

B5601: EMBA MARKETING STRATEGY SPRING 2022

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COURSE DESCRIPTION

Marketing activity is the core of operating a business. It provides the managerial focus for interfacing with customers and the source of intelligence about customers, competitors, and the general environment.

The first half of the course focuses on marketing strategy: Understanding customers, understanding the market, and developing strategy. In order to make effective strategic decisions, managers must identify and measure consumers' needs and wants, assess the competitive environment, select the most appropriate customer targets, and then develop marketing programs that satisfy consumers' needs better than the competition. Further, marketing focuses on not only short-run sales and profits but also the long-run relationship of a company to its customers. A central goal will be on *applying* the various principles and tools introduced; to this end, students will (in their learning teams) practice and apply major principles or methods learned to a publicly-traded company that they have chosen (out of a list of about 30 such companies) during the beginning of the course. Students will, in their groups, analyze their selected company and **deliver a presentation** to their peers and the professor; in the final session, a guest speaker will join to offer additional feedback.

The second part of the course focuses on the *decisions* that managers make and the *tools* that they use to support an effective marketing strategy. The attraction and retention of profitable customers must involve consideration of the product or service being offered, the way in which the product is sold and distributed, how pricing is set and structured, and how the value of the offering is communicated.

Through class projects, hands-on group exercises and presentations, case studies, and class discussions, we will explore marketing strategy and its implementation through what is traditionally called the “marketing mix”. As we progress, it will become apparent that each of these decisions affects the others and that they must all be framed as part of an integrated marketing strategy.

Course Objectives:

B5601 is the core marketing course in the EMBA program at Columbia Business School. This course emphasizes the role of marketing in creating value for customers, which in turn leads to value for other stakeholders in a firm (*e.g.*, owners, shareholders, employees). The main objectives of the course are to *improve your ability to*:

1. Assess market opportunities by analyzing customers, competitors and the strengths and weaknesses of a company.
2. Design effective marketing strategies to maximize a company's chance of winning in these markets.
3. Communicate and defend your own marketing recommendations and critically examine and build upon the recommendations of others.
4. Learn the tools necessary to implement marketing strategy and improve performance.
5. Understand the interdependence of marketing decisions and their effects on the firm's customers and its competition.

COURSE MATERIAL

Required Reading

The key resources for the course are:

1. Readings and Cases will be available on the course website in Courseworks.
2. Lecture handouts will be available on Courseworks.

Optional Reading

If you are interested in additional background reading, we suggest three books.

The first two are excellent, if relatively encyclopedic, references:

- Capon, Noel, *Managing Marketing in the 21st Century* (2012, 3rd Edition), Wessex.
- Kotler, Philip and Kevin Keller, *Marketing Management* (2011, 14th Edition), Prentice Hall.

The third emphasizes quantitative and financial aspects:

- Best, Roger J., *Market-Based Management - Strategies for Growing Customer Value and Profitability* (2012, 6th Edition), Prentice Hall.

