

COURSE INFORMATION

Course title:	Pricing Analytics	Credits:	1.5
Course code:	BAMA 511	Class location:	Online (Zoom)
Session, term, period:	2021W2, Period 5	Class times:	MW 8:00-10:00AM
Section(s):	BA1	Pre-requisites:	n/a
Course duration:	Jun 7 to Jul 16, 2021	Co-requisites:	n/a
Division:	Marketing		
Program:	MBAN		

INSTRUCTOR INFORMATION

Instructor:	So-Eun Park	Office location:	HA 565
Phone:	604-822-8384	Office hours:	Monday 12pm-2pm
Email:	soeun.park@sauder.ubc.ca		

Teaching assistant:	TBD
Office hours:	TBD
Email:	TBD

COURSE DESCRIPTION

Pricing is one of the most important and least understood marketing decisions. This course aims to equip participants with proven concepts, techniques, and frameworks for assessing and formulating pricing strategies. We will learn the process of making pricing decisions and explore innovative approaches for setting prices.

COURSE FORMAT

The typical use of class time will be a lecture mixed with case discussions, presentation and classroom activities. The class will meet online.

LEARNING OBJECTIVES

This course consists of three modules. The first module develops the economic and behavioral foundations of pricing. The second module discusses several innovative pricing concepts including price customization, nonlinear pricing, price matching, and product line pricing. The third module analyzes the strengths and weaknesses of internet-based pricing models and their revenue model design.

Upon completion of this course, students will:

- Gain a solid understanding of current pricing practices in both manufacturing and service industries
- Learn state-of-the-art frameworks for analyzing pricing decisions
- Master strategies for revenue model migration and growing more profitability

ASSESSMENTS

Summary

<u>Component</u>	<u>Weight</u>
Class participation	15%
Individual case write-up	15%
Group project	30%
Final exam	40%
Total	<u>100%</u>

Details of Assessments

A. Class Participation/Preparation (15%)

Every session of the course will involve interaction in the form of class discussion. We expect each class member to be prepared at all times to comment in any class session.

Some class sessions in this course follow a case discussion format. The case method is not always an efficient learning vehicle, but it is one of the most effective means of sharpening your decision-making abilities, requiring you to be an active participant in resolving a marketing problem. Further, the case method provides a vehicle by which to apply the theories and concepts discussed in a class or in the reading materials. Finally, the discussion forum provides an opportunity to argue your position and to learn from others by listening to their comments and criticisms.

Evaluating class participation:

Grading class participation is necessarily subjective. Some of the criteria for evaluating effective class participation include:

1. Is the participant prepared? Do comments show evidence of analysis of the case? Do comments add to our understanding of the situation? Does the participant go beyond simple repetition of case facts without analysis and conclusions? Do comments show an understanding of theories, concepts presented in class lectures or reading materials?
2. Is the participant a good listener? Are the points made relevant to the discussion? Are they linked to the comments of others? Is the participant willing to interact with other class members?
3. Is the participant an effective communicator? Are concepts presented in a concise and convincing fashion?

Keep in mind that your grade for class participation is not simply a function of the amount of "air time" you take up. In general, we will evaluate you on how well you respond to questions and on how effectively you take into account the comments and analyses of your classmates. In order to obtain a grade for class participation you must attend the class sessions.

Case preparation:

In preparing for cases prior to class, we recommend that you read the case more than once. Many

people like to underline or otherwise mark up their cases to pick out important points relating to the business and the situation; e.g., customer behavior and trends, marketing decision problem, business models used, etc. Be sure to pay attention to the exhibits in the case; these often contain information that will be useful in analyzing the situation.

B. Individual Case Write-up (15%)

The case write-up assignment must be completed on your own and it is due for submission to the course site by **June 29 (Tue) 7pm**. **IMPORTANT:** There is a strict upper limit of seven double-spaced pages of text (assuming 12-point font size, Times New Roman font and 1-inch margins) and three pages of exhibits. If you submit a lengthier write-up, it will likely be counted against you. Keep in mind that exhibits should not be used simply as an extension of textual material (furthermore, they should be tied to the report write-up in some meaningful way).

