

**MS Marketing Program SU2023**

Learning Goals	Objective
Analytical Problem Solving Skills	Students will be able to articulate logical solutions to complex or unstructured marketing problems
Research Skills	Students will be able to identify appropriate information sources and/or data relevant to marketing-related issues
Written Communication	Students will demonstrate effective written communication skills when communicating marketing-related information
Oral Communication	Students will demonstrate effective oral communication skills when communicating marketing-related information

These are the learning goals we submitted to the university in establishing this degree program. Bauer and our accrediting agency judge the extent to which these learning goals are met via faculty evaluations of your project. You conduct that project in this MARK 7399 class, designed to be taken normally during your last semester in the program. The class meets once, early in the semester on Zoom, for your questions. I will send out a meeting request for the week of 5/28/23. Try to read this course description/discussion before the Zoom call.

I will help you to decide on your client if necessary, but recruiting an organization willing to give you financial data is your challenge. (FYI most students select a small business, but medium to large organizations are excellent for this project as well).

Then after you complete your project, I and at least one other member of the Marketing & Entrepreneurship faculty will evaluate it as a written document and also your presentation of it. Please think about the project as a document you could proudly show to a potential employer. Please also consider that the faculty members to whom you present it may question you about what you did and what you would do differently/better if conducting a similar project in the future. Primarily, though, your presentation gives us a chance to make additional suggestions that might help your client.

**Caution: You are not preparing a marketing plan or doing anything that might suggest that you are. You may offer a few recommendations that would be directly related to your analysis.**

**Too, you are not using this as a “capstone” course to demonstrate what you learned in all of your courses.**

**The assignment is actually a very simple one: to compare 2 proposed marketing initiatives in terms of 1.) what would it take in incremental sales for each marketing expenditure/initiative to break even, and 2.) what might be a Return on Marketing Investment for a few reasonable sales increase scenarios for the two proposed initiatives. Then compare and contrast the two marketing initiatives.**

Suggestions (NOT exhaustive) ---

1. Find a real organization. Become an unpaid analyst and prepare a report, approximately 15 pages plus a list of sources consulted (**be sure there are some, in addition to data from the organization itself, cited in the text of your paper**) and appendices that show your analytical work and anything else a reader might like to see. **Note: If you don't feel a little bit like a financial analyst while preparing your analysis, you are not doing what we have in mind. The burden of determining the financial benefit (Breakeven and Marketing ROI) is yours, and it may involve estimating the lifetime value of a customer if the business situation and marketing initiative warrants it (check with your faculty evaluator or I if you would like help determining that).**
2. Understand that you are NOT unpaid labor. You are not available to make calls promoting the organization, set up or assess a Website, or merge datasets. You are analyzing a situation, using data. **Also, you are not a cheerleader. You don't look like an objective analyst when you say anything like "It would be a fine idea to do [whatever]." Better by far to say "The potential marketing expenditures I will examine in this paper are those for A and B." Please use that tone throughout. YOU ARE NOT SELLING AN IDEA or promoting the expenditure(s) you are examining.**
3. If the organization wants to be anonymous in your report and presentation, that's fine; they become Company x. However, if so, I require a letter signed by someone in that organization saying that you did the project for them and that they requested anonymity.
4. After talking with me by Zoom or phone, please prepare a one-page summary that tells me what you plan to do, how you plan to do it, and (briefly) why it will be useful to the client organization. **That one page paper is due via email no later than 6/26/23.** I will sign off on it when you have a version that we both think is useful and can be accomplished as you plan. Then you can use that one-page description to recruit from the Marketing & Entrepreneurship faculty a second evaluator for your project. Every student presents to two of us: someone you select who agrees to take on that second evaluator role, in addition to myself. **Send me an email no later than 7/3/23 informing me who your second evaluator is.**
5. Your project report should contain a statement of your objective in undertaking this project, enough background material that we understand the situation, then what you

did, why you did it that way, and what you found out. The easiest way to frame the project is to compare two possible marketing initiatives, give the reader their actual costs, calculate a Breakeven, then calculate the ROI from each using a few sales increase scenarios. Show the numbers for the two scenarios and **lay out the Breakeven points and ROMI of each, contrasting them.**

6. It's fine to ask for help from any faculty member in our Marketing & Entrepreneurship department, or from librarians at the UH Library, who are better than any of us at knowing what is online where. **It's also fine to ask someone at the UH Writing Center to look over your report – and you absolutely need to do so if you are not confident about your ability to express yourself flawlessly in written English.** With those exceptions, we expect the project to be a solo effort on your part.

### **Some concrete tips:**

#### **References**

Your client cannot be your only source of information; this is in part a research project. For anything that doesn't come out of your own head, you should have a reference, whether a link to an information source, an interview with the client, records from the clients, or an on-paper source. What's important to remember is that every time you refer to such a source, the reader should be able to immediately click on that source if it's online from the list of sources in the back of your report, or if it isn't online, at least see what the source is. So you want to number every reference within the body of the paper, whether with superscripts <sup>1, 2 etc.</sup> following the material you are citing or (1), (2), etc. – makes no difference. **Do not just list all sources at the end without linking each to the fact it gave you. Sequence that list at the end in the order you used the references, not alphabetically.**

If you use a numbering system, the reader can go to the reference list, and click on what you have listed as (2), for example, and verify that what you claim this source reported is actually what the source did report.

The most useful research will help the client decide: which of these 2 initiatives best address my business and marketing objectives.

#### **Thinking too narrowly**

The cliché is that when your only tool is a hammer, everything looks like a nail. In this degree program, you learned a lot about online marketing. Therefore, it's tempting to focus your

project there, but doing so may keep you from thinking about how to expand the total market, or about competition, or pricing, or improving the service your client offers, or location, or .....

