**DAILY SCHEDULE**

**Sunday, August 8, 2010**

**After 12:00 Noon**  **Check-in**  
Main Lobby, Schwab Center

**Class of ’71 Lounge, Schwab Center**  
The Class of ’71 Lounge is available for your use throughout the program. It is stocked with cold beverages, including bottled water and a variety of sodas. Light snacks are also available.

**5:00 – 10:00 pm**  **Computer Support**  
Computer Room, Schwab Center  
If you require assistance with the computer in your room or your personal laptop, a computer technician will be available from 5:00-10:00 pm today.

**5:45 pm**  **Reception, Vidalakis Courtyard, Schwab Center**

**6:15 pm**  **Dinner, Vidalakis Dining Room, Schwab Center**

**7:00 pm**  **Program Overview**  
Faculty Director: Baba Shiv

**7:30 – 9:00 pm**  **Study Group Meetings**  
For the first evening only, Study Group Facilitators will meet with Baba Shiv from in the Vidalakis Dining Room.

Study Groups Meetings start at 7:30 pm; study groups should discuss the cases for the following day.
Monday, August 9, 2010

6:30 – 7:00 am  Continental Breakfast, Vidalakis Dining Room

7:00 – 7:40 am  Breakfast
Vidalakis Dining Hall, Schwab Residential Center
Hot and cold beverages will be available at the classroom each morning.

7:40 am  Meet Program Coordinator, Heather Pollock, in Schwab Lobby
Walk to Graduate School of Business (GSB) Classroom

8:00 – 9:20 am  Creating and Delivering Value to Customers
Faculty: Jim Lattin

Case:
•  *Aqualisa Quartz: Simply a Better Shower*  (HBS 9-502-030)

In May 2001, Aqualisa launched the Quartz shower, a significant product innovation in the U.K. shower market. By September 2001, the euphoria surrounding the product’s initial launch had long since faded. Harry Rawlinson, managing director of Aqualisa, knew that the Quartz was technologically leaps and bounds above other U.K. showers in terms of water pressure, ease of installation, use, and design. But for some reason, it simply wasn't selling.

Reading:

Preparation Questions:
1. Why isn’t the Aqualisa Quartz shower selling? What seems to be the main problem? Is it the product? The price? Is it advertising and promotion? The way the product is distributed? Or is it something else?

2. Is Aqualisa Quartz a new product that creates any value? If so, for whom? And how much? Using the EVC framework outlined in the reading, identify the economic value provided by AQ to the end consumer. Using the same framework, identify the economic value provided by AQ to the plumber.

3. In light of your answer to Question 2 above, what is your pricing strategy for AQ? Keep in mind that your solution must allow for a transaction beneficial to all participants in the value chain (i.e., Aqualisa, trade shops, plumbers, etc.).
Monday, August 9 (continued)

9:20 – 9:40 am Break

9:40 – 11:00 am **Customer Intimacy and Customer Relationship Management (CRM)**
Faculty: Jim Lattin

In this session, we discuss different strategies for sustaining competitive advantage, focusing in particular on developing *customer intimacy* by building learning relationships with customers.

**Case:**
- *Harrah’s Entertainment Inc.* (HBS 9-502-011)

In 1999, Philip Satre, Chairman and CEO of Harrah’s Entertainment, Inc., is contemplating his company’s investment in information technology (in the vicinity of $100 million) and the success of the marketing efforts of their customer relationship management program (in particular, database marketing and the Total Gold program).

**Reading:**
- Pine, Peppers and Rogers, “Do You Want to Keep Your Customers Forever?” *Harvard Business Review* (Reprint 95209)

**Preparation Questions:**
1. What do you think are the factors that have made Harrah’s CRM program so successful?
2. Will a customer intimacy strategy work equally well for all companies in all industries? If not, under what circumstances does it make sense to pursue a customer intimacy strategy?
3. What are the organizational challenges associated with achieving customer focus?

