

**SUMMER 2010 (July 4 – August 20)**

*Tuesdays, 8:00 - 10:45*

*Thursdays, 11:00 - 1:45*

*Recanati, room 253*

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**Course:**        **Marketing Strategy (Course Number: 1238344501)**

**Professor:**    Alan J. Malter, Ph.D.  
Associate Professor, University of Illinois at Chicago  
E-mail: [amalter@uic.edu](mailto:amalter@uic.edu)  
Office hours: After class or by appointment

**Texts:**         **REQUIRED:**  
Larreche, Gatignon, & Triolet, *MARKSTRAT: Participant Handbook (2010)*

Aaker, David A. (2011), *Strategic Market Management, Ninth Edition*, New York: John Wiley & Sons.

**Optional:**

Hartley, Robert F. (2009), *Marketing Mistakes & Successes, 11th Edition*, New York: John Wiley & Sons. (selected chapters)

Lilien, Gary L., Arvind Rangaswamy, and Arnaud De Bruyn (2007), *Principles of Marketing Engineering*, DecisionPro, Inc. (selected chapters)

Additional handouts/readings pack, to be distributed in class.

Virtual TAU – to be announced.

**Objective:**      To develop knowledge, mindset, and to practice skills to create and execute successful marketing strategies.

**Grading:**        15% on quality and consistency of contributions to class discussions

5% on Markstrat Quizzes

30% on Markstrat team performance

20% on written on Markstrat team paper

10% on group presentation of simulation strategy

20% on Final Exam

## MARKETING STRATEGY COURSE OVERVIEW

### Course Objectives

This course will integrate your marketing knowledge and develop skills in applying that knowledge to solving realistic marketing strategy problems. After completing this course, you will have a better understanding of the *dynamics and complexity* of competitive strategy and be better prepared to fill managerial positions in business organizations or successfully run your own business.

This course represents the culmination of your education as MBA and marketing students. As the final marketing course, it is designed to integrate and advance the knowledge and skills you acquired in previous marketing courses, as well as coursework in other business and social science disciplines. It will be conducted as an advanced level class for knowledgeable and highly motivated students. This may be your final opportunity to refine and sharpen your knowledge of marketing concepts and marketing decision-making skills before beginning to apply them in real-world jobs after graduation. In addition to reading the text and attending lectures, you will also be challenged to apply your knowledge to a simulated but realistic business situation (*Markstrat*). To sharpen your communication skills (in addition to written reports), this course involves group work, an oral presentation, and classroom discussion.

I encourage you to make the most of this educational opportunity by maximizing your investment of time and effort in this course!

Also, since this course covers a full semester's worth of material in just six weeks, we will proceed at an accelerated pace. It is essential to begin working immediately. It will be hard to catch up if you fall behind. The focus of this course is on a course-long group exercise. ***It is essential that everyone work together at all times on the group project***, and that each student participates fully and does their fair share of the work.

### Method of Instruction

My teaching philosophy is that learning is best done actively, not passively. It is something **YOU** do (by working on your own, together with classmates, or with the professor), not something that is done to you. For my part, instruction in the course will rely primarily on discussion, lectures, readings, and the Markstrat simulation game. But the learning that occurs – what you eventually take away from the course – is a function of what you put into the course. Active involvement through participation in class is essential for you, and your classmates, to get the maximum benefit from this course. My goal is to challenge you to learn as much as possible about marketing management.

## Course Content

To achieve these objectives, we will use two basic approaches:

1. **Theory and concepts:** We will read about and discuss classic and emerging issues in marketing strategy. This material will be based on class lectures and selected readings, including articles from the *Harvard Business Review*, or other business publications.
2. **Simulation:** A major focus of the course will be the “Markstrat” marketing strategy simulation game. Markstrat provides a “hands-on” opportunity to learn by engaging in realistic strategic decision-making in a dynamic competitive context. In contrast to purely conceptual discussions of strategy, you will consider the tactical decisions needed to implement higher-level marketing strategies. And in contrast to case analysis, the game allows you to see the results of your proposed actions and gives you a chance to modify your initial strategy and try new actions. ***YOU are the manager in this extended and interactive case study.*** You take ownership of the decisions, and You experience the consequences of your actions.

