

UNIVERSITY OF SOUTHERN CALIFORNIA

Marshall School of Business

Marketing 555  
Marketing Channels  
Fall 2021  
Tu and Thur 12:30 to 1:50 p.m.  
JKP 110  
Office Hours: 2 to 3 pm Tu and Thur  
Other times by appointment

Dr. Gary L. Frazier  
The Richard and Jarda Hurd  
Professor of Distribution  
Management  
Office: Hoffman 612  
e-mail: [frazier@marshall.usc.edu](mailto:frazier@marshall.usc.edu)  
Cell: 310-874-3377

**Course Materials**

1. Robert Palmatier, Louis Stern, and Adel El-Ansary (2020), Marketing Channel Strategy, 9<sup>th</sup> edition, Pearson.
2. Course reader.
3. Series of class hand-outs.

**Learning Objectives**

Upon successful completion of this course, students will be able to:

- \*Better grasp marketing channel decisions.
- \*Grasp basic principles of organizing and managing marketing channels.
- \*Be able to apply these principles to actual firm situations.

Understanding marketing channels and decisions embedded within them is important to any business person. This course is focused on helping you learn as much as possible about channel management in a classroom setting.

**My Background**

I have focused my teaching, research, and consulting on marketing strategy and marketing channels over the past forty years. I have frequently published in the top marketing journals. In fact, I am one of the top contributors of all time to the **Journal of Marketing**, a leading journal established in the 1930s. I was Editor of the **JM** from July 1, 2011 through June 30, 2014. Further, I have been fortunate to win several awards for my teaching over my career.

I have my own consulting company. I have consulted with and provided expert witness testimony for a number of major corporations on marketing strategy and marketing channel issues over the years, including Adams' Golf, Anheuser-Busch, Arctic Cat,

AT&T, Bergen Brunswig, Calphalon, Carnation, Coca-Cola, General Electric, General Motors, Gillette, Harley Davidson, Hasbro, Hewlett-Packard, Honeywell, IBM, Intel, Lipton, MasterCard International, Merck, Micron Electronics, Microsoft, 3M, New York City, Northrop, the Oakland Raiders, Planet Hollywood, Playtex, Samsung, Sirius Radio, Taco Bell, Texas Instruments, Toyota, TRW, UPS, Visa International, Wal-Mart, and Weyerhaeuser.

### **Course Format**

I use a combination of lectures, class discussions, cases, exercises, and guest speakers. I encourage a lot of interaction in class, as I follow the following teaching principle: **“Tell me and I’ll forget. Show me and I might remember. But INVOLVE me and I will understand.”**

### **Course Guidelines**

1. Come to class and be on time as much as possible.
2. Do the assignments.
3. Be courteous when someone else is speaking. Avoid side conversations as much as possible.
4. Participate in class discussions. Do not be afraid to disagree with anyone, including me. I am often wrong.
5. Bring a name card to class every day and place it in front of where you are sitting.
6. No use of lap-tops, cell phones, or reading of newspapers-periodicals during class. Focus on what we are doing in class.
7. Do not be hung up on what is the right or wrong decision in a specific context as much as on what factors you need to consider in making the decision.

### **Performance Evaluation**

### **Percent of grade**

- |  |     |
|--|-----|
| 1. Class participation   | 10% |
| 2. First exam  | 25% |
| 3. Second exam   | 25% |
| 4. Write-ups of 4 cases, 10% each (you can turn in each of the 8 cases if you so choose) | 40% |

## **Class Participation**

I evaluate the value of your participation in each class on a scale from 0 to 3. Your grade on class participation is based on your contribution to everyone's understanding about channel management. Your participation in case exercises is especially important.

## **Exams**

The exams will be short-answer essay in nature to test your understanding of class concepts and principles.

## **Case solutions**

Each write-up is limited to one page, double-spaced, one inch margins, and Times Roman 12 type. You can turn in a write-up for 6 of the 10 cases if you prefer. For the final grade, I will use your top 4 scores on the write-ups. You must turn in 4 write-ups at a minimum. **Each write-up should focus on (1) the channel issue or decision focused upon** (one sentence), **(2) your solution** (one sentence), **and (3) why the solution will work** (the rest of the page). Direct each write-up to the chief decision maker in the firm named in the case.