11:00 – 11:20 am Break

11:20 am–12:40 pm **Strategies for Market Growth I**
Faculty: Baba Shiv

In this session, we will discuss market growth strategies including those outlined in the required readings.

**Readings:**

12:45 – 1:45 pm Lunch, Vidalakis Dining Room
Monday, August 9 (continued)

2:00 – 3:20 pm  **Strategies for Market Growth II**  
Faculty: Baba Shiv

Case:
- *KONE: the MonoSpace launch in German* (9-501-070)

In this session, we will continue our discussion of market growth strategies in the context of the KONE case.

3:20 – 5:45 pm  Individual Study

3:45 – 4:45 pm  **Optional Campus Walking Tour**  
Meet in the Schwab Center Main Lobby at 3:45 pm and wear comfortable shoes. The walking tour lasts approximately one hour.

5:45 pm  Reception, Vidalakis Courtyard

6:15 pm  Dinner, Vidalakis Dining Room

7:15 – 8:45 pm  **Study Group Meetings**
Tuesday, August 10, 2010

6:30 – 7:00 am
Continental Breakfast, Vidalakis Dining Room

7:00 – 7:40 am
Breakfast
Vidalakis Dining Hall, Schwab Residential Center

8:00 – 9:20 am
Pricing Strategy, Part I
Faculty: Jim Lattin

Case:
• XM Satellite Radio (A)

XM makes use of advanced satellite capabilities and novel receiver architecture to deliver a wide array of high quality audio programming nationwide. In early 1998, Robert Acker, director of strategic planning for XM, needs to develop a marketing strategy for the new radio service. In particular, he must decide whether to place emphasis on charging end-customers a subscription fee or whether to rely more on the sale of airtime to advertisers.

Preparation Questions:
1. How much should XM charge for the monthly subscription fee?

2. What should be the retail price for the XM radio receiver? What are the implications for XM?

3. Should XM allow advertising? If so, how should this affect the monthly subscription fee (if at all)?

4. How does the expected launch of Sirius affect XM’s initial pricing strategy? How should XM’s subscription price change over time?

5. In general, what are the implications of a recessionary business climate on pricing strategy? What kinds of pricing tactics are available to address these challenges? How would you use them?

Reading:
• “How Do You Know When the Price is Right?” Dolan, Harvard Business Review (Reprint 95501).

• “How to Market in a Downturn” Quelch and Jocz
When you arrive at Stanford, we will assign each of you to a study group. I will ask each study group to focus on one pricing issue and make a brief presentation in class summarizing the recommendations of the group.

9:20 – 9:40 am  Break

9:40 – 11:00 am  **Pricing Strategy, Part II**  
Faculty: Jim Lattin

In this class we continue our discussion of pricing strategy from the previous session.

11:00 – 11:20 am  Group Photo & Break

11:20 am – 12:40 pm  **Revisiting the Customer Value Proposition I**  
Faculty: Baba Shiv

In this session, we will revisit the customer value proposition (CVP), viewing it from the perspective of the buyer decision making process. We’ll examine the power of brand-salience (i.e., “top-of-mind” awareness of the brand; brand-salience can, by itself, account for 20 to even 60% of the buyer’s final choice) and its role in the formation of the buyer’s consideration set (i.e., the subset of brands from which the buyer makes the final decision). We will also examine how the buyer finally makes a decision from the options in his/her consideration set using the E (brand emotion) + Vb (value from benefits, both tangible and intangible) + Vp (value from “pricing”) framework related to the CVP.

**Reading:**

**Preparation Questions:**
After reading the above article, ask yourself:
1. Which brands in your industry enjoy high brand-salience (i.e., top of mind awareness)?

2. What tactics have these brands employed to garner high brand salience?

3. Do you think brand salience matters in the business-to-business space in terms of influencing the buyer’s final choice? If yes, why? If not, why not?

