



# PRINCIPLES OF MARKETING

## COURSE OUTLINE

**PROF. DR. DANIEL WENTZEL**

School of Business and Economics

**TIME** Research Area | Marketing Group (MAR)

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APRIL 2019

## 1 COURSE OVERVIEW

Course Name:	Principles of Marketing
Degree Programmes:	Master Wirtschaftswissenschaften
Lecturer:	Prof. Dr. Daniel Wentzel
Contact:	Nam-Chi Nguyen, M.Sc. ( <a href="mailto:nguyen@time.rwth-aachen.de">nguyen@time.rwth-aachen.de</a> )
Location and Time:	Mondays: III (1010 107); 12:30-14:00 and Fridays: B037 (3011 037); 16:30-18:00 (see specific schedule)
Content Description:	<ul style="list-style-type: none"> <li>▪ Introduction into marketing management</li> <li>▪ Understanding the behavior of consumers and organizations</li> <li>▪ Designing, executing, and interpreting market research</li> <li>▪ Developing a marketing strategy and a competitive positioning</li> <li>▪ Shaping market offerings through the 4P</li> <li>▪ Marketing services</li> </ul> <p>Practical exercise: Case studies and development of own marketing strategy on the basis of real technologies/innovation</p>
Qualification Objectives:	<p><i>Overall goal is that students gain theoretical and practical knowledge in <u>marketing</u> as preparation for interdisciplinary leadership roles.</i></p> <p>After successfully completing this course, the student will have acquired the following learning outcomes:</p> <p><u>Knowledge / Understanding:</u></p> <ul style="list-style-type: none"> <li>a) know and understand theories in the fields of consumer behavior and marketing research</li> <li>b) know how to derive a marketing strategy based on an analysis of customer needs and competitive structure</li> <li>c) understand the unique challenges and requirements of marketing in different industries</li> </ul> <p><u>Abilities / Skills:</u></p> <ul style="list-style-type: none"> <li>a) able to implement a marketing strategy through a systematic and coordinated use of marketing instruments</li> <li>b) able to assess the effectiveness of different marketing instruments from a customer-centric perspective</li> <li>c) able to assess how decisions regarding a marketing strategy affect a company's different stakeholder groups</li> </ul> <p><u>Competencies:</u></p> <p>Students are able to communicate and explain their marketing strategy and their choice of specific marketing instruments for different industries, in particular via the given case studies.</p>
Literature:	See readings below
Course Examination:	<ol style="list-style-type: none"> <li>1. Group work (50%)</li> <li>2. Individual written exam (50%)</li> </ol> <p>In addition, students may improve their grade in the final exam through participation in the case study discussions. Details will be provided in the first session.</p>

Participation Requirements:	No requirements
Type of Teaching Event:	Lecture with integrated exercise and group coaching sessions
Language:	English
Credits:	5

## 2 COURSE ORGANIZATION

The course consists of ten sessions which will be held on Mondays and Fridays from April 26<sup>th</sup> to May 27<sup>th</sup> 2019 (see timetable below), including the kick-off session. The sessions will feature interactive lectures focusing on the theoretical and practical foundations of marketing as well as case study discussions that are related to the topics covered in the lectures. Importantly, these lectures will be based on the corresponding video lectures. Students are expected to have watched these lectures in advance. Moreover, students are also expected to read the case studies in advance and to take an active part in the discussion. Finally, a major part of the course consists of a group assignment (i.e., an extended case study) that students are required to complete as part of the course. Each group will be supervised by a member of the marketing group and will submit a self-made screencast of the results of their work on July 1<sup>st</sup>. In addition, students will pitch their ideas in short presentations at the end of the semester. The date will be announced as soon as possible. The briefing for the case study assignment will take place on April 26<sup>th</sup> from 16:30h to 18:00h. Please make sure that you attend this session as there will be no second briefing. The preliminary schedule of the course is depicted below.