A word of caution: In many instances, if there is repeat purchasing that you will include in the calculations, you may want to consider discounting the future sales of repeat purchases (in those cases, think Customer Lifetime Value, incorporating NPV). Research will help you estimate the numbers, but you can see that you might figure the assumptions for an ROI scenario in some other realm entirely. A new product? A price cut? An additional salesperson? Joining an industry professional organization that offers potential customers? Buying the building next door to expand sales space? Selling t-shirts with the company name on them? One student recently analyzed the Breakeven Point and potential ROI for a suburban independent pharmacy if they installed a soft drink machine.

### **Getting feedback from your evaluators**

Please feel free to send me a draft of your one-page summary ([sfkoch@uh.edu](mailto:sfkoch@uh.edu)). I'm happy to read a draft before it's due and also happy to talk about it via Zoom or in person. Once I approve that summary, you have the comfort of knowing "OK, I just have to do the work." You are then ready to recruit a second evaluator, who will want to know what s/he is signing on to evaluate. And you are then ready to get to work, asking for help from either of us at any point or points along the way.

Just as an example – Dr. Gelb, who previously was responsible for this course, sent this advice to a student who wanted to draw tourists to a shop on a Caribbean island reached by small commuter plane. Please see if it helps, OK?

**What assumptions you make along the way are really the point of doing the project, but I want to be able to tell from your project write-up that you understood where assumptions would be relevant and then did enough research that they are reasonable.**

Here is another example of a simple project – and simple is FINE:

Let's suppose your client was a retail service business that didn't have a sign out front. You found a source for a fairly cheap sign: \$4,000 (I am making this up). The margin on their average sale is \$40 (revenue minus variable costs). You may want to estimate the increase necessary to first Breakeven, and then to use some assumptions as to what the resulting sales lift might be (would 5% increase be reasonable, 10%, etc.) and then calculate a Marketing ROI. Be reasonable and base it on expert opinion (trade research, the owner's thought, etc.). So it sounds like they will need 100 sales in some time period that you define to make the addition

of a sign a break-even proposition. **You can ignore fixed costs; they will be there anyway, by definition, right?**

Well, a sale isn't all they get from a customer; what is a best guess of this fictional client's repeat business? Twice on average? OK, now net revenue from a customer that they can apply toward fixed costs and profits is \$80. That is basically a contribution margin. That's what offsets the incremental cost of whatever marketing-related expenditure you are focusing on.

Now I'd be thinking – OK, \$4,000/\$80 means a break-even would be 50 customers they would not have otherwise attracted. Well, how plausible is that? To consider that issue, I'd want to know how many customers walk in during an average day, some guess on vehicle traffic that goes by the business every day....you get the idea.

So your one-page write-up of a proposal for this fictional situation would have told me that you would be finding out the cost of a sign (or maybe the sign vs. an alternative use of marketing funds), then what assumptions would lead that investment in a sign to be a break-even investment. You'd be researching traffic counts (the city may have them). It sounds as though your client would supply all the other information, but you'd list in your one-page proposal for your project what information you would obtain from what sources, overall.

As an example, Outdoor signage makes for a simple example and that's what I am after.

Here is another one: Financial services client x wants to recruit female sales agents, and their bait is a seminar on how to successfully balance work and the rest of your life, free for women who would choose to attend. Will the cost of that seminar, and publicizing it, pay off?

You then might ask: what is it worth in potential revenue to get a female salesperson on board? Obviously, that depends on what time frame you think in. OK, you need to set a time frame and justify it (e.g., on average a salesperson stays with the company for three years, or on average women stay two years, or whatever, and the incremental annual net revenue from the average salesperson is \$\_\_\_\_. )

Suppose you are thinking about publicizing the seminar by utilizing one billboard, where the Southwest Freeway leaves downtown. You find out that 200,000 cars every day will drive by it. You find out that on average a car contains 1.2 people, so do the math for total people. Then you find out what proportion are in your target age group/female category – just for simplicity let's say that proportion yields 50,000 women. You read someplace (yes, remember that research is necessary) that only half the people who drive by a billboard have any idea what it says, so now 25,000. Using some source estimating the proportion of women interested in changing jobs to make more money, you calculate that one in ten of those 25,000

will actually have possible interest. Estimates are fine if they have face validity and we can see what they are based on.

OK, now 2,500 women have some idea that you have a program for people like them and they might be interested. And of course, you need to know the cost of the billboard and producing what goes on it. Now the client is in a position to decide whether the billboard is worth the money. I am just illustrating the way I want you to think. This is simple stuff. Don't make it complicated. But do lay out your assumptions – all of them – whether how many clicks it takes to turn somebody into a buyer, or once you turn somebody into a buyer how many times they buy again, or.....

Hope that helps!

So.....

**No later than November 1** let's agree on a date for your presentation at a time convenient for you and both of your evaluators. Sooner is OK too. Please plan on one Zoom or in-person hour, although you will present only for half of that time and the other half is for our questions and comments.

**Key Deadlines:**

- 6/26/23: Submit 1 page description of MS Project.**
- 7/3/23: Inform me via email who your 2<sup>nd</sup> evaluator is.**
- 7/10/23: Provide me with a final presentation date and time (check our availability first).**
- 8/1/23: Final paper due to myself and 2<sup>nd</sup> Evaluator**
- 8/7/23: Last available day for your presentation (audience: myself and your 2<sup>nd</sup> Evaluator)**

**Please note: Presentation file (PPT or PDF) due to second evaluator and myself no later than 48 hours prior to scheduled presentation time.**

Questions? Steve Koch, [sfkoch@uh.edu](mailto:sfkoch@uh.edu)