OVERVIEW OF CLASS SCHEDULE

A. Understanding Customers, Understanding the Market, and Developing Strategy

Professor Ran Kivetz

Date	Session	Topic(s)	Required Readings	Assignments / Presentations
Sat. 1/8	Session 1a	Introduction to Marketing & Customer Centricity: <i>What is marketing?</i>	Post-class reading: <ul style="list-style-type: none"> • “Note on Marketing Strategy” • “Basic Quantitative Analysis for Marketing” 	<i>Assignment #1 (Starbucks Case Individual Write-up) assigned. Due via Courseworks by Fri., 2/4, 10:00am EST.</i>
	Session 1b	Branding & Building Value Propositions: <i>What is branding? How can we build a compelling value proposition?</i> <ul style="list-style-type: none"> • Guest Speaker: Gary Singer (Chief Strategic Officer, Kobre & Kim, LLC) 	Pre-class reading: <ul style="list-style-type: none"> • “How do Brands Create Value?” 	<i>Assignment #2 (Applying STP / Value Proposition) assigned. Presentations during class on Sat., 2/5. Slide deck due via Courseworks by Fri., 2/4, 8:00pm EST.</i>
Fri. 1/21	Session 2a	Segmentation, Targeting and Positioning (STP) + Application: <i>How can we segment our customers? Whom should we target? How should we position our brands to succeed?</i>	Pre-class reading: <ul style="list-style-type: none"> • “Segmentation” • Case: Virgin America; review discussion questions (see detailed agenda in this syllabus) 	
	Session 2b	Behavioral Economics of Choice: <i>How do customers make decisions? How can we apply behavioral economics to pricing, product lines, and versioning?</i>	Pre-class reading: <ul style="list-style-type: none"> • “To Understand Your Customers, You Have to Know How they Think” • “A Nobel that Bridges Economics & Psychology” 	
Sat. 1/22	Session 3a	Behavioral Economics of Incentives, Retention, & Behavior Change: <i>How do we retain customers and change their behavior?</i>	Pre-class reading: <ul style="list-style-type: none"> • “Why Cash Incentives Fail” 	
	Session 3b	Customer Lifetime Value (CLV): <i>How much are customers worth? How much is a business worth?</i>	Pre-class reading: <ul style="list-style-type: none"> • “What’s a Customer Worth?” 	

Date	Session	Topic(s)	Required Readings	Assignments / Presentations
Fri. 2/4	Session 4a	Applying CLV	Pre-class reading: <ul style="list-style-type: none"> Case: Chase Sapphire: Creating a Millennial Cult Brand; review discussion questions (<i>see</i> detailed agenda in this syllabus) 	
	Session 4b	The Perils of Customer Growth: <i>How can companies scale? What are the risks and rewards of expansion?</i>	Pre-class reading/assignment: <ul style="list-style-type: none"> Case: Starbucks: Delivering Customer Service Case: Starbucks in the New Millennium; review discussion questions (<i>see</i> detailed agenda in this syllabus) 	<i>Assignment #1 (Starbucks Case Individual Write-up) due via Courseworks by Fri., 2/4, 10:00am EST.</i>
Sat. 2/5	Session 5a	Applying STP / Value Proposition: Group presentations (Assignment #2) <ul style="list-style-type: none"> With: Gary Singer (Chief Strategic Officer, Kobre & Kim, LLC) 	N/A	<i>Assignment #2 (Applying STP / Value Proposition) slide deck due via Courseworks by Fri., 2/4, 8:00pm EST.</i>
	Session 5b	Applying STP / Value Proposition: Group presentations, continued (Assignment #2) <ul style="list-style-type: none"> With: Gary Singer (Chief Strategic Officer, Kobre & Kim, LLC) Mid-Course Wrap-up	N/A	

B. Marketing Implementation

Professor Kristen Lane

Date	Session	Topic(s)	Required Readings	Assignments / Presentations
Fri. 2/18	Session 6	Conjoint Analysis: <i>What do customers value?</i>	Mini Case: Apple vs. Samsung: The \$2 Billion Case <ul style="list-style-type: none"> Part 1 Part 2 Post-class reading: <ul style="list-style-type: none"> Understanding Conjoint Analysis in 15 Minutes A New Way to Gain Customer Insights 	<i>Online survey</i>
Fri. 3/4	Session 7	Principles of Pricing: <i>How do we determine the best (fair) price?</i>	Case: The New York Times Paywall Post-class reading: <ul style="list-style-type: none"> Principles of Pricing 	<i>Online survey</i>
Fri. 3/11	Session 8	Distribution: <i>Which distribution channels should we use?</i>	Case: Soren Chemical Post-class reading: <ul style="list-style-type: none"> Trade Promotion: Essential to Selling through Resellers 	<i>Online survey</i>
Sat. 3/12	Session 9	Advertising and Communication I: <i>How do we allocate the advertising budget?</i>	Case: BBVA Compass: Marketing Resource Allocation Post-class reading: <ul style="list-style-type: none"> Marketing Promotions 	<i>Online survey</i>
Sun. 3/13	Session 10	Advertising and Communication II: <i>Evaluating the effectiveness of our communication program</i>	Case: Can 3G Capital Make Burger King Cool Again?	<i>Online survey</i>
Mon. 3/14	Session 11	Course Review	Mini Case: Case: Measuring ROI on Sponsored Search Ads Post-class reading: <ul style="list-style-type: none"> The New Dot Com Bubble is Here 	Course Feedback Assignment #3 (Product Design Exercise) due via Courseworks by Sat., 3/26, 8:30am EST
Sat. 3/26	Final Exam			

