Course Syllabus
MKT 6336-0G1
School of Management
The University of Texas at Dallas

Course Information

Course
Course Number/Section  MKT 6336.0G1
Course Title  Pricing
Term  Spring 2008 (January 7 – May 7)

Professor Contact Information
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Email Address

Course Pre-requisites, Co-requisites, and/or Other Restrictions
MKT 6301 or equivalent

Course Description

Pricing is the way a firm produces revenues form the value created by its product offerings. Much of marketing involves activities that are costly for the firm, while revenue generation depends on pricing that is sustainable and profitable. Students in this course will learn both the principles that can guide pricing and the practical considerations that make pricing a challenge. Sustainable and profitable pricing stands on three legs: costs, competition and consumer value. Some managers focus too much on costs, while others on competition. Decisions made in this way are typically not good. As we will see in this course, a manager is best served by making sure that pricing is consistent with the positioning strategy and thus fits well with other choices such as segmentation, advertising and distribution.

Those interested in careers in brand management, technology marketing, consulting, product management and strategy would all find something useful in the course. It is useful to have a numbers orientation to get the full measure of such a course as this.
Student Learning Objectives/Outcomes

My goal for this course is that at the end of the course students would have

- A strong theoretical and conceptual basis for pricing decisions, and
- Gain the confidence to apply these ideas to practical pricing problems.

Required Textbooks and Materials

Required Texts:

Required Materials:
- Case Packet consisting of HBS Cases
  - Coca-Cola’s New Vending Machine (A): Case # 9-500-068
  - The Medicines Company: 9-502-006
  - Reynolds Metals Company: 9-597-045
  - Tweeter: 9-597-028
  - Virgin Mobil USA: 9-504-028

Suggested Course Materials

Suggested Readings/Texts:

Textbooks and some other bookstore materials can be ordered online through MBS Direct Virtual Bookstore or Off-Campus Books online ordering site. They are also available in stock at the UTD Bookstore and Off-Campus Books.

Top

Technical Requirements

In addition to a confident level of computer and Internet literacy, certain minimum technical requirement must be met to enable a successful learning experience. Please review the important technical requirements and the web browser configuration information.

Top

Course Access and Navigation

This course was developed using a web course tool called WebCT. It is to be delivered entirely online. Students will use their UTD NetID account to login to the course at: http://galaxy.utdallas.edu. Please see the course access and navigation information.
To get started with a WebCT course, please see the Getting Started: Student WebCT Orientation.

If you have any problems with your UTD account or with the UTD WebCT server, you may contact UTD Computer Help Desk: access Live Web Support, email to: assist@utdallas.edu or call the UTD Computer Helpdesk at: 972-883-2911. If you encounter any technical difficulties within the course site, please send an email to gmbasupport@utdallas.edu.

Communications

This WebCT course has built-in communication tools which will be used for interaction and communication. Some external communication tools such as regular email and a web conferencing tool may also be used during the semester. Please see more details about communication tool information.

Another communication tool available to students is live voice chat in the 3D virtual world of Second Life. Instructions for accessing the UTD SOM Island in Second Life can be found at http://som.utdallas.edu/secondlife.

Interaction with Instructor: The instructor will communicate with students mainly using the Announcements and Discussions tools. Students may send personal concerns or questions to the instructor using the course Email tool. The instructor will reply to student emails or Discussion board messages within 3 working days under normal circumstances.

A Chat session is scheduled as shown on course schedule and more details will follow on the course calendar and the Announcements. The Chat session is to discuss Assignment 3 and 4.

There is a web conference scheduled for the course as in the course schedule table. Please see the information on Elluminate Live web conferencing system under communication tool information. Please also see Web Conference link on the course site for the detailed information for the class web conference.

Questions you have: If you send me e-mails I will try to respond in 72 hours if the mail is sent during the week 8 AM to 5 PM. So, you should send in your questions in advance rather than at the last minute. Also, you may send e-mails to my TA or copy her if there is an urgent request.

