



College of Commerce
Division of Economic and Financial Studies
Business Department

BBA203: PRODUCT & PRICING DECISIONS

**Unit Outline,
*Semester 1, 2006***

Unit Convenor: Leanne Carter

Lecture/Tutorial: Tuesday 1.00 to 4.00 pm

Location: C5C T1

Prerequisites: Entry into BBA or BCom-Mktg;
BBA101 or MKTG101.

Students should read the Unit Outline carefully at the beginning of the semester. It contains important information about the unit. If anything is unclear, please consult the unit convenor.

MACQUARIE UNIVERSITY
DIVISION OF ECONOMIC AND FINANCIAL STUDIES
BUSINESS DEPARTMENT

BBA203 - Product & Pricing Decisions
Semester 1, 2006.

About this Unit

BBA203 is a 3 credit point subject. This unit extends the material learnt in MKTG101- Fundamentals of Marketing in reference to product and pricing decisions. Product strategy will encompass product classification, product management, brand management, new product development and portfolio management. Pricing decisions will look at alternate methods of pricing.

Teaching Staff

Convenor- Leanne Carter
Building E4A Room 631
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Consultation Times will be advised in lectures

Classes

Lecture Time: Tuesdays, 1.00pm to 4.00pm in C5C T1

Learning Outcomes

This unit is designed to give an in-depth understanding of the job of the “typical” product manager in marketing consumer and business to business goods/services. While the specific duties of a product manager vary considerably across industries and companies, the course focuses on the four major activities common to the position: (1) analysis of market information, (2) developing product strategy, (3) programming the strategy, and (4) implementation. The course attempts to simulate the product manager’s job through the development of a marketing plan for a particular product or service through a computer simulation. In addition, a range of cases will be analysed. These cases will allow students to develop their problem solving skills as well as communication skills: both oral and written.

Relationship between Assessment and Learning Outcomes

Knowledge and understanding of the product and pricing decisions that make up part of the marketing mix are assessed by a mixture of examinations, assignment, presentation and computer simulation. Marks in this unit will be allocated on the following basis:

Group Project- The Marketing Game	20%
Group Case Study Presentation	10%
In-Semester Test	20%
Final examination	50%

All students are required to perform satisfactorily in the final examination to obtain a passing grade for the unit. No other assessment marks will be considered until a pass has been obtained in the final examination.

Students will have to cope with the usual range of issues that arise in the context of group work. There are to be no more than 6 students and no less than 4 students per group.

You are expected to have read nominated chapters, readings and/or cases prior to the appropriate lecture/tutorial, so you are prepared to discuss them in class.

In the case of missing lectures and/or tutorials, it is your responsibility to arrange for the submission of completed assignments and to obtain any notes, readings and assignment details.

Whilst there is a three hour lecture/tutorial session scheduled each week, it is expected that part of this time will be allocated to The Marketing Game simulation for weekly decision meetings.

The assessment items are all described below.

- Product Decisions in the Marketing Game** **Contributes to the Situational Analysis and Marketing Plan Report**
DUE DATES: Weekly for 7 weeks (See Lecture Schedule)

The Marketing Game requires weekly decisions to be made over 7 decision periods during the semester. (See the Lecture Schedule for specific details of dates). This component of assessment requires each group to submit a file containing their decisions (TMG file).

It is critical that each group's decision is emailed to the Marketing Game Administrator by the due time. Failure to submit a set of decisions on time will mean that the period's decision is cancelled for the offending team. So do not be late in submitting your decisions!! It will affect your firm's performance and consequently your marks.

EACH DECISION IS DUE BY 9.00am ON WEDNESDAYS AS PER THE LECTURE SCHEDULE READY FOR PROCESSING. RESULTS WILL BE EMAILED TO YOUR GROUP LEADER WITHIN 24 HOURS, OR AS OTHERWISE NOTIFIED.

- Situational Analysis and Marketing Plan Report** **20%**
DUE DATE: 1.15pm, Tuesday, 9 May, 2006.

After completing four decision periods, each team will be required to submit a Situational Analysis and Marketing Plan Report by **1.15pm, Tuesday, 9 May, 2006**. This report is worth 20%.
Part A The Situational Analysis relates to the Starting Position up to Period 4 (inclusive).
Part B The Marketing Objectives and Plan is designed for the next year, that is, Period 5.

