



Cod. 8499 – SELECTED TOPICS IN MARKETING MANAGEMENT

COURSE SCHEDULE A.Y. 2009-2010

Class 6

Docenti: Michael Gibbert, Zachary Estes

Course Schedule

- Thursdays 13:00 – 14:30 & 14.30-16:00 Aula N37

Course Objectives & Prerequisites

Selected Topics in Marketing is a core course in International Management. The course examines how firms can gain and sustain competitive advantage in a global environment through specific marketing strategies.

The first part of the course introduces several tools. The second part of the course consists of an application of these tools to concrete marketing problems. The articles and case studies covered in this course involve firms facing important marketing decisions. The course provides theory and frameworks, as well as practical applications for making these decisions successfully.

Course Structure

The course is structured in two modules. In the first module, we put a strong emphasis on the psychological underpinnings of marketing (taught by Professor Zachary Estes). Specifically, we look into the following tools:

- *Segmentation and the Product Life Cycle*: Segmentation is the first (and most fundamental) step in the segmentation-target-marketing-positioning triad. As such, it involves some of the most fundamental decisions in the entire marketing mix. Here, we try to understand better how we can make the right decisions based on the *similarity* of our existing (or new) product and the market characteristics. Since similarity is such an important element of this process, we put the spotlight on the latest cognitive science research on similarity.
- *Features and Convergence Products*: The popular press gives a lot of coverage to the convergence between products and entire industries. The big question, however, is which products to combine? We address this topic by first looking into the psychology fundamentals of *conceptual combination*. We then address the implications for marketing.
- *Loyalty and Customer Relationship Management*: Marketing research has it that doing business (again) with existing customers is more profitable than doing business (for the first time) with new customers. A key topic therefore is how to best manage the interaction over time with existing customers. Fundamental to this is the notion of *memory*, of which we receive an introduction.
- *Advertizing*: An important element of the marketing mix is promotion, and within promotion, the most widely used tool is advertizing. Research shows that successful advertizing depends heavily on the creativity of the person behind the ad. As such, we put a strong

emphasis on understanding the psychology of *creativity*, and provide several templates for creative ads.

- *Market Entry*: “Marketing” is both a verb and a noun (as well as an adjective). Without the notion of entering a “market” therefore, we cannot conceive of marketing. By definition, a market consists of buyers and sellers, and more often than not, there are already sellers in a market before we contemplate entering into that market. What to do under these circumstances? In particular, how to enter a market with strong incumbents? We argue that the problem is one of entering without being noticed (and without incurring strong retaliation by the incumbents). The key concept to understand, therefore, is one of *attention*, and how it influences our behavior.
- *Pricing*: No marketing mix is complete without pricing considerations. The right price can set customers’ perceptions right, just as the wrong price can create the wrong impression of an otherwise perfectly fine product. We therefore address this topic by developing a good understanding of *perception* itself. We then discuss the implications on the level of pricing cues and “honest” pricing.

The second part of the course consists in an application of the tools to concrete marketing problems. To this end, groups of students prepare structured assignments for later presentation in class.

Detailed Description of Assessment Methods

Attending students

- *Group project*: A small group of students (4-5) prepares a structured assignment (marketing plan) based on a concrete case study. Case studies are distributed in class (25% of final vote).
- *Individual project*: Students write a one-page assessment of the marketing plans in which he or she is not involved as a group member (25% of final vote).
- *Final, written exam*: 50% of vote.

NB: Deadlines! Hand in group project by November 11 at 12:00. Individual projects (one-pager) need to be handed in at 12:00 on the day before the subsequent lecture (e.g. individual project of November 19 needs to be handed in latest by 12:00 on November 25). Penalty for late assignments: - 2 points for the first hour, - 2 points for every day thereafter.

Non-attending students

- Written exam.

Textbooks

For attending students

- Cases and readings available in the Course Reserve (<http://lib.unibocconi.it/>)

For non-attending students

- Kotler & Keller (2009). *Marketing Management* (13th edition). Pearson International Edition. New Jersey: Upper Saddle River.

PART 0: Course Modus Operandi

Session 1 Course Introduction
Sept. 21
10:30-12:00

Readings: Short case (handout)
 Preparation: -

PART I: TOOLS

1) Segmentation & the PLC

Session 2 Similarity and Categorization
Sept. 24

Preparation: Products compete in markets, but determining the best market for a product is a matter of similarity and categorization.

- Think about what makes two things seem similar. How does this affect the marketing of a product, and the consumer's perception of the product?
- Is the categorization of a product fixed or flexible, and how can alternative markets be accessed?

Session 3 Let's Reconsider The Product Life Cycle & Segmentation Approaches
Sept. 24

Readings:

- Moon, Y. (2005). Break free from the product life-cycle. *Harvard Business Review*.
- Christensen et al. (2007). Finding the right job for your product. *MIT Sloan Management Review*, Spring, issue.

Preparation:

- The Product Life Cycle Model has dominated the strategic marketing agenda for decades. What's suddenly wrong about it? Discuss the three main strategies proposed by the authors & think of other examples for each.
- In how far does the idea of "finding the right job" for one's product change existing marketing philosophies (think about 4ps, market segmentation, target marketing, positioning, pricing, advertising, etc.). How can you identify the most lucrative job for a given product?