## **Course Outline**

<b>Date</b>	<b>Topic</b>	<b>Assignment</b>
<b>Aug 24</b>	<b>Introduction</b>	<b>Text: Chapter 1</b>
	<b>What are marketing and channel management?</b>	
<b>Aug 26</b>	<b>Understanding end-customer behavior</b>	<b>Text: Chapter 2</b>
		<b>Exercise:</b> Channel management in a developing country – Coca-Cola
<b>Aug 31</b>	<b>Wholesalers and retailers</b>	<b>Text: Chapters 6 and 7</b>
		<b>Case:</b> Medicetra Medtech Company
<b>Sept 2</b>	<b>Legal constraints</b>	<b>Text: Chapter 13</b>
		<b>Exercise:</b> Contracts – Anheuser-Busch

- Sept 7 Channel flows and functions** **Text: Chapter 3**
- Exercise:** Dealer selection - Pedo-Seed
- Exercise:** Role determination – Honeywell
- Exercise:** Design wins – TI
- Sept 9 Case:** Elzra Corporation
- Sept 14 Guest speaker:** Tony Salamone, Salo Wine & Spirits
- Sept 16 Direct or indirect channels, including D2C** **Text: Chapter 4**
- Exercise:** Channel design - Hewlett-Packard
- Case:** Hubble Contact Lenses
- Sept 21 Multiple Channels** **Exercise:** Avoiding the internet - Baume & Mercier
- Case:** The Multichannel Challenge at Natura in Beauty and Personal Care
- Case:** Drinkworks: Home Bar by Keurig
- Sept 23 Guest speaker:** Grant McKee, Oracle, Senior Sales Manager
- Sept 28 New channel decisions** **Case:** S’well: The Mass Market Decision
- Case:** Sarva Pharmaceuticals in Cambodia
- Sept 30 Guest Speaker:** Wayne Newton, GoZone, VP of Sales and Channel Partnerships

<b>Oct 5</b>	<b>Different distribution arrangements</b>	<b>Exercise:</b> Master distributors - Joico <b>Exercise:</b> Franchising - UPS <b>Exercise:</b> Direct selling - Sunrider <b>Exercise:</b> Private labels - Arctic Cat
<b>Oct 7</b>	<b>Franchising</b>	<b>Text: Chapter 8</b>  <b>Exercise:</b> Product and tradename Franchising – LGB
<b>Oct 12</b>	<b>First exam</b>	
<b>Oct 14</b>	<b>No class; fall recess</b>	
<b>Oct 19</b>	<b>Guest Speaker: Lindsey Levine, former sales manager in Altria</b>	
<b>Oct 21</b>	<b>Distribution intensity</b>	<b>Text: Chapter 5</b>  <b>Exercise:</b> Distribution intensity- Mac Tools  <b>Exercise:</b> Locating a new dealer – Santa Monica Honda
<b>Oct 26</b>	<b>Omni channels</b>	<b>Text: Chapter 9</b>
<b>Oct 28</b>	<b>Channel logistics</b>	<b>Text: Chapter 14</b>
<b>Nov 2</b>	<b>Channel pricing</b>	<b>Exercise:</b> 3M
<b>Nov 4</b>	<b>Channel power</b>	<b>Text: Chapter 10</b>
<b>Nov 9</b>	<b>Guest speaker: Jennifer Gloriso. Gallo, sales manager</b>	
<b>Nov 11</b>	<b>Multiple paths to influence</b>	
<b>Nov 16</b>	<b>Managing channel relationships</b>	<b>Text: Chapter 12</b>
<b>Nov 18</b>	<b>The importance of channel partnerships</b>	<b>Case:</b> Oversight Systems
<b>Nov 23</b>	<b>Managing channel conflict</b>	<b>Text: Chapter 11</b>

**Nov 25 No class; Thanksgiving**

**Nov 30 Channel member branding**

**Dec 2 Second exam**

**Classes end on Dec 3**

### **USC Statement on Academic Conduct and Support Systems**

#### **Academic Conduct:**

Students are expected to make themselves aware of and abide by the University community's standards of behavior as articulated in the [Student Conduct Code](#). Plagiarism – presenting someone else's ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in *SCampus* in Part B, Section 11, "Behavior Violating University Standards" <https://policy.usc.edu/scampus-part-b/>. Other forms of academic dishonesty are equally unacceptable. See additional information in *SCampus* and university policies on scientific misconduct, <http://policy.usc.edu/scientific-misconduct>.

