

Warrington College of Business
University of Florida
MAR 6335– Building and Managing Brand Equity
Module 2, Fall 2016

Wednesday: Periods 5-8 (11:45am - 3:50pm)
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Office hours: By appointment

Career Focus

The course is designed for both marketing specialists and generalists. It exposes students to the contemporary challenges faced by a broad variety of firms in creating, maintaining, and managing brand equity over both the short and long term. This includes segmenting the market, positioning brands to appeal to an identified consumer target, differentiating the brand from competition, developing the annual brand plan and its associated brand strategies and tactics, measuring brand performance, and developing and launching new products. The settings of the cases and exercises used in the course are quite diverse in terms of the sizes of the organizations involved and the types of markets they serve. The course is therefore not only relevant to students whose interests are in brand management, but also those interested in general marketing management.

Brand management has traditionally been associated with consumer products and services markets, though there is increasing interest in branding by firms who operate in industrial markets. The brand manager's key focus is developing and building the brand itself, which may extend across multiple product categories.

My background includes over 20 years in consumer branding, including 10 as a brand manager and senior marketing director at the Coca-Cola Company and 10 additional years as a brand strategy/insights consultant on such brands as Powerade, vitaminwater, smartwater, Kraft (Nabisco, Oreos, Ritz), Vita Coco, popchips, Home Depot, HasBro, Brawny, Dixie, Intercontinental, Holiday Inn, Papa Gino's, Hobo Bags, the National Basketball Association, and TNT. This class is not about theory – it is about real life brand management. It will provide to you insight into the career of a brand manager, including the steps that, if you are interested, you should take now in planning a brand management career.

Course Objectives

This course is an overview into the important branding decisions faced by an organization. By the end of the course, the objective is that you will have acquired skills that will allow you to manage your products and brands to achieve a sustainable competitive advantage, command greater price premiums, and efficiently allocate your marketing resources.

Course Description & Organization

The course centers on three specific “chunks”

1. Creating Brand Equity – Developing and positioning the brand promise and new product development
2. Managing Brand Equity – The “4Ps” through a brand lens
3. Measuring Brand Equity – Deciding what works and what doesn't (on-going throughout the term)

Course Materials

In an effort to hold down the overall cost of the course, I am not requiring you to purchase a textbook. If you are contemplating a career in brand management, you should consider purchasing the following: Keller, Kevin, *Strategic Brand Management: Building, Measuring, and Managing Brand Equity*, 4th Edition, Prentice Hall, 2013 [ISBN 978-013-266425-7]

Business Cases and readings: Available via Target Copy. Interactive articles (available via HBS coursepack)

Online software license and manual (1 per person): James, Stuart W., Thomas C. Kinnear and Michael Deighan, *PharmaSim: A Brand Management Simulation*, Version 3, Charlottesville, VA: Interpretive Software Inc. Purchased directly for about \$50. (Link to be sent to you from Interpretive.com)

Not required, but a useful list of some great marketing/brand books

Ries and Trout, *Positioning: The Battle For Your Mind*" (20th anniversary edition)

Ogilvy, David, *Ogilvy on Advertising*

Ries, Al and Laura Ries, *The 22 Immutable Laws of Branding*

Sullivan, Luke, "Hey Whipple, Squeeze This: A Guide to Creating Great Advertising"

Collins, Jim "Good To Great: Why Some Companies Make the Leap and Others Don't"

Cialdini, Robert "Influence: The Psychology of Persuasion"

Peters, Tom "The Circle of Innovation"

Gladwell, Malcolm "Blink"

Gladwell, Malcolm, "The Tipping Point"

Lindstrom, Martin "Buy-ology"

Yohn, Denise, *What Great Brands Do*

I have also written a book on Brand-Consumer relationships if you have interest in that area

Halloran, Timothy J, *Romancing the Brand: How Brand Create Strong, Intimate Relationships with Consumers*, Jossey Bass/Wiley (2014)

Attendance Policy

This is a case-based, real-world course and our sessions will involve robust discussions. Students are expected to come to class fully prepared, having read the assigned readings/cases, completed the required calculations (if applicable), developed key opinions, and insights on the assigned cases, and be prepared to contribute to class discussion. **COLD CALLS WILL HAPPEN.** Not attending class and not participating in class will drastically reduce a student's participation grade.