2) Features and Convergence Products

Session 4 Metaphor, Analogy, and Conceptual Combination
Oct. 1

Preparation: Metaphor, analogy, and conceptual combination involve relating things and mapping their features. Relations and features are also important for developing new products and upgrading current products.

- Think about a brand as a type of metaphor, like Ferrari might be a metaphor for speed and luxury. How can this be used for brand extension?
- Consider analogies between different markets and products. Can the travel industry be used to improve education services?
- What types of products can be combined most effectively?

Session 5 *Feature Fatigue vs. Convergence and Hybrid Products: Which way to go?*

Oct. 1

- Readings:
- Thompson, D.V., Hamilton, R.W., & Rust, R.T. (2005). Feature fatigue: when product capabilities become too much of a good thing. *Journal of Marketing Research*, 44, 431-442.
 - Gibbert, M., & Mazursky, D. (2009). Who would buy a phone-pillow? Using dual process theory to predict the success of hybrids involving dissimilar products. *Journal of Consumer Psychology* (in print).
- Preparation:
- Understand the concept of feature fatigue, and why traditional market research misleads companies. Discuss how it affects consumer choice, and what can be done about it. Can you think of additional examples of feature fatigue?
 - What are the different ways in which two things/products can combine? What role does the similarity of these things play?

3) Loyalty Management & CRM

Session 6 *Consumer Memory*

Oct. 8

- Preparation:
- The consumer's memory of a brand, product, or service is the key to loyalty. What do consumers remember, and how can suppliers maximize consumers' memory of their brand or product?

Session 7 *Deep Customer Focus: Approach and Applications*

Oct. 8

- Readings:
- Vandermerwe, S. (2000). How increasing customer value improves business results. *Sloan Management Review*.
 - Vandermerwe, S. (2004). Achieving deep customer focus. *Sloan Management Review*.
- Preparation:
- Understand the notion of Deep Customer Focus and the paradox in which it is based. Consider its applicability to various industries.
 - Critically analyze the proposed implementation approach for deep customer focus. In how far is implementing a marketing process such as deep customer focus similar or different to other change management processes?

4) Advertizing

Session 8 *Creativity*

Oct. 15

- Preparation:
- Ordinary cognitive processes such as categorization, language, and problem solving underlie creative thought.
- Consider whether creativity is a special skill, or whether anyone can be creative.
 - What aspects of ordinary thinking can be used in creative ways? And how can this be utilized for creative advertizing?

Session 9 *How Creative can we get? Advertizing*
Oct. 15

- Readings: • Goldenberg, J. et al. (1999). The fundamental templates of quality ads. *Marketing Science*.
- Preparation: • What makes advertising campaigns successful? Consider the examples and conclusions provided by the authors. Do you agree/disagree? Can you think of other examples for the individual categories?

5) Market Entry

Session 10 *Attention!*
Oct. 22

- Preparation: Suppliers often seek attention from consumers while simultaneously avoiding attention from competitors.
- What properties of a brand or product are most likely to be noticed in a crowded marketplace?
 - How do we focus our attention, and what are the consequences?
 - What happens when our attention is divided?

Session 11 *Entering Markets with Strong Incumbents*
Oct. 22

- Readings: • Bryce, D., & Dyer, J. (2007). Strategies to crack well-guarded markets. *Harvard Business Review*, May issue.
- Zook, C. (2007). Finding your next core business. *Harvard Business Review*, April issue.
- Preparation: • Discuss the “best” entry strategy into markets with strong incumbents. How resolve the paradox of overcoming entry barriers, while erecting new ones. Can you think of additional examples?
- Discuss what the downside of leveraging core competencies might be. How can this downside be overcome? Do you agree with the author’s recommendations?

6) Pricing

Session 12 *Price Perception*
Nov. 5

- Preparation: The supplier sets the price, but the consumer has expectations, limited resources, and competitors for comparison.
- What factors contribute to the consumer’s perception of a price?
 - How does price relate to consumption?

Session 13 Pricing
Nov. 5

- Readings:
- Anderson, Simester, (2003) Mind Your Pricing Cues, Harvard Business Review, November
 - Ayres, I., & Nalebuff, B. (2003). Honest Pricing. *MIT Sloan Management Review*, fall issue.
- Preparation:
- What are pricing cues? Consider a retailer (such as a supermarket chain) offering a price guarantee for its entire product range (customers are automatically refunded any price differences). What is the likely effect on market prices? Why?
 - Refresh your memory regarding Porter's main strategies for achieving cost leadership. How do they relate to the pricing cues in the Anderson and Simester article?

**!!! DEADLINE FOR HANDING IN GROUP ASSIGNMENTS:
November 11, 12:00 (noon). !!!**

PART II: APPLICATIONS

Sessions 14 – 23 Nov. 12 – Dec. 10

Readings &
Preparation:

Marketing Plan Assessment:

!!! One-pagers due at 12:00 day before subsequent lecture !!!

PART III: COURSE CONCLUSION

Session 24 Dec. 10 Course Conclusion, Wrap Up & Topical Feature
10:30-12:00 N27
13:00-16:00 N37

Readings: .
Preparation: TBD

Office hours

Office hours are available at: (<http://www.uni-bocconi.it> > [Quick Reference for](#) > [Current Students](#) > [Timetables, Calendars and Rooms](#) > [Student consultation hours](#)).

Office hours could vary: please check on the website.

Segreteria Marketing

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