12:45-1:45 p.m.  Lunch

2:00-3:20 p.m.  **Revisiting the Customer Value Proposition II**  
Faculty: Baba Shiv

In this session, we will build on the previous session by highlighting the insights being gained through cutting-edge neuroscience research into the way the brain makes decisions. We will also examine the importance of emotion in the Customer Value Proposition.
Preparation Questions:
1. Let’s say that you are in the process buying a car, buying stock (of a company) or making a purchase for your firm. In other words, you are in the process of making an important decision. When would you characterize your decision in these contexts to be good? When would you consider them to be bad?

2. Once you are done with 1 (and only after you are done, please), go through the reading for this session (see below). Would your answers to the questions in 1 need to be revised in light of the findings reported in the reading?

3. So, what is a good decision?

Reading:

3:20 – 5:45 pm  Individual Study
5:45 pm  Reception, Vidalakis Courtyard
6:15 pm  Dinner, Vidalakis Dining Room
7:15 – 8:45 pm  Study Group Meetings
Wednesday, August 11, 2010

6:30 – 7:00 am  Continental Breakfast, Vidalakis Dining Room

7:00 – 7:40 am  Breakfast
Vidalakis Dining Hall, Schwab Residential Center

8:00 - 9:20 am  Building Innovative Brands I
Faculty: Jennifer Aaker

Which brands do you love? Apple? IDEO? The Daily Show? Method? Google? What draws you into these brands? How did these companies create strong brands? These are the questions discussed in the talk, Building Innovative Brands. Professor Aaker explores how to build innovative brands, where brand is defined as a “reputation” - departing from traditional perspectives of brand. The discussion will dive into:
- What role do brands play in consumer's minds
- What are the most common pitfalls brands fall into
- Why you need to rethink brand, and how to do it

The reality is that most brands could be making a much stronger impact than they are today – in terms of deeper purpose, social value, and greater inspiration for employees as well as customers. In this talk, Professor Aaker will highlight the importance (a) being holistic, (b) telling a story (c) being distinct, (d) evoking emotion and (e) cultivating and measuring relationships.

Exercise to be completed prior to class:
1. What is a strong brand in your industry? Consider what makes it strong.

Case:
- Building Brand Community on the Harley Davidson Posse Ride

Harley-Davidson has achieved worldwide acclaim for its creation of a strong brand. This case explores a unique brand-building program, the “Harley-Davidson Posse Ride” and highlights unique ways of measuring brand loyalty and commitment.

Preparation Questions:
1. Should Harley-Davidson continue to sponsor the Posse Ride? Why or why not? What role should the Posse Ride play in the HOG events mix?

2. How should the Posse Ride be designed to maximize its effectiveness and profit-making potential, should you decide to keep it?
Wednesday, August 11 (continued)

3. What is HOG's role in developing community for the Harley-Davidson brand?

9:20 - 9:40 am  Break

9:40 - 11:00 am  Building Innovative Brands II
Faculty: Jennifer Aaker

This will be a continuation of the discussion in the previous session.

11:00 – 11:20 am  Break

11:20 am – 12:40 pm  Understanding Customer Preferences I
Faculty: V. “Seenu” Srinivasan

Reading:
- Analyzing Consumer Preferences

We will have a lecture/discussion on a customer-focused approach to product/service planning. An important component of the approach is conjoint analysis, a method for incorporating customer preferences into product planning and pricing decisions. Using this approach, one can answer such questions as:

1. Which features of my product/service are more important to customers?
2. How much is the market willing to pay for a new feature?
3. How much more is the market willing to pay for Brand A versus Brand B?
4. How do I identify “benefit segments” (i.e., groups of customers who are similar to each other in terms of what is important to them)?
5. What is the market-share (and sales) potential of a new product or service that I might introduce?
6. How should I price my product?
7. What is likely to be the market’s reaction to specific competitive moves?

The session will include a card-sort exercise typical of the data input into conjoint analysis.