Class Conduct

- **We will not be sitting for 4 hours! We will intermix class with exercises, discussions, and workshops.**
- **Please restrict your use of laptops/smartphone/smartwatch etc. during class to facilitate active attention and participation.**
- **The Honor System** – You are expected to adhere to the University of Florida Honor Code. Any violation will be handled according to the UF Honor Code Procedures. Don't jeopardize your academic career over something stupid. If you have a question on something, ask. Don't assume.

Course Requirements and Evaluations

Your grade for the class will be determined by how well you satisfy the following requirements:

1. **PharmaSim Results (15%)** – Based upon actual results in the "marketplace". Key Metrics will be as follows:
2. **2 PharmaSim Group Reports (30%)** - You will turn in two group reports on PharmaSim in Powerpoint format. The first will be handed in prior to the simulation itself and will be your team's "brand plan" for the one period of the simulation. The second will be handed in at the conclusion of the project and be a recap of your performance and will set the course for the brand(s) future.
3. **In class exercises (15%)** – We will have a few in-class exercises that I will expect you to complete either by a team or individually. These will be explained in detail during the class session in which they are used.
4. **Final Exam (25%)** – Case based - application of course material
5. **Class Participation (15%)** – Includes attendance, participation in class discussion, participation in in-class exercises, and cold calls/quizzes.

Brand Teams/PharmaSim

Students will form "brand teams" of 2-3 students each for the PharmaSim project. An ideal team would balance analytic types, strategists, and creatives. To ensure that I have an accurate assessment of each team member's participation, an anonymous evaluation of team members and their participation will be required at the end of the term.

PharmaSim Project

The PharmaSim project is a web-based simulation that offers a unique format to learn about brand management decisions – the same type of decisions that brand managers make every day. You will make brand management decisions in a dynamic environment over a “10 year” timeframe. Thus, you will have the opportunity to learn the results of your decisions. You will benefit from good decisions over time and conversely suffer from the consequences of poor decisions. Your goal is to 1) try to be as successful as possible at achieving your marketing goals and 2) make optimal use of available information and integrate these within some logical brand strategy.

The simulation occurs online at www.interpretive.com. We will go over how to do this briefly in class. We will review the case in class to ensure that everyone has the proper background. After our in class discussion of the case, you will get to run the simulation for the first period with up to 3 “replays” as desired. Beginning with period 2, you will not have any “replays” and will start being rewarded (or penalized) for your decisions. Your team will play the role of *Brand Manager*.

Before you or your group make any decisions, it is important that you carefully consider the available information and analyze the case. The decisions you will make range from your suggested retail price, your advertising budget, selection of your advertising agency, and your emphasis on ad messages, consumer promotions, and sales force. You will also have the opportunity to launch new products and line extensions, if you feel it is strategically viable. In subsequent periods, your budget across advertising, promotions, and sales support will be determined by how well (or poorly) you perform in the prior period (less volume = less money!). Any unspent money is will be added to profits.

PharmaSim Assignment #1 – Brand Plan Document

For assignment #1, your group will need to develop a brand plan that will outline your strategy moving from year 2 to 3. We will review the format in class. The brand plan will consist of a “5Cs” analysis that outlines current strengths and opportunities of Allstar and its brand Allround, develop annual brand objectives, and the strategies needed to accomplish those objectives. The rationale for the assignment is two-fold. First, it gives you practice in developing an annual brand plan. Secondly, it will force you to think critically about the case, carefully analyze the available information and commit yourselves to a plan before you get caught up in the details of making and inputting decisions and getting your results. It is easy to lose one’s perspective once one begins to make the various decisions and confront the results (Brand managers run into the same problem).

PharmaSim Assignment #2 – PharmaSim Brand Performance Summary

Assignment #2 will be written at the conclusion of the simulation. Your group will describe your big decisions over the 10-year period and how they changed over the course of the simulation. While it is not necessary to describe every change you make in each period, you should give an adequate description of what you tried to accomplish, why you did what you did, what results you found, and then how you reacted. What surprised you? What worked and did not work? How come? What were useful variables to monitor? *How is your brand set up for the future?* The best papers will offer an analysis of what happened and why based on specific principles that we have discussed this semester. Some teams will present their findings during our PharmaSim wrap up day with others expected to contribute to the discussion.

