THE UNIVERSITY OF CONNECTICUT
SCHOOL OF BUSINESS

MBA PROGRAM

PRICING AND REVENUE MANAGEMENT
(preliminary draft dated 11/1/2021; subject to updates till 1/16/2020)

Course Number:	MKTG 5655
Pre-requisite:	MKTG 5115
Term:	Spring 2022
Instruction Mode:	Hybrid/Blended (includes both in-person and online sessions)
In-Person Sessions:	Mar 11 (6:00pm to 9:00pm), Mar 12 (10:00am to 4:00pm)
	Mar 25 (6:00pm to 9:00pm), Mar 26 (10:00am to 4:00pm)
Online Class Sessions:	Mar 11 to Apr 15 (30 hours asynchronous)
Classroom:	TBA
Office Hours:	By Appointment (In-Person & Online)
Instructor:	Dr. Girish Punj
	Professor of Marketing
E-mail:	Girish.Punj@uconn.edu

CATALOG DESCRIPTION:

The course focuses on the strategy and tactics of pricing, with an emphasis on revenue management. Students will learn how to develop pricing strategies that account for changing customer demand, differences across customer segments and markets, competitive pricing strategies, managing product inventory, and price-quality relationships. Students will use analytic tools to apply course concepts to revenue management. The course is directed at students preparing for positions in product and brand management, digital analytics, and consulting.

REQUIRED COURSE MATERIALS (ACADEMIC PRICE of $XX)

A required **Course Pack** comprising of the following materials is to be purchased from **Harvard Business Publishing** for electronic delivery, through the web link shown below. *An individual purchase of the course pack is required to complete the course assignments and receive a grade in the course.*

Simulation: **Pricing Simulation: Universal Rental Car**
John T. Gourville, Thomas T. Nagle & John Hogan

Core Curriculum: **Pricing Strategy**
Robert J. Dolan & John T. Gourville

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Case: **Pricing at Netflix**
Elie Ofek, Marco Bertini, Oded Koenigsberg & Amy Klopfenstein

Register and purchase the required **Course Pack** using the following web link:

(insert link here)

If you have not previously purchased materials from Harvard Business Publishing, you will need to register on their website before you can make the purchase listed above. ***Please complete your Course Pack purchase by 11:00pm on March 1, 2022***

REQUIRED COURSE MATERIALS (NO COST):

In addition to the required Course Pack for Harvard Business Publishing (described in the previous section), there are several no-cost course materials that will also be used in the course. These are available on our HuskyCT (i.e., Blackboard website) in the form of PPT and PDF files. ***Our HuskyCT site will activate on or around March 1, 2022.***

Class Lectures (PPT files)
Strategic Pricing
Costs
Financial Analysis
Competition
Value Creation & Price Sensitivity
Price Structure & Price Segmentation
Value Communication & Pricing Psychology
Pricing Policy
Price Level

OTHER COURSE MATERIALS:

Listed below are some recommended textbooks that will significantly add to your learning experience in the course. Please consider purchasing or renting them from your preferred online bookstore, particularly if your current day job (or future career path) involves anything to do with pricing strategy and/or revenue management. *High-achievers please take careful note of this not-to-be missed career advancement opportunity.*

Tridib Mazumdar (2021)
Pricing of Products & Services
World Scientific

Thomas T. Nagle and Georg Muller (2018)

The Strategy and Tactics of Pricing: A Guide to Growing More Profitably (6ᵗʰ edition)
Routledge

Utpal Dholakia (2017)
How to Price Effectively: A Guide for Managers and Entrepreneurs
Author Published

To keep up-to-date on future developments relating to innovation, I would encourage you subscribe to the Wall Street Journal (WSJ). As a UConn business student, you have free access to all WSJ digital products and can activate your subscription at the following web link:

https://confluence.uconn.edu/busnit/how-to/activating-wall-street-journal-subscription

COURSE ASSIGNMENTS:

Your final grade in the course will be based on the following course assignments, which are briefly described below. There is more *information* provided on each of assignments toward the end of the syllabus. *Please make sure that you review these additional details before you start work on the assignments.*

Pricing Simulation: Universal Rental Car: Each student will play the web-based Universal Rental Car simulation that is included in the Course Pack that you have purchased from Harvard Business Publishing. The simulation is intended to provide a real world learning experience on how to make pricing decisions in in a mature industry while managing costs and being responsive to competitive conditions.

