. Hauser</td>
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<td>14</td>
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<td>Project Meeting: Implementation</td>
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<td>Profs. Hauser &amp; Zhang</td>
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<td>15</td>
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<td>Nov 5</td>
<td>Radical Innovation and Analytics (Aqualisa)</td>
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<td>Profitably Irrational</td>
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<td>Prof. Zhang</td>
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<td>Marketing Radical Innovation (AIBO)</td>
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<td>18</td>
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<td>Marketing Radical Innovation (Hasbro)</td>
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<td>Andrew Jeas, Director, Global Brand Strategy &amp; Marketing, Hasbro</td>
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<td>19</td>
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<td>Nov 28</td>
<td>Project Presentation I</td>
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<td>You</td>
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<td>20</td>
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<td>Dec 3</td>
<td>Project Presentation II</td>
<td>Practice</td>
<td>You</td>
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<td>21</td>
<td>W</td>
<td>Dec 5</td>
<td>Summary of Projects</td>
<td>Practice</td>
<td>Profs. Hauser &amp; Zhang</td>
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## Milestones

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

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