

MIT Sloan School of Management
15.835 Entrepreneurial Marketing
Spring 2016

THE 2016 COURSE WILL BE VERY DIFFERENT FROM THE 2015 VERSION
This course should not be taken with 15.810, Marketing Management

Time	Tu Th, 1:00 - 2:30 PM, H2
Classroom	E62-223
Course Website	http://stellar.mit.edu/S/course/15/sp15/15.835/
Professor	Birger Wernerfelt bwerner@mit.edu * (617) 253-7192 * E62-532 http://web.mit.edu/bwerner/www/
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Teaching Assistant	TBA

Course Objectives

15.835 is the introductory marketing course for entrepreneurs at MIT. It is designed to teach students the minimum amount of marketing they need to know in order to run their own start-ups. As such, it is aimed at students with no background in marketing. We will go through the basic theory as it applies to entrepreneurial firms and end with an opportunity to use the theory. Upon completion of this course, you will be able to:

- ☐☐ Develop your marketing strategies – select your target market by analyzing the “5 C’s”. (Customers, Company, Competitors, Collaborators, and Context).
- ☐☐ Optimize your marketing tactics – implement your marketing strategies by choosing the “4 P’s”. (Product, Place, Promotion, and Price).

This course explores both marketing theory and practice. The lecture sessions introduce proven techniques to solve marketing problems, the case sessions illustrate the application of these in various industries, while the practice sessions provide an opportunity for you to develop a concrete marketing plan for a new venture. Throughout the course, we emphasize both established theories and cutting-edge concepts, including new media and marketing analytics.

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Course Materials

1. **Reading list:** The course draws upon a reading list that contains cases and background articles. Please see the end of this syllabus for the full list. The readings are composed of two parts:
 - A. **Course packet:** The course packet contains articles that are copyright-protected. You can purchase the course packet on Study.Net or at CopyTech.
 - B. **Stellar notes:** We will post supplementary course materials in the form of lecture notes on the Stellar course website. These notes are free to download. (We thank the authors for sharing these contents.)
2. **Slides:** Slides for the lecture sessions will be available on Stellar at least 24 hours before class. Please print and review these slides before coming to the lecture. Slides for the case sessions will be posted after class.
3. **Textbook:** There is no required textbook for this course. For a reference volume that includes marketing terms, examples, and a general taxonomy of issues I recommend Philip Kotler & Kevin Keller, *Marketing Management*, 14e, 2011, Prentice-Hall.

Evaluation

The course helps you learn marketing through three interrelated activities. The activities are of equal importance to the course, to your careers, and in the evaluation of your work.

1. Class participation (individual)
2. Two case write-ups (team)
3. Action Learning project (team)

The expectations for each component are explained as follows.

1. Class participation

Your class participation grade is based on attendance (1/3) and input (2/3).

Attendance: You learn by attending classes and your peers learn from your participation. However, emergencies do happen. Absence due to serious illness, childbirth, military service, or bereavement is excused. By Sloan policy, absence due to job interviews or attendance at co-curricular events is not excused. The Career Development Office and the MBA office are careful not to schedule activities that conflict with class time.

Input: You should view class participation as an opportunity to both ask questions to enhance your understanding of the material and suggest examples that demonstrate

such understanding. Comments and questions should be relevant to the material being discussed and build upon the discussion that is developing. Please try to avoid lengthy discourses of extraneous materials and repetition of issues already discussed.

It is imperative that you read all of the cases and come to class with a series of comments that you think will be interesting to the class. Your colleagues are counting on your insight. The best way to prepare is to answer the case discussion questions posted on Stellar. These questions provide an outline of how we might proceed in class. If you can answer each question well, you will understand the basic issues of the case.

Your input to class discussion will be evaluated by the TA and me based on quality (as opposed to quantity). Really good comments provide breakthrough insight on an issue with which the class is struggling. Really bad comments ignore the flow of the discussion or ignore case facts. (It is okay to disagree with case facts; just do not ignore them.) It is great if your analysis builds upon or challenges prior comments, even if the class does not agree with your analysis. Usually the analysis depends upon hidden assumptions so there is more than one right answer.

Name plate: Please always bring your name plate to class. This is your opportunity for branding – you want me, the TA, and your peers to associate your insights with you, the brand.