Review sessions (Optional):

Date, Time , Place	Agenda
TBD	Final exam review session

STUDENT EVALUATION

Course Section	Component / Assignment	Weight	Designation (Deliverable)	Submission Deadline
A + B	Class Participation	20%	Individual	N/A
A	<i>Assignment #1:</i> Starbucks Case Exercise	22%	Individual (Write-up)	Individual write-up due via Courseworks by Friday, 2/4, 10:00am EST
A	<i>Assignment #2:</i> Applying STP / Value Proposition	18%	Group (Slide deck + Presentations)	Slide deck due via Courseworks by Friday, 2/4, 8:00pm EST
B	<i>Assignment #3:</i> Product Design Exercise	15%	Group (Write-up)	Group write up due via Courseworks by Saturday, 3/26, 8:30am EST
B	Final Examination	25%	Individual	Saturday, March 26 Cluster A: 12:30-3:30pm Cluster B: 8:30-11:30am

(1) Class Participation

A large portion of the class time will be devoted to analyzing assigned cases, group discussion, and in-class exercises. You will work with your group in a number of in- and out-of-class exercises during breakout discussions as well as out of class.

Several criteria are considered when evaluating your class participation.

- Most important is the quality of the class participation. Sheer quantity is neither sufficient nor necessarily desirable.
- High quality class participation includes comments that add to our understanding of a situation. They go beyond mere repetition of case facts.
- High quality class participation can be supported with qualitative and/or quantitative analysis based on marketing theory and concepts.
- Your comments should take into account the comments and analyses of your classmates. Participation should move our discussion forward.
- Finally, you need to be present (either physically in class or remotely via Zoom) in order to receive a strong class participation score. Attendance is mandatory in accordance with EMBA program policy.

A note on **case discussions**: The case method is one of the most effective means of sharpening your decision-making abilities. A case discussion requires that you be an active participant in resolving a

marketing problem. The assigned cases are intended to give you practice in assembling data to support a decision. The discussion format provides you with an opportunity to argue your position and to learn from others by listening to their comments, analysis, and criticism. You will learn the most from the cases if you and your classmates prepare and participate fully. You all have different experiences, insights and opinions, and a great deal of what you will learn from the cases will be from each other. It is therefore essential that you be fully prepared for all the cases.

In **Part A** of the course, you will be given a number of discussion questions. These are important questions that you will want to think about and complete on your own (albeit they won't be formally submitted) in order to prepare and understand the cases/readings.

In **Part B** of the course, there will be a number of pre-class questions you are asked to answer via online surveys. Many of the pre-class questions do not have a unique answer as they depend on how one interprets and uses the data and other information. Our expectation is that you would respond thoughtfully to the questions, giving reasonable justification for your answers. High quality pre-class responses are supported with qualitative and/or quantitative analysis based on logic and marketing concepts.

(2) Assignments

Group assignments are to be done in your learning team/group. A clear typed-up electronic copy should be submitted online by one of the members in your group **via Courseworks** on the specified due date with the **names of all team members clearly indicated**. No late submissions will be accepted. The clarity of your presentation, reasoning, and analysis are extremely important for receiving full credit for your work. All group members will receive the same grade.

Individual assignments are to be done **individually**—that is, any sharing or discussion of concepts and/or solutions in preparing the assignment are not permitted (per the Honor Code).

