

UNIVERSITY OF PENNSYLVANIA
THE WHARTON SCHOOL

MKTG 655/OPIM 655
Integrating Marketing and Operations Management
Spring 2002

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Course Description:

OPIM 655/MKTG 655 covers topics that span the marketing and operations disciplines. Specifically, the focus will be on understand businesses where effective coordination of marketing and operation activities is critical for the enterprise to be successful. The course is most relevant to industries that must implement complex operations to meet the needs of a large and diverse customer base. Examples include financial services, retail, airlines, consumer products, automobiles, apparel, personal computers, etc...

Prerequisites for the course are the core courses in operations and marketing (OPIM 631, OPIM 632, MKTG 621, MKTG 622).

The course is required for joint majors in marketing and operations management.

Assignments and Grading:

Class Participation (30%):

Class participation is based on the quality of your comments during class sessions.

One-Page Case Write-Ups (25%):

You must complete a 1-page write-up for five cases. Each write-up counts for 5% of your grade. You can choose any five cases. (Cases are indicated in the schedule.) These short write-ups are designed to encourage you to be prepared for class discussion and to motivate

you to have a distinct point of view about the case before coming to class. You may use the case preparation questions as guides, but do not feel restricted by them. These write-ups will be graded on a three point scale: ✓-, ✓, or ✓+.

Group Project (45%):

You will need to form a group of 2-3 people to complete a group project focused on the marketing-operations interface. The project consists of two tasks. The first is to write a short case on a company that must deal with some issue related to the integration of marketing and operations. The second task is to write a brief case analysis of your short case. This analysis should outline the issues highlighted in the case and then provide your recommendation for the company. You may draw upon a wide variety of sources to create your case: interviews with company, annual reports, newspaper articles, management articles, consulting reports, past work experience, etc. We expect that the entire length of the project should be between 10 to 15 pages of text with standard formatting, i.e., 12 pt font, 1 inch margin, double spacing. (You may have as many pages of exhibits as you like.)

MKTG 655/OPIM 655

Course Description:

Session 1 (2/26/02): Introduction

Case: Rapid Rewards at Southwest Airlines (N9-602-065)

1. Why has Southwest Airlines been the only consistently profitable airline?
2. Should Southwest modify its service design to better serve its high value customers? If so, how so? If not, why not?

Session 2 (2/28/02): Trade promotions, Vendor Managed Inventory

Case: H.E. Butt Grocery Company: A Leader in ECR Implementation (A) (9-196-061)

Articles: The Costly Bargain of Trade Promotions, *Harvard Business Review*, March-April, 1990.

‘High-Tech Inventory System Coordinates Retailer's Clothes with Customers' Taste’, *Wall Street Journal*, June 12, 1996.

Session 3 (3/05/02): Retail Pricing Policy

Case: Workbench Pricing Strategy (9-590-115)

Article: Hoch, Dreze, and Purk (1994). EDLP, Hi-Lo, and Margin Arithmetic, *Journal of Marketing* (October).

Session 4 (3/07/02): Assortment Planning – Retail Operations

Case: Costco Companies, Inc. (9-599-041)

Spring Break

Session 5 (3/19/02) Variety in Service Operations

Case: McDonald's Corporation (9-693-028)

Session 6 (3/21/02) Service Channels

Case: FleetBoston Financial: Online Banking (N9-601-042)

Session 7 (3/26/02) Channel Coordination

Case: Blockbuster Video

Session 8 (3/28/01) No Class

Session 9 (4/02/02) Channel Conflict, Supply Chain Design

Case: Matching Dell (HBS, 9-799-158)

Article: "Spain's Zara Cuts a Dash with 'Fashion on Demand'", *Wall Street Journal*, May 29, 1998.

Session 10 (4/04/02) Retail Consolidation, Supply Chain Design II

Case: Auto Collection: Ford's Better Idea for Selling Cars and Trucks (9-800-030)

Article: "Next-day delivery. Cadillac lowering costs and raising satisfaction by getting cars to consumers faster." *Chicago Tribune*, April 2, 1998.

"Autos: How Do You Get a Hot GMC Suburban? You Wait for a Computer to Dole One Out." *Wall Street Journal*, April 10, 1996.

Session 11 (4/09/02) Electronic Retailing vs. Brick-And-Mortar Retailing: Books

Case: Leadership Online, Barnes and Noble vs. Amazon.Com (HBS 9-798-063)

Session 12 (4/11/02) Electronic Retailing vs. Brick-And-Mortar Retailing: Groceries

Case: Webvan: Groceries on the Internet (9-500-052)

Session 13 (4/16/02) Outsourcing

Case International Sourcing in Athletic Footwear: Nike and Reebok (9-394-189)

Sessions 14 (4/18/02) Project Presentations

Attendance is mandatory