12:45 – 1:45 pm  Lunch, Vidalakis Dining Room

2:00 – 3:20 pm  Understanding Customer Preferences II
Faculty: V. “Seenu” Srinivasan

Reading:
- “Condominium Design and Pricing: A Case Study in Consumer Trade-Off Analysis,” John A. Fiedler
Wednesday, August 11 (continued)

This session will begin with an interpretation of the results of the card-sort exercise conducted in the first session. This will be followed by an empirical illustration of the power of conjoint analysis in answering the product and pricing questions listed under Session 1.

3:20 – 5:45 pm  Individual Study

5:45 pm  Reception, Vidalakis Courtyard

6:15 pm  Dinner, Vidalakis Dining Room

7:15 – 8:45 pm  Study Group Meetings
Thursday, August 12, 2010

6:30 – 7:00 am  Continental Breakfast, Vidalakis Dining Room

7:00 – 7:40 am  Breakfast  
Vidalakis Dining Hall, Schwab Residential Center

8:00 – 9:20 am  Understanding Customer Perceptions  
Faculty: V. “Seenu” Srinivasan

Reading:  
• Analyzing Consumer Perceptions

We will have a lecture/discussion on representing customer perceptions in the form of a map where the brands are located along perceptual dimensions by using a method known as factor analysis. This will be illustrated in the context of automobile brands.

9:20 – 9:40 am  Break

9:40 – 11:00 am  Marketing Communications I  
Faculty: Christian Wheeler

Case: Product Team Cialis: Getting Ready to Market (HBS 9-505-038)

Cialis is a product with strong points of differentiation from the other competitors in the market. However, they must determine how best to formulate a marketing communications strategy to best articulate this differentiation and spur the consumer to purchase. Additionally, they must do so against an entrenched competitor whose brand name has become synonymous with the product category.

Preparation Questions:
1. Who are the participants in the decision making process for erectile dysfunction drugs? Which part of the decision making process are they involved in?

2. What are the different segments of consumers? Which parts of the decision making process are most relevant to each of these? How attractive is Cialis to each of these segments?

3. What are the primary impediments to adoption? What does this imply about marketing efforts?

4. What are the competitive strengths and weaknesses of Viagra? Assess Levitra as
Thursday, August 12 (continued)

a competitor? How should Cialis account for each of these competitors in its launch?

11:00 – 11:20 am Break

11:20 am – 12:40 pm Marketing Communications II
Faculty: Christian Wheeler

In this session, we discuss key issues involved in formulating, delivering, and assessing effective marketing communications. Discussion will address both more traditional and more modern communications methods.

Reading:
• Dolan, “Integrated marketing Communications” (HBS 9-599-087)

Describe the characteristics of different advertising media, the role of promotion in integrated marketing communication, and a strategic framework for communications planning.

12:45 – 1:45 pm Lunch, Vidalakis Dining Room

2:00 – 3:20 pm Engaging your Audience: The Art of Storytelling
Guest Speaker: Oren & Justine Jacob

3:20 – 5:45 pm Individual Study

5:45 pm Reception, Vidalakis Courtyard

6:15 pm Dinner, Vidalakis Dining Room

7:15 – 8:45 pm Study Group Meetings
(new groups)
Friday, August 13, 2010

6:30 – 7:00 am  Continental Breakfast, Vidalakis Dining Room

7:00 – 7:40 am  Breakfast  
Vidalakis Dining Hall, Schwab Residential Center

8:00 – 9:20 am  The Dragonfly Effect: Harnessing Social Media for Impact I
Faculty: Jennifer Aaker

70 million. 190 million. 400 million. 2 billion. These gigantic figures represent, respectively, the current number of LinkedIn users, Twitter users, Facebook users, and videos watched on YouTube every single day. There is only one conclusion. It’s a whole new world. Social media is rapidly becoming ubiquitous and organizations of all shapes, sizes, and missions are struggling to understand and unlock its full potential value.