The simulation has three scenarios labeled Scenario's A (Introductory), B (Intermediate) and C (Advanced). You will only play Scenario C (Advanced) from March 26 (11:00pm) to April 5 (11:00pm). *Scenario (B) will be available for play from March 20 to March 25 for students interested in learning how the simulation works but will not be graded.* Only Scenario C (Advanced) will be graded.

Deliverable: No written report required. The grade for this assignment will be based on the highest cumulative level of profit that you attained while Scenario C was in play. The information will be automatically recorded by the simulation itself as you play it. *Your Scenario C simulation runs (minimum of ten) must be completed by 11:00pm on April 5, 2022.*

Pricing Analysis of a Product Category: Each student will research, analyze, and report on the pricing strategies and tactics used by companies in a product (or service) category of their choice, chosen from a pre-specified list of product categories. Your analysis should include a *synthesis or consolidation* of the pricing-related actions and decisions made by firms in the chosen product category, supported by insights and knowledge acquired in this course.

Deliverable: A 8-10 page written report (double-spaced using a 12-point font) is required and must be uploaded to HuskyCT (Grade Center) as a single WORD or PDF file *by 11:00pm on April 5, 2022.*

Case: Pricing at Netflix: Each student will analyze a comprehensive case that is included in the Course Pack that you have purchased from Harvard Business Publishing. The case assignment is intended to give you an opportunity to apply the concepts, theories, and applications learned in the course to pricing challenges (or opportunities) being faced by a company.

Deliverable: A 8-10 page written report (double-spaced using a 12-point font) is required and must be uploaded to HuskyCT (Grade Center) as a single WORD or PDF file *by 11:00pm on April 15, 2022.*

Class Participation: Due to the hybrid/blended nature of the course, you are required to attend all in-person class sessions and actively participate in the class discussions during them. A portion of your class participation grade will be based on unannounced in-class assignments. *There will be no opportunity to make-up for the grade assigned to an unannounced in-class assignment if you miss it.*

EVALUATION AND GRADE DETERMINATION:

The evaluation system is designed to encourage advance reading of all assigned material, regular attendance in class, active participation in class discussions, and the timely completion of all course assignments (described in the previous section).

The course assignments will be weighted as follows in determining your course grade:

Pricing Simulation: Universal Rental Car (Scenario C)	30 percent
Pricing Analysis of a Product Category	25 percent
Case: Pricing at Netflix	30 percent
Class Participation	15 percent

Letter grades (e.g., A, A-, B+, B, B-, C+, etc.) will initially be assigned to individual grade components. Prior to final grade computation, the letter grades for all the individual components will be converted to numerical scores (A=93+, A- = 90-92, B+ =87-89, B=83-86, B- =80-82, C+ =77-79, C=73-76) so that they can be summed (i.e., added together) using the weighting scheme listed above, because no mathematical operations can be performed on alphabetical symbols.

Next, a frequency distribution of the overall numerical scores for the class will be computed and students will be given an overall class rank. The course grade (i.e., final letter grade) will then be based on the individual student's class rank, numerical score, and the statistical properties (i.e.,

mean, min, max, standard deviation) of the frequency distribution of numerical scores for the class.

Interpretation of Grading Scale (as per UConn Graduate Catalog):
The letter "A" represents work of distinction.
The letter "B" represents work of good quality, as is expected of any successful graduate student.
The letter "C" represents work below the standard expected of graduate students.

SCHEDULE OF ACTIVITIES:

L=Lecture

Important: Please note that the schedule below is subject to change at the discretion of the instructor and the consent of student(s) affected by the change. The reason for any potential changes would be (a) better sequencing of course topics, and (b) more effective use of class time.