For the basis of this assessment item, you must ensure that you cover the following headings:

Part A- 15 marks

The Situational Analysis

- A. Category/Competitor Definition
- B. Category Analysis
- C. Company and Competitor Analysis
- D. Customer Analysis
- E. Planning Assumptions

Part B- 5 marks

Objectives for the next decision period 5

- A. Corporate Objectives (if appropriate)
- B. Divisional Objectives (if appropriate)
- C. Marketing Objectives
- D. Target Market, Segmentation and Positioning Statements
- E. Product/Service Strategy
- F. Price
- G. Place
- H. Promotion
- I. Financial Documents for the decision periods 1- 5
 - * Budgets and Actuals

Some guidelines when writing your report.

Ensure you include:

- Title Page, Firm Number, Firm Name, Group Members' Names and Student Numbers.
- No more than 30 pages including graphs, tables and other figures (Times New Roman, single spacing).
- Be certain any tables are clearly labelled and referenced (with sources of data).
- Text in paragraphs – not bullet points. This is a written document - not an overhead presentation. (Exception: some bullet points may be used in the summary SWOT analysis).
- The written report should reflect the depth and breadth of your marketing analysis, planning and strategy skills, especially in terms of **product and pricing** decisions acquired to date.
- See the Appendix to Chapter 2 of Lehmann & Winer for more specific details of content required under each heading.
- The Marketing Plan Reports submitted weekly with your decisions should be added as an appendix to the report.

Assessment Criteria.

- realistic
- comprehensive
- consistent/integrated
- clarity of expression and referencing

Peer assessment will be administered during the semester.

If any group problems emerge, you need to speak with a lecturer as soon as possible so it can be managed.

This assignment should be handed in at the lecture. Penalties for late assignments will be 10% of total potential marks for each day late.

3. Group Case Study Presentation

10%

There are several case studies that will be discussed and analysed during this subject with the aim of making links between theory and practice. The cases are contained in *Product and Pricing Decision Cases* prepared for Macquarie University. The cases that will be covered in the lecture/tutorial sessions include:

- a) Dunkin Donuts
- b) Barco Projection Systems
- c) Campbells Soups
- d) Chevrolet Corvette
- e) Coca-Cola vs Pepsi-Cola and the Soft Drink Industry
- f) Gatorade
- g) Maytag
- h) American Airlines Value Pricing (A)

It is a requirement of this course that you come prepared to each of the lectures in which the cases are discussed having read and understand the key issues of the case.

Please note that any of these cases discussed in lectures/tutorials may be included in the final exam, so it is in your best interests to prepare, participate and take notes during the discussions.

Your group will be allocated one case for presentation in the lecture for Week 7. You will use the same groups as for The Marketing Game. Your presentation should be on OHP and a paper copy should be submitted at the start of the lecture (1.00 pm) for assessment. Every group will be called upon to present part of their nominated cases analysis during the relevant lecture. The case allocation for your group and instructions on how to prepare the presentation will be given in the introductory lecture on Cases in Week 7. Please keep a copy of your group presentation for revision purposes. You should use the following structure for each case:

Situation Analysis

Note the significant marketing facts in the case; for example, where is the company now? Where is it headed? Where should it be headed? Strengths and weaknesses of the company; opportunities and threats in its external environment. State any assumptions being made.

Problem Definition

Define the main issues or real problems facing the company and lay these out, where relevant, as one or more principal marketing problems and break each main marketing problem into sub-problems.

Analysis and Evaluation of Options

Develop the options open to the company to solve these problems. Analyse and evaluate the most feasible alternatives in terms of strengths and weaknesses, costs and benefits of each. Assess the option of doing nothing.

Other Information that should be Obtained

Specify the further data you think should be obtained and the analysis required.

Recommended Courses of Action

Make recommendations giving reasons

More details for this structure will be given in Week 6.

4. In Semester Test

20%

There will be one in-semester test during this course. This test is worth 20% of your marks for the unit. The test will be multiple-choice in format. The date and an indication of the material covered will be discussed in lectures.

5. Final Examination

50%

A three hour written examination will be held in the examination period. The examination will include questions relating to The Marketing Game, Case Studies, and any materials discussed in lectures or distributed on WEB CT. You will be expected to be able to **apply** your knowledge. To simply feedback lecture notes (or any other materials) *will not* guarantee a pass. Further details will be given in lectures.