Student Resources

Access to many University resources are available to students. Some sources of interest include:

UTD Distance Learning: http://www.utdallas.edu/distancelearning/students

McDermott Library: Distance Learners (UTD students who live outside the boundaries of Collin, Dallas, Denton, Rockwall, or Tarrant counties) will need a UTD-ID number to access all
of the library’s electronic resources (reserves, journal articles, ebooks, interlibrary loan) from off campus. For UTD students living within those counties who are taking online courses, a Comet Card is required to check out materials at the McDermott Library. For more information on library resources go to http://www.utdallas.edu/distancelearning/students/libraries.html

Top

Student Assessments

Written Case Analyses

Each student will be responsible for two written reports. The first is a practice one to help in the preparation of the second report. Both will be graded. You may pick either THE MEDICINES CO. or VIRGIN MOBIL USA for the first case report. If you pick THE MEDICINES CO. your second report will be on TWEETER and if you pick VIRGIN MOBIL USA your second report will be on REYNOLDS METALS COMPANY. You must allocate 100 points across the two alternatives of THE MEDICINES CO. and TWEETER or VIRGIN MOBIL USA and REYNOLDS METALS COMPANY. For example, if you allocate 100 points on THE MEDICINES CO. and TWEETER, it means that you prefer that. If you allocate 50 points for that and 50 points for VIRGIN MOBIL USA and REYNOLDS METALS COMPANY then you are indifferent to the two possibilities and so on. You must do this by 1/21 through internal course email so that I can allocate the cases to each of you.

A report should not exceed 650 KB in size and no zip files may be submitted.

Assignments

There will be four assignments that must be turned in on dates indicated. The assignments must be turned in as word documents. Assignment details and requirements will be available as an attached file under each assignment link.

Case Reports and Assignments Submission Instruction:

You will submit your reports and assignments (as WORD documents with simple file name and .doc extension, no space or special characters) by using the course built-in ASSIGNMENT tool. The filename could be yournamecase.doc. See ASSIGNMENT link on the Course Menu or the assignment icon on the designated course page. You can click each assignment title link and follow the on-screen instructions to upload your assignment file and submit it. Please note: each assignment link can only be used one time and is only available during the time specified. After your assignment has been graded, you may check the grade and the feedback by clicking the assignment’s Graded tab.

Online Quizzes

You can take self-tests on each topic (chapter) by taking the online quizzes. The quizzes will not count for or against your final grade.

Quiz Access Instruction:
You can access quizzes by clicking the Assessments link on the course menu or see the self-test icon on each lecture page. Each quiz is timed and can be accessed three times within the scheduled time window. Please read the on-screen instructions carefully before you click “Begin Assessment”. After each quiz is graded and released, you may go back to the Assessments page and click “View All Submissions” to review your exam results.

Participation

The first case Coca-cola’s New Vending Machine will only be discussed through the Discussion Board. I will set up separate topics for each case. It is important to participate on this discussion because it will affect your grades, and because it will prepare you for the written reports to come later. The remaining four cases will also be discussed on the board BUT those writing the report on a particular case will not take part in these discussions. They will simply monitor the discussion. So, each student will participate in 3 case discussions.

There will also be one web conference to discuss cases 2 and 3, and an on-line chat session to discuss assignments 3 and 4. These are optional, but would be very helpful to interested students.

Exam

Finally, there will be a 3-hour closed book final examination. Final Examination is comprehensive and will have both multiple choice questions and short answer questions.

You should have a Scantron Answer Sheet # 882-E for the examination. A classroom exam session will be administered on UTD campus. The schedule shows the date for the examination as Fri. May 2, I will announce the time and location for the examination under Announcements. If it is not convenient for you to take the scheduled exam session, you can have your final exam proctored using a testing service at UTD or at a different location. There will be NO MAKE UP EXAMINATIONS.

Students who are not able to attend the exam session with instructor can arrange an individually proctored exam with a testing service of their choice at any date within this required exam time window: April 30 – May 2. For local students, testing service is available at UTD Learning Resources Center. Students who find UTD geographically inconvenient may use a testing service at a convenient location to have the exam proctored. All individually arranged proctored exams must be completed within the required exam time window. Student who will use either UTD testing service at Learning Resources Center or an outside testing service, please inform the instructor and the Global MBA Online office (gmbasupport@utdallas.edu) and complete a proctored exam form and send back to G MBA Office by Fri. March 28. For more information on arranging a proctored exam, the detailed procedures and a downloadable exam form, please go to the Proctored Exam Information page. All completed exams must be received by Tue. May 6, 11:00 am CT to allow timely grade reporting to UTD Registrar.

The G MBA Office requests all students who need to use testing services strictly follow the proctored exam scheduling deadlines. If any student fails to submit the exam form on time, the student will be required to come to campus and attend the scheduled class exam session (or seek my approval for any special arrangements).

Grading Information
Weights

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Assignments</td>
<td>20%</td>
</tr>
<tr>
<td>Case Reports</td>
<td>15%+20%</td>
</tr>
<tr>
<td>Participation</td>
<td>20%</td>
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<tr>
<td>Examination</td>
<td>25%</td>
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<tr>
<td>Total</td>
<td>100%</td>
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Grading criteria

Grading will be on a curve. This being an elective course I expect 30-50% will get an A, 50-70% will get a B and 0-20% will get C. Of-course, those who simply do not perform will get an F.

