

Harbert College of Business
MKTG 4970-003: Pricing Strategy
Spring 2020

Course Information

Title: MKTG 4370-003 – Pricing Strategy
Description: Examination of pricing objectives, strategy, and tactics in marketing.
Days: Monday, Wednesday, Friday
Time: 9:00-9:50
Location: Lowder 152
Credit Hours: 3
Prerequisite: Grade C or better in MKTG 3310 or MKTG 3317

Instructor Information

Instructor: Kristin Forthofer
E-mail: kmd0027@auburn.edu
Phone: 844-2498
Office: Lowder Building – Room 245
Office Hours: Monday, Wednesday, 11:00 AM – 1:00 PM

Text Books and Resources

Your section of MKTG 4370 is going to participate in the All Access program. See details in the email you received from the AU Bookstore regarding this program and the option to OptOut. (If you want to OptOut, you must do so before January 29th.) Instructions for OptOut are posted on Canvas. If you are interested in a print copy in addition to the digital book in All Access, please visit the Bookstore. They can special order low-cost print versions.

Required Text: *The Strategy and Tactics of Pricing*, 6th edition, by Nagle and Muller, Rutledge, 2018.
ISBN: 978-1-138-73750-1

Online: This is a Canvas supported course, grades and other pertinent information will be posted on Canvas.

Course Objectives

Students should understand the following concepts upon completion of the course:

- Why price is important to the marketing mix
- The role of demand curves and elasticity in pricing strategy
- Factors that may influence marketing pricing decisions
- Economic Value
- How to effectively communicate price and value
- How to analyze competitors prices
- How to analyze costs and profits for pricing
- Methods of setting prices.
- How to make effective pricing decisions.
- Strategies to influence willingness to pay.
- Tactics for pricing differently across customer segments.
- The importance of setting prices that capture a share of the value created.
- Pricing Ethics and Law

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Course Grading

Final grades in this course will be based on the following components:

Introduction Assignment	2%
Attendance/Participation	3%
Two Exams	30% (15% each)
One Team Case Presentation	15% (15% each)
Chapter/Case Quizzes (best 7 of 9)	35% (5% each)
Optional Final Exam	15%

Grade Allocations in Percent:

A = 90+; B = 80 to 89.9; C = 70 to 79.9; D = 60 to 69.9; F = Below 60

Grade questions must be asked within a week of the grade being posted on Canvas. **NO EXCEPTIONS.**

Exams (2x15% - 30% of Final Course Grade) and Exam Grading Policy

There will be two (2) exams. Each student is required to complete two (2) traditional closed-book exams consisting of both definitional and application questions. Details regarding the exams will be discussed later in the course. Any student failing to take an exam will receive a zero (0) for the test score. All students are expected to take the exam when it is scheduled. If a student is unable to take a scheduled exam due to illness or personal tragedy, it is the student's responsibility to notify the instructor in advance. Alternative arrangements will then be made. However, no make-up exams will be allowed when advance notification is **not** received or if the student misses an exam for reasons not related to illness, personal tragedy, or university recognized activity. *Students will be told the general makeup of test questions prior to each exam.*

Any errors in the reporting of test scores or bonus points for each exam must be reported within three days of the posting of the test score in question.

Examination Rules

1. All bags must be placed by the walls prior to the exam.
2. Cell phones must be placed in your bags *and turned off*.
 - a. *If your phone goes off for any reason during the exam, you get a ZERO. No exceptions.*
 - b. *If your cell phone is seen outside your bag during the exam, you get a ZERO for that exam.*
3. You only need to have out: 1) a blue scantron; 2) a pencil; and 3) a calculator
 - a. You may only use a non-programmable calculator during the exam
 - b. You cannot use your cell phone's calculator
4. Once you hand in your exam and leave, *you may not return to the classroom*; it disrupts others still taking the exam and provides possible access to outside information.
5. If you tend to look around during exams, make sure to look at the ceiling and/or sit in the front row. *If for any reason I feel it necessary, I will move you to a new location during an exam.*

Make-up Exams

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Inform me *in writing* (e-mail is fine) of any legitimate exam conflicts at least one week in advance. (All dates have been set and appear in the course outline). *If I do not receive written notice before the exam, you will not be given an opportunity to take it at another time.*

If you miss an exam due to illness, *a make-up exam will not be scheduled for you unless* two (2) conditions are met:

1. *You must have emailed to inform me of your illness **PRIOR TO THE EXAM BEGINNING.***
2. *You must provide me with a signed formal excuse (on letterhead) from your doctor at the time of your make-up exam. The excuse must indicate the date and time of the medical problem that prevented you from taking the test.*

Make-up exams will be made as similar in scope and difficulty level to the original exam as possible (determined by the professor); however, you will **not** be given the same exam your fellow classmates took.

Exams are to be completed individually without the help of others in the class or electronic devices. Failure to follow this policy will result in a zero on that exam.

Materials on exams are derived from the PowerPoints presented, text book, issues discussed in class, and any additional assigned reading.

