BMKT 325.03: Principles of Marketing

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Principles Syll F14

Principles of Marketing
BMKT 325, Section 3 (3 credits)

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Classroom: GBB 122
Time: 12:40-2:00 Tues/Thurs
Office: GBB 306
e-mail: jakki.mohr@business.umt.edu
web site: www.business.umt.edu/facultv/mohr

Office Hours: Tuesday, 10:30-11:30, Tuesday/Thursday; Wednesday, 2:10-3:30, or by appointment

As much as I would LOVE to address your needs after class, I have another class immediately following this one. So, please help me to be organized for that class by realizing I can’t talk with you in the 10 minutes between classes. Thank you!

Prerequisites for this course include the lower core in business.


Required Readings: TBD and then available on Moodle.

Podcasts: Most chapters will have between 1-3 podcasts (available through iTunesU) of between 10-20 minutes to review the chapter content. Listening to these podcasts in advance of class will ensure that you are ready to productively engage in class. Please let me know by the end of the first week if you are having any technical difficulties accessing these podcasts.

Required Powerpoint Notes: Available on Moodle. Please bring them to class each day. Most students use these powerpoint outlines to take notes on during class. I recommend that you three-hole punch them and put them in a binder with extra paper. On many days, you will need more than just the small space by each slide to write a complete set of notes from class. So, it helps to be able to add additional notes pages as needed.

Course Content: This course will provide an introduction to and application of marketing strategies, concepts, and tools. The course will: (1) Familiarize students with a basic working knowledge of marketing in today's organizations; (2) Provide hands-on practice in marketing problem solving, applying standard marketing tools; (3) Develop and enhance students' ability to critically evaluate marketing problems from a variety of perspectives, including managerial/strategic, as well as ethical/social; (4) Discuss career objectives and planning as they relate to marketing. Specific topics covered include:

- The need to build and maintain long-term relationships with customers over time (relationship marketing)
• Strategic marketing planning and SWOT (strengths, weaknesses, opportunities, and threats) analysis
• The role of corporate social responsibility and environmental sustainability in effective marketing strategy
• Collecting and understanding information (marketing research) about markets, consumers, and business customers
• Segmentation analysis, target market selection, and positioning
• The "4 P's" of marketing: product, price, "place," and promotion
• Considerations of ethical implications of marketing practices.

For some of these topic areas, there will be an accompanying reading from the popular press about current marketing applications.

Learning Outcomes: Upon successful completion of this course, a student will be able to:
• Define and demonstrate an understanding of marketing concepts and strategies to offer value to customers and users for a variety of enterprises and organizations
• Apply necessary marketing skills across the areas of the marketing mix (i.e., product, distribution, promotion, and price) in developing a competitive advantage and long term customer relationships
• Analyze marketing case studies and actual marketing events to develop effective strategy for various types of enterprises
• Demonstrate knowledge of how marketing strategies must be tailored and crafted for the global business environment
• Demonstrate critical thinking skills in decision-making to synthesize material in a cross-disciplinary fashion
• Assess ethical implications relating to marketing strategies and their practical applications.

Classroom Environment/Goals: In order to provide an enjoyable, provocative learning experience, this course will provide a mix of lecture, discussion, and guest speakers. Regular attendance, active learning, and participation are expected. Contributing to a quality learning environment is the job of each individual student, and you can do so only if you are well-prepared for each class (by having read and done the assignments in advance). My hope is to foster a challenging yet supportive environment where you can flourish and learn.

Integrity and honesty are hallmarks of the ethical business practice and the foundation of my class. It is your duty to act honestly and ethically in your coursework, and it is my duty to ensure a fair classroom environment for all students. Cheating of any sort will not be tolerated. Cheating, failure to follow instructions, and/or failure to follow course policies may result in a reduced grade or a failing grade at the instructor’s option. The following message about academic integrity comes from the Provost’s office: “All students must practice academic honesty. Academic misconduct is subject to an academic penalty by the course instructor and or a disciplinary sanction by the University. All students need to be familiar with the Student Conduct Code. The Code is available for review online at http://life.umt.edu/vpsa/student_conduct.php.”

