

**Sloan School of Management, MIT**  
**15.809**  
**Marketing Management**

**Instructor**

Duncan Simester  
Office: E40-177  
Phone: 258-0679  
[simester@mit.edu](mailto:simester@mit.edu)

**Teaching Assistant**

Nathan Fong  
[nmfong@mit.edu](mailto:nmfong@mit.edu)

**Web Site**

The web site for the course is at: <http://sloanspace.mit.edu>

**Nature and Purpose of the Course**

Marketing is not just selling or advertising. It is a rigorous, disciplined science that applies a reasoned framework to the selection of target markets and the optimization of marketing decisions. In this course you will learn to look at marketing problems through the lens of an analytical framework that will help you better understand:

- How to anticipate and take advantage of surprising inconsistencies in the customer decision process
- How to evaluate the attractiveness of different markets
- How to manage the product development process
- A structure for thinking about the design and management of distribution channels
- Why pricing decisions are complex and how they get made
- How to manage an advertising campaign

The course has two parts: a tactical portion and a strategic portion. The strategic portion focuses on identifying organizational competencies and using these competencies to analyze industries and identify target markets. The tactical portion of the course reviews the methods that firms can use to optimize their profits in the markets that they choose to target. Topics covered in the tactical portion include pricing, promotion, distribution and product issues.

The course is designed as an introductory survey of marketing topics for students who have not previously taken a marketing course. There are no pre-requisites.

### **Course Materials**

The course draws upon a readings packet containing cases and required readings. There is no required textbook for this subject.

In the final class session I will provide an extensive list of additional reading, grouped by the topic headings that we cover in class.

### **Evaluation of Work**

1.	Class Participation	25
2.	Group Case Reports	60
3.	Individual Case Reports	15

### **Organization of Course**

The course is organized so that each class is either a lecture or a case discussion. Lecture classes and case classes alternate, with the lectures covering material relevant to the next case. Copies of the slides I will be using will be available on the web in PowerPoint format (<http://sloanspace.mit.edu>). You should plan to review these slides before coming to class.

The slides are not complete - they will need to be annotated during the lectures. If you miss a class make sure you get annotations from a colleague. In the spirit of continuous improvement, the slides may also be changed. If I make dramatic changes to the notes I will try to bring new copies to class.

I recommend the following reading priorities: cases, required reading and then lecture notes.

### **Cases Generally**

The cases facilitate the discussion of marketing problems in real situations. You should read these cases carefully and come to class prepared to provide constructive input as the class works together to address the issues of the case.

The best way to prepare is to attempt to answer the discussion questions (posted on the website). If you can answer each question well, you will understand the basic issues of the case.

We 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 that are not due as written cases, you may discuss the general issues with other students at Sloan. However, you should not discuss these cases with any students who may have studied them in a prior year. For the four written group 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.

### **Group Case Reports**

Each group will be required to hand in four case write-ups. You may choose from the following menu:

Barco *or* Vestron

Harrah's *or* Capital One

Tweeter etc.

Boston Whaler *or* Michael Bregman

The reports should consist of (at most) 3 pages and should address the questions that will be distributed. Your reports must be handed in at the start of the class in which the case will be discussed. These cases will be graded and will determine 60% of your overall grade.

Questions for each case can be found on Sloanspace. Use these questions to guide your reports (and to help prepare for our discussion of the other cases). Some additional recommendations:

1. Your write-ups should be in bullet point form.
2. Separately answer each question. Use headings to highlight which questions you are answering.
3. Start with the most obvious points and then work from there. Do not omit the obvious points.
4. I am more interested in the quality of your analysis than the accuracy of your conclusions. Make sure that you give both the pros and the cons of each alternative.

5. Read the previous session's lecture notes before writing your analysis.
6. Structure your answers using sub-headings if necessary to make it clear that you have used an analytical approach to reach your answers. The grader will be treating (apparently) random lists of issues with caution.

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. This is symptomatic. 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.

### **Individual Case Reports**

In addition to your four group case write-ups, each person must hand in an individual report on each case (not including the four cases that comprise your group report). This report should be no more than one page in length and should briefly summarize the answer to each of the case questions.

You will receive credit simply for handing in each of these reports on time. These reports will not be individually graded or returned, however, they will be used to help determine final grades for students close to the letter cutoffs.