*Note: To obtain a passing grade in this unit you **must** pass the final examination. No other marks will be considered unless a pass is obtained in the final examination.*

Required and Recommended Texts

Prescribed Texts:

Lehmann, Donald R. & Winer, Russell S. (2005), *Product Management*, 4th Edition, McGraw Hill, Boston.

Product and Pricing Decisions Case Studies- BBA203- Prepared by Leanne Carter for Macquarie University, 2005, McGraw Hill.

Mason, Charlotte H. & Perreault, William D., (2002) *The Marketing Game*, 3rd Edition, McGraw Hill, Boston.

Note: These texts are available as a package from the Co-op Bookshop.

Additional/Recommended Reading (held in Special Reserve):

Aaker, David, (2001) *Strategic Market Management*, 6th Edition, Wiley, New York.

Keller, L.K., (2003) *Strategic Brand Management*, 2nd edition, Prentice Hall, New Jersey.

Kotler P., (1997) *Marketing Management: Analysis, Planning, Implementation and Control*, Ninth edition, Prentice Hall (Chapters 10, 11, 12, 15, 16 and 17).

Kotler, P., (2003) *Marketing Management*, 11th edition, Prentice Hall, New Jersey.

Nagle, T.T. & Holden, R.K., (2002) *The Strategy and Tactics of Pricing A Guide to Profitable Decision Making*, 3rd Edition, Prentice Hall, New Jersey.

In addition to these there may be a number of journal articles added to Web CT during the semester. Material from any (or all) of these may be used for examination purposes.

PLUS additional information on this subject can be found in the following business periodical publications. These publications are available in the library either in hard copy or in electronic format:

Journal of Marketing
Journal of Product and Brand Management

European Journal of Marketing
Harvard Business Review

Unit Web Page

This unit is supported by a web Page. You can log into this using the following address:

<http://www.bus.mq.edu.au/units/bba203/index.htm>

This page supports the lecture notes, emails, discussion page and any other information that is deemed relevant to the unit.

Teaching and Learning Strategy

(Note that this Schedule of Topics is not formalised and some topics may not be covered)
Critical dates and issues are in **BOLD**

Week	Date	Topic
1	28 February	Course Introduction The Marketing Game- an introduction to the Simulation and Group Project. Mason & Perreault
2	7 March	Introduction to Product Management and Marketing Planning L&W Chapters 1 & 2 The Marketing Game: <ul style="list-style-type: none"> • Getting started • Allocation of Firms (groups) • FAQ about The Marketing Game Mason & Perreault
3	14 March	Assessing the Situation: Defining the Competitive Set Category Attractiveness Competitor Analysis L&W Chapters 3, 4, & 5 Customer Analysis Market Potential and Sales Forecasting L&W Chapter 6 & 7
4	21 March	Developing Product Strategies Brand Strategy and Product Management L&W Chapter 8
5	28 March	New Product Development L&W Chapter 9 <i>DECISION 1 DUE 9.00am Wed</i>
6	4 April	Pricing Decisions and Financial Analysis for Product Management L&W Chapters 10 & 15 Case Study Method Introduction and explanation Sample Case Discussed: Rollerblade, Inc.

		<i>DECISION 2 DUE 9.00am Wed</i>
7	11 April	Mid SEMESTER EXAM Starts at 2.00pm <i>DECISION 3 DUE 9.00am Wed</i>
		Mid Semester Break <i>DECISION 4 DUE</i> <i>5.00pm Thursday 20 April</i> <i>Results will be available by 5.00pm</i> <i>Friday, 21 April so you have the</i> <i>second week of the mid semester</i> <i>break to finalise your Group Project</i>
8	2 May	CASE STUDY a: Dunkin Donuts CASE STUDY b: Barco Projection Systems ENSURE YOU COME PREPARED HAVING READ THE CASE AND PREPARED AN ANALYSIS DECISION 5 DUE 9.00am Wed
9	9 May	CASE STUDY c: Campbell Soup Company in 2000 CASE STUDY d: Chevrolet Corvette ENSURE YOU COME PREPARED HAVING READ THE CASE AND PREPARED AN ANALYSIS <i>DECISION 6 DUE 9.00am Wed</i> <i>GROUP ASSIGNMENT DUE</i> <i>Marketing Game Situational</i> <i>Analysis and Marketing Plan</i>