#### *Support Systems:*

*Counseling and Mental Health - (213) 740-9355 – 24/7 on call*

[studenthealth.usc.edu/counseling](http://studenthealth.usc.edu/counseling)

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

*National Suicide Prevention Lifeline - 1 (800) 273-8255 – 24/7 on call*

[suicidepreventionlifeline.org](http://suicidepreventionlifeline.org)

Free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week.

*Relationship and Sexual Violence Prevention and Services (RSVP) - (213) 740-9355(WELL), press "0" after hours – 24/7 on call*

[studenthealth.usc.edu/sexual-assault](http://studenthealth.usc.edu/sexual-assault)

Free and confidential therapy services, workshops, and training for situations related to gender-based harm.

*Campus Support & Intervention (CSI) - (213) 740-0411*

<https://campussupport.usc.edu/>

A team of professionals here to assist students, faculty, and staff in navigating complex issues. Whether you are here seeking support for yourself or someone else, we are available to help you problem solve, understand options, and connect with resources. Please note that we are not an emergency resource and are not available 24/7.

*Office of Equity and Diversity (OED)- (213) 740-5086 | Title IX – (213) 821-8298*

[equity.usc.edu](http://equity.usc.edu), [titleix.usc.edu](http://titleix.usc.edu)

Information about how to get help or help someone affected by harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants. The university prohibits discrimination or harassment based on the following *protected characteristics*: race, color, national origin, ancestry, religion, sex, gender,

gender identity, gender expression, sexual orientation, age, physical disability, medical condition, mental disability, marital status, pregnancy, veteran status, genetic information, and any other characteristic which may be specified in applicable laws and governmental regulations. The university also prohibits sexual assault, non-consensual sexual contact, sexual misconduct, intimate partner violence, stalking, malicious dissuasion, retaliation, and violation of interim measures.

*Reporting Incidents of Bias or Harassment - (213) 740-5086 or (213) 821-8298*

[usc-advocate.symplicity.com/care\\_report](http://usc-advocate.symplicity.com/care_report)

Avenue to report incidents of bias, hate crimes, and microaggressions to the Office of Equity and Diversity [Title IX for appropriate investigation, supportive measures, and response.

*The Office of Disability Services and Programs - (213) 740-0776*

[dsp.usc.edu](http://dsp.usc.edu)

Support and accommodations for students with disabilities. Services include assistance in providing readers/notetakers/interpreters, special accommodations for test taking needs, assistance with architectural barriers, assistive technology, and support for individual needs.

*USC Support and Advocacy - (213) 821-4710*

[uscса.usc.edu](http://uscса.usc.edu)

Assists students and families in resolving complex personal, financial, and academic issues adversely affecting their success as a student.

*Diversity at USC - (213) 740-2101*

[diversity.usc.edu](http://diversity.usc.edu)

Information on events, programs and training, the Provost's Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students.

*USC Emergency - UPC: (213) 740-4321, HSC: (323) 442-1000 – 24/7 on call*

[dps.usc.edu](http://dps.usc.edu), [emergency.usc.edu](http://emergency.usc.edu)

Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible.

*USC Department of Public Safety - UPC: (213) 740-6000, HSC: (323) 442-120 – 24/7 on call*

[dps.usc.edu](http://dps.usc.edu)

Non-emergency assistance or information.

### **Students with Disabilities**

USC is committed to making reasonable accommodations to assist individuals with disabilities in reaching their academic potential. If you have a disability which may impact your performance, attendance, or grades in this course and require accommodations, you must first register with the Office of Disability Services and Programs ([www.usc.edu/disability](http://www.usc.edu/disability)). DSP provides certification for students with disabilities and helps arrange the relevant accommodations. Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me (or to your TA) as early in the semester as possible. DSP is located in GFS (Grace Ford Salvatori Hall)

120 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776. Email: [ability@usc.edu](mailto:ability@usc.edu).

**Emergency Preparedness/Course Continuity**

In case of a declared emergency if travel to campus is not feasible, the *USC Emergency Information* web site (<http://emergency.usc.edu/>) will provide safety and other information, including electronic means by which instructors will conduct class using a combination of USC’s Blackboard learning management system ([blackboard.usc.edu](http://blackboard.usc.edu)), teleconferencing, and other technologies.