

**NORTHWESTERN UNIVERSITY  
J.L. KELLOGG SCHOOL OF MANAGEMENT**

**Marketing 466  
Marketing Strategy  
Office: Jacobs Center 469**

**Professor Julie N. Hennessy  
Winter Quarter 2015  
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**COURSE DESCRIPTION**

This course presents an integrative, dynamic view of competitive strategy with a market-customer and competitor-perspective. It focuses on understanding, developing, and evaluating strategies over different stages of a market and on the difficulties inherent in creation of competitive advantage in real world conditions. We will discuss the evolution of markets and strategies for various stages in the life of a market. A framework for developing strategies that yield competitive advantage will be presented and applied in various situations throughout course. Both analytical and creative inputs to strategy development will be discussed. Topics include strategies for new products, established products and mature products challenged by others. Cases will range from old to new as we look at the applications of marketing strategy for competitive advantage to industries that range from industrials to technology to consumer products. Material is presented using a mix of cases, guest speakers, lectures, and a computer-simulation game, MARKSTRAT.

**COURSE REQUIREMENTS**

Evaluation of student performance will be based on class participation (5%), one written case analysis or presentation (20%); MARKSTRAT, including two reports and performance in the game (40%); and a final paper presenting a competitive strategy for an actual company or brand (20%) and an individual final exam (15%).

***Required Materials***

**Markstat:** Every student will need to purchase a license for the Markstat simulation; you can't participate in the simulation without one. I'll post the details on how to do this.

**Book:** Calkins, *Breakthrough Marketing Plans* (2<sup>nd</sup> Edition, Palgrave Macmillan, 2012): This book is a short and practical guide to creating strong marketing plans. It includes theory, frameworks and best practices.

## ***Teams***

Forming teams is required. All written material and the MARKSTRAT simulation will be completed in these teams, except for the individual case write-up. Team size will be 5 members per team. The deadline for forming teams is the second-class session. As part of the evaluation process, group members will grade each other's participation. These grades will play an important role in the determination of final grades. It is possible that one's grade could be reduced by one letter because of poor evaluations by other group members.

## ***Class Participation***

A significant portion of the course is presented using cases and lectures. Your consistent contribution to these sessions is essential to achieving the objectives of the course. The quality of the discussions is, in large part, your responsibility. Therefore, plan to attend all sessions of the class, to arrive on time, fully prepared for either a case or class discussion, and plan to stay for the entire session. Like group evaluations, class participation will be an important factor in determining your final grade.

## ***MARKSTRAT***

Each team will be assigned a MARKSTRAT company to manage. Your task will be to (1) set marketing and financial objectives, (2) develop strategies to achieve those objectives, and (3) implement your strategies with appropriate tactical decisions.

Each team is required to make seven Markstrat decisions. The due dates are noted on the Canvas calendar.

You will be required to report periodically on your assessment of your firm, its competitors and your marketing plans. In all two reports are required. Each should be brief and to the point – not exceeding three double-spaced (12 point type) pages (plus tables and appendices). Deadlines for submitting these are noted on Canvas. *Late reports will not be accepted.* Here is a summary of the assignments:

1. *Initial Marketing Plan.* Provide a clear statement of your objectives, your strategy for achieving those objectives, and the tactics you plan to use to implement your strategy. Present strong evidence that your objectives are reasonable, your strategy the best available – given consumer behavior, your position and the positions of the competitors.
2. *Updated Marketing Plan.* Provide a clear statement of how your strategy has evolved and why. As in the second report, be clear and persuasive as to why customers and competitors now make this the best available option. Include key learnings—applications from the game—this is actually the most important part of this paper.

## ***Case Analysis and Presentation***

We will use traditional cases and several “live” speaker cases in this course. Each has been selected with care with a particular learning objective in mind. The time frame of the case and

the particular product or service that is the focus is not of primary importance. Depending on your background, you may or may not associate with the product or service described in the case. What is important is the learning, the generalizability, that you take away from the case. How can you apply it to other situations that you may face?

It is important in evaluating a case to put yourself in the state of mind of the protagonists at the time of the case. You may know what happened afterwards or may have some unique information about the case that is not available in the case itself as given to you. Ignore that. Hindsight is always 20/20. Based on the facts available, what is your best course of action? That is what I want you to focus on, not on information that is unavailable in the case. Do not look to the web for updated information! In every situation, I want you to consider how the firm can build competitive advantage by better serving customers.

**The formal written case analysis is the Oscar Mayer: Strategic Planning case.** Your written recommendation is limited to 800 words *plus* no more than three exhibits. Written case analyses are due at the start of the class. No late papers will be accepted.