Some general guidelines for preparing an effective write-up are:

1. Provide a coherent, well-organized analysis, not simply a set of notes pieced together from sections written by different people. Redraft and proofread the report.
2. Be concise. Keep the Problem and Recommendations sections short, and provide a strong, logical flow in the Analysis section. Above all, do not spend time rehashing or paraphrasing the details of the case.
3. Focus your specific recommendations on the important issues in the case. Make your assumptions explicit whenever necessary.
4. Recommendations should be practical, cost-effective, and appropriate to the timing (short-term or long-term) of the problem at hand. The supporting analysis should be thorough, carried out correctly, and should draw whenever relevant on material presented in class or assigned in readings.
5. Tie your exhibits (if any) to the text of the report.

The cases will be graded and returned one week after submission in order to give you feedback that might prove useful in preparing for your final exam.

Important Note: A strict and clear line has to be drawn between co-work and plagiarism. You may discuss with others but all write-ups must be written independently and by yourself alone. All submissions will be checked on turnitin.com for any similarities. Refer to the “Academic Misconduct” section of this course outline for penalties subject to academic misconduct.

C. Group Project (30%)

The group project will give you an opportunity to survey prices of a product category and collect relevant customer and competitive information to help determine optimal prices for a firm competing in the category. Details will be provided in class. Since the group project will involve a significant amount of time and effort, it is vitally important that you work on a project that you find interesting.

Project groups will be assigned randomly by the instructor by **June 7 (Mon) 7pm**. Each group will consist of 5 students. Each group is responsible for managing the division of labor within the group. By **June 9 (Wed) 7pm**, each group is required to send the instructor one email per group carbon copying everyone in your group specifying (1) your group name (keep it short at 1-2 words; be creative!) and (2) names of all group members.

Outline of group project: 1) Take an existing company/product/service (can be either B2B or B2C). For too large of a company, be sure to narrow down to the level of a product line which is manageable within the time scope of this class. 2) Critically evaluate the current pricing model using the tools and concepts learnt in this or other related course. 3) Propose a superior pricing model and provide justifications. This new pricing model can be part of a new marketing strategy, i.e., there can be concomitant changes to product, promotion, channel strategies and customer segments served. 4) Deliver a final presentation to the class and communicate the new pricing model to your target customers.

One-Page Project Summary (2%): By **June 15 (Tue) 7pm**, you will be expected to turn in a one-page project definition of your topic, which will be the focus of your study. In this summary, you should 1) clearly identify the existing company/product/service you chose to work on for the project (again, for too large of a company, be sure to narrow down to the level of a product line which is manageable within the time scope of this class) and 2) make a case for the importance of studying and improving its pricing strategy, and 3) provide a sketch of its industry and the competition it is situated in (remember that competition is key to a successful pricing strategy!) As a crucial jumpstart point of your group project, this project summary will set the context for the next two components of your project described below. Please submit this on the course site in the PDF format. NOTE: this summary is a proposal at this stage and may be modified down the road.

Pricing Analysis Video (8%): Your team will produce a 1-minute video that describes the company (e.g. the company's current product/product line of your interest, its current pricing and relevant customer segments) and its pricing context (e.g. competitors, substitute products, their prices, and macroenvironmental factors in, for example, economics and politics). Your analysis may not be limited to these suggestions. Video making tips and resources will be provided.

Submission of this video is due **June 22 (Tue) 7pm**. **You** will then be asked to evaluate videos of other teams (excluding your own). The evaluation your video receives from your peers will count towards 1% of your grade in this component. Moreover, participation in this evaluation will be considered part of the class participation.

By the submission deadline, please upload (1) the video on the course site and (2) a PDF document containing supplementary materials such as appendices, bibliography, and exhibits. (10 pages max, single spaced, 12 point font size, Times New Roman font). File Naming Convention: Both submissions must be named "Video-[YourGroupName]".

Final Project Slides and Presentation (20%):

All teams should submit slides for their final pricing strategy recommendations and prepare for the 10-minute project presentation in the last class on July 7 (Wed) (Submission Due **July 4 (Sun) 7pm**). Read “Outline of group project” for the expected deliverables. On average, groups have typically conducted 2-4 types of analyses to support their strategy suggestions.

Your submission should consist of the following two items: (1) PowerPoint slides (should you use Keynote, please submit a PDF-converted file instead) and (2) a PDF document containing materials such as details of your analyses, appendices, bibliography, and exhibits. (10 pages max, single spaced, 12 point font size, Times New Roman font). File Naming Convention: Both submissions must be named “Presentation-[YourGroupName]”.