Date	Activities

11 Mar (pm)   **Session Topic: Strategic Pricing**

L: Strategic Pricing

Dinner Break (approx. at 7:25pm for 20 minutes)

12 Mar (am)   **Session Topic: Costs & Financial Analysis**

L: Costs
L: Financial Analysis

Lunch Break (approx. at 12:25pm for 45 minutes)

12 Mar (pm)   **Session Topic: Competition**

L: Competition
L: Value Creation & Price Sensitivity

25 Mar (pm)   **Session Topic: Value Creation & Price Sensitivity**

L: Price Structure & Price Segmentation

Dinner Break (approx. at 7:25pm for 20 minutes)

26 Mar (am)   **Session Topic: Price Structure & Price Segmentation**

L: Value Communication & Pricing Psychology

Lunch Break (approx. at 12:25pm for 45 minutes)

26 Mar (pm) **Session Topic: Value Communication & Pricing Psychology**

L: Pricing Policy
L: Price Level

11 Mar to 15 Apr: O**nline Session (30 hours asynchronous) for Course Assignments**

COURSE POLICIES:

Professional Integrity: Students in this course are expected to abide by the highest standards of ethics and personal integrity, and to adhere to all university policies regarding academic honesty. Academic misconduct can result in a failing grade for the course. A student who knowingly assists another student in committing an act of academic misconduct shall be equally accountable for the violation.

Issues of academic misconduct are covered in The Student Code, Part IV: Student Conduct Policies and in Appendix A. (see http://community.uconn.edu/the-student-code/) and on the UConn Policy & Procedures website (see https://policy.uconn.edu/2014/04/11/policy-on-scholarly-integrity-in-graduate-education-and-research/)

Conflict with Course Dates: You may not concurrently enroll in any other course for which there is a conflict with the scheduled in-class course dates for this course. You may not enroll in the course if you are participating in a university event (e.g., a case competition) or work assignment (e.g., a business trip) or personal event (e.g., a wedding) that requires you to miss multiple class sessions (defined as more than two hours of in-class instruction).

Use of Laptops and Mobile Devices: Please bring a laptop to **all in-person sessions,** as you will need it to work on the Simulation and other course assignments. The use of mobile devices while class is in session is not permitted. If you must immediately attend to an important message, please exit the classroom to do so.

Class Attendance: In-person attendance of all designated in-person class sessions is expected as per the latest guidance on instructional modality for Spring 2022 from the UConn Provost's Office unless you have received an ADA accommodation.

PRICING SIMULATION: UNIVERSAL RENTAL CAR

Assignment: The purpose of the pricing simulation assignment is to apply pricing concepts to a real-world scenario that involves making multi-period pricing decisions. The web-based (asynchronous) simulation presents a context in which you develop a pricing strategy for improving performance of a rental car operation in Florida. The simulation involves three regions--Orlando, Tampa, and Miami--which vary in size, market dynamics, and customer mix. The focus is competition between two car rental companies.

You set weekday and weekend rental prices for each region for each period (a simulated month) and make fleet capacity decisions at several points during the 12 simulated months, which taken together constitute *one run* of the simulation. *In other words, each run of the simulation lasts for 12 simulated months.* Further, each *run* of the simulation is independent of the *runs* that either precede it or follow it.

Timeline: The Universal Rental Car Simulation has three scenarios labeled Scenario's A (Introductory), B (Intermediate) and C (Advanced). *You will only play Scenario C (Advanced) from March 26 (11:00pm) to April 5 (11:00pm). You are required to make a minimum of ten runs (and limited to a maximum of twenty runs) for Scenario C between these dates.* Scenario (B) will be available for play from March 20 to March 25 for students interested in learning how the simulation works but will not be graded. *Only Scenario C (Advanced) will be graded.*

Important Note: (1) Each run of the simulation lasts for 12 simulated months. Thus, you must make 120 monthly decisions (12 x 10) to meet the minimum of ten runs requirement for Scenario C. Each run is independent of the run that precedes it or follows it.