(3) Midterm/Final

There is no midterm examination for Part A of this course. We will have group presentations in which each learning group will submit slide decks in advance and have **10 minutes** to present on the last day of Part A, *i.e.*, on **Saturday, February 5**. The presentations will apply the topics of STP (segmentation, targeting, and positioning) and value proposition to each group's chosen publicly-traded company. More details of this assignment will be discussed in class.

The final examination will be designed to test your understanding of the topics covered in the lectures, readings, and exercises from Part B of this course. It will be held on **April 8**, or a window around this date (**TBD**). The construction of reliable, discriminating and valid exams is a very difficult endeavor, and returning exams precludes the use of those test questions for many years. Since the primary goal of the exam in this course is to evaluate students' knowledge, returning exams would make it more difficult for that goal to be achieved. Therefore, exams will be available in our offices for all of next semester, either during office hours or by appointment.

LAPTOP POLICY

To accommodate the Hyflex/remote format this semester, all students should have a laptop with Zoom installed. However, the use of cell phones and any other electronic devices (with the exception of iPads for course readings) are strictly prohibited. Students who are attending the course in-person when not engaging in breakout sessions should *not* be using their laptops.

HONOR CODE

At no time should you use lecture or case notes from previous sections of the course, nor should you violate the Columbia Business School Integrity Code (printed at the beginning of the readings packet) in any other way.

COLUMBIA CORE CULTURE

The purpose of the Columbia Core Culture is to promote a consistent classroom environment of mutual respect, preparation, and engagement. Our expectation of you in class is to be:

Present: Your success depends on being on time and present for the entire class every session. Attendance will be part of your grade for class participation.

Prepared: Bring your nameplate and complete any pre-work needed for class discussion. Expect the professor to cold call in class.

Participating: Active participation calls for no electronic devices (except laptops for students attending remotely), including tablet computers or smartphones during class, except when expressly permitted as part of in-class work.

DETAILED AGENDA AND ROADMAP FOR PART A

Understanding Customers, Understanding the Market, and Developing Strategy Professor Ran Kivetz

SESSION 1

- **WHEN:** Saturday, January 8, 2022
- **WHERE:** [Zoom](#)

Session 1a – Introduction to Marketing & Customer Centricity

- *What is marketing?*

This first part of the session will introduce the course and its key concepts, methods, and approach, beginning with understanding customers and assessing new market opportunities.

We will introduce the major group assignment that you will be working on and completing in your learning teams for the rest of Part A of the course. The assignment will apply a range of principles and tools covered in class (with emphasis on segmentation, targeting, and positioning, and building a compelling value proposition) to an existing company that each group will select from a list of publicly-traded companies. These companies span a wide range of industries and include both domestic (U.S.) and international organizations. Further details regarding these companies and the assignments will be discussed in class.

Readings (post-class):

- [“Note on Marketing Strategy”](#) (HBS).
 - This reading provides an overview of key concepts in marketing strategy.
- [“Basic Quantitative Analysis for Marketing”](#) (HBS).
 - This reading provides a background of some basic terminology, concepts, and calculations that are useful in conducting analysis in marketing.

Session 1b – Branding & Building Value Propositions

- *What is branding? How can we build a compelling value proposition?*
- **Guest speaker:** Gary Singer (*Chief Strategic Officer, Kobre & Kim, LLC; Partner Emeritus and former Global CMO, AT Kearney*)

For the other half of Session 3, we will host a leading branding expert, Gary Singer (Chief Strategy Officer, Kobre & Kim, LLC). Among the topics of discussion will be branding—including how brands facilitate or impede innovation and marketing strategy—, segmentation and targeting, and the art and science of defining and mobilizing a crisp and impactful value proposition.

We will also explain in greater detail Assignment #2 (Applying STP / Value Proposition).

Readings (pre-class):

- Keller, Kevin Lane and Donald R. Lehmann (2003), “[How Do Brands Create Value?](#)” *Marketing Management*.
 - This article provides a framework for understanding the development and impact of brand equity.