### *Preliminary schedule*

	<b>Session 1</b>	<b>Session 2</b>	<b>Session 3</b>	<b>Session 4</b>	<b>Session 5</b>	<b>Session 6</b>	<b>Session 7</b>
Date:	26/4/2019	29/4/2019	03/5/2019	06/5/2019	10/5/2019	13/5/2019	17/5/2019
Time:	16:30-18:00	12:30-14:00	16:30-18:00	12:30-14:00	16:30-18:00	12:30-14:00	16:30-18:00
Room:	3011 037 (B037)	1010 107 (III)	3011 037 (B037)	1010 107 (III)	3011 037 (B037)	1010 107 (III)	3011 037 (B037)
Topic:	Kick-off, Case Briefing	Case: Starbucks	Review of module: Consumer Behavior	Case: Arrow Elec- tronics	Review of module: Strategy & Positioning	Case: Red Lobster	Review of modules: Product & Branding
	<b>Session 8</b>	<b>Session 9</b>	<b>Session 10</b>				
Date:	20/5/2019	24/5/2019	27/5/2019				
Time:	12:30-14:00	16:30-18:00	12:30-14:00				
Room:	1010 107 (III)	3011 037 (B037)	1010 107 (III)				
Topic:	Case: Curled Metal	Review of module: Pricing	Case: Pepsi Refresh				

The course will be managed via the e-learning platform L2P. All lecture slides, case studies, and readings will be deposited here. In addition, we will communicate all important pieces of information (e.g., group allocation, room changes, course and exam preparation) only via L2P. It is hence essential for you to sign up for our L2P course by April 25<sup>th</sup> (11:00 am) at the very latest. Lecture videos will be made available on the following YouTube channel on April 26<sup>th</sup>: <https://www.youtube.com/channel/UCsR0RsfnpnDVn0YYsoaO7A/playlists>

All lectures, discussions, and student presentations will be in English language. Please note that the exam will be in English and that you will be required to answer in English.

The final grade is composed of two elements:

- (1) Group work: 50 percent
- (2) Individual written exam: 50 percent

Students may improve their grade in the final exam by up to two grades through participation in the case study discussions (see the following section).

### 3 CASE STUDY DISCUSSIONS

To enable students to transfer the topics gleaned in the lectures to real-life settings, case studies will be discussed in some of the sessions. Students are strongly encouraged to prepare the case studies (either by themselves or in small groups) in advance. Although participation in the case discussions is not mandatory (i.e., it is possible to score a 100% in the course through the exam and the group assignment), students' contributions to the discussions will be recorded by a member of the marketing group. In this manner, students may improve the grade of their final exam (assuming they have passed the exam). Hence: **Come prepared!** You have to study the cases for the discussion in class. It makes no sense at all to show up without having prepared the session's case. Further details on the case discussions and the grading scheme will be provided in the first session. Please take care to prepare the first case ("Starbucks") for the second session on April 29<sup>th</sup>. In the following, you will find a brief description for each case. All cases will be uploaded onto the L2P platform at the beginning of the semester.

#### Session 2 Starbucks: Delivering Customer Service 29/4/2019

Starbucks, the dominant specialty-coffee brand in North America, must respond to recent market research indicating that the company is not meeting customer expectations in terms of service. To increase customer satisfaction, the company is debating a plan that would increase the amount of labor in the stores and theoretically increase speed-of-service. However, the impact of the plan (which would cost \$40 million annually) on the company's bottom line is unclear.

#### Session 4 Arrow Electronics 06/5/2019

Arrow/Schweber (A/S), a subsidiary of electronic parts distributor Arrow Electronics, has a portfolio of products that differ in the amount of value added by A/S. A/S uses value-added items such as programmable logic chips as "loss leaders" in order to acquire and retain a customer. It makes money when it sells the so-called "commodity" or low value-added products to the same customer. An Internet-based distributor is now offering Arrow a chance to sell commodity products through its e-commerce site. This new channel can threaten Arrow's overall business model if a large portion of its existing customers switch their purchases of the commodity products to this new distribution channel. Arrow needs to decide how it should respond to this challenge.

**Session 6**                      **Red Lobster**  
13/5/2019

Red Lobster, a 40-year-old chain of seafood restaurants, has just completed some market research revealing an opportunity to shift their target customer segment. The chain is in the final stages of a 10-year plan of rejuvenation under CEO Kim Lopdrup. When he took over as CEO in 2004 the chain was closing restaurants and suffering declining same store sales and declining customer satisfaction. But in 2010, even in a recession, the fortunes of the chain are improving. A recently commissioned market research study has revealed, unexpectedly, that 25% of Red Lobster's customers are "experientials," people coming for a "good evening out" rather than Red Lobster's traditional core customer who came because of a craving for seafood. Should this news cause Lopdrup to do anything differently?

