



## New Product Marketing

BBUS 521

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### Course Objectives

The purpose of the course is to explore various issues and problems that are faced by managers making decisions in the marketing of new products and services. The course is intended to:

- (1) Acquaint students with the idea of a **new product marketing process** such as opportunity identification, concept selection, product design, pre-test and test marketing, launching and profit management;
- (2) Demonstrate the utility of formal models and approaches in addressing relevant problems involving new products with a greater focus on the use of these models.

The course will be very useful for those students interested in pursuing careers in marketing, consulting and general management. This course is *integrative* and *interdisciplinary* — it builds on the background that you have already established in the other Business classes. The focus here is on the development and implementation of both the **tactical** as well as the **strategic** aspects of marketing decisions.

To this end, the New Product Marketing course is a “laboratory” designed to provide you with an opportunity for integrating the various marketing concepts in the formulation of a coherent business decision. This course should help to:

1. Enrich your understanding of various marketing concepts; and
2. Sharpen your familiarity with the problems facing Multi-Product, Multi-Market organizations.
3. Gain a better appreciation of the challenges inherent in developing and implementing New Product marketing decisions in a complex environment.
4. Understand the process for segmenting markets & to recognize differences in consumer needs.
5. Employ Customer input in Designing New Products and Services.
6. Understand the Diffusion of Innovations and Consumer Adoption Process.
7. Forecast sales of new technologies and likelihood of successful launch.

**LEARNING Philosophy:**

To achieve the objectives of this course, we will employ **cases** and a **computer simulation** as the pedagogical vehicles for **learning by doing**.

This is an ***innovative*** course that can be a lot of fun. However, the **onus is on you** and your group members to make sure that you get the most out of this unique class.

**COURSE MATERIAL**

REQUIRED:

1. **The Marketing Game**, (2002) by Mason, Charlotte H. & William D. Perreault, Richard D. Irwin. (TMG!) Book with CD-ROM. THIRD Edition. McGraw-Hill. ISBN: 0072513802.
2. **Case Packet:** Contains a set of Cases. (CP).  
1, 2, 3 & 5 Available from UWB Book Store.
3. **Electronic Reserves Readings Packet**. (ER)  
4. Available from UWB Library's Electronic Reserves
4. **Product Leadership:** by Robert G. Cooper, Basic Books; ISBN: 046501433X; (2005). (C).
5. **Marketing Engineering Software:** The MeXL software is **critical** for this course. Most students prefer to have their own copy for their machines at home. The required ME cases are bundled in with the software in electronic format.

Recommended Book (for the Advanced Professional):

Marketing Engineering has three components - cases, a book and the software. The reference book listed below is fairly advanced but useful for those who wish to study the additional material in greater depth.

**Principles of Marketing Engineering**, by: Gary L. Lilien, Arvind Rangaswamy and Arnaud DeBryun, ; Trafford Publishing (2007).  
**ISBN-10:** 1425113141 (Book is Not Required)

**GRADING:**

The FINAL grade for this course will be based on your performance on a number of different criteria. In this class, you will have some responsibility, as in the real world, for **evaluating** the work of the other groups. The weights for the various criteria are as follows:

**Business Cases:(G)**

<b>CASES (LG)</b>	<b>30%</b>
<b>Marketing Simulation (SG) + Individual Quiz</b>	<b>33%</b>
<b>Class Participation, Memo &amp; Exercises</b>	<b>17%</b>
<b>Final Project &amp; Paper (LG)</b>	<b>20%</b>

(G) => **GROUP WORK:** (LG) => **Large GROUP:** (SG) => **Small GROUP:**

1. You will work in **DIFFERENT** groups for the *CASES* and the *COMPUTER SIMULATION*.
2. Please **choose your group members with care**. Groups once formed will not be changed.
3. It is **YOUR** responsibility to make sure that all group work is equitably distributed. I will **NOT** arbitrate group conflict (except in case of academic misconduct).
4. Please remember, group members are (partially) responsible for grading their peers.

**ADMINISTRATIVE COMMENTS**

1. Please **DO NOT** arrive late and/or leave early particularly during Case Presentations. These entries and exits are distracting for the presenting groups. If an early departure is absolutely necessary, please clear it with me at least one class period in advance.
2. You are expected to behave as **professionals** in everything from attire to speech.
3. To avoid any embarrassment, if you are **NOT** prepared to participate in the case day's discussion, notify me PRIOR to the beginning of class.
4. Please read your **EMAIL** periodically for relevant & critical information! The Class **LISTSERV** will be the primary vehicle for communication outside class. Please ensure that you have subscribed to this Listserv (or have set the appropriate forwarding for emails).