10	16 May	<p>CASE STUDY e: Coca-Cola versus Pepsi-Cola and the Soft Drink Industry.</p> <p>CASE STUDY f: Gatorade</p> <p>ENSURE YOU COME PREPARED HAVING READ THE CASE AND PREPARED AN ANALYSIS</p> <p><i>DECISION 7 DUE 9.00am Wed</i></p>
11	23 May	<p>CASE STUDY g: Maytag</p> <p>CASE STUDY h: American Airline's Value Pricing (A)</p> <p>ENSURE YOU COME PREPARED HAVING READ THE CASE AND PREPARED AN ANALYSIS</p> <p><i>FINAL RESULTS OF MARKETING GAME DISTRIBUTED</i></p>
12	30 May	<p>Discussion and Review of Case Studies for Final Exam</p>
13	6 June	<p>The Debrief of The Marketing Game</p> <p>Review of Unit</p>

Examinations

The University examination period in the first half of the year 2005 is from 15 June to 29 June. You are expected to present yourself for examination at the time and place designated in the University Examination Timetable. The timetable will be available in Draft form approximately eight weeks before the commencement of the examinations and in Final form approximately four weeks before the commencement of the examinations.

<http://www.timetables.mq.edu.au/exam>

The only exception to not sitting an examination at the designated time is because of documented illness or unavoidable disruption. In these circumstances you may wish to consider applying for Special Consideration. Information about unavoidable disruption and the special consideration process is available at <http://www.reg.mq.edu.au/Forms/APSCon.pdf>

If a Supplementary Examination is granted as a result of the Special Consideration process the examination will be scheduled after the conclusion of the official examination period.

You are advised that it is Macquarie University policy not to set early examinations for individuals or groups of students. All students are expected to ensure that they are available until the end of the teaching semester, that is the final day of the official examination period.

Plagiarism

The University defines plagiarism in its rules: "Plagiarism involves using the work of another person and presenting it as one's own." Plagiarism is a serious breach of the University's rules and carries significant penalties. You must read the University's practices and procedures on plagiarism. These can be found in the *Handbook of Undergraduate Studies* or on the web at: <http://www.student.mq.edu.au/plagiarism/>

The policies and procedures explain what plagiarism is, how to avoid it, the procedures that will be taken in cases of suspected plagiarism, and the penalties if you are found guilty. Penalties may include a deduction of marks, failure in the unit, and/or referral to the University Discipline Committee.

University Policy on Grading

Academic Senate has a set of guidelines on the distribution of grades across the range from fail to high distinction. Your final result will include one of these grades plus a standardised numerical grade (SNG). On occasion your raw mark for a unit (i.e., the total of your marks for each assessment item) may not be the same as the SNG which you receive. Under the Senate guidelines, results may be scaled to ensure that there is a degree of comparability across the university, so that units with the same past performances of their students should achieve similar results. It is important that you realise that the policy does not require that a minimum number of students are to be failed in any unit. In fact it does something like the opposite, in requiring examiners to explain their actions if more than 20% of students fail in a unit. The process of scaling does not change the order of marks among students. A student who receives a higher raw mark than another will also receive a higher final scaled mark. For an explanation of the policy see <http://www.mq.edu.au/senate/MQUonly/Issues/Guidelines2003.doc> or <http://www.mq.edu.au/senate/MQUonly/Issues/detailedguidelines.doc>.

Support Services for Students

Macquarie University provides a range of Academic Student Support Services. Details of these services can be accessed at

<http://www.student.mq.edu.au>.

Macquarie University
BBA203 Product and Pricing Decisions
GROUP DETAILS
THE MARKETING GAME and CASE STUDY ASSIGNMENT

**Please note name and student number for each group member.
The email address must be the student email allocated by Macquarie University.**

Name:	Name:	Name:
ID:	ID:	ID:
EMAIL:	EMAIL:	EMAIL:
Name:	Name:	Name:
ID:	ID:	ID:
EMAIL:	EMAIL:	EMAIL:

EMAIL ADDRESS FOR WEEKLY MARKETING GAME DECISIONS:
It must be a Macquarie University Address. No personal email addresses allowed for this assignment. You will not have decisions processed using any other email.

mq.edu.au

1. PRIMARY PHONE CONTACT FOR THIS GROUP:

NAME _____

2. OTHER PHONE NUMBERS and EMAIL ADDRESSES AS APPROPRIATE:

3. DAY and TIME of GROUP MEETINGS TO BE HELD:

Phone Numbers
Other Email Address:

NAME OF GROUP'S INDUSTRY AND NAME/NUMBER ALLOCATED