MBA I604 – Creating Customer Value
Fall 2017 Course Outline

Marketing and Information Systems Areas
DeGroote School of Business
McMaster University

Course Objective

This course provides the foundations of how organizations create value for their customers by developing a strategy which includes decisions on price, promotion, product/service, distribution, and target market. You will gain an understanding of how organizations create value for their customers in a digital age by leveraging their data and providing rich online interactions. Through case analyses, discussions and reports, you will be exposed to diverse real world examples that directly apply and integrate theories from marketing and information systems disciplines.

Instructors and Contact Information

Marvin Ryder	Dr. Milena Head	Teaching Assistants
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Course Elements

AVENUE:	Yes	Leadership:	Yes	IT skills:	Yes	Global view:	Yes
Participation:	Yes	Ethics:	Yes	Numeracy:	Yes	Written skills:	Yes
Evidence-based:	Yes	Innovation:	Yes	Group Work:	Yes	Oral skills:	Yes
Experiential:	Yes	Guest speaker(s):	No	Final Exam:	No	Credit Value:	3

Course Description

This course is taught through a blend of the case-method with readings, lectures, videos and presentations. The materials used encompass a wide range of industries, businesses and issues in order to provide the greatest depth and breadth of experience. The customer-centric view of this course will discuss both strategic and tactical issues to create customer value. The first half of the course will provide a foundation for understanding the importance and formation of a marketing strategy and plan. Any strategy to satisfy customers involves a specific choice of product, price, promotion, and distribution. And since no business can satisfy all of the people all of the time, a choice of target market is also crucial. The second half of the course will focus on how to understand and provide value for customers in an online world. Customers generate vast amounts of data that can provide rich insights into their preferences and expectations. In today's digitally driven world, organizations must understand how to leverage these insights to provide their customers with rich experiences online and offline. The course also explores the ethical issues that abound in our digital age, with a focus on organizational responsibilities.

LEARNING OUTCOMES

Upon completion of this course, students will be able to complete the following key tasks:

1. Formulate a customer-centric marketing strategy while considering the organization's capabilities and environmental context;
2. Understand the opportunities and challenges associated with customer-centric online business (eBusiness, mBusiness, sBusiness, etc.);
3. Identify examples of social and ethical issues arising in the digital age;
4. Assume the role of the decision maker in various managerial situations in a variety of industries;
5. Identify the important opportunities and challenges facing a business and setting out a course of action for dealing with them; and
6. Detail an action plan that is operationally specific.

REQUIRED COURSE MATERIALS AND READINGS

- MBA I604 - **Custom Courseware**
- Avenue to Learn registration for course content, readings, and case materials
  http://avenue.mcmaster.ca

EVALUATION

Learning in this course results primarily from in-class discussion and participation of comprehensive business cases as well as out-of-class analysis. The balance of the learning results from the lectures on strategic concepts, from related readings, and from researching your cases and presentation.

COMPONENTS AND WEIGHTS

Your final grade will be calculated as follows:

Written Case Report – 10-page double-spaced report (group)	**15%**
Participation in Class Discussions (individual – 10% from Prof. Ryder and 10% from Dr. Head)	**20%**
Mid-Term Quiz (individual)	**25%**
Case Memo – for **one** of two case options (individual)	**5%**
Ethics Presentation – ten minute presentation per group	**10%**
Written Case Report – 15-page double-spaced report (group)	**25%**
Total	**100%**

GRADE CONVERSION

In this course, your cases may be graded using different marking and reporting techniques. Please note, then, that when your work is returned after grading, you will be informed regarding how your performance should be interpreted for that particular item.

A NOTE ON PARTICIPATION

Name cards and class pictures are used to help give credit for your participation. You must have a name card with **your full first and last name clearly written and displayed in front of you for every class**. It is imperative that you prepare for every case. Class participation marks are based on the quality as well as the quantity of participation. However, no class participation or class absence results in 0 marks. Marks are **NOT** awarded for attendance only. In general, contributions are evaluated on a three point scale: 1) physically but not mentally engaged; 2) some contribution; and 3) good contribution. Debate and challenge are important activities that help in the learning process and the willingness of individuals to engage in such activities with their classmates is critical. The instructor will feel free to cold-call on anyone at any time.