Optional Background Readings:

- Keller, Kevin Lane (1998), “[Brand Equity](#),” Chapter 2, *Strategic Brand Management*, pp. 41 – 85.
 - This chapter provides an overview of brand equity and related concepts and frameworks.

Background Information:

- [Gary Singer’s Bio](#)

Assignment #1 (Starbucks Case Individual Write-up) assigned. You are required to upload to the designated assignment dropbox via Courseworks your analysis of the [Starbucks: Delivering Customer Service](#) case by **Friday, February 4 at 10:00am EST**. The assignment is to be done individually. You must not consult with your classmates on any matter related to this case analysis, and you must not search online for any materials or information related to this case. Clearly state your assumptions if you need to make any assumptions. For full credit and to avoid any confusion, show all your work and solution logic clearly.

Please answer the following questions, using both qualitative and quantitative analyses where relevant:

1. What is the situation that Starbucks is facing?
2. Would you recommend making the \$40 million expenditure? If so, why? If not, why not? Please make sure to support your analysis quantitatively and qualitatively.
3. Is spending to hire more employees the most effective way to improve performance? Is there a different area in which Starbucks should invest? If you recommend not making a monetary investment, what course of action would you recommend Starbucks undertake?

NOTE: Your write-up should be based only on information contained in the *Starbucks: Delivering Customer Service* case reading (not the *Starbucks in the New Millennium* case reading). **You should only read the Starbucks in the New Millennium case (along with reviewing the accompanying discussion questions) after submitting this assignment.**

Assignment #2 (Applying STP / Value Proposition) assigned. Assignment #2 is to be done in learning teams. Group presentations will be during the last class on **Saturday, February 5**, and a member from the group should submit on your team’s behalf a slide deck via Courseworks by **Friday, February 4 at 8:00pm EST**.

SESSION 2

- **WHEN:** Friday, January 21, 2022
- **WHERE:** TBD / Geffen 420

Session 2a – Segmentation, Targeting, & Positioning (STP); Application of STP

- *How can we segment our customers? Whom should we target? How should we position our brands to succeed?*

In this half of the session, we focus on the notion that customers have different preferences. This simple idea has led to powerful concepts of segmentation, targeting, and positioning (STP). We will review these concepts, illustrate them with industry examples, and apply them in-class.

We will also discuss the [Virgin America case](#) as an application of STP and customer value.

Readings (pre-class):

- Lehmann, Donald R. and Russell S. Winer (2006), “[Segmentation](#),” *Product Management*.
 - A fairly detailed guide to segmentation methods.
- **CASE:** [Virgin America Airlines: Spinning Customer Satisfaction into Gold](#)

After winning a host of industry awards for innovation and customer satisfaction, five-year-old Virgin America Airlines also had a string of financial losses to overcome. While in early 2013 the financial situation was improving, what might the company do to build on its innovativeness and high customer satisfaction to set the stage for a profitable future?

Discussion questions for Virgin America case:

1. Virgin America is still losing money—what should they do? Is this a marketing or operations problem?
2. Who is Virgin America’s target audience and how can they be reached?
3. How would you articulate a position statement and value proposition for the Virgin America brand?

Session 2b – Behavioral Economics of Choice

- *How do customers make decisions? How can we apply behavioral economics to pricing, product lines, and versioning?*

In this part of the session, we will discuss the *behavioral economics of choice* and how companies can provide psychological value to customers. Specifically, we will cover strategies and tactics involved in consumer purchase decisions, pricing, and developing product lines. Then, we will discuss the intriguing concept of versioning and some research in this area.

Readings (pre-class):

- Belsky, Gary (1999), “[To Understand Your Customers, You Have to Know How they Think](#),” *America’s Community Banker*, 23 – 36.
 - This article provides a high-level overview of a few key concepts and phenomena in behavioral economics.

- Altman, Daniel (2002), “[A Nobel that Bridges Economics and Psychology](#),” *The New York Times*.
 - A *New York Times* article from 2002 on the Nobel prize in economics awarded to Daniel Kahneman (who, along with Amos Tversky, pioneered seminal work in behavioral economics and human judgment and decision making).