- Who will present: Following your submission, each of you will be invited to vote for your top 3 presentations (excluding your own), which you should complete by **July 6 (Tues) 5pm**. Your voting activity will be again part of class participation. The **top 3 teams** that receive the most votes will present in the last class on July 7 (Wed). I will also randomly select 4 more teams to present (by literally drawing group names from a bowl). In sum, a total of 7 teams that are chosen to present will be announced by July 6 (Tues) 7pm, which is 2 hours after the poll closes.
- Note: rest assured whether you ended up presenting or not will not affect your grade as not all of you are given the opportunity to present due to limited class time. If you’re chosen to present, take this as an opportunity to share your hard work in depth with an audience and boast your presentation skills! If you’re not, not a worry; my grading will be entirely based on your submitted work only.
- Pro tips for the 10-min presentation: do not spend too much time on setting the stage. All your peers will have watched your pricing video already by then, so your pricing context can be easily recalled from a quick revisit over it. Spend less time on the content you covered in your video and more time on your new analyses and strategy suggestions. Last but not least, time your presentation and try to be on time because it will be a busy day with many groups presenting.

Team Member Evaluation:

At the end of the teaching period, you will complete a mandatory evaluation of your team members’ contribution to your group project (excluding your own). One’s group project grade may be subject to deduction based on this team evaluation, which can be significant if one has contributed very little. Generally speaking, the lower contribution, the larger deduction. Rest assured that you need not have a perfect evaluation score to avoid a deduction; a reasonably high enough score will not result in any deduction. Important Note: any serious conflicts within a team must be brought to the instructor’s attention immediately.

D. Final Exam (40%)

A final exam will be used to test your understanding of the key concepts taught in the class. The exam will be open-book, 6-hour long, and take-home. It will take place in the exam week. You are expected to type up your answers and submit a single PDF file showing your complete work. Specific details are to be announced closer to the exam week.

LEARNING MATERIALS

Required: Course pack

Estimated cost of required materials: \$29.75 (digital)

1. Go to the Ivey Publishing website at www.iveycases.com
2. [Log in](#) to your existing account or click "[Register](#)" to create a new account and follow the prompts to complete the registration. If registering, choose the "Student User" role.
3. Click on this link or copy into your browser: <https://www.iveycases.com/CoursepackView.aspx?id=29160>
4. Click "Add to Cart".
5. You may choose to order in either print or digital format.
 - To order the material in digital format, check "digital download" and click "OK".
 - To order a printed copy for delivery, enter the print quantity required and click "OK". Please note that shipping charges will apply.
6. Go to the Shopping Cart (located at the top of the page), click "Checkout", and complete the checkout process.
7. When payment has been processed successfully, an Order Confirmation will be emailed to you immediately and you will see the Order Confirmation screen.
 - If you ordered digital copies: Click "Download your Digital Items" or go to "My Orders" to access the file.
 - If you ordered printed copies: Your order will be printed and shipped within 2 to 3 business days.

IMPORTANT: Access to downloadable files will expire 30 days from the order date, so be sure to save a copy on your computer. The downloadable file is a PDF document that can be opened using Adobe Reader.

This material is for your personal use only and is not to be shared or distributed in any form.

COURSE-SPECIFIC POLICIES AND RESOURCES

Missed or late assignments, and regrading of assessments

Late submissions will not be accepted and will receive a grade of zero.

Academic Concessions

If extenuating circumstances arise, please contact the RHL Graduate School program office as early as reasonably possible, and submit an [Academic Concession Request & Declaration Form](https://webforms.sauder.ubc.ca/academic-concession-rhlee) <https://webforms.sauder.ubc.ca/academic-concession-rhlee>. If an academic concession is granted during the course, the student will be provided options by RHL, or by the instructor in consultation with RHL, per [UBC's policy on Academic Concession](#).

Other Course Policies and Resources

Code Plagiarism

Code plagiarism falls under the UBC policy for [Academic Misconduct](#). Students must correctly cite any code that has been authored by someone else or by the student themselves for other assignments.

Cases of "reuse" may include, but are not limited to:

- the reproduction (copying and pasting) of code with none or minimal reformatting (e.g., changing the name of the variables)
- the translation of an algorithm or a script from a language to another
- the generation of code by automatic code-generations software

An "adequate acknowledgement" requires a detailed identification of the (parts of the) code reused and a full citation of the original source code that has been reused.