Accessing Grades

Students can check their grades by clicking “My Grades” link under Student Tools on the course menu after the grade for each assessment task is released.

Course Policies

Make-up exams
None

Extra Credit
None

Late Work
Will be graded but penalties apply. Normally, every day’s delay will lower the maximum points by 10%.

Special Assignments
None

Class Participation
Students are required to login regularly to the online class site. The instructor will use the tracking feature in WebCT to monitor student activity. Students are also required to participate in all class activities such as discussion board activities, chat or conference sessions and group projects as already outlined.

Virtual Classroom Citizenship
The same guidelines that apply to traditional classes should be observed in the virtual classroom environment. Please use proper netiquette when interacting with class members and the professor.

Policy on Server Unavailability or Other Technical Difficulties
The university is committed to providing a reliable online course system to all users. However, in the event of any unexpected server outage or any unusual technical difficulty which prevents students from completing a time sensitive assessment activity, the instructor will
extend the time windows and provide an appropriate accommodation based on the situation. Students should report any problems to the instructor and also email gmabsupport@utdallas.edu. The instructor and GMBA Staff members will respond to student’s request at the earliest possible time during the next working day.

Course Schedule

<table>
<thead>
<tr>
<th>WEEK/ DATES</th>
<th>TOPIC/LECTURE</th>
<th>READING</th>
<th>DUE DATE</th>
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</thead>
<tbody>
<tr>
<td>Module 1</td>
<td></td>
<td></td>
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<tr>
<td>1 07/01-11/01</td>
<td>1. Concept of Strategic Pricing</td>
<td>Chapter 1</td>
<td></td>
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<td></td>
<td>2. Developing a Pricing Strategy</td>
<td>Chapter 2</td>
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<td>2 14/01-18/01</td>
<td>3. Economic Value</td>
<td>Chapter 3, pp.27-39</td>
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<td></td>
<td>4. Going Beyond Economic Value</td>
<td>Chapter 3, pp. 39-52</td>
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<tr>
<td>3 21/01-25/01</td>
<td>5. Value Based Segmentation</td>
<td>Chapter 3, pp. 39-52</td>
<td>Assignment 1 Due 23/01 5:00 PM</td>
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<tr>
<td></td>
<td>Case Discussion Begin</td>
<td></td>
<td>Begin 25/01 9:00 AM</td>
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<tr>
<td>Module 2</td>
<td></td>
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</tr>
<tr>
<td>4 28/01-01/02</td>
<td>6. Price Segmentation I</td>
<td>Chapter 4, pp. 54-69</td>
<td>End 01/02 9:00 AM</td>
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<td></td>
<td>Case Discussion End</td>
<td>Coca-Cola’s New Vending Machine (A): Pricing to Capture Value, or Not?</td>
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<td>5 04/02-08/02</td>
<td>7. Price Segmentation II</td>
<td>Chapter 4, pp. 69-75</td>
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<tr>
<td></td>
<td>8. Price Segmentation III</td>
<td>Chapter 4, pp. 75-79</td>
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<tr>
<td>6 11/02-15/02</td>
<td>9. Communicating Price</td>
<td>Chapter 5</td>
<td>Begin 13/02 9:00 AM</td>
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<td></td>
<td>Case Discussion Begin</td>
<td>The Medicines Co.</td>
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<tr>
<td>Module</td>
<td>Week</td>
<td>Case Discussion</td>
<td>Chapters</td>
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<td>7</td>
<td>18/02-22/02</td>
<td>10. Pricing Policy, 11. Price Level, The Medicines* Co.</td>
<td>Chapter 6, Chapter 7</td>
</tr>
<tr>
<td>8</td>
<td>25/02-29/02</td>
<td>12. Costs, Virgin Mobil USA*</td>
<td>Chapter 8</td>
</tr>
<tr>
<td>9</td>
<td>03/03-07/03</td>
<td>13. Financial Analysis I, 14. Financial Analysis II, Virgin Mobil USA*</td>
<td>Chapter 9, pp 175-185, Chapter 9, pp 185-201</td>
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<tr>
<td>10</td>
<td>10/03–14/03</td>
<td>Spring Break</td>
<td>Chapter 10, Chapter 11, pp. 252-257</td>
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<td>11</td>
<td>17/03-21/03</td>
<td>15. Competition, 16. Promotions</td>
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<tr>
<td>Module 4</td>
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<td></td>
<td>Chapter 11</td>
</tr>
<tr>
<td>12</td>
<td>24/03-28/03</td>
<td>17. Intermediation and Pricing</td>
<td>Chapter 11</td>
</tr>
<tr>
<td>13</td>
<td>31/03-04/04</td>
<td>18. New Product Pricing, 19. Research for Pricing I, Web Conference to discuss previous 2 cases, Tweeter*</td>
<td>Chapter 12, Chapter 13 pp 281-300</td>
</tr>
</tbody>
</table>
| Week 14 07/04-11/04 | 20. Research for Pricing II  
21. Legal Aspects of Pricing  
Case Discussion End | Chapter 13 pp 300-316  
Chapter 14  
Tweeter* | End 11/04 9:00 AM  
Written Report Due 11/04 5:00 PM |
|-------------------|---------------------------------|-------------------|---------------------|
| Week 15 14/04-18/04 | On line Chat to discuss Assignments 3 and 4  
Case Discussion Begin | Reynolds Metal Company* | Assignment 4 Due 16/04 5:00 PM  
Chat 17/04 7:00 PM-9:00 PM  
Begin 18/04 9:00 AM |
| Week 16 21/04-25/04 | Case Discussion End | Reynolds Metal Company* | End 25/04 9:00 AM  
Written Report Due 25/04 5:00 PM |
| Week 17 28/04-02/05 | Final examination  
Class exam session on-campus: May 2, time and room TBA  
Proctored exam using testing services: April 30 – May 2, all exams must be received by May 6, 11:00 am C.T. | | |