Case Quizzes: Best 7 of 9 x 5% - 35% of final course grade

Quizzes will consist of 10 multiple choice questions regarding the chapter and situation narrative portion of each of the case study. These quizzes are intended to ensure the class as a whole is familiar enough with the chapter content and case to discuss it in class during team presentations. **NO MAKE-UP CASE QUIZZES!** Students who are absent will receive a “ZERO” for the missed quiz.

Team Case Analysis Assignment: 15% of final course grade

Teams will be asked to complete one Case assignment, present and discuss with the class. Details to follow.

***NOTE:** Team members found to be non-participatory (per the Student Team Lead) during development and/or absent without qualifying excuse will receive a “ZERO” for this assignment. Students that are present but deemed unwilling or unprepared to contribute to the completion of the exercise with team members may receive a “60” or less, from the Instructor.*

Final Examination: 15% of final course grade (OPTIONAL)

Final Exam is not comprehensive. Students may choose whether or not to take the Final Exam. If the student chooses not to take the Final Exam he/she will receive the course grade earned after the attendance/participation grade has been entered in Canvas. Details on the Final Exam format and content covered will be presented prior to the Final Exam.

Attendance/Participation: 3% of final course grade

Attendance will be taken via Spotter. Each student is allowed a TOTAL of **6 absences** for any/all purposes. You should NOT send the instructor excuses for absences. This generous policy MORE than allows for any circumstance that will develop which may preclude a student from attending class. If a student has a

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PROLONGED illness, then he/she should contact the instructor directly via email immediately. Emails sent at the end of the semester regarding a prolonged illness or extenuating circumstance will not be accepted.

Instructor will NOT accept end-of-semester requests to negotiate change in attendance records.

Students making a positive contribution to class discussion can get bonus points on their attendance grade.

If a student has more than 6 absences, he/she will receive a 0 for his/her attendance/participation grade.

Instructor will post student attendance scores to Canvas at the end of the semester.

Attendance is taken every class, using an App “**SpotterEDU**”. You are required to:

1. Download SpotterEDU from the App store (Android or iOS)
2. Install the App and go through the setup process provided to you
3. Each class you must **KEEP BLUETOOTH ON** for entire class as well as **NOT** have your phone in airplane mode or low battery mode.

It is your responsibility to check the app each class to ensure your attendance was confirmed. If not, you should stop to see the Professor prior to leaving class. *Emails or any other excuse, regarding the SpotterEDU App, given after the class period will not be accepted.*

SpotterEDU Facts:

1. SpotterEDU only monitors class attendance during your scheduled class time and does not know where you are if you are not in class.
2. SpotterEDU will use roughly 2% of your battery for an entire day of use.
3. SpotterEDU requires minimal storage space and roughly the size of 2 photos.

Feedback provided by previous classes suggests the pedagogical material assigned provides an important foundation useful in reaching the objectives established for this course. Class time will often include material that supplements the material in the textbook, so those who miss class regularly will not perform well in this course. In addition, missing class does not relieve the student from the material covered in the missed class. Students are expected to attend all of the scheduled classes and arrive on time. Students are responsible for all materials covered in class and otherwise assigned. It is your responsibility to ask a student in class to take notes for you and get any handouts if you are unable to attend.

Tentative Course Schedule

Note: Instructor reserves right to change material & exam dates when necessary.

Week	Sessions Topics	Relevant Readings
Week 1 (Jan 8-10)	Introduction to Course	
Week 2 (Jan 13-17)	Foundation: Pricing Concepts	Pricing Concepts (ppt on Canvas)
Jan 20	MLK, Jr. Day – NO CLASS	
Week 3 (Jan 24)	Foundation: Pricing Concepts	Pricing Concepts (ppt on Canvas)

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Jan 27	Exam 1 (Pricing Concepts)	
Week 4 (Jan 27-31)	Foundation: Setting Prices	Setting Prices (ppt on Canvas)
Week 5 (Feb 5-7)	Foundation: Setting Prices	Setting Prices (ppt on Canvas)
Feb 12	Exam 2 (Setting Prices)	
Week 6 (Feb 10-14)	Catch up/Introduction to Case Studies	
Week 7 (Feb 17-21)	Strategic Pricing	Chapter 1
Week 8 (Feb 24-27)	Economic Value	Chapter 2
Week 9 (Mar 2-6)	Price and Value Communication	Chapter 3
Mar 9-13	SPRING BREAK – NO CLASSES	
Week 10 (Mar 14-20)	Price Structure	Chapter 4
Week 11 (Mar 23-28)	Pricing Policy	Chapter 5
Week 12 (Mar 30-Apr3)	Price Level	Chapter 6
Week 13 (Apr 6-10))	Price Competition	Chapter 7
Week 14 (Apr 13-17)	Financial Analysis	Chapter 9
Week 15 (Apr 20-24)	Ethics and Law	Chapter 12
Thurs, Apr 30	MKTG 4370-003 FINAL EXAM (8-10:30AM)	

STUDENT RESPONSIBILITIES

Students are responsible for being prepared for each class and taking an active role in the learning process. Adequate preparation for lecture and class discussions requires students to determine the primary message(s) of each assigned chapter and to integrate the readings into their current understanding of responsible marketing management practices and decision-making. Class discussion can also be improved when students bring current examples of issues being examined. Therefore, students are **required** to read any supplemental articles or cases assigned and be prepared to discuss the examples in class.