Students are responsible for ensuring that any work submitted does not constitute plagiarism. Students who are in any doubt as to what constitutes plagiarism should consult their instructor before handing in any assignments.

Policies on assessment due prior to students joining the course (i.e., during the add/drop period).

POLICIES APPLICABLE TO COURSES IN THE ROBERT H. LEE GRADUATE SCHOOL

Attendance

Excepting extenuating circumstances, students are expected to attend 100% of their scheduled class hours. Absent students limit their own academic potential, and that of their classmates, and cause unnecessary disruption to the learning environment. Students missing more than 20% of the total scheduled class hours for a course (including classes held during the add/drop period) without having received an academic concession will be withdrawn from that course. Withdrawals, depending on timing, could result in a "W" or an "F" standing on the transcript.

Punctuality

Students are expected to arrive for classes and activities on time and fully prepared to engage. Late arrivals may be refused entry at the discretion of the instructor or activity lead. Students arriving later than halfway through a scheduled class will be treated as absent for that class.

Electronic Devices

During online lectures, students are not permitted to use any electronic devices other than the primary one used for attending the online lecture (e.g. laptop or desktop). Only Zoom should be open during the online lecture unless an instructor advises the use of another program/website for an in-class activity. Feedback from students indicates that personal devices are the number one distraction from effective learning and participation in the online learning environment.

Citation Style

Please use the American Psychological Association (APA) reference style to cite your sources.

Details of the above policies and other RHL Policies are available at:

<http://www.calendar.ubc.ca/vancouver/index.cfm?tree=12,199,506,1625>

UNIVERSITY POLICIES AND RESOURCES

UBC provides resources to support student learning and to maintain healthy lifestyles but recognizes that sometimes crises arise and so there are additional resources to access including those for survivors of sexual violence. UBC values respect for the person and ideas of all members of the academic community. Harassment and discrimination are not tolerated nor is suppression of academic freedom. UBC provides appropriate accommodation for students with disabilities and for religious observances. UBC values academic honesty and students are expected to acknowledge the ideas generated by others and to uphold the highest academic standards in all of their actions. Details of the policies and how to access support are available on the UBC Senate website at <https://senate.ubc.ca/policies-resources-support-student-success>.

Respect for Equity, Diversity, and Inclusion

The UBC Sauder School of Business strives to promote an intellectual community that is enhanced by diversity along various dimensions including status as a First Nation, Metis, Inuit, or Indigenous person, race, ethnicity, gender identity, sexual orientation, religion, political beliefs, social class, and/or disability. It is critical that students from diverse backgrounds and perspectives be valued in and well-served by their courses. Furthermore, the diversity that students bring to the classroom should be viewed as a resource, benefit, and source of strength for your learning experience. It is expected that all students and members of our community conduct themselves with empathy and respect for others.

Academic Integrity

The academic enterprise is founded on honesty, civility, and integrity. As members of this enterprise, all students are expected to know, understand, and follow the codes of conduct regarding academic integrity. At the most basic level, this means submitting only original work done by you and acknowledging all sources of information or ideas and attributing them to others as required. This also means you should not cheat, copy, or mislead others about what is your work. Violations of academic integrity (i.e., misconduct) lead to the breakdown of the academic enterprise, and therefore serious consequences arise and harsh sanctions are imposed. For example, incidences of plagiarism or cheating may result in a mark of zero on the assignment or exam and more serious consequences may apply if the matter is referred to the President's Advisory Committee on Student Discipline. Careful records are kept in order to monitor and prevent recurrences.