Opportunities for in-class participation include: a) asking questions; b) responding to questions posed by the instructor or other students; c) making relevant comments on material covered; and d) reflecting on the discussion that has occurred.

During the term students should consult the professor about their level and quality of participation. Contact your instructors if you are concerned that your participation mark **will** be low. There are ways they can help you to participate more effectively.
If you are absent from any class for a legitimate reason, you should share that with the instructor so that you are not penalized for lack of participation during that class. **Instructors will strive to give all students equal contribution chances but you have to show interest in participating by raising your hand.**

GROUP WORK

You have been grouped into teams of **four** or **five** people. Each group has a written case analysis, an ethics presentation, and a case report to complete. Groups are encouraged to set some ground rules and expectations early in the term and to have a short feedback session following the completion of each assignment so that individuals are made aware if their input is less than expected by their team.

Past experience with groups has shown that most troubles arise because individuals do not respect the group process. The first group meeting should happen during the next week. At this meeting choose a group leader who will help facilitate the work. This is a good time to set the parameters for group work such as: when the group will meet, attendance at group meetings including punctuality, and preliminary assignment of tasks. You should also make a calendar of all "good" and "bad" times for the group (i.e., when group members have commitments to work, tests, major assignments, social commitments, holidays, etc.). The worst thing you can do is surprise your group with a long-standing commitment at the last minute.

COMMUNICATION AND FEEDBACK

Students who are uncomfortable directly approaching an instructor regarding a course concern may choose to send a confidential and anonymous e-mail to the Area Chair for Marketing (Manish Kacker kackerm@mcmaster.ca, the Area Chair for Information Systems (Brian Detlor detlorb@mcmaster.ca) or the Associate Dean, Graduate Studies and Research (Khaled Hassanein hassank@mcmaster.ca).

http://mbastudent.degroote.mcmaster.ca/contact/anonymous

Students who wish to correspond with instructors or TA's directly via e-mail must send messages that **originate from their official McMaster University e-mail account**. This protects the confidentiality and sensitivity of information as well as confirms the identity of the student. **E-mails regarding course issues should NOT be sent to an Administrative Assistant.**

The instructors will provide evaluation feedback for at least 10% of the final grade to students prior to Week #5 in the term.

ACADEMIC DISHONESTY

It is the student's responsibility to understand what constitutes academic dishonesty. Please refer to the University Senate Academic Integrity Policy at the following URL:

http://www.mcmaster.ca/policy/Students-AcademicStudies/AcademicIntegrity.pdf

This policy describes the responsibilities, procedures, and guidelines for students and faculty should a case of academic dishonesty arise. Academic dishonesty is defined as to knowingly act or fail to act in a way which results or could result in unearned academic credit or advantage. Please refer to the policy for a list of examples. The policy also provides faculty with procedures to follow in cases of academic dishonesty as well as general guidelines for penalties. For further information related to the policy, please refer to the Office of Academic Integrity at:

http://www.mcmaster.ca/academicintegrity

REQUESTS FOR RELIEF FOR MISSED ACADEMIC TERM WORK

When students miss class participation for legitimate reasons, the weight for that participation will be distributed across the other case discussions in the course at the discretion of the instructor. For a one-class absence, an e-mail to the instructor explaining the reason for the absence is sufficient. For an absence of two or more consecutive classes, documentation explaining such an absence must be provided to the Student Experience – Academic (MBA) office (MASO) within five (5) working days upon returning to school. To document absences for health-related reasons, please provide the Petition for Relief for MBA Missed Term Work and the McMaster University Student Health Certificate, which can be found on the DeGroote website at:

http://mbastudent.degroote.mcmaster.ca/forms-and-applications/

Please do not use the online McMaster Student Absence Form as this is for Undergraduate students only. University policy states that a student may submit a maximum of three (3) medical certificates per year after which the student must meet with the Director of the program. To document absences for reasons other than health related, please provide documentation supporting the reason for the absence and the Petition for Relief for MBA Missed Term Work:

http://mbastudent.degroote.mcmaster.ca/MBA/documents/relief.pdf

For any other issues pertaining to missed discussions or assignments, please refer to the student calendar or contact the Student Experience – Academic (MBA) office.