Since the course is designed to be interactive, students will have ample opportunity to demonstrate their acquired knowledge. For example, when conceptual issues are being discussed students are often asked for their opinions or recommendations and supporting rationale. Then the opinion/recommendation and rationale are discussed.

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General Policies

This course follows the general policies set forth in the Auburn University Student Policy eHandbook for absences, make-up exams, handling of disabilities, and other administrative matters. Please refer to the Auburn University Student Policy eHandbook for details regarding these policies. Please make note of those policies amended in this syllabus.

1. What If the Instructor is late for class? Students are required to wait fifteen (15) minutes before leaving.

2. Instructor Availability:

You may see me during office hours or by appointment. If you come by the office and I am not available (others have planned ahead and made an appointment – as you would in business), please leave a written message on my door or with the Marketing Department Administrative Assistant in Lowder 201D. Also send an email noting you would like to set up an appointment.

3. Makeup Exams:

Only university approved excuses as outlined in the Auburn University Student Policy eHandbook will be honored regarding exams. Reminder: You must have emailed to inform me of your illness **PRIOR TO THE EXAM BEGINNING** in order to makeup an exam. Those excuses must be brought to my attention with a copy of that excuse to leave with me at the beginning of class on the day you return. Without that copy the absence will not be excused. Beware, just because you have a receipt showing you visited a doctor's office or clinic, does not mean I will excuse the absence.

4. Class Etiquette:

Please make every effort to be on time. Please do not disrupt class if you come in late. If you come in after class has begun, you are to find an empty seat that will cause the least amount of disruption to the class. Cell phones, pagers, and other electronic devices must be silenced and turned off during class. You are welcome to take notes using a laptop / I-pad, but please be respectful of your peers if using a laptop/I-pad.

5. Pre-requisites:

Pre-requisites are strictly enforced. Students failing to meet any of the pre-requisites will be dropped from the class whenever the lack of qualification is discovered regardless of how far along in the term or any grades that may have been earned. This rule applies to both business and non-business students.

7. Communications:

You will be notified of any new class requirements or changes via email or Canvas. You are responsible for being aware of these notifications; therefore, check your student email account **and** Canvas **DAILY**. Your student email must be activated. Check it daily. The best way to get in touch with me is via e-mail. E-mails sent after business hours (after 5:00PM) on weekdays, will be not be replied to until the next business day.

Students **must** include the course number and section in the subject line of any emails sent to the instructor. You will know your grade throughout the course by regularly checking Canvas. The grade in Canvas is your accurate grade. If you think that I have made an error in calculation, you must email me a week within the assignment/exam grade posting. If you have a question regarding your grade going into the Final Exam, I will have office hours on Monday.

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8. Professional Behavior:

You are starting your professional career, so you are expected to present yourself as a professional. You are expected:

- To be respectful to the instructors, fellow students, and guest speakers.
- Arrive on time to class, be prepared, and stay for the entire class period.
- Complete work at “employment level” standards and on time.
- Behave professionally in the class.
- Make sure all trash is thrown away and your area is ready for the next class.

9. Disabilities:

It is the policy of Auburn University to provide accessibility to its programs and activities. Accommodation documented by the Program for Students with Disabilities for persons defined as having disabilities under the Americans with Disabilities Act of 1990 will be followed. Students desiring additional information should contact the Program for Students with Disabilities Office, 1244 Haley Center, (334) 844-2096. **IT IS THE STUDENT’S RESPONSIBILITY TO INITIATE THIS PROCESS WITH THE STUDENTS WITH DISABILITIES OFFICE and ME WITHIN THE FIRST WEEK OF CLASS.** All disability issues will be handled in accordance with university policy per federal regulation.

10. Academic Honesty Policy:

The university and this professor expect students to pursue their academic work with honesty and integrity. All portions of the Auburn University student academic honesty code (Title XII) found in the Auburn University Student Policy eHandbook will apply to this class. All academic honesty violations of the Student Academic Honesty Code will be reported to the Academic Honesty Committee.

11. University Emergency Preparedness:

We will follow the University Emergency Response policies depending on the alert. In case of a tornado warning, the class will be canceled until the end of the warning. Students are to seek the appropriate safe or shelter area. Please keep your test or assignments in the room. In all situations, we will follow the instructions of the AU Alert system. To find out more about more information go to

http://www.auburn.edu/administration/public_safety/emergency/policies.html

12. Academic Support:

The university provides many services and resources to help you with your study skills. Be sure to take advantage of the programs provided by Academic Support. You can go to their website at http://www.auburn.edu/academic/provost/undergrad_studies/support/academic_support/index.html or call 334.844.5972.

13. Instructor’s Syllabus Qualification:

The syllabus and information contained herein may be changed during the semester at the discretion of the instructor. Students will be notified in a timely manner of any changes.