1. The Marketing Game! (MONDAY)
  - Computer Simulation Decisions Due (Rain or Shine)
2. CASE Presentation Days:
  - PRESENTATIONS
  - REPORTS DUE

## **Class Participation**

Participation in the class discussion is an essential part of the MBA learning process. An important part of the course grade is the effectiveness of your individual participation in the class discussions. It impacts your learning and affects the learning that other students could have obtained from your insights. Consequently, missing class is strongly discouraged. This tends to result in weaker performance, missed learning, missed assignments and decreased class participation.

- Please bring your **Name tent** to each class session.
- Please try to avoid disruption with entry and exits into the classroom.
- The MBA program expects a minimum level of participation by every member of the class. Consequently, grading on this aspect is on a non-linear scale.
- I do place heavy emphasis on the **quality** of the classroom contributions. To this end, you are expected to read the assignments and cases ahead of time.
- The quality of class participation depends in large part on the professional **attitude** that you bring to the classroom. Consequently, your ability to *enhance or detract* from the learning atmosphere will significantly affect your grade.
- Constructive criticism is a necessary and integral part of this course. You can expect to be **constantly challenged**, and, in turn, will be rewarded for challenging others. However, all comments should be restricted to the issues of the case or game.

## **Course Conduct:**

1. To avoid any issues of inequity please note that **No** make-up work will be granted on any missed assignments. You should make arrangements now to avoid time conflicts.
2. Your role, in this class, is that of a consultant turning in a document to the client (i.e., the Instructor). Consequently, all reports, presentations, assignments, etc. that are submitted must be of the highest professional quality and “client/reader friendly”.
  - a. Handwritten work and diagrams are not acceptable.
  - b. Text, Graphs, etc. must be laser printed and prepared using word-processing packages and spreadsheets.
3. Any work turned in (longer than two pages) must indicate on the Title page the *course, name of Instructor, Section; Group Identifier, Assignment topic*, and *names and signatures* of the *participating* individual(s). Your signature indicates that you abided by the honor code.
4. From time to time you will be expected to grade and critique the work and presentations of the other members of your class.

## **Accommodations for Students with Disabilities**

- To request academic accommodations due to a disability, please contact Ms. Rosa Lundborg, Coordinator of Disability Support & Veterans at University of Washington, Bothell. (425)352-5307, [rlundborg@uwb.edu](mailto:rlundborg@uwb.edu).

**TENTATIVE Schedule (subject to change)**

<b>S#</b>	<b>DATE</b>	<b>TOPIC</b>	<b>ASSIGNMENT</b>
1.	9/30	<a href="#">Course Introduction</a>	READ: Winning is Everything (C-Ch1)
2.	10/5	<a href="#">Introduction to TMG! Simulation</a> <b>TMG Trial Round</b> [Double Session]	<a href="#">The Marketing Game! Chapters 1, 2, 3, 5, Appendix A</a> <b>First Year Decisions due</b>
3.	10/7	<a href="#">New Product</a> Marketing Overview	READ: A New Product Strategy (C-Ch3); Read: <i>Power</i> "Flops"; <i>Melcher</i> "Zima" (ER) <i>Harrington</i> " <a href="#">Who's afraid of a new product?</a> " (ER)
4.	10/12	<b>INDIVIDUAL Case</b>  <b>TMG Trial Round</b>	Individual CASE: <b>Southwest Airlines (CP)</b> Read: <a href="#">The Marketing Game! Chapter 7</a> <b>Second Year Decisions</b>
5.	10/14	Market Entry Strategies	Read: <i>Yoffie</i> , "Judo Strategy" & "Balance" (ER) <i>Brown</i> "New products from rented brains" (ER) Read: "Product Innovation Strategy..." (C-Ch4)
6.	10/19	New Product Marketing Strategies  <b>TMG Real Round Begins</b> <i>Install MKTG-ENG Software</i>	Read: What Separates Winners from Losers (C-Ch2) Skim: <i>Emshwiller</i> "Coke's Soda Fountain Fizzles" (ER) Skim: <i>Brooke</i> "Japanese Toilets" (ER) Skim: "Feature Fatigue..." (ER) <b>First Year Decisions ; TMG! Individual Quiz</b>
7.	10/21	Pricing New Products	Individual Case: <b>Cumberland Metal</b> Read: <i>Fatis</i> "Barry Bonds Tax" (ER) Rochford "Generating and Screening Ideas" (ER) <b>DUE: TMG! Mission/Vision Statement</b>
8.	10/26	Preference Analysis & Benefit Segmentation  <b>TMG! Real Round</b>	EXERCISE: <a href="#">Conglomerate's PDA</a> : (MES) Read: Tutorial for Cluster Analysis ( <a href="#">MES</a> ) Read: <i>McWilliams</i> "Minding the Store..."(ER) <i>Loveman</i> "Diamonds in Data Mine" (ER); <b>Second Year Decisions Due</b> <b>DUE: Draft of <a href="#">TMG! Confidential Strategic Plan</a></b>
9.	10/28	<a href="#">Presentation CASE #1</a> Concept Evaluation	GROUP CASE: <b>Optical Distortion (A)</b> (CP) Read: <i>Posner</i> "Seeing Red" (ER) <i>Star</i> "The Case of the Test Market Toss-up" (ER)