Optional Background Readings:

- Shapiro, Carl and Hal Varian (1999), “[Pricing Information](#),” *Information Rules*, pp. 19 – 51.
- Shapiro, Carl and Hal R. Varian (1998), “[Versioning: The Smart Way to Sell Information](#),” *HBR*, pp. 106-114.
- Gershoff, Andrew, Ran Kivetz, and Anat Keinan (2012), “[The Effects of Versioning on Perceptions of Fairness: Making Things Better May Make Things Worse](#),” *Journal of Consumer Research*, 39, 382–398.
- Kivetz, Ran, Oded Netzer, and V. “Seenu” Srinivasan (2004), “[Alternative Models for Capturing the Compromise Effect](#),” *Journal of Marketing Research*, 41(3), 237 – 257.

SESSION 3

- **WHEN: Saturday, January 22, 2022**
- **WHERE: TBD / Geffen 420**

Session 3a – Behavioral Economics of Incentives, Retention, & Behavior Change

- *How do we retain customers and change their behavior?*

In this half of the session, we will continue to discuss *behavioral economics* and best practices for how companies can provide psychological value to customers as well as gain customer loyalty. In particular, we will cover the behavioral economics principles of incentives, customer retention, and behavior change.

Readings:

- Nolan, Paul (2005), “[Why Cash Incentives Fail](#),” *SalesForceXP*.
 - This article from *SalesForceXP* Magazine highlights research on the disadvantages of cash incentives, on consumer behavior as it relates to (noncash) hedonic luxuries, and on the concept of “earning the right to indulge.”

Optional Background Readings:

- Kivetz, Ran, Oleg Urminsky, and Yuhuang Zheng (2006), “[The Goal-Gradient Hypothesis Resurrected: Purchase Acceleration, Illusionary Goal Progress, and Customer Retention](#),” *Journal of Marketing Research*, 43(1), 39 – 58.
- Kivetz, Ran and Itamar Simonson (2002), “[Earning the Right to Indulge: Effort as a Determinant of Customer Preferences Toward Frequency Program Rewards](#),” *Journal of Marketing Research*, 39(2), 155 – 170.
- Kivetz, Ran (2003), “[The Effects of Effort and Intrinsic Motivation on Risky Choice](#),” *Marketing Science*, 22(4), 477 – 502.

Session 3b – Customer Lifetime Value (CLV)

- *How much are customers worth? How much is a business worth?*

In this remaining part of Session 2, we will discuss the importance of customer analysis and value. We will introduce the concept of customer acquisition, value, and retention, with a special emphasis on using customer lifetime value (CLV) to evaluate the market potential of a company or business. CLV is very useful for analyzing real-world businesses as well as entrepreneurial ventures. We will also discuss why firms should focus on the lifetime value of customers and how it affects firm profits and long-term value.

Readings (pre-class):

- Donald R. Lehmann, “[What’s a Customer Worth?](#)” Columbia CaseWorks, Columbia University Business School.
 - This reading provides a framework for understanding and determining the value of a customer to a firm.

Optional Background Readings:

- Gupta, Sunil and Donald R. Lehmann (2002), “[Customers as Assets](#),” *Journal of Interactive Marketing*, pp. 9 – 24.
 - The authors introduce the concepts of customer acquisition and retention and explain how to measure and use lifetime value for managerial decision-making.
- Reichheld, Frederick F. and W. Earl Sasser, Jr. (1990), “[Zero Defection: Quality Comes to Service](#),” *Harvard Business Review*, pp. 2 – 8.
 - This article emphasizes the importance of retaining customers and its impact on customers’ lifetime value and firm profits.

SESSION 4

- **WHEN: Friday, February 4, 2022**
- **WHERE: TBD**

Session 4a – Applying CLV

In this part of the session, we will apply concepts covered on customer lifetime value (CLV) by conducting a case analysis. Specifically, we will discuss the case of **Chase Sapphire**. Please go over the discussion questions on your own in advance to prepare for discussing this case in class. In discussing this case, we will also introduce the idea of customer segmentation, target selection, new product development and design, among other topics.