**Session 8**                      **Curled Metal Inc. – Engineered Products Division**  
20/5/2019

Curled Metal Inc. has declining sales, but has developed a new product (curled metal pile driver pads) that, in field tests, deliver customer benefits that are many times CMI's manufacturing costs. Joseph Fernandez and Rajiv Sanwal of CMI's Engineered Products Division are responsible for formulating a strategy for the new product. A key issue is the price to charge for the pads.

**Session 10**                    **The Pepsi Refresh Project: A Thirst for Change**  
27/5/2019

In 2010, for the first time in 23 years, PepsiCo did not invest in Super Bowl advertising for its iconic brand. Instead, the company diverted \$20 million to the social media-fueled Pepsi Refresh Project: PepsiCo's innovative cause-marketing program in which consumers submitted ideas for grants for health, environmental, social, educational, and cultural causes. Consumers voted for their favorite ideas, and PepsiCo funded the winners in grants ranging from \$5,000 to \$250,000. The case highlights the benefits and risks of traditional branding and social media branding, including a discussion of how the Pepsi Refresh Project fits with Pepsi's previous brand positioning. The case discussion focuses on how the brand team should evaluate the initiative's return on investment (from sales to social media engagement), whether they should continue the initiative in 2011, and whether Pepsi is the right brand for this kind of initiative.

## 4 GROUP ASSIGNMENT

A key component of this course is the group assignment, which will count for 50 percent of the final grade. For this assignment, each student will be assigned to a group typically consisting of four to five members. In the assignment, you will need to develop a marketing concept for a major well-known company that will allow the firm to establish a new business segment/business model. More details on the background of the case and the specific assignment will be provided in the session on April 26<sup>th</sup>. Groups are expected to work on their marketing concepts during the entire course and will have the opportunity to discuss ideas, opportunities, and challenges with a member of the marketing group during the development of their concepts.

Based on the material discussed in class, your concept should consider the following aspects:

1. Background analysis
2. Competitive positioning
3. Product (line) strategy
4. Branding strategy
5. Pricing and communication

While all of these aspects would be considered important parts of a marketing concept, you may set priorities in your analysis – that is, you do not need to spell out every part of your marketing concept in the same level of detail. But you should be able to argue convincingly why you focus on certain aspects. If you need additional data or background information, you may research additional information or may make reasonable assumptions.

Groups will present the results of their work in a self-made screencast, which needs to be uploaded on L2P until July 1<sup>st</sup>. Each screencast should be around 20 minutes and will lay the groundwork for your grade. Concepts will be judged based on conceptual rigor, creativity, and feasibility. All criteria are weighed equally.

## 5 COURSE EXAMINATION

The exam for this course, counting for 50 percent of your overall grade, is likely to be structured as follows (obviously, only the structure announced on the exam day will apply). That is, the exam questions are typically of the following nature:

### Part 1: Theory Foundations

- Around 30 points - probably one question with several sub-questions
- Explanation of constitutive elements (e.g. assumptions, concepts, propositions) of the theoretical topics covered in the lectures

### Part 2: Theory Transfer

- Around 30 points - Scenario with several sub-questions
- Application of theoretical knowledge to solve real-life marketing challenge (need to develop a sound argument for handling a practical problem)

A maximum of 60 points can hence be obtained. A minimum of 30 points will be required to pass the exam. The individual written exam will be formulated in English language and you will also need to answer the questions in English. The exam is currently scheduled to take 60 minutes. Besides non-electronic dictionaries (e.g., German-English) no other aids are permitted and dictionaries are likely to be checked during the exam. Several sample exams will be made available on L2P at the end of the course and will also be discussed in the final session.

## 6 LITERATURE

There is no required textbook for this course. However, we would strongly recommend that you follow one throughout the semester (i.e., buy or loan one). For a text that includes marketing terms, examples, and a general taxonomy of issues we recommend the following two: (a) Philip Kotler and Kevin Lane Keller, *Marketing Management*, 2012, 14ed. (global edition), London: McGraw-Hill, (b) Christian Homburg, Sabine Kuester and Harley Krohmer, 2009, *Marketing Management*, London: McGraw-Hill.

**We hope you will enjoy the course and look forward to working with you!**