UCLA Anderson School of Management

MGMT 260B - Marketing Strategy & Resource Allocation

Winter 2015

Objectives

'Marketing Strategy & Resource Allocation' covers the design of marketing strategy and its implementation in marketing plans and budgets. As the forces of open markets, competition and access to information have made organizations more customer oriented, marketing strategy & planning has developed into a critical managerial activity. In particular, companies large and small that combine *customer-centric innovation* with *effective marketing resource allocation* offer the best opportunity for profitable growth.

Our educational objective is to develop strategic marketing knowledge for the 21st century business environment, to apply this knowledge via cases and market simulations, and to create a sophisticated awareness of recent advances in the field. In particular, we will develop and practice the connections between marketing strategy, marketing resource allocation and profitable growth.

This is an advanced course that will use the marketing concepts and techniques you have learned in MGMT 411. The cases represent a mixture of products and services, B2B and B2C, entrepreneurial and corporate, regional and global, and physical vs. virtual environments.

We use the following education components:

1.principles: engaging and extending the learnings from the marketing core courses
2.applications of principles: case studies
3.experiential learning: Markstrat
4.new developments: readings and lectures

Instructors

Dominique M. Hanssens, Bud Knapp Distinguished Professor of Marketing

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Wayne Taylor, Ph.D. Candidate in Marketing (Markstrat administrator)

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Course materials

Hanssens, Dominique M., Ed. (2009). *Empirical Generalizations about Marketing Impact.* Marketing Science Institute, Relevant Knowledge Series.

Larréché, Jean-Claude, Hubert Gatignon & Rémi Triolet (2010). *Markstrat Participant Handbook*. StratX International. Available as a PDF file.

Packet of case studies and readings. Excel and Powerpoint files on the course website, to accompany selected cases and course modules.

Student evaluation

Individual participation in case studies and discussion assignments (1/3). Class attendance is required. In order to receive participation credit for an excused missed class (maximum one), hand in a two-three page case report at the beginning of the following class.

Two written reports on cases of your choice, to be handed in before the class discussion (individual or team, team recommended) (1/3). Your choice of a case is final.

Markstrat decisions and reports (1/3). The Markstrat reports include one initial assessment (2 pages) and one final assessment. The final report focuses on the lessons learned and includes a brief description of the group decision making process used by the team.

The case and final Markstrat reports are double-spaced and do not exceed twelve pages plus exhibits. Teams have no more than five members.

Class sessions
MBA   Tuesday, 1- 3:50 pm in C 301
FEMBA Tuesday, 7:10 - 10 pm in C 315

We start at 1 pm and 7:10 pm promptly, and have a break after 80 minutes. Please make sure to display your name card at all times.

Schedule and Assignments

Jan 6   Customers, marketing strategy and profits
Read: Markstrat handbook
Case: ING Bank
Markstrat: introduction

Jan 13 Alternative growth paths
        Read: Markstrat handbook
        Case: salesforce.com
        Markstrat: game overview

Jan 20 Meeting revenue targets
        Read: McKinsey Marketing Spending Effectiveness
        Case: The London Jets (excel worksheet available)
        Markstrat: decision #1 (Jan 19) and initial report due (Jan 20)

Jan 27 Brand equity or customer equity ?
        Read: Rust, Zeithaml & Lemon
        Case: Rosewood Hotels (excel worksheet available)
        Markstrat: decision #2 due (Jan 26)

Feb 3   Return on Marketing
        Read: Hanssens, Thorpe & Finkbeiner
        Case: Vanguard
        Markstrat: decision #3 due (Feb 2)

Feb 10 Marketing strategy and competition on the internet
        Read: Wiesel, Pauwels & Arts
        Case: MedNet.com (web metrics tool available online)
        Markstrat: decision #4 due (Feb 9)

Feb 17 Managing the Product Portfolio
        Read: Fischer, Albers, Wagner & Frie
        Case: AkzoNobel
        Markstrat: decision #5 due (Feb 16)

Feb 24 Innovation Strategy
        Read: Gourville
        Case: Marvel Enterprises
        Markstrat: decision #6 due (Feb 23)

Mar 3   Marketing Strategy and Firm Value
        Read: Srinivasan & Hanssens
        Case: guest speaker
        Markstrat: final decision (#7) due (Mar 2)

Mar 10 Strategic Marketing Plans
        Course summary
        Markstrat debriefing session
        Markstrat: final report due (Mar 10)

Useful references

Aaker, Kumar, Leone & Day (2012). *Marketing Research, 11th Edition*. Wiley.

Berry & Linoff (2011). *Data Mining Techniques For Marketing, Sales, and Customer Relationship Management, 3rd Edition.* Wiley.

Best (2013). Market-Based Management, 6th Edition. Pearson.