PharmaSim Assignment Due Dates:

- Decisions 1 & 2: November 9
- Decisions 3 & 4 and Brand Plan Document: November 16
- Decisions 5 – 7: November 30
- Decision 8 – 10: December 7
- PharmaSim Recap: December 14

Within our class time we will have PharmaSim workshops. I will work with individual teams and provide “consulting services” to any teams that are struggling and to answer specific questions.

Class Preparation Guide**Overview**

Date	#	Topic	Assignment Due
Wed, 10/26	1	Course Introduction Brand Equity Overview PharmaSim Overview and The Brand Planning Process	
Wed, 11/2	2	The STP Process Brand Positioning Development Case: Crescent Pure PharmaSim kickoff!	
Wed, 11/9	3	Product Strategy & New Product Development Case: IKEA PharmaSim Worksession	PharmaSim Decisions 1&2
Wed, 11/16	4	Brand Portfolio Decisions Brand Extensions Case: Black & Decker Extensions Gone Wild! PharmaSim Worksession	PharmaSim Decisions 3 & 4 PharmaSim Brand Plan
Wed, 11/30	5	Integrated Marketing Communications Case: Mountain Dew Social Media and Viral Marketing Case: HasBro Fox PharmaSim Worksession	PharmaSim Decisions Period 5-7
Wed, 12/7	6	Understanding Consumers Qualitative Exercises Brand Communities – Dove	PharmaSim Decisions Period 8-10
Wed, 12/14	7	Experiential Branding PharmaSim Recap Class Recap	PharmaSim Recap Report

DETAILED CLASS DESCRIPTIONS

1 - Brand Equity Overview

Readings: INTERACTIVE ARTICLE - Deshpande, Rohit and Anat Keinan, "Brands and Brand Equity" (2014) *HBSP #8140-HTM-ENG* (Harvard CoursePack)

PharmaSim Manual (available at course site at www.interpretive.com)

Calkins, Tim, "Note on Writing Great Marketing Plans," *Kellogg*, KEL-146

Exercises: Brand Equity Experiment
PharmaSim Overview and Rules of Engagement
Brand Planning

2 - STP: Segmentation, Targeting, & Positioning

Readings: Yankelovich, Daniel and David Meer (2006), "Rediscovering Market Segmentation," *Harvard Business Review*

INTERACTIVE ARTICLE Gupta, Sunil, Marketing Reading: Segmentation and Targeting, Harvard Business Reading, July 2014 #8219 (Harvard Coursepack)

Keller, Kevin (2002) "Three questions you need to ask about your brand", *Harvard Business Review*, September 1, 2002

Halloran, Tim (2014), *Romancing the Brand*, Chapter 3 "Know Your Type," pg. 43-80

Case

Crescent Pure

1. Given that Crescent is PDB's first entry in the U.S. sports and/or energy beverage markets, what must PDB do in regard to Crescent's pending launch?
2. What factors should influence the positioning of Crescent?
3. How is the market segmented? At what segment should Crescent be targeted?
4. What are the pros and cons of positioning Crescent as an energy drink, a sports drink, or a healthy organic beverage?

Exercises Developing Brand Positioning Statements
PharmaSim Kickoff!

3–New Product Development

Readings: Huston, Larry and Nabil Sakaab (2006) "Connect and Develop: Inside Proctor and Gamble's model for Innovation"; *Harvard Business Review*, March 2006

Schneider, Joan and Julie Hall (2011) "Why Most Product Launches Fail," *Harvard Business Review*, F1104A

- Case:** IKEA invades America
1. What factors account for the success of IKEA?
 2. What do you think of the company's strategic and product range? Do you agree with the matrix approach described in Figure B?
 3. Despite its success, there are many downsides to shopping at IKEA. What are the downsides? IKEA's vision statement (Figure C) describes how the company seeks to build a partnership with its customers. What do you think of the vision statement?
 4. Do you think IKEA is being overly optimistic in its growth plans for 50 US stores by 2013? How would you improve their value proposition to make it even more attractive to US consumers?
 5. To achieve the kind of growth IKEA is hoping for, should the company change its product strategy? If so, in what way(s)? What about its product range – are there limitations to the matrix approach? Should the company expand its line-up to include more styles and price points? In what other ways should the company consider changing its product line-up?
 6. What do you think IKEA's value proposition and product line up will look like in 10 years?
 7. Some industry insiders are suggesting that IKEA launch a number of smaller satellite stores across the US (e.g., in shopping malls, strip malls, etc.). By offering a limited range of IKEA products, these "IKEA Lite" shops would presumably give consumers who do not otherwise have access to a full-size IKEA the opportunity to experience the brand. In addition, consumers who do live near a full-size IKEA would be able to use the mini-outlets to make minor purchases (e.g., a set of mugs, as opposed to an entire living room set). Do you agree with this idea? Why or why not?

