



**College of Commerce
Division of Economic and Financial Studies
Department of Business**

BBA203
PRODUCT & PRICING DECISIONS
UNIT OUTLINE
Semester 1, 2008

Unit Convenor: Leanne Carter

Lecture/Tutorial: Tuesday 4.00 to 7.00 pm

Location: X5B T1

or

Lecture/Tutorial: Tuesday 7.00 to 10.00 pm

Location: C5A 306

**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.

BBA203 - Product & Pricing Decisions

Semester 1, 2008.

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
Tel: 9850 6467
Email: lcarter@efs.mq.edu.au

Consultation Times: Tuesdays 2.00pm to 3.50pm
And other times by appointment.

CLASSES

Lecture Time: Tuesdays, 4.00pm to 7.00pm in X5B T1
Tuesdays, 7.00pm to 10.00pm in C5A 306

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:

| | |
|--|-----|
| Assignment 1 Multi Player M2Go Simulation Performance | 10% |
| Assignment 2 - Multi Player M2Go Situational Analysis Report | 20% |
| Assignment 3 - Individual Essay | 20% |
| Assignment 4 –Product and Pricing Workshops Report and Presentation | 10% |
| Final examination | 40% |

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 Music 2 Go simulation for weekly decision meetings and group assignment. The assessment items are all described below.

Assignment 1. Multi Player MUSIC 2 GO Simulation Performance 10 %
Allocated at end of simulation

Objective: To experience managing a marketing campaign while trying to achieve key financial targets.

Your instructions are clear: you must try to achieve the highest cumulative net marketing contribution that you can by the end of 8 years. To do this you must use a combination of your marketing skills that you have learnt from your degree so far, combined with keeping a watchful eye on profitability.

Net marketing contribution is the amount of profit remaining after manufacturing (cost of goods sold) and marketing expenditures have been deducted. The only costs still to be deducted are other functional overhead costs for your firm, e.g. finance, administration etc.

Net marketing contribution is a measure of how profitable your firm is because of your strategic marketing plan. There are two ways that you can increase your net marketing contribution:

- Reduce Marketing Expenditure without reducing your Gross Margin
- Increase Gross Margin without increasing your marketing expenditure

How you achieve that, is the challenge of M2G.

Assignment 2. MUSIC 2 GO Simulation – MULTI PLAYER 20 %
Situational Analysis Report
Due: 9.00am, 30th April, 2008.

This assignment requires your team to write a written report for the President of your firm (ie The Lecturer) detailing the situation in which you find yourself after 4 Real Decisions.

When preparing the analysis outlined below, note that it is not necessary to refer to all of the **m2g** information available to you - present only that information which you see as critical to helping a well informed manager to understand your decisions and reasoning.

For more guidance on Situational Analysis refer to Handout given in Week 2.

Suggested Format of the Report

Your report should contain the following sections:

OVERVIEW OF INDUSTRY (10 typed pages in length)

Summary of macro-environmental opportunities and threats of the general market including Market Size, Growth, PLC and Industry Profits.

Summary of micro-environmental opportunities and threats.

Consider competitors, customers, channel member and supplier issues.

COMPANY REVIEW (10 typed pages in length)

Detailed analysis of company performance

KEY RESULTS REPORTS

Include your Industry Overview Report and your Net Marketing Contribution History Table report and any other Market Research reports you deem worthwhile.

Departures from the forecasts noted with the reasons

APPENDICES

Any graphs, tables or schedules that are not suited for inclusion in the body of the report should be placed here with a clear reference in the body of the report to the appropriate appendix.

LEARNING (2 typed pages in length)

Key insights gained about marketing management

Team decision-making and conflict management processes

See the Assignment and Marketing Guide at the end of the outline for extra details. You should use this form for the assignment submission.

Penalties for late assignments will be 10% of total potential marks for each day late.

Assignment 3: Product and Pricing Workshops Report and Presentation 10%
Due: As per Date Allocated by Lecturer for your Group.

NOTE: You will be allocated an individual mark for your contribution.

Each group will be allocated a set of articles and/or Readings with questions which must be prepared individually and presented to the class as a group on the nominated date. Once groups are formed, the dates will be displayed on the WEB PAGE for the unit: <http://learn.mq.edu.au>

Topics and questions will be provided on a separate handout at a later date.

Each student is to submit a 2 page report and the page/s that they presented in class (as a powerpoint presentation or other type of OHT). The content of the report should outline the answer/s to the question/s allocated or other information as required. Each person in the group is expected to speak as part of their group's presentation.

Assignment 4: Individual Assignment: ESSAY 2,500 words 20%
Due: 9.00am, 9th April, 2008.

The Product Life Cycle (PLC) is defined as “a generalized model of the sales trend for a product class or category over a period of time, and of related changes in competitive behaviour” (Buzzell 1966).

Critically evaluate the literature that supports and criticises the PLC concept. Give a balanced argument using case examples and then take a final stand to either support or reject the PLC concept as it applies to product management in practice.