By the end of the class you should have handed in 4 group case reports and 3 individual case reports.

### **Class Discussion**

The benefit that you will derive from the course will depend upon the extent to which you expose your own viewpoints or conclusions to the critical judgement 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.

It is imperative that you read all of the cases to be discussed and come to class with a series of comments that you think will be interesting to the class. If you must miss a class, warn the TA so that you do not lose credit for class participation. Try to remember to bring your name cards to class.

## Schedule

<b>Class</b>	<b>Section A</b>	<b>Section B</b>	<b>Class Content</b>	<b>Material</b>
1	6/13 1.00	6/13 1.00	<b>Introduction</b>	Lecture
2	6/13 2.30	6/13 2.30	<b>Customers</b>	Lecture
3	6/15 8.00	6/15 10.00	<i>Vicks</i>	Case
4	6/18 8.00	6/18 10.00	<b>Marketing Strategy 1</b>	Lecture
5	6/20 8.00	6/20 10.00	<i>Vestron*</i>	Case
6	6/20 1.00	6/20 1.00	<b>Marketing Strategy 2</b>	Lecture
7	6/22 8.00	6/22 10.00	<i>Barco*</i>	Case
8	6/25 8.00	6/25 10.00	<b>Product Development</b>	Lecture
9	6/27 8.00	6/27 8.00	<b>Product Line Design Exercise</b>	Exercise
10	6/27 10.00	6/27 10.00	<b>Product Line Design Exercise</b>	Exercise
11	6/29 8.00	6/29 10.00	<i>Harrah's and Capital One</i>	Case
12	7/2 4.30	7/2 4.30	<b>Pricing</b>	Lecture
13	7/6 8.00	7/6 10.00	<i>Tweeter etc.</i>	Case
14	7/9 4.15	7/9 4.15	<b>Channels: Problems</b>	Lecture
15	7/11 8.00	7/11 10.00	<i>Boston Whaler</i>	Case
16	7/11 1.00	7/11 1.00	<b>Channels: Solutions</b>	Lecture
17	7/13 8.00	7/13 10.00	<i>Michael Bregman</i>	Case
18	7/16 10.00	7/16 10.00	<b>Advertising</b>	Lecture
19	7/16 1.00	7/16 1.00	<b>Final Class</b>	Exercise
20	7/16 2.30	7/16 2.30	<b>Final Class</b>	Summary

## **Background Reading In Course Packet**

### **Cases**

Vicks Health Care Division, Project Scorpio (A)

Vestron

Barco Projection Systems (A)

Capital One Financial Corporation: Setting and Shaping Strategy

Harrah's Entertainment Inc.

Tweeter etc

Boston Whaler, Incorporated: Managing the Dealer Network

Michael Bregman

### **The Customer Decision Process**

Mental Accounting and Consumer Choice

Get Closer To Your Customers By Understanding How They Make Choices

Always Leave Home Without It

### **Marketing Strategy: Market Size and Horizontal Competition**

Profits Increase With The Level of Firm Differentiation

Competing on Resources

### **Marketing Strategy: Vertical Competition**

Vertical Competition

Barnes and Noble, Ingram Deal Under Scrutiny

Republic Industries, Toyota Settle Dispute

### **New Product Development**

Old Answers to New Questions: Dodging the Obstacles of Plastics Innovation

### **Product Line Design**

Data to Knowledge to Results: Building an Analytic Capability

## **Pricing**

Mind Your Pricing Cues

Are Sale Signs Less Effective When More Products Have Them?

Effects of \$9 Price Endings on Retail Sales

Price Discrimination as a Signal

Drug Firm Blocks Cheap Blindness Cure

## **Marketing Channels: Problems**

Designing Supply and Distribution Channels

Economics Organization and Efficiency

## **Marketing Channels: Solutions**

Bose Corporation: The JIT II Program (B) and (D), HBS case

Direct and Indirect Bargaining Costs & the Scope of the Firm

Channel Conflict on the Internet

## **Advertising**

How to Produce Advertising That Sells

Snuggle Gets An Image Makeover

Clorox A, B, C, D, E and F

## **Final Class**

There's A Sucker Born In Every Prefrontal Cortex

The Red And The White