

## 15.810, Marketing Management Spring (H1) 2005 Final Group Exercise, Due March 11, 2005

Throughout the semester we have used the 4 P's and 5 C's of marketing to focus on delivering benefits profitably to our customers. We have seen how product design is based on customer needs, how advertising communicates those needs in a manner consistent with the customers' search process, and how the channel of distribution is both a means to satisfy the end customer and is a customer itself. We have also seen many methods to gather customer information including focus groups, one-on-one interviews, and conjoint analysis. This exercise asks you to synthesize many of those ideas.

Step 1. Select a firm whose marketing strategy and tactics you will study. This can be the firm for which a member in your group has worked, a competitor, or just a firm (or a division of that firm) that you find interesting. This firm can either manufacture products, deliver services, or both. It can be B2C or B2B. You are welcome to select either the MIT Sloan MBA program, the MIT Sloan Fellows Program in Innovation and Global Leadership, or another MIT program as the topic of this exercise.<sup>1</sup>

Step 2. Identify the firm's customers. If the firm is large, feel free to narrow the focus to something feasible. For example, if you choose the Sloan MBA program, the customers include the current students (you), alumni of the program, recruiting firms for students, the rest of MIT, and the general public. Customers also include potential students, your former and future supervisors, the faculty, and the Sloan school. If you choose a manufacturing firm, do not forget the channel.

Step 3. Talk to these customers. Pick a few representative customers from two or more categories (for example, end user and channel). If each of you talks to two customers that is enough. You should talk about customer needs, what the firm does well and poorly relative to competition, how the customers gather information, acquire the product or service, etc. **Very important – begin these interviews early. Do not leave them until the last minute.**

Step 4. Answer the following questions based on the information in Step 3. The questions you emphasize will depend, in part, on what you learn in Step 3.

1. Product. How are the firm's products or services perceived? What are their strengths and weaknesses relative to competition from the customers' viewpoint? Are there unmet needs? Are there any opportunities for improvement? Etc.

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<sup>1</sup> If you choose the MIT Sloan MBA program, I can provide you with the results of a market research study. If you choose the MIT Sloan Fellows program, I can provide you with the results of a conjoint analysis study, including a market simulator.

2. Promotion. How do the customers learn about the firm's products or services? About competitors? What do they think of the firm's communication materials? How would you improve the firm's communication activities?
3. Place. What needs do the channels for this product fulfill? Needs of the customer? Needs of the firm? Is there any conflict in the channel? How would you improve the firm's channel activities?
4. Price. How do the customers (channel) react to the firms' prices? Are there any actions the firm to set its prices consistently with its strategy? Is the firm using any marketing cues or marketing theory to affect customer perceptions of its prices?
5. General Marketing Strategy. What else did you learn from these discussions with customers that can improve the firm's marketing strategy?

On Friday, March 11 you are should submit a four-to-five-page report. Your report may be in bullet point form.

The first page should be a summary of your recommendations and indicate which of the 4 P's (and 5 C's) need to be addressed to improve the firm's marketing strategy. This page should include at least one recommended action in addition to the careful diagnosis of the firms' marketing strategy and tactics.

The addition pages should address each of the 4 P's, any of the 5 C's that you feel are relevant, and the general marketing strategy of the firm. Your emphasis on the 4 P's (and 5 C's) can vary from a sentence or too to a page, depending upon which aspect you feel is key to your recommendations. Use headings to highlight the issues you are answering.

Your format should start with the most obvious points and then work from there. Make sure that you give both the pros and the cons of each recommendation. (After all, if the firm is not already implementing your recommendation, it might have a very good reason for doing so.) You should structure your answers using sub-headings, if necessary, to make it clear that you have used an analytical approach to reach you answers.

It is critical that you tie your answers to the information that you gathered in Step 3. The use of example quotes is often the best way to do this.

Good luck.