



New Product Marketing & Marketing Engineering BBUS 523	FALL 2010
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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. **StratSim Marketing**: by Deighan, James and Kinnear. Interpretive Software (ISBN 1-885837-21-6). Each student will buy this booklet/software package. You are required to sign-up online in order to participate.
You will have your own User ID and password. You will need to go to <http://www.interpretive.com/students/> and log in with this information. See section on Simulation Access below for more information
2. **Product Leadership**: by Robert G. Cooper, Basic Books **Second Edition**; ISBN: 046501433X; (2005). (C).
3. **Case Packet**: Contains a set of Business Cases. (CP).
2, & 4 Available from UWB Book Store.
4. **Electronic Reserves Readings Packet**. (ER)
Available from UWB Library's Electronic Reserves
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 Marketing Engineering Cases and Data are bundled in with the software in electronic format.

Recommended Book(for the Consulting Professional):

Marketing Engineering has three components - cases, a reference book and the software. The reference book listed below is not very advanced but fairly useful for those who wish to study additional material. For still greater depth, see me for recommendations.

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)

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

(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 (at least 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. Marketing Simulation
 - Computer Simulation Decisions must be made by Due Date (Rain or Shine)
2. CASE Presentation Days:
 - PRESENTATIONS
 - REPORTS DUE
 - See Playbook for Detailed Instructions

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 and every class session.
- Please try to avoid disruption with entry and exits into the classroom. However, I would rather have you attend than stand outside.
- 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. 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

The University of Washington is committed to providing equal opportunity and reasonable accommodation in its services, programs, activities, education and employment for individuals with disabilities. If you believe that you have a disability and would like academic accommodations, please contact Disability Support Services at 425.352.5307, 425.352.5303 TDD, 425.352.3581 FAX, or at dss@uwb.edu. DSS will be happy to provide assistance. You will need to provide documentation of your disability as part of the review process.

TENTATIVE Schedule (subject to change)

S#	DATE	TOPIC	ASSIGNMENT/Readings
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Before Term Start:

Purchase: StratSim for Marketing Software	Read StratSim Manual (Online)
Read: Product Leadership	

1.	10/4	Course Introduction	READ: Winning is Everything (C-Ch1)
2.	10/6	Introduction to Simulation TMG Trial Round [Double Session]	ReRead StratSim Manual (Online) Practice Decisions Deadline: _____

3.	10/11	New Product Marketing Overview	READ: A New Product Strategy (C-Ch3); Read: <i>Power</i> "Flops"; <i>Melcher</i> "Zima" (ER) <i>Harrington</i> " Who's afraid of a new product? " (ER) <i>Anderson</i> "Customer value in Business Markets" (ER)
4.	10/13	INDIVIDUAL Case Discussion Simulation REAL ROUNDS Begin [Double Session]	CASE: Southwest Airlines (CP) Due: Mission/Vision Statement First Year Decisions Deadline: _____

5.	10/18	Market Entry Strategies StratSim Simulation	Read: <i>Yoffie</i> , "Judo Strategy" & "Balance" (ER) <i>Brown</i> "New products from rented brains" (ER) Read: "Product Innovation Strategy..." (C-Ch4) Second Year Decisions Due: _____
6.	10/20	Pricing New Products StratSim Simulation	Individual Case: Cumberland Metal Read: <i>Fatis</i> "Barry Bonds Tax" (ER) <i>Rochford</i> "Generating and Screening Ideas" (ER) <i>Gourville</i> , "Pricing and Psychology of consumption" (ER) Third Year Decisions Due: _____

S#	DATE	TOPIC	ASSIGNMENT/Readings
7.	10/25	New Product Marketing Strategies <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)
8.	10/27	Presentation CASE #1 Concept Evaluation StratSim Simulation	GROUP CASE: Optical Distortion (A) (CP) Read: <i>Posner</i> "Seeing Red" (ER) <i>Star</i> "The Case of the Test Market Toss-up" (ER) Fourth Year Decisions Due: _____
9.	11/1	Preference Analysis & Benefit Segmentation	EXERCISE: Conglomerate's PDA : (MES) Read: Tutorial for Cluster Analysis (MES) Read: <i>McWilliams</i> "Minding the Store..."(ER) <i>Loveman</i> "Diamonds in Data Mine" (ER); DUE: Draft of Confidential Strategic Plan
10.	11/3	Presentation CASE #2 StratSim Simulation	GROUP CASE: Biopure (CP) <i>Morton</i> "Unprofitable Customer (ER) Fifth Year Decisions Due: _____
11.	11/8	Product & Service Design I Product & Service Design II [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)
12.	11/10	Presentation CASE #3 Pre-Test Marketing StratSim Simulation	GROUP CASE: Nestle Refrigerated Foods (CP) Skim: "Diluting Brand Beliefs..." (ER) Read: <i>Wells</i> "Have It Your Way"; (ER) <i>McGovern</i> "Bringing Customers...Boardroom" (ER) Sixth Year Decisions Due: _____
13.	11/15	Lifetime Value of Customer Guest Speaker: Bill Price Final Project Proposal Due	Read: <i>Pine</i> "Customers Forever" (ER) Corstjens, Merrihue " Optimal Marketing " (ER) Mittal, "Right way manage unprofitable customers" (ER)
14.	11/17	Presentation CASE #4 StratSim Simulation	GROUP CASE: Aqualisa Quartz (CP) Read: <i>Maremont</i> , "Gillette..."; "New Toothbrush" (ER) Read: "Building Best Practices..." (C-Ch6) Seventh Year Decisions Due: _____