POTENTIAL MODIFICATIONS TO THE COURSE

The instructor and university reserve the right to modify elements of the course during the term. The university may change the dates and deadlines for any or all courses in **extreme** circumstances. If either type of modification becomes necessary, reasonable notice and communication with the students will be given with explanation and the opportunity to comment on changes. It is the responsibility of the student to check their McMaster e-mail and course websites weekly during the term and to note any changes.

COURSE EVALUATIONS

Twice during the term, a formal evaluation of the instructor and the course will be conducted by the Michael G. DeGroote School of Business. The first evaluation will happen in Week #5 and the second in Week #10. All students are expected to participate in this evaluation as your answers will be used to help change the course structure and your evaluation of the instructor will be used in permanence, promotion and merit pay decisions.

STUDENT ACCESSIBILITY SERVICES

Students who require academic accommodation must contact Student Accessibility Services (SAS) to make arrangements with a Program Coordinator. Academic accommodations must be arranged at the outset for each term of study. SAS can be contacted by phone at 905-525-9140 ext. 28652 or via e-mail at sas@mcmaster.ca.

For further information, consult McMaster University's *Policy for Academic Accommodation of Students with Disabilities*:

http://www.mcmaster.ca/policy/Students-AcademicStudies/AcademicAccommodation-StudentsWithDisabilities.pdf

GUIDE TO WRITTEN CASE REPORTS (GROUP) – TWO TO BE SUBMITTED

The first written case report is worth 15% of your grade (*Limelight Cinema*); the second is worth 25% (*Burberry's New Challenges*). Your grade on these assignments will be based on how professional and comprehensive your case analysis report is. Reports are expected to be free of spelling and grammatical mistakes.

Title Page: Identify the case, the course and the team members.

Table of Contents: Provide a detailed listing of section titles, tables, exhibits and appendices.

Problem: State the main issues of the case, omitting descriptive details. Indicate the urgency and importance of the issues. Make sure to distinguish between the issues as seen by the actors in the case and additional theoretical or practical issues perceived by you.

Analysis: Subdivide into sections and subsections as appropriate.

Internal Analysis: This is a listing of the company's key strengths and weaknesses. They are internal to the company and directly controllable by the entrepreneur. Each strength or weakness should consist of a statement and then the implication. This answers the question – "So what?" – and gives the characteristic meaning in terms of the company or the problem.

Use one sub-heading for "Strengths" and one for "Weaknesses." You may also find that several characteristics can be grouped. For instance you might want to suggest that a firm is innovative because: 1) it launches one new product per year; 2) it invests in new technology to streamline operations; and 3) invests heavily in research and development. These are not three separate strengths but three aspects of one strength. **Be sure to conclude this section with a summary statement telling the reader if you see the company as stronger or weaker.**

External Analysis: This is a listing of the key opportunities and threats in the environment. They are external to the company or potential company and are not completely controllable. They may be trends to be embraced or exploited but they may also be trends which could hurt the company or its products/services. Use the same format here as you used for the Internal Analysis (i.e., one sub-heading for "Opportunities" and one for "Threats). Remember to both identify the opportunity or threat and then the implication of this fact for the firm or problem. NOTE: If you find yourself writing, "The company has the opportunity to ….", you have identified an alternative not an opportunity. If the company can control the characteristic, it is not part of the external analysis.

<u>Be sure to conclude this section with a summary statement telling the reader if you see the environment as more threatening or filled with opportunity.</u>

For the second case report (15 pages), include one other **appropriate** qualitative analysis tool (at the company, industry or market levels). As appropriate, quantitative analysis can also be included.

