

University of Delaware
BUAD 883
Product and Price Management

Adjunct Professor David Chopko ChopkoD@udel.edu 610-742-3304	<i>Course:</i> BUAD 883 <i>Location:</i> Lerner 125 <i>Day(s):</i> Wednesday <i>Time:</i> 6:00 - 8:45
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Course Description

Creating and implementing a sound strategic pricing plan has been shown to be one of the most, if not THE MOST, critical task undertaken by a business, whether that business is a large established multi-national or an emerging start-up. This is because pricing has a great effect on the bottom line and one's competitive position. Unfortunately most firms utilize haphazard approaches and arbitrary rules to set their prices. In this course students will learn useful and innovative concepts, frameworks and techniques for assessing, developing and implementing optimal pricing tactics and strategies within the framework of a company's/organization's overall marketing strategy. The course will teach the students how to utilize their knowledge in behavioral science, economics, marketing and finance to develop sound pricing programs. Course topics will include new product pricing, value pricing, segmentation pricing, price discrimination, promotional pricing, retail pricing, product life cycle pricing, product line pricing, use of price fences and ladders and price implementations. Special emphasis will be given to the use of conceptual frameworks and analytical methods that will be used to improve product and price decisions, particularly for new products for emerging companies. The concepts and methods will be applied to real-world case studies.

The course also covers the framework for developing a general marketing plan. In this part of the course, students will learn what should be included in a marketing plan, how the information needed to develop the Plan should be gathered and finally how it should be presented so that it can be easily comprehended by its target audience.

This course has been well received by students majoring or minoring in entrepreneurial studies and anyone who sees themselves immediately after graduation starting a new company or working for a start-up.

Learning Outcomes

Students completing this course will be able to:

- Create a pricing strategy as a component of a marketing plan for a new or existing product
- Analyze pricing strategies employed by competitors
- Implement a pricing strategy
- Develop then present a marketing plan for a new and/or existing product

Prerequisite – BUAD 880

Required Textbooks and cases

Textbooks

Required

1) Strategy and Tactics of Pricing ISBN-13:978-0-13-610681-4
Authors: Nagle, Hogan and Zale
Fifth Edition – 2010

Optional

2) Analysis of Marketing Planning ISBN978-0-07-352984-4
Authors: Lehman and Winer
Seventh Edition - 2008

Cases required

Aqualisa Quartz – Simply a Better Shower HBS 9-502-030
Atlantic Computer: A Bundle of Pricing Options HBS 2076
Beauregard Textile Company – HBS -9-191-058
Culinarian Cookware HBS 4058
Kuerig at Home –Managing a new product launch – Kel021
Metabical: Pricing, Packaging and Demand Forecasting HBS - 4183.

Equipment

Bring an electronic device to class with which you can perform simple mathematical calculations

Office Hours: Available by appointment

CLASS PROCEDURES AND POLICIES

This class will be a combination of case analysis and discussions concerning two major topics, creating a business and/or product plan and establishing prices for new and existing products and product portfolios with the majority of the time/emphasis given to the pricing topic. As will be shown during the class, there is a strong overlap in the approach one takes to accomplish both tasks. Further the class will focus on using these skills to manage new products and/or new businesses. Students will be asked to bring the knowledge gained from reading the text and other relevant business journals before coming to class as well as drawing on their personal experiences in order to actively participate in the discussions. When appropriate, lectures will be presented on technical material however most classes will be taught using the Socratic method of instruction.

CLASS ATTENDANCE & PARTICIPATION

Students are expected to be on time and attend all class sessions. I will follow the college's policy on attendance that is in the Student Handbook. Class participation is also **strongly** encouraged. It helps make the class more enjoyable for everyone. Class participation is worth 20% of your grade. It is based on the instructor's perception of your involvement in class and the insights offered during class discussions.

DURING CLASS

Although, some of you may work part- or full-time, and/or are busy adults, it is important that you come prepared to learn and participate in class. Students will be expected to have read the material **before** class.

CLASS MATERIALS MISSED

If you cannot attend a class for any reason, it is your responsibility to obtain the class materials. Please have a fellow student collect any extra handouts, articles, and worksheets. Do not contact the instructor if you will be missing a class.

GRADING

A student's final grade in the course will be based on the following point system:

Mid-term	=	150 points (15%)
Marketing plan presentation-written*	=	200 points (20%)
Project presentation & critiques - oral*	=	50 points (5%)
Final examination	=	200 points (20%)
Cases	=	200 points (20%)
Class attendance & participation	=	<u>200</u> points (20%)
Total	=	1000 points

Students will be required to give a group oral presentation and draft portions of a short Marketing plan that deals with the marketing of a company's products. Details will be provided at a later date.

The grade you receive in the course is based on the following accumulation of points:

900 +	Points	=	A	(90% to 100%)
800 - 899	Points	=	B	(80% to 89%)
700 - 799	Points	=	C	(70% to 79%)
600 - 699	Points	=	D	(60% to 69%)
Below 600	Points	=	F	(59% and below)

Commitment to Diversity

Students are expected to show respect for their classmates, themselves, and their instructor by conducting themselves with maturity, demonstrating sincere interest in the ideas of others, and employing good manners. Students are expected to show appreciation for the diversity of backgrounds and skills of their classmates.

OUTLINE OF TOPICS / LEARNING ACTIVITIES
TEST DATES / CALENDAR EVENTS

CLASS	CLASS DATES	TOPIC	CHAPTERS
1	Feb. 8	Strategic Pricing - STP (begin) Beauregard Textile case Class introductions and Goal setting In Class exercise	1
2	Feb. 15	Strategic Pricing – STP (contd) Marketing planning – AMP Defining the Competitive Set - AMP	1 1 2
3	Feb. 22	Value Creation - STP Industry Analysis – AMP	2 3
4	Mar. 1	Price Structure – STP Competitor Analysis - AMP Keurig at Home Marketing case	3 4
5	Mar. 8	Customer Analysis - AMP Price Value & Communication – STP Keurig at Home case (contd)	5 4
6	Mar. 15	Pricing Policy –Managing expectations - STP Metabical case	5
7	Mar. 22	MIDTERM Market potential and sales forecasting – AMP	6
8	Apr. 5	Marketing potential (contd) - AMD Discuss midterm Atlantic Computer case	6
9	Apr. 12	Price Level – STP Developing marketing Strategy – AMP Pricing new products Culinarian Cookware Case	6 7
10	Apr. 19	Pricing over the Product Life Cycle – STP Benefits of bundling Forecast new product sales In-class case Know your competition/friend exercise	7
11	Apr.26	Pricing strategy implication – STP Webner Flechner law Combating new player who gives product away Work on final case Discuss final projects & Begin work on Aqualisa Case	8
12	May 3	Auction pricing Implementing a price increase Negotiating in a B to B setting Real world pricing Aqualisa Quartz Case	
13	May 10	Career Advancement Marketing papers due Class presentations Wrap-up and final prep	
		Final	

AMP = Analysis for Marketing Planning
STP = The Strategy and Tactics of Pricing