



Marketing Course Summary

Course Goals

This course is intended to introduce students to the essentials of marketing: how firms and their customers behave and what strategies and methods marketers can use to successfully operate in today's dynamic environment. Specific course goals are:

- To define the strategic role of marketing in the firm.
- To introduce key elements of marketing analysis.
- To provide a sound conceptual and theoretical “tool kit” for analyzing marketing problems.

At the end of the course, students should be able to analyze the root marketing problem in a case and propose a marketing plan that includes both a strategy (who will be targeted and how the firm's offering should be positioned), and a set of tactics (recommendations for product and service design, branding, pricing, promotion, and distribution), which implement the strategy.

Assumed Knowledge

Instructors of Marketing 430 assume that other Kellogg courses, taken either prior to Marketing 430 or concurrently, cover the following concepts:

- The firm's core competencies and resources
- Porter's Five Forces Framework
- Demand elasticity
- Net Present Value and how to calculate NPV
- Regression

Key Concepts and Metrics

General Strategy Concepts

- Role and Contribution of Marketing to the Organization
- Wiersema's Disciplines (Operational Excellence, Product Leadership, Customer Intimacy)
- The Cs Framework for Assessing Opportunities (Customer, Competitor & Collaborator, Company)

Segmentation, Targeting and Positioning

- Why, When and How to Segment Markets
- How to estimate the size of a market in terms of sales and profitability
- Primary and Selective Demand (Grow the Category, Steal Share)
- Path of Least Resistance
 - Current Customer Retention/Growth
 - New Customer Acquisition
- Target Selection
- Positioning Statements

Marketing Research and Consumer Behavior

- Role of Consumer Insight
- Primary vs. Secondary Research
- Qualitative, Quantitative and Causal Research Techniques
- Utilitarian, Hedonic and Mundane Purchases
- Usage Dynamics: Penetration vs. Usage Rate

Product Design and Branding

- Base and Augmented Product
- Product portfolio planning and management (BCG, GE, product life cycle)
- Line and Brand Extensions
- Brand Architecture:
 - House of Brands vs. Branded Houses
 - Endorser Brands
- Brand Health measures:
 - Aided and Unaided awareness
 - Purchase Interest/Preference/Market Share

Pricing

- Target / Value-Based Pricing
- Price Discrimination
- Perceived Pricing
- Skimming and Penetration Strategies
- Sandwich Strategy

Promotion

- Promotion Objectives
 - Awareness, Interest, Evaluation, Trial, Repeat
- Consumer and Trade Promotion Basics
- Push and Pull Strategies
- Differences between Traditional and Non-traditional approaches to promotion

Distribution

- Purposes of Channel Partners
- Dimensions of Customers Service Output Demands
- Marketing Flows in Channels and Concept of “Function Shiftability”

Marketing Metrics

- Fixed and Variable Costs
- Supply – Chain Margin calculations
- Break-even Analysis (overall and incremental)
- Lifetime Value of the Customer
- Return on Marketing Investment (ROMI)
- Cannibalization Rates
- Role of Costs in Setting and Changing Price

Course Materials

Although there is high overlap in the cases and readings across sections, there no one book is assigned by all instructors. However, good coverage of the key concepts and tools may be found in each of the following books:

- 1) Alice M. Tybout and Bobby J. Calder, *Kellogg on Marketing, Second Edition*, John Wiley & Sons, 2010
- 2) Philip Kotler and Kevin Lane Keller, *Marketing Management, 13e*, Prentice Hall, 2008.
- 3) Alexander Chernev, *Strategic Marketing Management*, 5th edition.