Please note that it is a form of academic misconduct to submit work that was previously used in another course. I also have a history of treating any plagiarism (from the Internet or any other
source) quite severely. Always cite your sources appropriately. It actually makes your work more credible.

The SoBA Code of Professional Conduct can be found at: http://www.business.umt.edu/Soba/SoBAEthics/CodeofProfessionalConduct.aspx

Classroom Etiquette. Respect for your classmates is also required in order to provide the best learning environment—this includes not only respect for diversity, but also not hogging the airtime, and being respectful of students who need a bit more time to formalize and articulate their thoughts. Please: no sidebar discussions during lecture or class discussion, no newspapers or crossword puzzles, no cellular phone use during class (this includes text messaging), no surfing the web, and no other disruptive actions (i.e. leaving abruptly during class without prior notification – not including restroom breaks). If you are disruptive in class (talking, text messaging, etc), you will be asked to leave class and any points awarded that day will be forfeited (attendance, participation, extra credit).

Students with disabilities will receive reasonable accommodations in this course. The University of Montana assures equal access to instruction through collaboration between students with disabilities, instructors, and Disability Services for Students (DSS). If you think you may have a disability adversely affecting your academic performance, and you have not already registered with DSS, please contact DSS in Lommasson 154. I will work with you and DSS to provide an appropriate accommodation.

Course Requirements

<table>
<thead>
<tr>
<th>Exams (3@100)</th>
<th>300</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-class assignments</td>
<td>50</td>
</tr>
<tr>
<td>Written paper assignment</td>
<td>50</td>
</tr>
<tr>
<td>Customer Life-Time Value</td>
<td>25</td>
</tr>
<tr>
<td>Career Assignments</td>
<td>25</td>
</tr>
<tr>
<td>Total Points</td>
<td>450</td>
</tr>
</tbody>
</table>

Exams. Three exams will be given, consisting of multiple choice questions. Exams will be returned and discussed in class. Students not in class when the exams are returned will miss any discussion related to the exam. * No late exams or make-ups will be given. * *

In-class assignments: A variety of in-class assignments will be given. These generally will be closed-book exercises that will be based on the day’s assigned material/podcasts. The days of these assignments are random; students not in class on the day it is given will miss that day’s assignment.

- I will offer one (1) make-up assignment near the end of the semester—which again, can be done only if you are in class that day.
- You may attend one (1) outside opportunity to make up a missed in-class assignment. Please select an outside lecture on campus, or a professional networking event (such as Hellgate Venture Network), submit within one week a written analysis including who, what, where, when you attended, and a two-paragraph summary of the most interesting, significant, meaningful part of that outside lecture/event to your career and your academic interests.
Written paper assignment: Details will be coming in a separate handout.

Customer life-Time Value Exercise: In order to provide a consistent learning environment with the other sections of Principles of Marketing, and to give you an opportunity to learn from another marketing faculty member, Professor Justin Angle will be conducting this exercise. Course materials will be passed out the 2nd week of class.

Career Assignments: BMKT 325 is one of a few courses participating in the SoBA Career Development process. As such, several small assignments that emphasize career development activities will be required throughout the semester. These requirements and associated procedures are outlined in a separate document that I will discuss the second week of class.

Extra Credit: Students may submit by noon one week prior to each exam up to three multiple-choice questions that I will consider using on the exam. Any material is fair game: textbook, speakers, articles, films, podcasts, class discussion. If I use your question(s), you will receive extra credit in the amount equal to the multiple-choice value of those points on the exam. An added bonus: You’ll likely get that exam question correct. If I use only a portion of your question, you will receive partial points. No late questions accepted. Don’t put yourself in an awkward position by even asking—it is not fair to me or your peers.