In this session we will discuss the science of social persuasion. You’ll learn successful strategies and tactics used by companies and causes to harness social media toward a specific goal (e.g., Kiva, Google, Barack Obama). You’ll also discover a new framework, Focus + G.E.T., which you can use to – FOCUS your efforts, GRAB attention, ENGAGE others through personal connection, and inspire others to TAKE action. Your key takeaways will include best practices for engaging customers, ways to grow your number of brand advocates, how to intensify their advocacy, and how to manage the consumer-brand relationship.

Case:
- Obama and the Power of Social Media and Technology (GSB M321)

9:20 – 9:40 am  Break

9:40 – 11:00 am  The Dragonfly Effect: Harnessing Social Media for Impact II
Faculty: Jennifer Aaker

11:00 – 11:20 am  Break

11:20 am – 12:40 pm  Linking the Customer Value Proposition to Organization Culture
Faculty: Hayagreeva Rao

The purpose of this module is to provide you with the skills to align your organization’s culture with the customer value proposition.

Case:  Neiman Marcus: We Report to the Client
Friday, August 13 (continued)

Preparation Questions:
1. What is Neiman’s value proposition?
2. How do they execute it through the culture of the stores?

12:45 – 1:45 pm Lunch, Vidalakis Dining Room

2:00 – 3:20 pm How Market-Focused is My Organization’s Culture?
Faculty: Hayagreeva Rao

This session will focus on six levers of culture building: recruitment & retention, talent development, job design, top manager modeling, information sharing and empowerment, and measurement and reward systems.

3:20 – 5:45 pm Individual Study and / or Study Group Meetings

5:45 pm SMM Alumni Reception, Vidalakis Courtyard

6:15 pm SMM Alumni Dinner, Vidalakis Dining Room
Guest Speaker: Randi Zuckerberg

No Study Group Meetings tonight.
Saturday, August 14, 2010

9:30 – 11:00 am  Brunch, Vidalakis Dining Room

11:00 am – 5:45 pm  Free Time/Individual Study

5:45 pm  Reception, Vidalakis Courtyard

6:15 pm  Dinner, Vidalakis Dining Room

No study group meetings tonight
DAILY SCHEDULE

Sunday, August 15, 2010

9:30 – 11:00 am  Brunch, Vidalakis Dining Room

11:00 am – 5:45 pm  Free Time/Individual Study

5:45 pm  Reception, Vidalakis Courtyard

6:15 pm  Dinner, Vidalakis Dining Room

7:15 – 8:45 pm  Study Group Meetings
**INTRODUCTION**

For these sessions on Strategic Marketing Management we will use a combination of cases, exercises, and lecture/discussion. From my teaching files of more than 200 cases that I can use in executive seminars, I have selected one timeless “classic,” *Winnebago*, and one brand new case set in early 2010, *HBS Executive Education: Balancing Online and Offline Marketing*. We will use these cases to explore (a) some foundational concepts of strategic management, and (b) some of the latest processes of digital marketing. We also will have two lecture discussion sessions that will build on our case discussions. One will show you how to develop a winning business strategy—even in a difficult economy. The second process will focus on the relatively new field of digital marketing and how you might apply its tools to your business.

**8:00 – 9:20 am**  
**How to Understand Industry Dynamics and Identify a Business Strategy**  
Faculty: Dan Thomas

**Case: Winnebago Industries, Inc., and the Recreational Vehicle Industry**

We will begin our discussion by examining a single-business company at a critical point in its development. Our discussion will include an examination of tools that can be used to understand the strategy of any single business unit (whether it is a part of a diversified firm or a single business company). We will also begin a discussion of industry structure and dynamics. All of the topics introduced in this session will be developed as we look at other situations.

**Preparation Questions:**
1. What is Winnebago’s strategy?
2. Why has the company been successful?
3. What is the structure of the recreational vehicle industry?
4. What is your evaluation of Winnebago’s strategy?
5. What should Hanson do?
STUDY GROUP ASSIGNMENT for Winnebago: Leading off the Class!

As you will see when you read the case, there are many problems facing John K. Hansen at the start of this case. In your study group, your job is to identify and prioritize the list of problems. What is the most important problem he must solve as CEO? What is the next most important, etc.?