Penalties for late assignments will be 10% of total potential marks for each day late.

5. Final Examination 40%

A three hour written examination will be held in the examination period. The examination will include questions relating to The Lectures, Textbooks, Music 2 Go Simulation, Case Studies, and any materials discussed in lectures and/or distributed on the WEB PAGE for the unit. 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.

Please see University Policy on Grading at end of the unit outline for an explanation on SNG's.

REQUIRED AND RECOMMENDED TEXTS

Prescribed Texts:

Baker, Michael and Hart, Susan S. (2007), *Product Strategy and Management*, 2nd Edition, Prentice Hall, UK.

Music 2 Go Simulation (to be purchased on-line).

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.

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

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://learn.mq.edu.au>

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 | Readings and Activities |
|------|--------|---|--|
| 1 | 26 Feb | Course Introduction Introduction to Product Management and Marketing Planning Music 2 Go- An Introduction | FORM GROUPS |
| 2 | 4 Mar | Situational Analysis | Handout: Structure of a Situational Analysis (Appendix Chapter 2, (Lehman and Winer) Music 2 Go: <ul style="list-style-type: none"> • Getting started • Allocation of Firms (groups) |
| 3 | 11 Mar | Competition and Product Strategy IN CLASS TEST OF MUSIC 2 GO KNOWLEDGE WORKSHOP Perspectives on the Australian Macro-marketing Environment | Baker and Hart (Chapters 1 and 2) Handout: Magnetic Attraction (Clemes & Brush) □ 1st Trial Decision M2Go at 11.00pm Group Presentations Groups 1, 2 & 3 |
| 4 | 18 Mar | Buyer Behaviour and Customer Analysis Need to also use slides from BAKER WORKSHOP Customer Analysis | Baker and Hart (Chapter 3) 2nd Trial Decision M2Go at 11.00pm Group Presentations Groups 4, 5 & 6 |
| 5 | 25 Mar | Product Strategies WORKSHOP: Product Portfolio Analysis | Baker and Hart (Chapter 4 & 5) 1st Real Decision M2Go at 11.00pm Group Presentations Groups 7, 8, & 9 |

| | | | |
|---------------|---------|--|---|
| 6 | 1 Apr | <p>Branding Strategies</p> <p>Video Cases (including Club Med, Singapore Airlines, Haagan Daaz, 3M and AMEX).</p> <p>WORKSHOP Product Strategies</p> | <p>Keller (Chapters 1, 4 & 12)</p> <p>Handout: Summary of Video Branding Cases</p> <p>Group Presentations Groups 10, 11 & 12</p> <p>2nd Real Decision M2Go at 11.00pm</p> |
| 7 | 8th Apr | <p>New Product Development</p> <p>WORKSHOP: New Product Development</p> <p>Introducing and Naming New Products and Extensions</p> | <p>Baker and Hart (Chapters 6, 7, 8, 9,10,11 & 12.)</p> <p>Group Presentations Groups 13, 14 & 15</p> <p>Handout: Articles on Introducing and Naming New Products and Extensions</p> <p>3rd Real Decision M2Go at 11.00pm</p> <p>Individual Essay Due 9.00am 9th April, In ERIC</p> |
| Mid Sem Break | 15 Apr | | <p>4th Real Decision M2Go at 11.00pm</p> |
| Mid Sem Break | 22 Apr | | <p>5th Real Decision M2Go at 11.00pm</p> |

| | | | |
|----|--------|--|---|
| 8 | 29 Apr | Product Management WORKSHOP Product Management | Baker and Hart (Chapters 13, 14 & 15.) 6thReal Decision M2Go at 11.00pm Group Presentations Groups 16, 17 & 18 Assignment 2 DUE Music 2 Go Situational Analysis Report 9.00am 30th April In ERIC |
| 9 | 6 May | Product Management and a a Happy Ending (or Eliminating the Product) WORKSHOP Product Management | Baker and Hart (Chapters 16, 17 & 18.) 7thReal Decision M2Go at 11.00pm Group Presentations Groups 19, 20 & 21 |
| 10 | 13 May | WORKSHOP Product Management | Group Presentations Groups 22, 23, 24 25, 26, & 27 8thReal Decision M2Go at 11.00pm |
| 11 | 20 May | Pricing Decisions for Product Management WORKSHOP Pricing | Group Presentations Groups 28, 29, 30 & 31 Handout: Customers and Pricing: Understanding and Influencing the Purchase Decision (Nagle & Holden Chapter 4) |
| 12 | 27 May | WORKSHOP Pricing and Other Product Matters | Group Presentations Groups 32, 33, 34, 35, 36, 37,38, 39 & 40.. |
| 13 | 3 June | Review of Unit DEBRIEF OF MUSIC 2 GO SIMULATION Discussion and Review Questions for Final Exam | Baker and Hart (Chapter 19) |

EXAMINATIONS

The University examination period in the first half of the year 2008 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/MOUOnly/Issues/Guidelines2003.doc> or <http://www.mq.edu.au/senate/MOUOnly/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>

CLASSROOM ETIQUETTE

Students are expected to arrive on time, certainly before five minutes past the hour, and not to leave until the class ends. If you have a recurring problem that makes you late, or forces you to leave early, have the courtesy to discuss this with your lecturer/tutor. Students are expected to be quiet during lectures unless, of course, class participation is required. Mobiles should be turned off during classes; not simply set to “silent”.