Readings (pre-class):

- **CASE: [Chase Sapphire: Creating a Millennial Cult Brand](#)**

As JPMorgan Chase approaches the one-year anniversary of the launch of their Chase Sapphire Reserve card (now that the promotional inducement of 50,000 bonus points was gone), the company faces the challenge of how to manage its Sapphire portfolio. How should the company position or market its entire line of products to retain customers, address the needs of the credit card market, and maintain and improve its brand equity and competitive advantage?

Discussion questions for Chase Sapphire case:

1. What is your assessment of the Chase Sapphire Reserve card? Is this a good product for JPMorgan Chase (JPMC)? Why or why not?
2. How do you assess the 100,000-point launch offer? Was this a good or poor investment in customer acquisition? Why? How do you assess the current 50,000-point offer? What are its strengths and weaknesses?
3. Looking at page 3 in the case and Exhibit 2, which segment do you think Chase should go after? Why?
4. The behavior of individual adopters of the card will vary in how much they spend, whether they pay all of their charges in full each month and whether they churn. As noted on the top of page 3 in the case, three customer archetypes were *transactors*, *revolvers*, and *dormants*. Assuming the following for each type of customer, how profitable are these customers, taking into account the acquisition costs? How can the Chase Sapphire team best design its product and brand to attract the right customers? Has it done so successfully with the Chase Sapphire Reserve?

Transactors/Revolvers:

- Both spend \$16,000 per year
- Credit balance carried: \$0 for transactors, 50% of annual spend for revolvers
- Interest rate average: 20.5%
- Renew the card at \$450 annual fee

Dormants:

- Spend only enough to earn the sign-on bonus
- Credit balance carried: \$0
- Do not renew card at \$450 annual fee

Session 4b – The Perils of Customer Growth

- *How can companies scale? What are the risks and rewards of expansion?*

In the remainder of Session 4, we will apply several core course concepts using **Starbucks** as a case study. We will also explore the important challenges involved in scaling-up a business or organization.

Readings (pre-class):

- **CASE: [Starbucks: Delivering Customer Service](#)**

In 2002, Starbucks is the dominant specialty-coffee brand in the world with more than 4,500 retail outlets in North America alone. Its aggressive expansion strategy calls for an additional 750 North American retail outlets in 2003 even as the company explores other avenues for growth. At the same time, however, the company has gathered evidence that customer satisfaction is on the decline, its brand image is showing some rough edges, and its customer base has changed in significant ways. To address these problems—in particular, the decline in customer satisfaction—Starbucks is considering investing an additional \$40 million in labor in its stores.

- **CASE: [Starbucks in the New Millennium](#)**

Discussion questions for Starbucks in the New Millennium case:

- Who is the Starbucks customer in 2014?
- Who is the Starbucks customer in 2021?

Assignment #1: Please upload your individual case write-up to the designated assignment dropbox on Courseworks by **Friday, February 4 at 10:00am EST**.

SESSION 5 (LAST CLASS)

- **WHEN:** Saturday, February 5, 2022
- **WHERE:** TBD

Session 5 – Applying STP / Value Proposition

- **Guest panelist:** [Gary Singer](#) (*Chief Strategic Officer, Kobre & Kim, LLC*)

In this last session, each group will give a **10-minute (maximum)** presentation that applies the concepts of STP and value proposition to their chosen publicly-traded company. Teams will present to both the class and to guest panelist Gary Singer, who will provide feedback on your presentations.

Finally, we will devote a few minutes to wrapping up Part A of the course by overviewing the key concepts and takeaways.

Assignment #2: Please have one member upload your team's slide deck to the designated assignment dropbox on Courseworks by **Friday, February 4 at 8:00pm EST**.

DETAILED AGENDA AND ROADMAP FOR PART B

Marketing Implementation
Professor Kristen Lane

TO BE ANNOUNCED BEFORE THE START OF PART B