Deliverable: No written report required. The grade for this assignment will be based on the highest cumulative level of profit that you attained while Scenario C was in play. The information will be automatically recorded by the simulation itself as you play it.

Deadline: Please complete your Scenario C simulation runs (minimum of ten) by 11:00pm on April 5, 2022.

Grading Criteria: Your performance will be evaluated based on whether you met the minimum number of runs requirements for both Scenario's B and C and the highest cumulative profit level attained while both these Scenarios were in play.

PRICING ANALYSIS OF A PRODUCT (or SERVICE) CATEGORY

Assignment: To research, analyze, and report on the pricing strategies and tactics used by the top 3-4 companies in the selected product (or service) category. The analysis must go beyond the mere reporting of pricing related events or anecdotes in the category. Instead, it should include a *synthesis or consolidation* of the pricing-related actions and decisions of firms, supported by insights and knowledge acquired in this course.

Product (or Service) Category Options:

Please select your product (or service) category from one of the choices listed below.

Business Travel
Home Fitness & Gym Equipment
Beer, Wine & Spirits
Food & Restaurant Delivery
Home Office & Computer Accessories
Online Gaming

Helpful Hints:

Use **business reference sources** from the UConn Library Databases titled **Business Source Complete**, **ABI/Inform Complete**, and **Factiva** for you research. They can be accessed through the following link:

https://guides.lib.uconn.edu/az.php?s=116317

Deliverable: An 8-10 page (double-spaced using a 12-point font) written report that uses a *narrative* to describe your analysis. Create section and sub-section headings as appropriate to structure your report to facilitate writing.

Deadline: Please submit your written report on HuskyCT (Grade Center) by 11:00pm on April 15, 2022

Grading Criteria:

Demonstrated ability to apply concepts and theories learned in the course to analyze the pricing strategies and tactics used by companies in the selected product (or service category).

(Negative points for reports that use loosely formed speculative arguments, base analysis on personal experience or a Google search rather than **business reference sources**; do not maintain a logical flow through the various sections and sub-sections of the narrative and are poorly written).

CASE: PRICING AT NETFLIX

Assignment:

The purpose of the comprehensive case assignment is to provide you an opportunity to bring together the concepts, theories, and applications learned in the course relating to (a) the formulation of a pricing strategy, and (b) the management of revenue. The task is to (1) evaluate the appropriateness of the price increases announced by Netflix in October 2020 to its Standard and Premium plans to $13.99 and $17.99 per month, and (2) provide answers to the two questions listed at the end of the case (see last complete sentence on page 12 of the Case).

No additional research on Netflix is expected. Base your analysis *solely on the information mentioned in the case (including its 12 exhibits)*. Use evidence-based arguments that apply the concepts and theories learnt in the course to the data and the facts mentioned in the case. *Do not* base your analysis on your personal experience or opinions about the company or its competitors.

Deliverable:

An 8-10 page (double-spaced using a 12-point font) written report that uses a *narrative* to describe your analysis. Create section and sub-section headings as appropriate to structure your report to facilitate writing.

Deadline: Please submit your written report on HuskyCT (Grade Center) by 11:00pm on April 25, 2022

Grading Criteria:

Demonstrated ability to apply concepts and theories learned in the course to a pricing challenge (or opportunity) by providing specific (and unambiguous) answers to the two questions listed at the end of the Netflix case (see last complete sentence on page 12 of the case). Use of specific arguments derived from the data and facts mentioned in the **Netflix** case and specific concepts from the **Pricing Strategy** article that is part of the Course Pack.

(negative points for reports that do not provide a definitive answer to whether the proposed price increases by Netflix are appropriate or not; use loosely formed and speculative arguments; base analysis on personal experience or a Google search; do not maintain a logical flow through the various sections and sub-sections of the narrative; are poorly written; and provide ambiguous answers to the two questions listed at the end of the case.