General: You are encouraged to discuss your work and progress with me at any time in order to discuss specific problem areas, to further clarify material, or to provide you with more concrete suggestions on how to improve your performance. I’m also happy to discuss course planning and career advising at your request.

Handling e-mail communication: Feedback from recruiters and others (including an article in the Wall Street Journal) indicates that students need more practice in writing professional e-mail messages. As a result, I expect all of your email correspondence with me to be professionally appropriate and grammatically correct (including proper punctuation, capitalization, spelling, etc.) I respond to all email messages I receive during the work week. If you need a response to an issue faster than I can get to it on email, please feel free to reach me at my office: 243-2920 or stop by.

Major Field Test – As a graduation requirement, all business majors must take and pass the Major Field Test, a standardized test administered by ETS, when they take their capstone near the end of their program. Material from MKTG 325 is included on the Major Field Test. Likewise, material from MKTG 325 is used in later business and marketing courses. Students are encouraged to keep their books and notes for future reference.

Final Grades: Plus/Minus grading will be used for final grades on the following scale.

93 - 100%        A
90 - 92%         A-
87 - 89%         B+
83 - 86%         B
80-82%           B-
77-79%           C+

73-76%            C
70-72%            C-
67-69%            D+
63-66%            D
60-62%            D-
Below 60%         F
School of Business Administration Mission Statement and Assurance of Learning

The University of Montana’s School of Business Administration enhances lives and benefits society by providing a world-class business education in a supportive, collegial environment.

We accomplish this mission by acting on our shared core values of creating significant experiences, building relationships, teaching and researching relevant topics, behaving ethically, and inspiring individuals to thrive.

As part of our assessment process, the School of Business Administration has adopted the following learning goals and objectives for our undergraduate students:

Learning Goal 1: SoBA graduates will possess fundamental business knowledge.

Learning Goal 2: SoBA graduates will be able to integrate business knowledge from several of the functional areas of business.

Learning Goal 3: SoBA graduates will be effective communicators, with the demonstrated ability to write effectively and to deliver quality oral presentations.

Learning Goal 4: SoBA graduates will possess problem solving skills, leveraging both quantitative tools and qualitative frameworks and logic, as well as use of appropriate metrics to assess success of business strategies.

Learning Goal 5: SoBA graduates will have an ethical awareness, with the ability to recognize potential ethical dilemmas in a business situation and to identify the consequences of different ethical perspectives when applied to an ethical dilemma in a business situation.

Learning Goal 6: SoBA graduates will be proficient users of technology, including understanding the role of technology in creating business innovations and competitive advantage.

Learning Goal 7: SoBA graduates will understand the global business environment in which they operate.
SUGGESTED METHOD OF STUDY

0. First: **read** the assigned chapter before class and listen to the podcasts!

1. Use your powerpoint outlines to guide you in preparing for class. If the book covers a topic for which there is no powerpoint slide, then I will NOT cover that topic in class, nor on the test.

   If I have a powerpoint slide, then you are responsible for having taken additional notes on that topic.

   Your slides are merely an outline, and meant to highlight which topics will be covered. In addition to taking complete notes during class, you must also supplement your powerpoint slides with supporting detail from the text, emphasizing those areas on which we spend more time in class (see #3 below).

   For non-textbook material, such as films, speakers, and articles, please take your own notes for exam preparation/studying.

2. Students will find it advantageous to find a study partner/group. This partner/group is more than just your back-up for notes and assignments in case you miss class (please do not ask me for copies of my notes); relying on your study group is also the best way to prepare for exams.

   You should meet with your study partner/group periodically to compare and go over class notes. Because class is heavily oriented towards discussion, note-taking can be more difficult than in a straight lecture format. When you find areas of discrepancy or confusion in your notes, please ask for clarification during the next class period, or come and see me during my office hours.

3. Individually, you should supplement (weekly) your lecture notes with notes from the text, as appropriate, emphasizing those areas on which we spend more time in class.

4. You should know by memory an outline for *all* class materials, and you should have your own definitions for all terms. Especially an understanding of steps involved in designing marketing strategy and the criteria by which strategies are evaluated will be helpful.