S#	DATE	TOPIC	ASSIGNMENT/Readings
15.	11/22	Diffusion of Innovations StratSim Simulation	Skim: <i>Mahajan</i> "New Product Forecasting Models" (ER); Read: Estimating the Bass Model (ER) Read: "Expert Analogies Forecasting" (ER) Eighth Year Decisions Due: _____
16.	11/24	Catch up [Thanksgiving Eve]	Read: <u>John T. Gourville</u> , " Eager Sellers and Stony Buyers " (ER)
17.	11/29	Hypercompetition StratSim Simulation	Read: <i>Michaels</i> "Airbus & Boeing for Iberia deal" (ER) <i>Christensen</i> "Marketing Malpractice" (ER) Read: <i>Child</i> "Tesco Global"; (ER) Ninth Year Decisions Due: _____
18.	12/1	Managing the Brand	Read: <i>McManus</i> "No sacred cows" (ER) <i>Tauber</i> "Brand Leverage Strategy:" (ER) Rust "Rethinking marketing" (ER)
19.	12/6	StratSim PRESENTATIONS [Double Session]	Read: <i>O Reilly</i> , "The secrets..admired.companies"(ER) <i>Kim</i> "Creating New Market Space" (ER) Read: "Taking Action..." (C-Ch9) L.A. Memo Due
20.	12/8	Work on Project	
21.	12/13	Final Project Presentations	Final Paper Due

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. DOCUMENTS/ REPORTS:**

1. Only those who signed the document will receive a grade on that piece of assignment work (Note: 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 (including highlighting) 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” (assignment); name of instructor (“who is it being submitted to”); and at a minimum the group identifier/number, names of the *participating* individuals, and their signatures.

II. 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 Group CASE ASSIGNMENTS:

TEAM RESPONSIBILITY FOR CASE ASSIGNMENTS:				
CASE	CASE ANALYSIS TEAMS		BOD	[E-LS]
	1 Internal Consultant	2 Management Team	BOARD OF DIRECTORS	Evaluation STAKEHOLDERS
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]

IV. StratSim Marketing Simulation Instructions

STRATSIM Simulation Access:

- You will need to activate your account in order to gain access to your simulation and documentation. You may receive an access code in an email. If so, please have the code available. Please login with the user ID provided and click "Order". If you have an access code, enter it into the box provided and then click "Continue." Otherwise, click "Continue" and then pay by credit card or with one of the other options.
- If you will be playing the simulation in teams, ALL team members must activate the simulation before team play can begin. Please login and click "Simulation" to check the schedule for your start date and times.

Communications:

During the course of the simulation, notices and messages will be posted on StratSim's Website. Make sure you log back into the website on a regular basis to view any messages.

StratSimMarketing Support:

For assistance during your simulation experience, please return to StratSim's website, login with your user ID and password and use the online Help section of the site. Our online Help will provide our Support Policy, FAQ's, and a Contact Form for questions not answered in our FAQ's.

Simulation Session 1: Introduction (NOTE: The page numbers here will not match the new Edition.)

Read: StratSim: The Business Strategy Simulation

1. Introduction: pp. 1-3. (read carefully)
 2. The StratSim case introduction: pp. 5-14. (read carefully)
 3. StratSim Operations Guide: pp. 15-44 (understand nature of reports available)
 4. StratSim Operations Guide: Decisions: pp. 45-65 (carefully read to understand the decisions you will make; skip pp. 47-48, R&D level 1, and p. 60, licensing)
- Appendix A: Product Class Examples: pp.121-125 (skim)
Appendix B: Menu Structure (note as a reference)

In class we will discuss the nature of the marketing simulation and the team assignment.

As you read these sections consider the following two questions:

- 1) what are the drivers of market share?
- 2) what long-term investment decisions will be essential for your strategy?

Simulation Session 2:

Real Round DECISION 1

- o Problem Solving in StratSim: pp. 67-76. (read carefully)
- o Special Topics in Business Strategy: pp. 77-101. (review as needed)
- o Marketing and Finance Functions: pp. 102-119. (review carefully as needed)

Things to consider during decision #1 are as follows:

- o Understand the current environment and the positioning of your company.
- o Organize your group for analysis and decision making.
- o Adjust marketing mix variables for your current products.
- o Initiate R&D projects for new segments and classes if desired.
- o Consider long term investments such in distribution, capacity, and technology.
- o Ask questions on any logistics

More Detailed Instructions for future periods and the Final Presentation will be provided in class.

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 has 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 (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 and/or finalist in 1997, 1998, 2005, 2006, 2007, and 2010 for the University's Distinguished Teaching Award.