### Scholastic Honesty

The University has policies and discipline procedures regarding scholastic dishonesty. Detailed information is available on the [Scholastic Dishonesty](#) web page. All students are expected to maintain a high level of responsibility with respect to academic honesty. Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since such dishonesty harms the individual, all students and the integrity of the University, policies on scholastic dishonesty will be strictly enforced.

[Top]

[Top]
Course Evaluation

As required by UTD academic regulations, every student must complete an evaluation for each enrolled course at the end of the semester. An online instructional assessment form will be made available for your confidential use. Please look for the course evaluation link on the course Homepage towards the end of the course.

University Policies

Student Conduct & Discipline

The University of Texas System and The University of Texas at Dallas have rules and regulations for the orderly and efficient conduct of their business. It is the responsibility of each student and each student organization to be knowledgeable about the rules and regulations which govern student conduct and activities. General information on student conduct and discipline is contained in the UTD publication, A to Z Guide, which is provided to all registered students each academic year.

The University of Texas at Dallas administers student discipline within the procedures of recognized and established due process. Procedures are defined and described in the Rules and Regulations, Board of Regents, The University of Texas System, Part 1, Chapter VI, Section 3, and in Title V, Rules on Student Services and Activities of the university’s Handbook of Operating Procedures. Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations (SU 1.602, 972/883-6391).

A student at the university neither loses the rights nor escapes the responsibilities of citizenship. He or she is expected to obey federal, state, and local laws as well as the Regents’ Rules, university regulations, and administrative rules. Students are subject to discipline for violating the standards of conduct whether such conduct takes place on or off campus, or whether civil or criminal penalties are also imposed for such conduct.

Academic Integrity

The faculty expects from its students a high level of responsibility and academic honesty. Because the value of an academic degree depends upon the absolute integrity of the work done by the student for that degree, it is imperative that a student demonstrate a high standard of individual honor in his or her scholastic work.

Scholastic dishonesty includes, but is not limited to, statements, acts or omissions related to applications for enrollment or the award of a degree, and/or the submission as one’s own work or material that is not one’s own. As a general rule, scholastic dishonesty involves one of the following acts: cheating, plagiarism, collusion and/or falsifying academic records. Students suspected of academic dishonesty are subject to disciplinary proceedings.

Plagiarism, especially from the web, from portions of papers for other classes, and from any other source is unacceptable and will be dealt with under the university’s policy on plagiarism
(see general catalog for details). This course will use the resources of turnitin.com, which searches the web for possible plagiarism and is over 90% effective.

**Email Use**

The University of Texas at Dallas recognizes the value and efficiency of communication between faculty/staff and students through electronic mail. At the same time, email raises some issues concerning security and the identity of each individual in an email exchange. The university encourages all official student email correspondence be sent only to a student’s U.T. Dallas email address and that faculty and staff consider email from students official only if it originates from a UTD student account. This allows the university to maintain a high degree of confidence in the identity of all individual corresponding and the security of the transmitted information. UTD furnishes each student with a free email account that is to be used in all communication with university personnel. The Department of Information Resources at U.T. Dallas provides a method for students to have their U.T. Dallas mail forwarded to other accounts.