<u>Alternatives</u>: Use one subsection for each alternative presented. The correct number of alternatives might be suggested by the case. Other cases are more open-ended and the group could generate a near infinite list of alternatives. As a rule of thumb consider no less than three alternative courses of action for the company or potential company and certainly no more than five.

Analysis should consist of stating a prospective strategy and an analysis of its pros and cons. The analysis should focus on the strategy's ability to repair weaknesses, mitigate threats, build on strengths, or exploit opportunities facing the company. Be clear and concise. Where possible consider the financial implications of the strategy. You are writing a business report – not an essay.

<u>Recommendation and Implementation</u>: Always conclude a case report with specific recommendations for the future. Conceivably, you might recommend a combination of alternatives to cover shorter and longer planning horizons. Clearly justify your choice by saying why you rejected the other alternatives. A decision matrix is required in both reports and helps formally assess your alternatives.

Implementation is the action plan (what, when, who, where) that puts the recommended strategy into effect. It flows directly from the chosen strategy but should overlap it very little. This is not a restatement of your recommended strategy. It helps to create a timeline with defined steps/stages.

For your second case report (15 page report), a risk/contingency plan should be included that indicates the nature of the risk, its likelihood and your mitigation tactic.

<u>Bibliography</u>: Necessary only if sources other than the case text or your own analysis are used. A reference should be properly cited.

<u>Appendices</u>: Place for long tables, complicated calculations, less important graphs, etc.

Length : For the first case study, the maximum length is ten double-spaced word-processed pages (not including the Title Page, Table of Contents, Bibliography and Appendices). For the second case study, the maximum length is fifteen double-spaced word-processed pages (not including the Title Page, Table of Contents, Bibliography and Appendices).

Timing: Case assignments will be accepted for grading only on or before the assigned due date. **The first case report is due Tuesday November 1st by 5:00 pm. This will be a physical, paper submission to the dropbox on the second floor of RJC. The second case report is due Saturday December 2nd by noon. The second case report must be submitted electronically through the Avenue to Learn course website.**

CASE MEMO (INDIVIDUAL)

The case memo is worth 5% of your final grade. Three cases are being discussed during Dr. Head's portion of this course (please see the course schedule). For one of the second or third cases (either *David's Bridal: Customer Relationship Management in the Digital Age* or *Building a "Backdoor" to the iPhone: An Ethical Dilemma*), you will submit a **one-page** case memo. While you are limited to one page of text in your case memo, you may append as many *meaningful* attachments (tables, figures, charts, etc.). The case memo should be single-spaced and use a 12-point font. It should highlight the most salient elements of your analysis and recommendations for the case. Your memo should be addressed to a key constituent identified in the case. Your memo must be **submitted electronically via the course's Avenue site by 8:30 am Wednesday morning of the week when the case is being discussed**. Failure to submit by this time will result in a mark of zero for that case report.

ETHICS PRESENTATION (GROUP)

This presentation is worth 10% of your final grade. Your group will present on an ethical issue that has arisen due to the digital age. Topics will be determined in Week #6 of the course. Presentations will be limited to 10 minutes in length and not all team members are required to present. However team members will peer-assess each other, which will be factored into the final mark for each individual team member.

ACKNOWLEDGEMENT OF COURSE POLICIES

Your enrollment in MBA I604 will be considered to be an implicit acknowledgement of the course policies outlined above, or of any other that may be announced during lectures and/or on AVENUE. **It is your responsibility to read this course outline, to familiarize yourself with the course policies and to act accordingly.**

Lack of awareness of the course policies **cannot be invoked** at any point during this course for failure to meet them. It is your responsibility to ask for clarification on any policies that you do not understand.

COURSE SCHEDULE

C01 (RJC 214) – TUES. 8:30 - 10:20 A.M.; THURS. 8:30 - 10:20 A.M.
C02 (RJC 236) – TUES. 2:30 - 4:20 P.M.; THURS. 11:30 - 1:20 P.M.
C03 (RJC 313) – MON. 8:30 - 10:20 A.M.; WED. 8:30 - 10:20 A.M.
C04 (RJC 427) – MON. 11:30 - 1:20 P.M.; WED. 11:30 - 1:20 P.M.