Seating: Past experience suggests that fixed seating enhances brand recognition. During the first two classes you are free to trade seats. For example, you may want to sit with your teammates. However, I will distribute a seating chart at the end of the second class. Please mark your name on the seating chart, and keep that seat for the rest of the semester.

2A. Case write-ups

We will study several cases during the semester. In addition to discussing the cases in class, your team will submit write-ups on any TWO of the cases:

Each case write-up contributes to half of your case grade. A case write-up is due at the beginning of the class when that case is to be discussed.

The case write-ups should consist of approximately 5 pages of text (space-and-a-half, 12-point font) and should address the discussion questions. Longer reports are strongly discouraged. You may refer to figures or computations that use data from the case. Therefore, you are allowed, but not required, to have a small number of exhibits at the end of your report.

A common remark made by students is that their team thought about most of the important points but ran out of space to write them all down. One purpose of case write-ups is to help you identify which of the details hidden in the myriad of case facts are the most relevant. The page constraint forces you to prioritize your thinking.

You will benefit from defending your ideas and by discussing other team members' approaches. For the cases which are not due in written form, you may discuss the general issues with other students at MIT Sloan. However, you should not discuss these cases with any students who may have studied them in a prior semester. For the two case write-ups, you should discuss only within your team. All team members should contribute to the case write-up, which is expected to be original material. Because a key benefit of case study is that you form ideas and defend them to your peers, you are not to consult any files from previous years on the cases.

Below are some additional recommendations on how to manage case write-ups:

- Feel free to use bullet points if you find them helpful.
- Separately answer each discussion question. Use headings to highlight which questions you are answering.
 - If necessary, structure your answers with sub-headings to make it clear that you have used an analytical approach to reach your conclusions.
- Do not omit the obvious points. In fact, it helps to start with the most obvious points and drill down further from there.
- Review the lecture slides before writing your analysis. The theory presented in the lectures can serve as a useful guide.
- Random lists of issues without structure leave the TA guessing as to which issue you consider the most critical. If you provide an unstructured list that happens to include both good and bad answers you will get far less credit than a structured list that captures the essence of the case.
- Quality is more important than quantity.
- I am more interested in your thought process than any specific set of conclusions. Make sure that you give both the pros and the cons of each alternative. Describe the theory and process by which you arrived at your conclusions. Your TA is not looking for key words, but rather critical thinking.
- Although the TA is working from a detailed set of guidelines based on my analysis of the case, the TA is authorized to deviate for solutions based on careful analysis of the case facts.

3. Action Learning Project

MIT Sloan is the world's leader in Action Learning. Each team selects a new venture and uses the marketing techniques developed in the course to arrive at a plan for going to

market. There are two project deliverables, with each accounting for half of your project grade:

- A. A three page write-up on marketing strategy is due before class on April 14.
- B. A six page write-up on marketing tactics is due before class on May 12.

You are allowed to coordinate the topic of your Action Learning project with topics covered in co-curricular activities. However, for 15.835 you must satisfy the requirements of the 15.835 project – please do not hand in a report prepared for a co-curricular activity.

You are strongly encouraged to start on the project once your team is formed. This way you will be able to incorporate what you have learned in each class into your project, and to smooth out your workload throughout the semester.

To learn more about Action Learning at MIT Sloan, please visit:

<http://mitsloan.mit.edu/actionlearning>

Forming teams

To get the most out of 15.835, you should form teams to prepare for the cases and to complete the Action Learning project. The target size is four people. Teams of more than four people are not allowed, and teams of fewer than three people are strongly discouraged.

Please submit to your TA a roster of your team members by the end of the second class. Please designate a contact person for your team and provide a phone number if possible. If you are a free agent or a team of only two members, submit your name or roster anyway, and we will help you grow a team by random matching.

Getting Help from the Professor and the TA

You may have various questions about the course or marketing in general. I will come early on Tuesdays and stay late on Thursdays to answer any questions. You can also email me and/or your TA to set up office appointments. In addition, I encourage you to get to know your TA as soon as possible. I have requested your TA to offer two meetings with each team in the semester. The TA will arrange a time and place that is mutually convenient.

MIT Sloan Values

Ethics: An important concern in any discipline is the ethics of its practitioners. This is certainly true in marketing. Indeed, some managers in the cases act in ways you might not consider ethical. These actions are left in the cases specifically to raise ethical discussions. You are encouraged to address these issues in class.