10. 11/2	Lifetime Value of Customer  <b>TMG!</b>	Read: <i>Pine</i> "Customers Forever" (ER) <i>Morton</i> "Unprofitable Customer" (ER) <b>Third Year <a href="#">Decisions Due</a></b>
11. 11/4	<a href="#">Presentation CASE #2</a>	GROUP CASE: <b>Biopure</b> (CP)
12. 11/9	Product & Service Design I  Product & Service Design II  <b>TMG!</b>  [Double Session]	EXERCISE: <i>Forte Hotel Design</i> : (MES) Read: Tutorial for Conjoint Analysis (MES) <i>Pringle</i> "In Mobile Phones..." (ER) Skim: <i>Balakrishnan</i> "Triangulation..Product Design"(ER) Skim: <i>Jain</i> "Pricing patterns of Cell Phones" (ER) <b>Fourth Year <a href="#">Decisions Due</a></b> <b>Last Period</b> to Introduce <u>Second Product</u>
13. 11/11	HOLIDAY	
11/16	<a href="#">Presentation CASE #3</a> Pre-Test Marketing  <b>Final Project Proposal Due</b>	GROUP CASE: <b>Nestle Refrigerated Foods</b> (CP) Skim: "Diluting Brand Beliefs..." (ER) Read: <i>Wells</i> "Have It Your Way"; (ER) <i>McGovern</i> "Bringing Customers...Boardroom" (ER)
14. 11/18	Diffusion of Innovations	Skim: <i>Mahajan</i> "New Product Forecasting Models" (ER); Read: Estimating the Bass Model (ER) Read: "Expert Analogies Forecasting" (ER)
15. 11/23	<a href="#">Presentation CASE #4</a>  <b>TMG!</b>	GROUP CASE: <b>Aqualisa Quartz</b> (CP) Read: <i>Maremont</i> , "Gillette..."; "New Toothbrush" (ER) Read: "Building Best Practices..." (C-Ch6) <b>Fifth Period Decisions Due</b>
16. 11/25	TMG! Strategy Session (Optional) [Thanksgiving Eve]	Work on Project

17. 11/30	Hypercompetition	Read: <i>Michaels</i> "Airbus & Boeing for Iberia deal" (ER) <i>Christensen</i> "Marketing Malpractice" (ER) Read: <i>Child</i> "Tesco Global"; (ER) <b>Sixth Period Decisions Due</b>
	<b>TMG!</b>	
18. 12/2	Managing the Brand	Read: <i>McManus</i> "No sacred cows" (ER) <i>Tauber</i> "Brand Leverage Strategy:" (ER)

19. 12/7	<b>TMG PRESENTATIONS</b>	Read: <i>O Reilly</i> , "The secrets..admired.companies"(ER) <i>Kim</i> "Creating New Market Space" (ER) Read: "Taking Action..." (C-Ch9) <b>L.A. Memo Due</b>
	[Double Session]	
20. 12/9	Work on Project	

21. 12/14	Final Project Presentations	Final Paper Due
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**LEGEND:**

- C-Ch#: Cooper's Book –Chapter#
- CP = Case Packet (from Book Store)
- ER = [Electronic Reserves](https://eres.bothell.washington.edu/eres/coursepage.aspx?cid=289)  
(<https://eres.bothell.washington.edu/eres/coursepage.aspx?cid=289>)
- MES = [Marketing-Engineering Software Related Text Materials](#)

**IMPORTANT NOTES:****I. TMG! File Attachment:**

1. It is your individual responsibility to make sure that the submitted group decision file has the current date and time stamp.
  - It must be Virus free;
  - and be of size 606 bytes.
2. Please do ensure that the submitted file has the **correct name** for your group (e.g., Plan**B3**.TMG).
  - Unfortunately, the Savefile default is a submission for group A1 (yes, that is correct. So be very careful!).
3. Please place your decision file in the appropriate Network Folder for that week. (Note: Submission process will be announced in class as soon as IT completes their configuration process.)
  - Email me the file as an attachment **only** if unable to connect to network (or in an emergency). Ensure that the subject heading of the email clearly indicates the Firm's identifier (Letter and Number) and the Decision Period (eg., C4 Period-5).
4. The decisions are due in the folder by **8:00pm** of day it is due (unless the instructor announces otherwise).