Week	Class 1 (Monday/Tuesday)	Class 2 (Wednesday/Thursday)
9-Oct-17 (Ryder)	***COURSE INTRODUCTION*** ***DEFINITION OF MARKETING AND MARKETING STRATEGY***	***MARKETS AND MARKET SEGMENTATION***
16-Oct-17 (Ryder)	***ADDING VALUE THROUGH PRODUCT STRATEGY***	*CASE:* **CRAYOLA™ CANADA LTD.**
23-Oct-17 (Ryder)	***ADDING VALUE THROUGH PROMOTION STRATEGY***	*CASE:* **THOMPSON BROTHERS FUNERAL HOMES**
30-Oct-17 (Ryder)	***ADDING VALUE THROUGH PRICING STRATEGY*** ***Case Report 1 (Limelight Cinema) due Tuesday, October 31 at 5:00 pm***	*CASE:* **LIMELIGHT CINEMA**
6-Nov-17 (Ryder)	***ADDING VALUE THROUGH DISTRIBUTION STRATEGY***	***NO CLASS – QUIZ TO BE SCHEDULED***
13-Nov-17 (Head)	***UNDERSTANDING AND CREATING CUSTOMER VALUE IN A DIGITAL AGE***	*CASE:* **ACCORHOTELS**
20-Nov-17 (Head)	***UNDERSTANDING AND CREATING CUSTOMER VALUE IN A DIGITAL AGE***	*CASE:* **DAVID'S BRIDAL**
27-Nov-17 (Head)	***ETHICAL ISSUES IN A DIGITAL AGE*** **Guest Speaker Tuesday Nov 28**	*CASE:* **BUILDING A "BACKDOOR" TO THE IPHONE**
4-Dec-17 (Head)	***ADDING VALUE THROUGH E- M- AND S- COMMERCE*** ***Case Report 2 (Burberry's New Challenges) due Sat. Dec. 2 noon***	***Presentations: Ethical Issues in a Digital Age***
11-Dec-17	***NO CLASS***	

SUGGESTED DISCUSSION QUESTIONS FOR CASES

CRAYOLA™ CANADA LTD.

1. What evaluation criteria should be used to assess the three projects at this early stage of the new product development process?
2. Analyze the three projects using no more than seven of these criteria. Are there any projects which should receive approval?
3. Take a creative second look at any unsuccessful projects. Can any aspects of the product concept be adjusted to overcome your objections to it?

THOMPSON BROTHERS FUNERAL HOMES

1. Should the pricing policy be changed at the Mount Hamilton Chapel?
2. What impact would a pricing policy change have on performance over the next three years?
3. What other changes could be made to the company's marketing mix to improve performance?

LIMELIGHT CINEMA

1. Size-up the company and its environment. Why has it been unsuccessful to date?
2. What impact will the new membership policy have on the company's revenues and profits?
3. What action should Olga undertake to make the cinema successful?

ACCORHOTELS AND THE DIGITAL TRANSFORMATION: ENRICHING EXPERIENCES THROUGH CONTENT STRATEGIES ALONG THE CUSTOMER JOURNEY

1. What type of content creates value for the hotel customer?
2. What are the stages of the hotel customer's journey?
3. How should content be created and disseminated?

DAVID'S BRIDAL: CUSTOMER RELATIONSHIP MANAGEMENT IN THE DIGITAL AGE

4. How can they better understand the shifting expectations and demographics of their customers?
5. How should they allocate its marketing budget across traditional & digital options?
6. How should they connect with customers at different stages of their decision-making processes?

BUILDING A "BACKDOOR" TO THE IPHONE: AN ETHICAL DILEMMA

1. What dilemmas did Tim Cook face?
2. What are the ways in which Tim Cook may have resoled these dilemmas?
3. What would you do if you were Tim Cook?