MARKING GUIDE

Assignment 2: Situational Analysis for your Music2Go Firm

Names: _____

ASSESSMENT SCHEDULE

CONTENT 75%

OVERVIEW OF INDUSTRY (10 typed pages in length)

Summary of macro-environmental opportunities and threats of the general market including Market Size, Growth, PLC and Industry Profits.

Poor 1 2 3 4 5 Excellent

Summary of micro-environmental opportunities and threats.
Consider competitors, customers, channel member and supplier issues.

Poor 1 2 3 4 5 Excellent

COMPANY REVIEW (10 typed pages in length)

Detailed analysis of company performance

- KEY RESULTS REPORTS **Poor 1 2 3 4 5 Excellent**
Include your Industry Overview Report and your Net Marketing Contribution History Table report and any other Market Research reports you deem worthwhile.

- Departures from the forecasts noted with the reasons **Poor 1 2 3 4 5 Excellent**

APPENDICES **Poor 1 2 3 4 5 Excellent**

Any graphs, tables or schedules that are not suited for inclusion in the body of the report should be placed here with a clear reference in the body of the report to the appropriate appendix.

LEARNING (2 typed pages in length)

Key insights gained about marketing management
Team decision-making and conflict management processes **Poor 1 2 3 4 5 Excellent**

WRITTEN PRESENTATION (25%)

Organisation, Logic and Clarity of expression, Grammar and Spelling
Tables, charts and graphs with sources.
Professional Presentation including neatness, page numbers, Within page limit, ETC.
Poor 1 2 3 4 5 6 7 8 9 10 Excellent

COMMENTS:.....
.....
.....

FINAL GRADE

Signature: _____ Lecturer

ASSIGNMENT 3: PRODUCT AND PRICING WORKSHOPS
REPORT AND PRESENTATION
MARKING GUIDE **10 marks**

Oral Presentation Content and Style

| | | | | | | | | | | | | |
|--|------|---|---|---|---|---|---|---|---|---|----|-----------|
| Clarity and Thoroughness | Poor | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Excellent |
| Effectiveness of Visual Aids | Poor | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Excellent |
| Ability to hold audience interest | | | | | | | | | | | | |
| | Poor | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Excellent |
| Ability to respond to questions from audience | Poor | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Excellent |

Written Content

| | | | | | | | | | | | | | | | | | | | | | | | |
|--|------|---|---|---|---|---|---|---|---|---|----|-----------|----|----|----|----|----|----|----|----|----|-----------|--|
| Evidence of comprehensive search for, and effective recourse to available data. | Poor | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | Excellent | |
| Effective use of such supporting facts and data to address the questions and issues. | Poor | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | Excellent | |
| Drew connections between theory and case/article/other references allocated as appropriate | | | | | | | | | | | | | | | | | | | | | | | |
| | Poor | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Excellent | | | | | | | | | | | |
| Organisation, Logic and Clarity of expression | | | | | | | | | | | | | | | | | | | | | | | |
| | Poor | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Excellent | | | | | | | | | | | |

Lecturer: Mark /100

ASSIGNMENT 4: ESSAY MARKING GUIDE

20 marks

2 mks Introduction -
 Clear statement of topic area and purpose of essay 1 2
 - Defined the major issues (who, what when, where, why)

10 mks Body of essay

| | | | | | | | | | | |
|--|---|---|---|---|---|---|---|---|---|----|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|---|---|---|---|---|---|---|---|---|----|

- Demonstrates understanding of the theory/ies
- Demonstrates further research of topic area
 e.g. library research, databases, literature reviews, statistical data, etc. beyond material provided
- Demonstrates use of and interpretation of data
- Analysis showing comparisons between findings and theories, similarities and differences, etc.

2 mks Conclusion - Weighing up findings 1 2
 - Make recommendations of you own
 E.g. "On the basis of these findings,....."

2 mks Page 8-9 References and Bibliography 1 2

- no plagiarism
- all ideas of others correctly cited and referenced

4 mks General

| | | | | |
|--|---|---|---|---|
| | 1 | 2 | 3 | 4 |
|--|---|---|---|---|

Grammar, spelling and writing mechanics
 Organisation, Logic and Clarity of expression
 Tables, charts and graphs with sources.
 Professional Presentation- Neatness, page numbers, proper margins, etc.



Group No:.....

BBA203 PRODUCT AND PRICING MUSIC 2 GO SIMULATION GROUPS

Group Leader

NAME:.....

STUDENT ID:.....

MOBILE PHONE NO:.....

EMAIL:.....

NAME:.....

STUDENT ID:.....

MOBILE PHONE NO:.....

EMAIL:.....