### ***WHY is this course different from all other courses?***

The Markstrat game has been used at top-tier business schools over the past 30-plus years because it is the best testing ground for experiencing the complexity and intensity of creating and implementing marketing strategies in a *dynamic competitive* environment. *Dynamic* means that everything is constantly changing, and your customers are a moving target. *Competitive* means that you are competing directly against other student teams, not against yourself or against some computer algorithm. In other words, it allows you to experience a very real-world conundrum: *What is a “good” marketing strategy?* The answer of course is, “It depends”. What may look on paper like a solid strategy may or may not be when it is in direct competition with other marketing strategies, which may be relatively better or worse (i.e., a better fit for customers and current circumstances) than your own. *There is no way to really learn competitive dynamics by reading a textbook or discussing static cases in class.* The only way to do it is to experience it yourself, i.e., to jump into a dynamic competitive situation and make decisions yourself, see the consequences, make another set of decisions, and so on. Your strategy and performance will evolve over time and, with skill and practice, you will learn how to bring all the marketing mix elements into balance in order to succeed in a selected target market.

Markstrat is also different from other business simulations in that its focus is on Marketing (cf., financial management). There is a financial side of the game, but the only way to increase your competitive performance is by successfully managing a full range of marketing variables to satisfy customers better than competitors, rather than financial manipulations (which of course are important in the real world, but are not the focus of this course).

## General Course Expectations

1. **Do NOT miss this class.** If you must miss a class meeting, it is your responsibility to inform me in advance if possible, to get notes from another student and copies of handouts from me, and to coordinate with your fellow group members to contribute your input to the team decisions in Markstrat.
2. **Read and think about the readings/cases before attending class.** It should be the exception when you are unprepared. In order to benefit from the lectures and discussions, it is essential that you prepare the assigned readings in advance.
3. **Participate and ask questions.** You are expected to share your knowledge and views by participating in class.
4. ***\*\* To help me learn and remember who you are and keep track of your participation, please find a fairly permanent seat by the end of the first few sessions.***
5. **Keep up with current events.** You are expected to keep up with current news events and learn to view them through a marketing management lens, i.e., considering their implications for marketing strategy. We will discuss major current events and their impact on marketing management, as appropriate, throughout the semester.
6. **Assignment deadlines.** Late Markstrat decisions will NOT be accepted. There are MANY assignment deadlines in this course and it is *essential* that they be met so that the course can stay on schedule.
7. **Peer evaluation of group work.** You will have the opportunity to evaluate your own contribution and that of your fellow group members to the group work assignments in this course. Failure to make equitable contributions to group work will be penalized with lower individual grades.
8. **Academic Dishonesty.** *Any attempts at cheating, fabrication, plagiarism (including copying material verbatim from web sites without proper attribution), or facilitating academic dishonesty will be severely dealt with.*

## Course Requirements and Grading

This course involves both individual and group work and you will be evaluated on both. *Individual work* will include class participation, quizzes, and your performance on the exam. *Group work* will include team performance in Markstrat (including the written report and oral presentation).

There are **three (3)** major course requirements:

1. **Cumulative Final Exam** (essay format) – *week of August 15-20*
2. **Active participation in class discussions** of concepts, readings, and Markstrat, and polite listening when classmates are speaking. Participation is a key part of this course and a significant part of your grade. Failure to regularly attend and participate in class will result in a substantially reduced class participation grade and, consequently, a reduced overall final course grade (up to one full letter grade).
3. **Active participation in *Markstrat*.**

The exam will be short-answer and essay format, covering the major concepts covered in the course. The final exam will ask you to relate your MARKSTRAT experience to general concepts of marketing strategy.

### Group Work

*MARKSTRAT simulation.* You will work with your group on the MARKSTRAT simulation throughout the course. *Team performance* during the MARKSTRAT simulation *is worth 30% of your final grade*, and a *presentation* of your strategies and reflections *is worth 30%* (written report: 20%; oral group presentation: 10%). While there will be no grade for individual contributions to groups, each group member will be evaluated by her/his fellow group member(s) at the end of the game. Students found to be grossly negligent in their responsibilities to the group will have participation points subtracted from their final grade.

### **Summary of Grading Guidelines**

Letter grades will be based on weighted total scores and assigned as follows:

- A = 90% +
- B = 80% +
- C = 70% +
- D = 60% +
- F = less than 60%

### **Feedback to the Professor**

I am committed to continuous improvement in the quality of teaching and learning. Please feel free to speak to me at any time about any aspect of this course, including things you think are going well, or things that need to be improved. You may also submit such comments anonymously (to my mailbox in the Sofaer office). These will help me monitor how the course is progressing and make it a valuable experience for you.