**II. DOCUMENTS/ REPORTS:**

1. Only those who signed the document will receive a grade on that piece of assignment work (you can assign a proxy to sign for you).
2. All Reports turned in to me must be **typed** and **signed** by all members of the group. It should be **carefully edited**.
  - a. All reports that are submitted to the instructor must of be of the highest professional quality.
  - b. Handwritten work and diagrams are not acceptable. Text, Graphs, etc. must be laser printed and prepared using standard word-processing packages and spreadsheets.
  - c. Points will be allocated for the quality of writing. We have a writing specialist to help you.
  - d. Any work (longer than two pages) turned in to the client ("the instructor") must indicate on the **Title page** information on what is being submitted; who it is being submitted to; and at a minimum the

group number, names of the *participating* individuals, and their signatures.

### **III. Honor Code**

Students are expected to abide by the Honor Code of the University of Washington. Please see: <http://www.uwb.edu/students/policies/integrity.xhtml>

#### **IMPORTANT:**

In this course, that additionally entails that you are **NOT allowed** to consult **any** work done on the Harvard cases by others (including from *other students* at this or other schools and/or *Internet* sources). Unless you have specific permission from the instructor, any violation of this will invite the most severe sanctions.

### **IV. TEAM RESPONSIBILITY FOR CASE ASSIGNMENTS:**

<b><u>TEAM RESPONSIBILITY FOR CASE ASSIGNMENTS:</u></b>				
<b>CASE</b>	<b>CASE ANALYSIS TEAMS</b>		<b>BOD</b>	<b>[E-LS]</b>
	<b>1 Internal Consultant</b>	<b>2 Management Team</b>	<b>BOARD OF DIRECTORS</b>	<b>Evaluation STAKEHOLDERS</b>
1-ODI	X1	X2	X3	[Y1, Y2]
2-Biopure	Y1	Y2	Y3	[X1, X2]
3-Nestle	X3	X1	X2	[Y3]
4- Aqualisa	Y3	Y1	Y2	[X3]

### About the Instructor

P.V. (Sundar) Balakrishnan obtained his Ph.D. in Marketing from The Wharton School of the University of Pennsylvania. He also has an undergraduate degree in Engineering from I.I.T., a Masters' in Industrial Engineering from the University of Texas at Arlington, and another Masters' degree in Marketing from The Wharton School.

He is one of the members of the founding faculty of the Business Administration Program of the University of Washington, Bothell, and where he now is a full Professor. He has served in numerous administrative roles including being the Acting Director of the Business Program for a period of two years, which included all responsibilities associated with the position of managing and running a business school involving both Strategic and day-to-day operational activities. He was previously on the Marketing faculty in the College of Business at The Ohio State University. He was been a visiting faculty member at the Indian School of Business (ISB) and at the Graduate School of Business of The University of Chicago.

The substantive areas of Prof. Balakrishnan's research are directed toward studying New Product Marketing & Strategy; Buyer-Seller Negotiations, Relationship Marketing, Evolution of Markets, and Retail Locational Decisions. Sundar's research interests from a methodological standpoint are in working with Artificial Intelligence methodologies such as Neural Networks and Genetic Algorithms and developing his own DSS software for addressing business problems. He is the developer of NEGOTIAT, a negotiation training simulator, and the co-developer of GENESYS and PRODLINE software for product line designs.

His research papers have appeared in Management Science, Psychometrika, Journal of Consumer Research, Decision Support Systems, Journal of Direct Marketing, IEEE Transactions on Man, Systems and Cybernetics, and the European Journal of Operational Research among others. He has presented his research at numerous conferences nationally and internationally. He also serves as a reviewer for many of the leading journals such as the Journal of Consumer Research, the Journal of Marketing and the Journal of Marketing Research and is a member of the editorial boards of Psychology and Marketing and the Journal of Product & Brand Management. He is a member of the American Marketing Association, INFORMS, and International Association of Conflict Management.

He is listed among the Top 300 most prolific management scholars (1997 INFORMS survey) based on publications over a ten year period. He has been listed in MARQUIS' Who's Who in the MidWest, 23rd, 24th editions; Who's Who in the West, 26th edition; and in the Who's Who in America, 2004, 2005, 2007 and the 2009-2010 editions.

Prof. Balakrishnan has taught a number of different courses including Advanced Marketing Strategy, Marketing Management, Marketing Research, Business Marketing, Project & Operations Management. He has developed new and innovative courses including Marketing Management Laboratory and Artificial Intelligence and Marketing Decision Support Systems.

He has taught courses and students at all levels ranging from Undergraduates to Graduates. He has also taught in various Executive Education programs and company seminars and has lectured in the *United States, Japan, Europe, India, Israel, and Australia*. He has received outstanding teaching evaluations from students at all levels. His recognitions for teaching excellence include being recognized as the Business Instructor of the Year by the Undergraduate Business students; voted the Best Professor by the MBA students in 2004 and 2007; and has been a nominee or finalist 1997, 1998, 2005, 2006, and 2007 for the University's Distinguished Teaching Award.