Make a comprehensive, prioritized list of the problems Hanson must solve.

We will be covering a lot of territory very quickly in this class, so we will start the class with each study group giving its top priority problem statement. If your problem has already been stated by another group that was called on before you, then you will be asked to give the next highest priority problem in your list.

Please state the problem in first person as if you are John K. Hanson. “My biggest problem is …………..” Please state each problem in one sentence, using good grammar (i.e. no run-on sentences, etc.)

We will start class with a simple, one sentence problem statement from each group. Once all the groups have spoken, we will go back for more in-depth analysis.

This assignment presents several challenges. First, you need to analyze the case thoroughly so that you can uncover the real problems and not just the obvious symptoms. Second, you have to figure out which problems are the most “important.” How will you rank importance? Third, you need to state the problem in such a way that we can work on it in class. Hint: “The gas shortage,” and “safety” are not useful problem statements. Finally, you need to communicate each problem effectively in one sentence.

This assignment will challenge your analytical skills and your creativity. Have fun with it.

9:20 – 9:40 am Break

9:40 – 11:00 am Business Sense: Exercising Management’s Five Freedoms
Faculty: Dan Thomas

The field of management is being inundated with one technique after another. The alphabet soup of CFM, QFD, TQC, etc., is aimed at improving companies’ results. Unfortunately, the track record is not very good. It’s time to figure out the core factors that make the most difference between success and failure in a business.

To accomplish the above objective, we are going to develop a comprehensive process for creating a winning business strategy. Building on what we learned in Session 1, we will discuss the specific tools that are needed and how to put them together.

In order to make this session more meaningful, please think about a specific business that is important to you. It can be the business that you are representing in this seminar, a business that your family is in, or just a business that you may be interested in for the future.

We will start class by asking a few people to give us a brief description of the business that each one is using as his/her example.
Please take a few minutes and write down the answers to the following questions:

1. What is the business? (If we met on an airplane and I said, “What business are you in?” what would be your answer?)

2. What products and/or services are sold?

3. Who are the customers? What specific customer needs do the products or services meet?

4. What technologies are most important in the products/services and in producing them? (Note: Every product or service has one or two technologies in it that gives it its primary value. Similarly, products and services have key production technologies.)

5. Please answer the following questions (1) for all the competitors in the business (i.e., all added together) and (2) for just your company in this business specifically. Part of what we want to know is whether you expect your company to perform the same, worse or better than the other companies in the business.

<table>
<thead>
<tr>
<th>All Competitors</th>
<th>Your Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected Revenue Growth Rate next 3 to 5 years:</td>
<td></td>
</tr>
<tr>
<td>Expected Profitability next 3 years:</td>
<td></td>
</tr>
<tr>
<td>Gross Margin</td>
<td></td>
</tr>
<tr>
<td>Operating Margin</td>
<td></td>
</tr>
</tbody>
</table>

6. Do you expect to diversify from this business into any new businesses in the next three to five years? If so, what will the new business or businesses be?

11:00 – 11:20 am Break

11:20 am – 12:40 pm The Sales Learning Curve
Faculty: Mark Leslie

When young companies prepare to go to market, it always takes longer and costs more to achieve sustainable traction. This session discusses the principles behind the sales learning curve which defines and prescribes solutions for going to market with new products. It is also applicable to established companies that bring new products to market.

12:45 – 1:45 pm Lunch, Vidalakis Dining Room

2:00 – 3:20 pm The Story of Veritas and Some Things I Learned
Faculty: Mark Leslie

Mark Leslie joined VERITAS in 1990, and completed the first year sales of 95K. Ten years later he retired from the CEO role when the company had achieved $1.5B in sales and became a F1000 company. And along the way he learned some things about leadership.
3:20 – 5:45 pm  Individual Study

5:45 pm  Reception, Vidalakis Courtyard

6:15 pm  Dinner, Vidalakis Dining Room

7:15 – 8:45 pm  Study Group Meetings

Please use the time tonight to finalize your Study Group presentation for Wednesday summarizing the key insights your group has gained from the SMM program. This could take the form of a few PowerPoint slides (or overhead transparencies or flip charts), but please do not overdo the formality of the presentation. In our last session on Wednesday, each study group will be asked to present to the class as a whole for 5-10 minutes (this includes a few minutes for questions and comments from the audience.)