Class Exercise PharmaSim Workshop

Assignment Due PharmaSim Decisions 1 & 2

4 – Brand Portfolio and Line Extensions

Readings: Hill, Sam et al, "Achieving the Right Portfolio," *Sloan Management Review*, Winter 2005

Aaker, David, "Brand Relationship Spectrum: The Key To The Brand Architecture Challenge," *California Management Review*, July 1, 2000, #CMR177

- Case** Black and Decker (A)
1. Why is Makita outselling Black and Decker 8 to 1 in an account that gives them equal space?
 2. What, if anything, do you learn from B&D's consumer research?
 3. Joe Galli's objective is "to develop and gain corporate support for a viable program to challenge Makita for leadership" in the Tradesmen segment. To gain support, the minimal share objective would have to be "nearly 20% within three years, with major share 'take-away' from Makita." How realistic is this?
 4. If Galli decides to pursue Option 3 (the "build share" strategy), what actions would you recommend he implement? Remember you have at least three audiences to please: the end consumer (Tradesmen), retailers, and B&D top management.

Class Exercises Extensions Gone Wild!
PharmaSim Workshop

Assignment Due PharmaSim Decisions 3 & 4
PharmaSim Brand Plan

5 –Integrated Marketing Communication in the 21st century

Readings: Nunes, Paul F and Jeffrey Merrihue (2007), "The Continued Power of Mass Advertising"; *Sloan Management Review*, Vol 48. No 2. Winter 2007.
Dobele, Angela (2005) et al "Controlled Infection! Spreading the Brand Message Through Viral Marketing", *Business Horizons*, Issue 48, 143-148
Gupta, Sunil, Kristen Armstrong, Zach Clayton, "Social Media," *Harvard Business Press Background Note #510095*

Case: Mountain Dew: Selecting New Creative

- I will be playing the role of advertising agency and bringing 5 storyboards of creative to share with you. You as a class will need to determine which ones we are going to run and whether we are going to advertise on the Super Bowl or not.

HasBro Games: POX(A)

- Which of the two proposals do you support and why?
- Do you have any suggestions on how to modify the proposal you support to maximize the adoption of POX (given the game's novel characteristics)?

Review Go to Facebook, Twitter, or Instagram and check out what your favorite brands are doing within the social media environment. Pick 2 brands, one that you think is doing a good job and one that you think is doing a poor job of utilizing social media

Assignment Due PharmaSim Decisions Periods 5-7

6 – Understanding Consumers/Brand Communities and Relationships

Readings: Kiley, David, "Shoot the Focus Group", *Business Week*, November 14, 2005
Gladwell, Malcolm, *Blink*, Chapter 5 "Kenna's Dilemma: The Right – and Wrong – Way To Ask People What They Want", pg 147-188
Duhigg, Charles, "How Companies Learn Your Secrets", *New York Times Magazine*, February 19, 2012
Hill, Kashmir, "How Target Found Out A Teen Girl Was Pregnant Before Her Father Did", *Forbes*, February 16, 2012
Fournier, Susan and Lara Lee, "Getting Brand Communities Right", *Harvard Business Review*, April 1, 2009

Case Dove

- Why does Unilever want fewer brands?
- What was Dove's market positioning in the 1950s? What is its positioning in 2007?
- How was Dove's brand meaning managed in the 1950s? What about 2007?
- Evaluate Dove's historic and 2007 brand positioning

Exercise Qualitative Brand Techniques

7 - Experiential Branding and Class/PharmaSim Recap

Readings: Pine, Joseph B. II and James Gilmore (1998), "Welcome to the Experience Economy," *Harvard Business Review* #98407

Case: Starbucks: Delivering Customer Service

Exercise: Winning Team(s) Share PharmaSim Strategies

Assignment PharmaSim Recap

Due