## TENTATIVE COURSE SCHEDULE

<i>Week</i>	<i>Date</i>	<i>Day</i>	<i>Topic/Activity</i>
<b>1</b>	July 6	<i>Tuesday</i>	Greetings and course overview, 1 <sup>st</sup> assignment (due Wed. July 7, 4 pm)  <b>Readings:</b> <b>Aaker, ch. 1 (figure 1.3)</b> <b>HBR Porter article “What is Strategy?”</b> George Day preface, chapters 1, 2.
	July 8	<i>Thursday</i>	Lecture: “Introduction to Markstrat, Part 1”  <b>Readings:</b> <b>Markstrat: Participant Handbook</b>  Work on <b>Round 1</b> team decision ( <b>due 12 noon, Monday, July 12</b> )
<b>2</b>	July 13	<i>Tuesday</i>	Discuss Round 1 results.  Lecture: “Introduction to Markstrat, Part 2: Product Development”  <b>Readings:</b> <b>Markstrat: Participant Handbook (finish reading)</b> <b>Aaker, chs. 2, 3 (customers, competitors)</b> Old Markstrat Manual, chs. 6 (segmentation and positioning), 7 (marketing-R&D interface), 8 (consumer analysis) Marketing Engineering, chs. 3 (segmentation)  Work on <b>Round 2</b> team decision ( <b>due 10 pm, Wednesday, July 14</b> )
	July 15	<i>Thursday</i>	Discuss Round 2 results.  Lecture: “Markstrat, Tutorial 1: R&D” Lecture: 3-C’s syndrome of market leaders.  <b>Readings:</b> <b>Aaker, ch. 6 (internal analysis, performance measurement)</b> Hartley, ch. 1, Marketing mistakes Intro  Work on <b>Round 3</b> team decision ( <b>due 12 noon, Monday, July 19</b> )

<b>3</b>	<b>July 21</b>	<b>Wednesday</b> <i>(Time TBA)</i>	Discuss Round 3 results. Lecture: “Markstrat, Tutorial 2: Analysis tools”  <u>Readings:</u> Aaker, ch. 7 (sustainable competitive advantage) Old Markstrat Manual, chs. 9 (competitive strategies) Marketing Engineering, ch.4 (positioning), ch. 6 (conjoint)  Work on Round 4 team decision (due 10 pm, Wednesday, July 21)
	<b>July 22</b>	<b>Thursday</b>	Discuss Round 4 results.  <u>Readings:</u> Aaker, chs. 8,9 (branding) Old Markstrat Manual, ch. 10 (allocation of resources) Marketing Engineering, ch.7 (resource allocation)  Work on Round 5 team decision (due 12 noon, Monday, July 26)
<b>4</b>	<b>July 27</b>	<b>Tuesday</b>	Discuss Round 5 results.  <u>Readings:</u> Aaker, chs. 10,11 (expanding the business) HBR Day article “Surviving a Shakeout”  Work on <b>Round 6</b> team decision (due 10 pm, Wednesday, July 28)
	<b>July 29</b>	<b>Thursday</b>	Discuss Round 6 results.  <u>Readings:</u> Aaker, ch. 14 (managing the portfolio, exit strategies)  Work on <b>Round 7</b> team decision (due 12 noon, Monday, August 2)
<b>5</b>	<b>Aug 3</b>	<b>Tuesday</b>	Discuss Round 7 results.  <u>Readings:</u> Aaker, ch. 15 (organizing for implementation)  Work on <b>Round 8</b> team decision (due 10 pm, Wednesday, August 4)
	<b>Aug 5</b>	<b>Thursday</b>	Discuss Round 8 results.  <u>Readings:</u> HBR Quelch & Jocz article “Marketing in a Downturn”  Work on <b>Round 9</b> team decision (due 12 noon, Monday, August 9)
<b>6</b>	<b>Aug 10</b>	<b>Tuesday</b>	Discuss Round 9 results [FINAL Markstrat Results]  Markstrat wrap-up, review presentation and paper guidelines, Course review: Future role of marketing  <u>Readings:</u> SMR Webster et al. (2005), Decline and Dispersion of Marketing HBR Rust et al. (2010) “Rethinking Marketing” Hartley, ch. 24 conclusion

<b>6</b>	Aug 12	<i>Thursday</i>	<b>Markstrat Team strategy presentations</b> <b><i>Markstrat team report (paper) due by 12:00 noon, <u>FRIDAY</u>, Aug. 13</i></b>
<b>7</b>	Aug 15-10	<i>TBA</i>	<b>FINAL EXAM</b>

**NOTE: Readings in BOLD are required.** Readings not in bold are suggested but optional.

### **Dates to Add/Drop Course**

Due to the nature of the competitive team-based Markstrat simulation, it is essential to commit to joining or remaining in this course by the end of the first week of class.