Please give a copy of your PowerPoint slide presentation to Luz Deras by 7:30 am on Wednesday, August 18th
Tuesday, August 17

A self-serve shipping table with boxes, packing tape, and blank air bills from the major express carriers will be available in the Schwab Center lobby from lunch today until the end of the program. Carriers will accept credit card payment. The Schwab staff will arrange for the pick-up of your box. Keep a copy of the airbill receipt. The Schwab Center is not responsible for lost packages.

6:30 – 7:00 am  Continental Breakfast, Vidalakis Dining Room

7:00 – 7:40 am  Breakfast
Vidalakis Dining Hall, Schwab Residential Center

8:00 – 9:20 am  Leading Change to a Market-Focused Organization I
Faculty: Huggy Rao

Case:
•  British Airways: Flying into a Storm

Preparation Questions:
1. How did BA lose its heritage of customer focus?
2. What should Ayling have done differently?

9:20 – 9:40 am  Break

9:40 – 11:00 am  Leading Change to a Market-Focused Organization II
Faculty: Huggy Rao

Leading Change to a Market Focused Organization: The PRESS Framework
P – Persuading
R – Recruiting Support & Overcoming Resistance
E – Energizing
S – Staffing the Change Team
S – Sequencing Change

11:00 – 11:20 am  Break

11:20 am – 12:40 pm  An Introduction to Digital Marketing Part I
Faculty: Dan Thomas

Case:
•  Harvard Business School Executive Program: Balancing Online and Offline Marketing
This case is about a business at a key transition point. Although the case is about Harvard, also known as the Stanford of the East, it could be about any of thousands of businesses that are going through the same transition. [Hey, I’ve taught at both schools, so I can take a little license with the humor.]

In early 2010, a shift toward a greater use of digital marketing techniques is being considered. There are very real concerns about what to do and what proportion of resources to devote to online (digital) versus offline (traditional) marketing methods.

The case and our discussion will focus on the four “Focused Courses” in Marketing.

PREPARATION QUESTIONS:
1. What are the ways in which potential customers learn about the courses?
2. What are the paths they can take to become customers?
3. How effective is each path in generating customers?
4. What are the economics of each path?
5. What mix of online and offline methods would you recommend that HBS Executive Education employ?

12:45 – 1:45 pm  Lunch, Vidalakis Dining Room
2:00 – 3:20 pm  An Introduction to Digital Marketing Part II
                 Faculty: Dan Thomas

Material for this session will be handed out in class.

The world of marketing has changed dramatically. As the field has evolved from Internet Marketing to eCommerce to Web 2.0 Marketing and now Digital Marketing, the technology, tools, and methods have rapidly become more sophisticated and powerful.

Although it is not possible to thoroughly explore the world of Digital Marketing in one or two classes, we can begin to understand what the philosophy is, a little bit of what’s possible, and explore at least one model for applying Digital Marketing to our businesses.

3:20 – 5:45 pm  Individual Study/Study Groups
5:45 pm  Reception, Vidalakis Courtyard

6:15 pm  Reception, Closing Dinner and Certificate Presentation
           Vidalakis, Schwab Center

Beer, wine and refreshments will be available in the Class of ’71 Lounge after the Closing Dinner.

No Study Group Meetings tonight.
Wednesday, August 18

6:30 – 7:00 am    Continental Breakfast, Vidalakis Dining Room

7:00 – 7:40 am    Breakfast
                  Vidalakis Dining Hall, Schwab Residential Center

8:00 – 9:20 am    Channel Design and Management I
                  Faculty: Kirthi Kalyanam

Case: Hewlett Packard Inc: Distribution Through eCommerce Channels

This is the first of two modules focused on strategic design and management of
distribution channels. In the first module we will discuss the assigned case study.

