

15.810 Marketing Management. Spring (H1) 2005
Discussion Questions – Guide to case discussions.

1. Marketing (4P's, 5C's) & Positioning (Company skills) – (W, February 2)

1. Think of the firm for which you last worked. Who were your customers and what did they want? Who were your competitors and how did their actions affect you? What were the company skills that gave your firm a differential advantage?
2. Again thinking of the firm for which you last worked. What products or services did you offer customer? At what price(s)? How did you communicate with customers? How did you get your product to customers? How were all these aspects of the marketing mix coordinated?
3. What were the differential benefits to customers (including image, reputation, etc.) of your firm's products or services relative to competition. Where there any segments of the market that your firm served particularly well.

2. Barco Projection Systems: Worldwide Niche Marketing (F, February 4)

1. (Company skills) What are Barco's company skills relative to the projector market? What have been its marketing and product development strategy?
2. (Competition) What are Sony's company skills for the projector market? What has been its marketing and product development strategy?
3. (Customers) Who are Barco's customers and what do they want from Barco?
4. Has Barco followed marketing and product development strategies that are consistent with its company skills, especially as compared to competition?
5. (Product Development) On which products should Barco allocate its development efforts?
6. (Pricing) How should Barco price its products in its line?

3. The Brita Products Company (M, February 7).

1. What are the customer needs in the home water filtration markets (pitcher, faucet, etc.) and how are they fulfilled? How are the brands positioned with respect to these needs?
2. What drives profit in the home water filtration market? Hint: Consider Brita's forecasting model as described on page 4 of the case. Use it to forecast sales of systems and filters through 2004 assuming a conservative 5% per annum growth in the sales of systems. Spreadsheet available in the assignments section.
3. If PUR were not a threat, how would you manage the Brita brand?

4. Why has Brita been successful in defending against Culligan, Electrolux, Sunbeam, Kenwood, Corning, Melitta, Rubbermaid, Teledyne, Omni, and Mr. Coffee? What are their strengths against PUR?
5. Should Brita enter the market for faucet mounted water filtration and, if so, how aggressively should they enter the market?

4. *Product (Designing for Customers) – (W, February 9)*

1. Should all product development be customer-driven?
2. Customers buy products that fulfill their needs? Consider laptop computers. What benefits do you derive from your computer? Why did you purchase the brand that you purchased?
3. There are many physical aspects of your computer – size, battery characteristics, monitor characteristics, processor, keyboard, etc. How do these physical characteristics deliver the benefits you might want. Think, for example, how your computer helps you at Sloan.
4. Think of an example of a product that you now own that does not satisfy your needs. How would you modify that product to serve your needs? Try to come up with suggestions that would not increase the cost (and hence price) of the product.

5. *Southwest Airlines 1993 (F, February 11). Eligible for a case report.*

1. What are the needs of customers with respect to air travel? Which customers?
2. How does Southwest Airlines fulfill those customer needs?
3. What are Southwest Airlines advantages? What is their “formula?”
4. Why don’t all airlines adopt the Southwest Airlines formula?
5. What is the best expansion option for Southwest Airlines? Why?

6. *Calyx and Corolla (M, February 14).*

1. (Customers) What segments of customers would purchase flowers from catalogs (delivered via Fedex)? Why?
2. What are the customer needs that Calyx and Corolla must fulfill? How have competitors fulfilled those needs in the past? How well does Calyx and Corolla fulfill those needs? (Hint: Map C&C's actions and map competitive actions [FTD] to customer needs.)
3. How do you make money in a direct-mail business? What are your assets and what are your costs? Are any assets defensible?

4. Evaluate the Bloomingdale's, SmithKline Beechan, and Voluntary Hospitals of America promotions?
5. (Advertising and communication) How would you evaluate the Minneapolis/St. Paul experiment? What would be considered a success?
6. How should Owades grow the business?

7. Customers (Behavior, Research) – (W, February 16)

1. What is a customer need? What are your needs with respect to coffee makers? Cellular phones? Does the analysis of customer needs apply to services?
2. Why do we need a hierarchy of customer needs? How do we assure that the hierarchy represents how customers view the product? What are the dangers if the hierarchy does not represent the customers' perspective?
3. What are some ways by which you can measure customer preferences? What are their strengths and its weaknesses?
4. Will the market for cell phones saturate? When? Is saturation inevitable, or are there steps you can take if you were a cell phone manufacturer?
5. Give a real example of decision framing. Of the compromise effect. Of the managerial relevance of asymmetric dominance.

8. Snapple (F, February 18). Eligible for a case report.

1. Why did Snapple flourish in the 1972-1993 period when so many small start-up premium fruit drinks remained small or disappeared?
2. During the 1972-1993 period, who were Snapple's customers? What customer benefits did Snapple provide to its customers?
3. What happened between 1994-1997? Did Quaker make an error in buying Snapple, did Quaker manage it badly, or was Snapple just a fading fad?
4. In 1997 Triarc acquired Snapple.
 - a. What does the anthropological research tell you about positioning Snapple?
 - b. What should Weinstein do to bring Snapple back, or is Snapple a dead brand that should be harvested?