5. Practice critical thinking. Quiz yourself and your group members about real life applications/examples of marketing issues:
   - What marketing characteristics/principles are being exhibited in the example?
   - Is the company/product following prescribed marketing practice? Why or why not?
   - What should the company do differently, or what should they consider as additional, factors in future strategy?

   *All answers should, at a minimum, address and rely on concepts learned in class.*
<table>
<thead>
<tr>
<th>Date</th>
<th>Topic/Article</th>
<th>Chapter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tue 8.26</td>
<td>Introduction: What is Marketing?</td>
<td>1</td>
</tr>
<tr>
<td>Thurs 8.28</td>
<td>Relationship Marketing: Marketing metrics</td>
<td>1</td>
</tr>
<tr>
<td>Tue 9.2</td>
<td>Triple Bottom Line/ Social Responsibility and Sustainability/Video: Pepsi’s Challenge</td>
<td>1</td>
</tr>
<tr>
<td>Thur 9.4</td>
<td>Strategic Planning Process</td>
<td>2</td>
</tr>
<tr>
<td>Tue 9.9</td>
<td>(Continued)</td>
<td>2</td>
</tr>
<tr>
<td>Thur 9.11</td>
<td>The Marketing Environment/SWOT Analysis</td>
<td>3</td>
</tr>
<tr>
<td>Tue 9.16</td>
<td>(Continued)</td>
<td></td>
</tr>
<tr>
<td>Thur 9.18</td>
<td>Marketing Research/ Big Data / Assigned Readings: Data Mining and Is Big Data a Dud?</td>
<td>4</td>
</tr>
<tr>
<td>Tue 9.23</td>
<td>Review / Justin Angle (explain CLTV exercise)</td>
<td></td>
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<tr>
<td>Thur 9.25</td>
<td>Exam 1</td>
<td></td>
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<tr>
<td>Tue 9.30</td>
<td>Consumer Behavior</td>
<td>5</td>
</tr>
<tr>
<td>Thur 10.2</td>
<td>Speaker: John Chandler, Data Insights</td>
<td></td>
</tr>
<tr>
<td>Tue 10.7</td>
<td>Consumer Behavior (Cont.)</td>
<td>5</td>
</tr>
<tr>
<td>Thur 10.9</td>
<td>Segmentation, Targeting and Positioning</td>
<td>7</td>
</tr>
<tr>
<td>Tue 10.14</td>
<td>(Continued)</td>
<td></td>
</tr>
<tr>
<td>Thur 10.16</td>
<td>(Continued)/ Assigned Reading Fast company: Water reading</td>
<td></td>
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<tr>
<td>Tue 10.21</td>
<td>CLTV Presentations</td>
<td></td>
</tr>
<tr>
<td>Thur 10.23</td>
<td>Exam 2</td>
<td></td>
</tr>
<tr>
<td>Tue 10.28</td>
<td>Product Strategy/Assigned Reading: Doritos Taco Locos</td>
<td>8, 9</td>
</tr>
<tr>
<td>Thur 10.30</td>
<td>Guest Speaker: Chris Wright, Google Product Marketing Management</td>
<td></td>
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<tr>
<td>Tue 11.4</td>
<td>Election Day: State Holiday</td>
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<tr>
<td>Thur 11.6</td>
<td>Pricing (see worksheet in syllabus)</td>
<td>11</td>
</tr>
<tr>
<td>Tue 11.11</td>
<td>Veteran’s Day: No classes</td>
<td></td>
</tr>
<tr>
<td>Thur 11.13</td>
<td>Advertising / Pricing worksheets must be done/in-class review</td>
<td>13</td>
</tr>
<tr>
<td>Tue 11.18</td>
<td>Public Relations</td>
<td>13</td>
</tr>
<tr>
<td>Thur 11.20</td>
<td>Speaker: Business Advisory Boards</td>
<td></td>
</tr>
<tr>
<td>Tue 11.25</td>
<td>Sales Promotion and Personal Selling - Video: The Pitchmen</td>
<td>12, 14*</td>
</tr>
<tr>
<td>Thur 11.27</td>
<td>Happy Thanksgiving</td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td>Topic</td>
<td>Time</td>
</tr>
<tr>
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</tr>
<tr>
<td>Tue 12.2</td>
<td>Distribution (Direct and indirect)</td>
<td>15*</td>
</tr>
<tr>
<td>Thur 12.4</td>
<td>Course Wrap-up</td>
<td></td>
</tr>
<tr>
<td>Tues 12.9</td>
<td>Finals week: Exam #3 3:20-5:20 p.m.</td>
<td></td>
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</tbody>
</table>