Academic Freedom and Students Studying from Outside Canada

During this pandemic, the shift to online learning has greatly altered teaching and studying at UBC, including changes to health and safety considerations. Keep in mind that some UBC courses might cover topics that are censored or considered illegal by non-Canadian governments. This may include, but is not limited to, human rights, representative government, defamation, obscenity, gender or sexuality, and historical or current geopolitical controversies. If you are a student living abroad, you will be subject to the laws of your local jurisdiction, and your local authorities might limit your access to course material or take punitive action against you. UBC is strongly committed to academic freedom, but has no control over foreign authorities (please visit <http://www.calendar.ubc.ca/vancouver/index.cfm?tree=3,33,86,0> for an articulation of the values of the University conveyed in the Senate Statement on Academic Freedom). Thus, we recognize that students will have legitimate reason to exercise caution in studying certain subjects. If you have concerns regarding your personal situation, consider postponing taking a course with manifest risks, until you are back on campus or reach out to your academic advisor to find

substitute courses. For further information and support, please visit: <http://academic.ubc.ca/support-resources/freedom-expression>

COPYRIGHT

All materials of this course (course handouts, lecture slides, assessments, course readings, etc.) are the intellectual property of the instructor or licensed to be used in this course by the copyright owner. Redistribution of these materials by any means without permission of the copyright holder(s) constitutes a breach of copyright and may lead to academic discipline and could be subject to legal action. Any lecture recordings are for the sole use of the instructor and students enrolled in the class. In no case may the lecture recording or part of the recording be used by students for any other purpose, either personal or commercial. Further, audio or video recording of classes are not permitted without the prior consent of the instructor. Students may not share class Zoom links or invite others who are not registered to view sessions.

ACKNOWLEDGEMENT

UBC's Point Grey Campus is located on the traditional, ancestral, and unceded territory of the x^wməθk^wəyəm (Musqueam) people, who for millennia have passed on their culture, history, and traditions from one generation to the next on this site.

ONLINE TEACHING TOOL & REQUIREMENTS

This course will be taught using Zoom for synchronous classes and office hours.

For this course, you are required to use a Zoom account during synchronous classes and office hours. If you do not have a Zoom account, you can create one here: <https://zoom.us/signup>. Note: creating a Zoom account requires that you provide a first name, last name, and email address to Zoom. For privacy purposes, you may consent to using your existing email address and your real name. Alternatively, if you prefer, you may sign up using an alternative email address and an anonymized name that does not identify you (i.e. Jane Doe, jane.doe@email.com). If you have trouble creating an account, or accessing a Zoom session, please contact CLCHelp@sauder.ubc.ca. You will be required to provide the email address associated with your Zoom account in a Canvas quiz for identification purposes.

To help replicate the classroom experience, make sessions more dynamic and hold each person accountable, both students and instructors are required to have their cameras on during Zoom sessions. Students who require an accommodation with regard to the "camera on" requirement must contact their instructors in advance of the first class to discuss options. As professional graduate students, students are expected to conduct themselves professionally by joining sessions on time, muting mics when not speaking, refraining from using any other technology when in-session, attending in business casual dress (at a minimum), and participating from a quiet environment. Content from synchronous sessions will be selectively recorded per instructor discretion and made available to students on Canvas for a maximum duration of the course length. This is done to allow students the opportunity to return to lecture content to solidify learnings.

COURSE SCHEDULE

(Subject to change with class consultation)

Class	Date	Topic	Readings or Activities	Assessments due
1	June 7	Overview Customers: Understanding and Influencing Purchase Decisions		Group randomly assigned by June 7 (Mon) 7pm
2	June 9	Costs: How Should They Affect Prices Measuring Price Response Function		Email group info by June 9 (Wed) 7pm (one email per group)
3	June 14	Psychology of Pricing	<u>Case: Cumberland Industries (HBS 9-580-104)</u>	Submit one-page project summary by June 15 (Tue) 7pm Read case for discussion
4	June 16	Price Customization: Segmentation Pricing Product Line Pricing		
5	June 21	Software Versioning	<u>Case: Cambridge Software (HBS 9-191-072)</u>	Submit pricing video by June 22 (Tue) 7pm Read case for discussion
6	June 23	Factors Influencing WTP Market Share Simulation	<u>Case: Tweeter etc. (HBS 9-597-028)</u>	Read case for discussion
7	June 28	Nonlinear Pricing		
8	June 30	Product Line Pricing and Bundling	<u>Case: Biopure Corporation (HBS 9-598-150)</u>	Submit Case write-up by June 29 (Tue) 7pm Read case for discussion
9	July 5	Internet-Based Pricing Models Revenue Model Design	<u>Case: FreeMarkets OnLine (HBS-9-598-109)</u>	Submit presentation by July 4 (Sun) 7pm Read case for discussion
10	July 7	Project Presentation Final Review		Vote for best videos by July 6 (Tues) 5pm