### ***Final Paper***

The final paper for the course is a competitive strategy for an actual brand or company. The focal company or brand, which must be approved, should present challenging strategic and competitive issues. The purpose of the assignment is to integrate the material presented in the course and MARKSTRAT in a single application to a substantial strategy problem. Your efforts should focus on strategic and competitive issues facing the company or brand you have chosen. Avoid companies presented with purely short-term problems, or with situations in which so little information is available that longer-term issues are vague (many new ventures fall in this category). Details are provided in a separate document.

## **COURSE ADMINISTRATION AND TEXTS**

Required for the course is a license to play Markstrat. You can't enroll in the game without the registration number. I will provide information once the class has started on how to purchase this registration.

Office hours are Tuesday and Friday from 10:15 to 1:30. I can be reached by e-mail at [j-hennessy@kellogg.northwestern.edu](mailto:j-hennessy@kellogg.northwestern.edu). Additional time is available for MARKSTRAT or final paper consulting, and I am happy to see you for any other reason. Just send me an e-mail to set up a time.

## **HONOR CODE**

The MARKSTRAT game, the written case analysis, and the final paper are group projects. Group members should not discuss these assignments with other students from the current class or previous classes. This is the honor code requirement. Preparation of other cases and lecture material for class discussion can be done individually or in groups. Please contact me if anything is unclear about the honor code as I have expressed it.

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***FINAL PROJECT GUIDELINES***

The final paper for the course is a marketing strategy for an actual company or brand. The focal company or brand, which must be approved, should present challenging strategic and competitive issues. The purpose of the assignment is to integrate the material presented in the course and MARKSTRAT in a single framework and apply that framework to a substantial strategy problem. In particular, your efforts should focus on strategic and competitive issues facing the company or brand you have chosen. Avoid companies presented with purely short-term problems, or with situations in which so little information is available that longer-term issues are vague (many new ventures fall in this category).

The format of the paper can vary, and should reflect the particularly important issues facing your target firm. I have several strong papers from past classes that you can review as examples, after you select your topic. (Note: you may not see any past papers on your particular chosen company.) Documents should be no longer than 15, double-spaced, typewritten pages plus tables and appendices. Papers are due at the start of the last class session.

Most plans should address the following issues: an analysis of the market and competition, objectives for the company or brand, a strategy for achieving those objectives in the market, and the tactics you recommend to implement the proposed strategy.

*Market and Competitive Analysis*

Address the market in which the company or brand competes. This typically involves addressing some of the following questions:

- What is the firm's served market?
- How is the market evolving? What are the relevant long-term trends?
- Who are the target customers and competitors?
- What do customers value? How is that evolving?
- What are the competitors' strengths and weaknesses (including those of your firm)?
- How is the competition evolving? Where is it headed?
- How can one gain a competitive advantage in this market?
- How will the basis of competitive advantage change?

*Objectives*

Use the objectives to indicate the directions and priority of actions, for at least a two-year planning horizon. Indicate:

- Where you recommend the firm/brand should compete.
- What it can expect to achieve, now and in the future in those segments or served markets (in terms

- of market share or sales and some measure of financial performance).
- The priority of those objectives. Which is the primary objective? Which is secondary?

These should flow logically from the market and competitive analysis and, of course, be internally consistent and reasonable. They should be stated clearly and precisely, as should the timetable for achieving them.

### *Strategy*

The strategy should indicate how you intend to achieve your objectives. In other words, describe how you will compete, in terms of your marketing mix and other relevant factors including but not limited to the following:

- **Product Strategy.** How many products should be marketed, how should they be positioned, and in what way? Additional issues might include product quality, the timing of entry, and the evolution of the product line.
- **Pricing Strategy.** What is the overall pricing strategy you recommend, for the short and long-term?
- **Promotion Communication and Promotion Strategy.** Advertising and sales force strategy for the current and long-term.
- **Distribution Policy.** Where and how do you recommend distributing?
- **Service Policy.** How does service play a role in your strategy?

In stating these you need not be precise about details (e.g., particular price levels). However, you must clearly indicate the essentials of your strategy (e.g., premium price).

Most importantly, your strategy should indicate how this combination of marketing mix elements will create a sustainable competitive advantage. How will this mix create customers at the expense of competitors? What will prevent its duplication by competitors?

### *Tactics*

Finally, you should indicate how your strategy would be implemented. What are the practical implications of your recommendation? Please indicate the relevant tactics for each element of your strategy; if pricing is an element of how you intend to gain competitive advantage, indicate the price levels you recommend for the planning horizon. Be specific with respect to all elements of your strategy.

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**GROUP EVALUATION FORM**

Please list below each member of your group. For each person, assign a grade (A, B, C, D or F) that represents your assessment of that member's contribution to the groups' output. You may consider the quality of individual's work along with other factors that affected their participation and contribution to Markstrat, presentations, or the final paper. Your responses will not be available to the other members of the group.

Group Member	Grade
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____