Academic integrity: For a student to sign his/her name to a team assignment, the student will have done a substantial amount of work. It is not, for example, acceptable to rotate the work across assignments. Violation of this guideline hurts you, your team, and your colleagues. When in doubt, please follow the guidelines in MIT's Handbook for Students on Academic Integrity:

<http://web.mit.edu/academicintegrity>

MIT Sloan professional standards: Please arrive on time for class with uninterrupted attendance for the duration of the class. I will endeavor to begin and end class on time. Official class time is determined by the clock in the classroom. If the clock is fast or slow, let us know and we will try to correct it.

Please maintain a professional atmosphere in class. This includes, but is not limited to, using respectful comments and humor, employing appropriate manners and decorum, utilizing computers and technology suitably (e.g., silencing wireless devices, refraining from web-browsing, emailing, and texting), and avoiding distracting or disrespectful activities (e.g., side conversations). Portable computers are to remain closed during class. Tablet devices are not to be used during class even though course packets are available electronically. This policy is in place for all core classes and will be revisited as necessary.

A complete description of the MIT Sloan professional standards is available on the Stellar course website. For further information regarding MIT Sloan Values, please visit:

<https://mysloan.mit.edu/offices/deans/values/Pages/default.aspx>

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Class Schedule

#	Day	Date	Topic	Type
1	Tu	Mar 29	Introduction to the Class (5 C's and 4 P's)	Lecture
2	Th	Mar 31	Consumers and Firms: The Consumer's Decision Journey, A Primer on the RBV	Lecture
3	Tu	Apr 5	Guest Speaker: Sam Clemens, InsightSquared, ???	Practice
4	Th	Apr 7	Lady Gaga, Market Segmentation and Target Market Selection, and Positioning 9-506-019	Case
5	Tu	Apr 12	<i>Action Learning project: Marketing Strategies</i>	Practice
6	Th	Apr 14	Marketing Tactics: An Efficiency Criterion for Marketing design <i>Action Learning project: Report on Marketing Strategies due</i>	Lecture
7	Th	Apr 21	Product: Airbnb, Principles of Product Policy	Case
8	Tu	Apr 26	Place: Zappos.com (A), Distribution Policy	Case
9	Th	Apr 28	Promotion: Online Marketing at Big Skinny, How Adv. Works	Case
10	Tu	May 3	Pricing: Dropbox, Principles of Pricing	Case
11	Th	May 5	Guest Speaker: Dave Balter, Smarterer, ???	Practice
12	Tu	May 10	<i>Action Learning project: Marketing Tactics</i>	Practice
13	Th	May 12	Conclusion <i>Action Learning project: Report on Marketing Tactics due</i>	Lecture

*Meeting in E51-376

Discussion Questions

Lady Gaga

1. What are the pros and cons of Lady Gaga's brand building process?
2. List the factors that made the originally planned tour attractive
3. What should she do?

Airbnb

1. Who are the customers and what are their alternatives?
2. What are the resources of Airbnb?
3. How should Airbnb respond to the EJ story?

Zappos.com (A)

0. Ignore p. 6 of the case
1. What are, in this industry, the advantages and dis-advantages of brick and mortar retailing?
2. Are you worried about competition, and if so, from whom?
3. Is it important to scale up fast?

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Big Skinny

1. What are the main problems in scaling up the street vendor sales process?
2. What are the pros and cons of selling through a third party (retailer, Amazon, ..)
3. What should Big Skinny do?

Dropbox.com: It Just Works

0. What are the key elements of the business model?
1. Is Dropbox profitable as of June 2010?
2. Should they create a separate version for small and medium sized businesses?

Reading List

Lady Gaga (A) 9-512-016

AirBnb (A) 9-912-019

Zappos.com (A) Ins 259

Online Marketing at Big Skinny 9-911-033

Dropbox: It Just Works 9-811-065

The Consumer Decision Journey, *Mckinsey Quarterly*, 2006

A Primer on the Resource-based View, MIT, 2016

Market Segmentation and Target Market Selection, and Positioning 9-506-019

An Efficiency Criterion for Marketing Design, *J. Marketing Research*, 1994

Principles of Product Policy 9-506-018

Distribution Policy 9-585-045

How Advertising Works: What do We Really Know? *J. Marketing*, 1999

Principles of Pricing 9-506-021