MGT 248
Marketing Strategies
Fall 2009

TENTATIVE

Contact information:

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Phone: (530) 752-3739

Class Meetings:

Day - MBA: Tuesdays, 9am–11.50am, 2310 Gallagher
Sac - MBA: Tuesdays, 6pm-9 pm, OCM 2
Bay – MBA: Fridays, 2pm-5pm, 6pm-9pm BISRCH 1504

Office Hours:

Students can meet me any time without appointment.

Course Description and Learning Objectives:

This course focuses primarily on providing students with tools to make better strategic marketing decisions. The objective for the course is for students to understand the dynamics of competitive marketing strategies. They will gain knowledge on how an organization can enhance its performance and efficiency by thinking strategically, i.e. by taking into account the actions of its competitors, customers and stakeholders at large when making its own marketing decisions. This will be achieved by the three major learning objectives of this class:

• To be able to identify, analyze and quantify competition
• To be able to anticipate and quantify competitors’ actions
• To incorporate these actions into the organization’s own marketing decisions

Class Administration

Classes consist of lectures, readings, cases, homeworks, and group projects. Lectures provide the concepts and methods. In-class discussions are based on the assigned reading materials. Cases furnish real-world examples of how concepts and tools are applied in practice. Homework assignments illustrate the use of analytic tools using real marketing situations. The project facilitates the learning of substantive topics in marketing. Additional information on the project will be given in the first class session (so do not miss it).
Grading

- Class Participation: 10
- Case reports: 30 points
- Homeworks: 30 points
- Quizzes: 10 points
- Project: 20 points

Course Packet:
- Chapters 2 and 7 in Kellogg on Strategy David Dranove and Sonia Marciano, John Wiley & Sons, Inc., 2005
- Chapters 1, 5 and 9, in Wharton on Dynamic Competitive Strategy George S. Day and David J. Reibstein (Editors), John Wiley & Sons, Inc., 1997
- Sony PlayStation 3: Game Over, Harvard Case
- Dog Fight Over Europe, Ryanair A and B, Havard Case

Some additional articles might be distributed in class during the quarter.
# Tentative Course Plan

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Course Overview

**Topic 0: Introduction and General Concepts:**
*How marketing and strategy are related?*

**Concepts:** General concepts in marketing and strategy. Classical strategic decision tools (Porter’s five forces, BCG matrix, Value Chain, ...)

**Topic 1: Value Management and Competitive Positioning:**
*How firms get added value by being different from competitors?*

**Concepts:** Drivers of value creation, defending and delivering value. “Generic strategies”. Competitive Positioning.

**Readings:**
- What is Strategy?
- B minus C

**Topic 2: Defining the Competitive Landscape**
*How to define and measure competition?*

**Readings:**
- EoS 6
- Assessing Competitive Arenas: Who are your competitors?

**Topic 3: Thinking Strategically I**
*How can a player choose a good strategy when the best choice depends on what strategies the other players in the game choose?*

**Concepts:** Game theory as a framework to understand and analyze rivalry, Prisoner’s dilemma and its application to marketing decisions

**Readings:**
- The Right Game: Use Game Theory to Shape Strategy
- Game Theory and Competitive Strategy

**Topic 4: Thinking Strategically II**
*Further examples on how an organization can choose a good strategy when the best choice depends on what strategies the other players in the game choose.***

**Concepts:** Further applications of game theory to marketing (strategic channel design, competitive promotions, competitive advertising, ...)

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Readings:
- Understanding Competitive Relationships

**Topic 5: Entry and Exit**
*How to deal the threat of a competitive entry?*

Readings:
- EoS 9
- The Threat of Competitive Entry and How to Combat it

**Topic 6: Innovation**
*What are the incentives to innovate?*

Concepts: Imitation, New Product Competition, Patent Races and First Mover Advantages

Readings:
- To be added (will be sent by email)

**Topic 7: Diffusion**

Concepts: Diffusion process, impacts of marketing decisions and competition on the diffusion of new products, ideas, ...

Readings:
- The Value of a Free Customer
  http://faculty.fuqua.duke.edu/~mela/bio/workingpapers.html

**Topic 8: Competitive Strategy Under Uncertainty**
*What to do when there is no full information?*

Concepts: Principal-Agent Problems, Scenario Planning, Various application of Uncertainty to Marketing (Auctions, Contingent Pricing, Probabilistic selling, ...)

Readings:
- EoS 14
- Strategy Under Uncertainty