**Withdrawal from Class**

The administration of this institution has set deadlines for withdrawal of any college-level courses. These dates and times are published in that semester's course catalog. Administration procedures must be followed. It is the student's responsibility to handle withdrawal requirements from any class. In other words, I cannot drop or withdraw any student. You must do the proper paperwork to ensure that you will not receive a final grade of "F" in a course if you choose not to attend the class once you are enrolled.

**Student Grievance Procedures**

Procedures for student grievances are found in Title V, Rules on Student Services and Activities, of the university’s *Handbook of Operating Procedures*.

In attempting to resolve any student grievance regarding grades, evaluations, or other fulfillments of academic responsibility, it is the obligation of the student first to make a serious effort to resolve the matter with the instructor, supervisor, administrator, or committee with whom the grievance originates (hereafter called “the respondent”). Individual faculty members retain primary responsibility for assigning grades and evaluations. If the matter cannot be resolved at that level, the grievance must be submitted in writing to the respondent with a copy of the respondent’s School Dean. If the matter is not resolved by the written response provided by the respondent, the student may submit a written appeal to the School Dean. If the grievance is not resolved by the School Dean’s decision, the student may make a written appeal to the Dean of Graduate or Undergraduate Education, and the deal will appoint and convene an Academic Appeals Panel. The decision of the Academic Appeals Panel is final. The results of the academic appeals process will be distributed to all involved parties.

Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations.

**Incomplete Grade Policy**
As per university policy, incomplete grades will be granted only for work unavoidably missed at the semester’s end and only if 70% of the course work has been completed. An incomplete grade must be resolved within eight (8) weeks from the first day of the subsequent long semester. If the required work to complete the course and to remove the incomplete grade is not submitted by the specified deadline, the incomplete grade is changed automatically to a grade of F.

Disability Services

The goal of Disability Services is to provide students with disabilities educational opportunities equal to those of their non-disabled peers. Disability Services is located in room 1.610 in the Student Union. Office hours are Monday and Thursday, 8:30 a.m. to 6:30 p.m.; Tuesday and Wednesday, 8:30 a.m. to 7:30 p.m.; and Friday, 8:30 a.m. to 5:30 p.m.

The contact information for the Office of Disability Services is:
The University of Texas at Dallas, SU 22
PO Box 830688
Richardson, Texas 75083-0688
(972) 883-2098 (voice or TTY)

Essentially, the law requires that colleges and universities make those reasonable adjustments necessary to eliminate discrimination on the basis of disability. For example, it may be necessary to remove classroom prohibitions against tape recorders or animals (in the case of dog guides) for students who are blind. Occasionally an assignment requirement may be substituted (for example, a research paper versus an oral presentation for a student who is hearing impaired). Classes enrolled students with mobility impairments may have to be rescheduled in accessible facilities. The college or university may need to provide special services such as registration, note-taking, or mobility assistance.

It is the student’s responsibility to notify his or her professors of the need for such an accommodation. Disability Services provides students with letters to present to faculty members to verify that the student has a disability and needs accommodations. Individuals requiring special accommodation should contact the professor after class or during office hours.

Religious Holy Days

The University of Texas at Dallas will excuse a student from class or other required activities for the travel to and observance of a religious holy day for a religion whose places of worship are exempt from property tax under Section 11.20, Tax Code, Texas Code Annotated.

The student is encouraged to notify the instructor or activity sponsor as soon as possible regarding the absence, preferably in advance of the assignment. The student, so excused, will be allowed to take the exam or complete the assignment within a reasonable time after the absence: a period equal to the length of the absence, up to a maximum of one week. A student who notifies the instructor and completes any missed exam or assignment may not be penalized for the absence. A student who fails to complete the exam or assignment within the prescribed period may receive a failing grade for that exam or assignment.

If a student or an instructor disagrees about the nature of the absence [i.e., for the purpose of observing a religious holy day] or if there is similar disagreement about whether the student
has been given a reasonable time to complete any missed assignments or examinations, either the student or the instructor may request a ruling from the chief executive officer of the institution, or his or her designee. The chief executive officer or designee must take into account the legislative intent of TEC 51.911(b), and the student and instructor will abide by the decision of the chief executive officer or designee.

**Off-Campus Instruction and Course Activities**

Off-campus, out-of-state, and foreign instruction and activities are subject to state law and University policies and procedures regarding travel and risk-related activities. Information regarding these rules and regulations may be found at the website address given below. Additional information is available from the office of the school dean. ([http://www.utdallas.edu/Business Affairs/Travel_Risk_Activities.htm](http://www.utdallas.edu/Business Affairs/Travel_Risk_Activities.htm))

*These descriptions and timelines are subject to change at the discretion of the Professor.*