* partial chapters only
Pricing Problems
Principles of Marketing

1. Now Next Month
   Price    $10 $5
   Quant.   100 150

Is this product elastic or inelastic? Why?

2. A manufacturer of integrated circuit chips has developed a demand schedule that shows the relationship between prices and demand based on a survey, as follows:

<table>
<thead>
<tr>
<th>Price</th>
<th>Number who would buy</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1</td>
<td>300</td>
</tr>
<tr>
<td>2</td>
<td>250</td>
</tr>
<tr>
<td>3</td>
<td>200</td>
</tr>
<tr>
<td>4</td>
<td>150</td>
</tr>
<tr>
<td>5</td>
<td>100</td>
</tr>
</tbody>
</table>

   a. Graph a demand curve and the total revenue curve based on these data. What price might be set based on this analysis?
   b. What other factors should be considered before the final price is set?

3. Touché, Inc. has developed an addition to its Lizardman Oil line tentatively branded Oil d’Toade. Unit variable costs are 45 cents for a 3-ounce bottle, and heavy marketing expenditures in the first year would result in total fixed costs of $900,000. Oil d’Toade was priced at $7.50 for a 3-ounce bottle. How many bottles of Oil d’Toade must be sold to break even?

4. Suppose that marketing executives Touché, Inc. reduced the price to $6.50 for a 3-ounce bottle of Oil d’Toade and the fixed costs were $1,100,000. Suppose further that the unit variable cost remained at 45 cents for a 3-ounce bottle.
   a. How many bottles must be sold to break even?
   b. What dollar profit level would Oil d’Toade achieve if 200,000 bottles were sold?

5. Executives of Random Recordings, Inc. produced a subliminal improvement tape entitled Motivation to Market by the Starshine Sisters Band. The cost and price information were as follows:
   Tape cover $1.00 per album
   Songwriter’s royalties 0.30 per album
   Recording artists’ royalties 0.70 per album
   Direct material and labor costs to produce the tape 1.00 per album
   Fixed cost of producing a tape (advertising, studio fee, etc.) 100,000.00
   Selling price 7.00 per album
a. Prepare a break-even chart showing total cost, fixed cost, and total revenue for tape
quantity sold levels starting at 10,000 tapes through 50,000 tapes at 10,000 tape intervals;
that is, 10,000, 20,000, 30,000, and so on.

b. What is the break-even point for the tape?

6. The Hesper Corporation is a leading manufacturer of high-quality upholstered office
furniture. Current plans call for an increase of $600,000 in the advertising budget. If the firm
sells its desks for an average price of $850 and the unit variable costs are $550, then what
dollar sales increase will be necessary to cover the additional advertising?

7. Suppose executives estimate that the unit variable cost for their car phones is $100, the fixed
cost related to the product is $10 million annually, and the target volume for the next year is
100,000 phones. What sales price will be necessary to achieve a target profit of $1 million?

8. Suppose a manufacturer of office equipment sets a suggested price to the customer of $395
for a particular piece of equipment to be competitive with similar equipment. The
manufacturer sells its equipment to a distributor who receives a 25 percent markup and a
retailer who receives a 50 percent markup. At what price will the manufacturer sell the
equipment to the distributor?