Preparation Questions:
Conduct the analysis below for printers and for consumers as end users. Ignore PC’s,
cartridges and the commercial (B2B) market.

1. What is the current channel structure? Why so many ‘routes to market’?
2. Consumer Perspectives
   a. What is the buying process for a printer?
   b. Is this an individual decision or a family decision?
   c. Does the consumer have brand in mind before they go into the store?
   d. What is the role of the retailer? How do they influence the consumer? Does
      the retailer help or hurt HP?
   e. Overall are consumers well served in the buying process?
3. Retailer Perspectives: Who has power? HP or the Retailer? Calculate Gross
   Margin Return on Investment (GMROI) for HP versus Epson using the following
   information:
   a. Table 5 says HP market share is 60% and Epson is 13%
   b. Assume average selling price is $250
   c. Assume HP gross margin for retailer is 8% and Epson is 15%
   d. Assume HP has 3 weeks of supply of inventory in the channel. Since the
      average supply is 6 weeks, and competitors share is 40% the average
      competitor has 10.5 weeks of inventory
   e. Table 4 says total units sold in April was 834,285
4. HP Perspectives
   a. Is HP getting a ‘fair’ share from each channel? What are the trends?
   b. How does HP manage the overlap across channels?
   c. What grade will you give HP in terms of the overall effectiveness of its
      channel management policies? Why?
5. Trends in Internet retailing
a. How much sales can we expect?
b. When can we expect to be profitable?

6. Analyze the options presented in the case. You can add to these options.
a. For each option identify the advantages and disadvantages. For the options that involve expanded Internet distribution explicitly state what are the likely reactions you expect from the existing channel and how you would manage the transition. How will you manage the possibility that the Internet retailers could undercut the prices of traditional retailers?
b. For the proposed Internet storefront estimate the sales volume required to breakeven. If this option were to be pursued what part of the product line would you feature in the Internet store and at what prices?
c. Recommend a course of action. Provide as much detail as is necessary and implementation plans. For example if you recommend selling online, you should also specify what products, at what price levels and how this decision will be presented to the existing channel partners. Be sure to carefully identify the weaknesses of your recommendation and how you plan to overcome them.

9:20 – 9:40 am Break

9:40 – 11:00 am Channel Design and Management II
Faculty: Kirthi Kalyanam

Reading:
“Ward Hanson and Kirthi Kalyanam, Internet Marketing & eCommerce, Thompson, Chapter 14: Business to Consumer Channels’

This session will provide a framework for the design and management of distribution channels. We will build on the discussion in the case to analyze eight Internet enabled distribution models.

11:00 – 11:20 am Break

11:20 am – 12:40 pm Marketing Impacts of IT
Faculty: Jeff Moore
This session will focus upon the organizational change involving marketing and IT.

READINGS:
• The CMO’s Role in Technology Decisions, Cooperstein, David and Bradner, Lisa., Forrester Research Report (April 2, 2010). This research report outlines a framework for three key roles CMOs can play in technology adoption.

PREPARATION QUESTIONS
1. What existing marketing practices should be done in new and better ways by creative use of IT?

2. What entirely new marketing opportunities are created by coordinated use of IT in marketing, and what business risks are involved?

3. Does your desired marketing strategy require:
• Greater effectiveness in data mining and information processing by your non-technical marketing and sales people?
• A more responsive IT infrastructure within marketing?
• A revised leadership role for IT in support of marketing?
• More leadership by yourself and other senior marketing executives in setting overall IT strategy?

12:45 – 1:45 pm  Lunch, Vidalakis Dining Room

2:00 – 3:20 pm  Program Review & Group Presentations
                 Baba Shiv

3:20 pm  Program concludes

Check-out of the Schwab Center by 5:00 pm