9. Sony AIBO: The World's First Entertainment Robot (T, February 22)

1. What is the appeal of AIBO to customers in Japan? US? Which customers?

2. What, if anything, is AIBO's competition? Honda's ASIMO? Teckno the Robot Puppy?
3. How does Sony plan to make money with AIBO in the future?
4. What is Sony's product development strategy for AIBO?
5. How would you answer Yazawa's five questions?
 - c. Mass market?
 - d. Marketing campaign?
 - e. Lovability vs. functionality?
 - f. Technological evolution?
 - g. Pricing?

10. Advertising (Promotion) – (W, February 23)

1. What is the role(s) of advertising? Does it just try to sell product, or are there other intermediate roles?
2. When you purchase a product or service, do you consider all the brands that are available? How do you choose which brands to consider?
3. What makes for good advertising? Select an example to illustrate what you believe to be good advertising. Why is it good? (For simplicity, limit yourself to print advertising that you can share with the class. This does not have to US advertising.)
4. Can advertising have subtle, indirect effects? How?
5. How might you test advertising?

11. Swatch (F, February 27). Eligible for a case report.

1. What changes in the production and marketing of watches led to Swatch?
2. Describe the key elements of Swatch's marketing mix (product, advertising, price, promotion, distribution, positioning, and segmentation). Do they work? If so, why? If not, why not?
3. How does the market for Swatches vary between the United States and Europe? How does Swatch's marketing strategy and marketing mix vary between the United States and Europe?
4. What, if anything, is Swatch's competitive advantage(s)?
5. What are your recommendations regarding product line extensions?
6. How should Swatch introduce new product lines? How would you identify which new Swatch collections, e.g., GB 101 vs. LW 107, will be successful?

12. BMW Films (M, February 28)

1. What is BMW's (perceptual) positioning in the luxury market? With whom is BMW competing? What is BMW's brand DNA? Is the brand healthy?
2. Describe the typical North American BMW customer? What are BMW's communication goals.
3. Were the films themselves well-executed for BMW's target market? Was the distribution via Internet efficient?
4. Typical prime-time advertising costs roughly 10-15 cents per viewer. Is the BMW film campaign cost effective?
5. Why did BMW launch the films campaign? Are there any advantages or disadvantages relative to more traditional advertising campaigns?
6. What should McDowell do next?

13. Pricing (Customers, Competition) – (W, March 2).

1. What does economic theory say about pricing in commodity markets? In monopolies?
2. How does differentiation relate to pricing?
3. How does the "lens" model relate to pricing? Can marketing influence perceived value?
4. Do customers care about perceived fairness in pricing? Give an example?
5. Mental accounting suggests segregating gains and integrating losses. Give examples from real situations that supplement those given in Thaler.
6. How does behavioral decision theory (Simonson article from Session 7, Customers) relate to pricing tactics?

14. Tweeter, etc. (F, March 4). Eligible for a case report.

1. How is Tweeter positioned in the market before and after their change in marketing strategy (APP & EDFP)?
2. Describe customer behavior in the Boston area consumer electronics market before Tweeter's change in strategy? Do quality/service consumers behave differently than price-biter consumers?
3. Is Tweeter trying to change those behaviors with APP and EDFP? If so, how?

4. How is Tweeter trying to make money in the consumer electronics market? Circuit City?
5. Is APP an effective strategy for Tweeter? EDFP? Are there alternative strategies that will work better to achieve Tweeter's goals?
6. Will Circuit City match APP and EDFP?

15. Distribution (*Place, Collaborators*) – (M, March 7)

1. It is a popular belief that if we could just cut out the “middle man” we could reduce dramatically the price of a product to the end user. Please comment?
2. Why do wholesalers and retailers often carry products from more than one manufacturer?
3. How do channels serve the customers? How do they serve suppliers?
4. Walmart (very large retailer) and Procter and Gamble cooperate on “everyday low prices (EDLP).” That is, rather than running frequent consumer promotions, they offer the same (low) price everyday. Why?
5. Why are manufacturers often in conflict with their wholesalers and/or retailers? Is such conflict inevitable? How might you mitigate this conflict?

16. Aravind Eye Hospital, Madurai, India (W, March 9)

1. Dr. Venkataswamy has a vision to cure blindness in India. If the Aravind marketing “formula” could be applied to all hospitals in India, could blindness be cured in a single decade?
2. What is the Aravind marketing “formula?” That is, what does Aravind do with respect to the 4Ps and the 5Cs?
3. Has the formula been transferred successfully to Theni, Tirunelveli, and/or Coimbatore?
4. What actions would you recommend to Dr. Venkataswamy for the next five years?

17. Wrap-up and Review (*Context*) – (F, March 11)

1. Review the key lessons from each theory session and each case. Can you now answer all of the discussion questions.
2. Prepare any questions on the material covered in 15.810 or marketing in general.
3. For each of the cases we covered, think about the 4Ps and the 5Cs. How are they integrated?