Blattberg, Kim & Neslin (2008). *Database Marketing*. Springer.

Chernev (2014). *Strategic Marketing Management, 8th Edition*. Cerebellum Press.

Chernev (2011). *The Marketing Plan Handbook, 3rd Edition*. Cerebellum Press.

Gupta & Lehmann (2005). *Managing Customers as Investments*. Pearson Education.

Hanssens, Parsons & Schultz (2001). *Market Response Models, 2nd Edition*. Kluwer.

Hanssens (2015). *Empirical Benchmarks of Marketing Impact, 2nd Edition*. Cambridge, MA: Marketing Science Institute.

Hartley (2014). *Marketing Mistakes and Successes, 12th Edition*. Wiley.

Jagpal (2008). *Fusion For Profit*. Oxford University Press.

Keller (2012). *Strategic Brand Management, 4th Edition*. Prentice-Hall.

Kotler and Keller (2012). *Marketing Management, 14th Edition*. Prentice Hall.

Lehmann & Reibstein (2006). *Marketing Metrics and Financial Performance.* Cambridge, MA: Marketing Science Institute.

Lilien & Rangaswamy (2012). *Principles of Marketing Engineering, 2nd Edition.* DecisionPro, Inc.

Moorman & Lehmann (Eds) (2004). *Assessing Marketing Strategy Performance*. Cambridge, MA: Marketing Science Institute.

Mahajan, Muller & Wind (Eds.) (2001). *New-Product Diffusion Models.* Kluwer.

Nagle & Hogan (2011). *The Strategy and Tactics of Pricing, 5th Edition*. Prentice-Hall.

Palmatier (2008). *Relationship Marketing*. Cambridge, MA: Marketing Science Institute.

Rust, Zeithaml & Lemon (2000). *Driving Customer Equity*. The Free Press.

Surowiecki (2004). *The Wisdom of Crowds*. Doubleday.

Tellis (2004*). Effective Advertising: Understanding When, How, and Why Advertising Works.* Sage Publications.

Tellis & Ambler (2007). *The SAGE Handbook of Advertising*. Sage Publications.

Twitchell (2004). *Branded Nation*. Simon & Schuster.

Urban (2004). *Digital Marketing Strategy*. Prentice-Hall.

Van den Bulte & Wuyts (2007). *Social Networks and Marketing*. Cambridge, MA: Marketing Science Institute.

Wierenga, Ed. (2008). *Handbook of Marketing Decision Models*. Springer.

About the instructor

Dominique Hanssens is the Bud Knapp Distinguished Professor of Marketing at the UCLA Anderson Graduate School of Management. He has served as the school's faculty chair, associate dean, and marketing area chair. From 2005 to 2007 he served as Executive Director of the *Marketing Science Institute* in Cambridge, Massachusetts. He is currently President-Elect of the INFORMS Society for Marketing Science.

Dr. Hanssens studied econometrics at the University of Antwerp in his native Belgium. He then obtained an M.S. and Ph.D. in marketing from Purdue University. His research focuses on strategic marketing problems, in particular marketing productivity, to which he applies his expertise in data-analytic methods such as econometrics and time-series analysis. Professor Hanssens serves or has served as an area editor for *Marketing Science* and an associate editor for *Management Science* and the *Journal of Marketing Research*. His papers have appeared in the leading academic and professional journals in marketing, economics and statistics. Five of these articles have won Best Paper awards, in *Marketing Science* (1995, 2001, 2002), *Journal of Marketing Research* (1999, 2007) and *Journal of Marketing* (2010), and eight were award finalists. The second edition of his book with Leonard Parsons and Randall Schultz, entitled *Market Response Models* was published by Kluwer in 2001 and translated in Chinese by Shanghai People's Publishing House in 2003. Professor Hanssens won distinguished teaching awards in the UCLA MBA and Executive MBA programs. In 2003 he was awarded the UCLA Anderson School's Neidorf 'decade' teaching award, in 2007 he was the recipient of the Churchill Lifetime Achievement Award of the American Marketing Association, in 2010 he was elected a Fellow of the INFORMS Society for Marketing Science, and in 2013 he received the AMA Mahajan Award for Career Contributions to Marketing Strategy Research.

Professor Hanssens' consulting experience covers strategic marketing problems such as allocating marketing resources, assessing long-term marketing effectiveness and growing customer and brand equity. His approach emphasizes market-response modeling on sophisticated customer and marketing databases. He has conducted assignments for Agilent Technologies, British Telecom, Disney, Google, Hewlett Packard, Hughes, Johnson & Johnson, Mattel Toys, Mercedes, Microsoft, Schwab and Wells Fargo, among others. He is a founding partner of MarketShare, a global marketing analytics firm headquartered in Los Angeles.