Pricing and Channels (Fall 2018)
Raghunath Singh Rao
The University of Texas at Austin

Meeting Times:

<table>
<thead>
<tr>
<th>Day</th>
<th>Unique No</th>
<th>Time</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>TTH</td>
<td>05210</td>
<td>9.30 am – 11.00 am</td>
<td>CBA 4.330</td>
</tr>
</tbody>
</table>

Contact Information:
Instructor: Prof. Raghunath Rao
Office Location: CBA 7.210
Office Hours: TH (11:00 am to 12-30 pm)*
*Available outside of these timings by appointment
Email: Raghunath.Rao@McCombs.utexas.edu
Phone: 512-232-3748

Teaching Assistant: Andreas Kraft
Email: Andreas.Kraft@mccombs.utexas.edu
Office Hours: TBA

Course Description:
One of the most well-known managerial framework of marketing presents it as a building block consisting of 4Ps: Price, Promotion, Place (Channels) and Product. This class covers two of the core blocks of marketing within a single semester-length class. The aim of the course is to develop a practical strategic framework that could be used by future marketing managers to develop pricing and channel strategies using rigorous tools. The course will also devote a significant part to marry this toolkit with pricing and channel issues in online and digital environments. The topics covered include non-linear pricing, price customization, revenue management, bundling and versioning, channel pricing, channels conflicts, channel stewardship, channel design and auction designs in dynamic settings. Using real datasets and detailed exercises, these tools and concepts will be applied to diverse contexts and industries ranging from search engines to airlines, hotels and casinos to entertainment, online retailing, utilities, social media and self-improvement products.
Course Material:
Course Packet (Required)
A web link will be emailed to all the students detailing how to purchase the required course packet.

Textbooks (Optional)
   - **Publisher:** Routledge; 6 edition (November 16, 2017)
   - **Language:** English
   - **ISBN-10:** 1138737518
   - **ISBN-13:** 978-1138737518
2. Vohra, Rakesh and Lakshman Krishnamurthi, *Principles of Pricing*, Cambridge University Press (2012) [eBook version is available for free through the University library]

Evaluation of Student Work:
The course will not be graded on a ‘curve’. The maximum total score that you can get in this class is 100 and your grade would be based upon the following final distribution of scores:
- 92-100 A;
- 90-91 A-
- 88-89 B+
- 82-87 B
- 80-81 B-
- 78-79 C+
- 72-77 C
- 70-71 C-
- 68-69 D+
- 62-67 D
- 60-61 D-
- Below 60 = F.

The score that does not fall into the above range would be upwardly revised to get the final grade. For example, if the final score of a student is 81.22, it will be revised to 82 and the final grade will be a B.

1. Tests (45%)
   There will be 3 tests with 15% weight each. There will be no cumulative final. The tests will be designed to test your understanding of the material covered in the class and your ability to apply it to the business situations.

2. Individual Assignments (30%)
   There will be total of 3 assignments with a weight of 10% each interspersed throughout the semester. The only way to really learn the material covered in the class is though ‘do-it yourself” approach. I would provide you with appropriate datasets and you would be
required to apply the tools learnt in the class to analyze and understand a real business scenario.

You may turn in homework late. Each day that the homework is late will result in a 10% penalty. No printed copies or the emailed assignments will not be accepted. You will work in teams of two people to submit these assignments.

3. **Group Project (20%)**

You will work in group of up to 5 students (to: (a) Define an interesting pricing/channels based research problem, (2) extract/collect/identify the appropriate data for the problem and (c) Use tools from this class to analyze the data, and (d) identify key takeaways from the analysis. You should be discussing you project idea with the instructor during the term. Deliverable is a PowerPoint deck with no more than 25 slides. More details would be provided after the start of the class.

4. **Class Participation (5%)**

Grading class participation is necessarily subjective and will be primarily based upon your participation in the case discussions. Some of the criteria for evaluating effective class participation include:

a) 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, and analytical devices presented in class lectures or reading materials?

b) 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?

c) 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, I 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 (please let me know in advance if you cannot attend a session). Missing more than two class sessions in the semester can seriously affect your participation grade. Attendance is mandatory for all project presentations.
University Policy Syllabus Disclosures

Important Notifications

Students with Disabilities
Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, 512-471-6259, http://diversity.utexas.edu/disability/.

Religious Holy Days
By UT Austin policy, you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class, an examination, a work assignment, or a project in order to observe a religious holy day, you will be given an opportunity to complete the missed work within a reasonable time after the absence.

Policy on Scholastic Dishonesty
The McCombs School of Business has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the BBA Program’s Statement on Scholastic Dishonesty at http://my.mccombs.utexas.edu/BBA/Code-of-Ethics. By teaching this course, I have agreed to observe all faculty responsibilities described there. By enrolling in this class, you have agreed to observe all student responsibilities described there. If the application of the Statement on Scholastic Dishonesty to this class or its assignments is unclear in any way, it is your responsibility to ask me for clarification. 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 dishonesty harms the individual, all students, the integrity of the University, and the value of our academic brand, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Conduct and Academic Integrity website at http://deanofstudents.utexas.edu/conduct/ to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.

Campus Safety
Please note the following recommendations regarding emergency evacuation, provided by the Office of Campus Safety and Security, 512-471-5767, https://preparedness.utexas.edu/:

• Occupants of buildings on The University of Texas at Austin campus are required to evacuate buildings when a fire alarm is activated. Alarm activation or announcement requires exiting and assembling outside.
• Familiarize yourself with all exit doors of each classroom and building you may occupy. Remember that the nearest exit door may not be the one you used when entering the building.
• Students requiring assistance in evacuation should inform the instructor in writing during the first week of class.
• In the event of an evacuation, follow the instruction of faculty or class instructors.
• Do not re-enter a building unless given instructions by the following: Austin Fire Department, The University of Texas at Austin Police Department, or Fire Prevention Services office.

Behavior Concerns Advice Line (BCAL): 512-232-5050 or on-line.
Notification Regarding BBA Recruiting Conflicts

Conflicts occasionally arise between classes and the search for employment. We understand how important the job search process is to you, and McCombs provides many resources in support of career exploration and search. However, UT is first and foremost an educational institution and your BBA degree will be the credential that certifies your education. As such, education will take precedent whenever such a conflict arises.

All companies that recruit at McCombs are informed of this fact. Should a conflict arise, we recommend the following steps:

- Check the syllabus to see if an exception is provided that would allow you to satisfy class obligations while still attending the job event (e.g., paper instead of quiz, allowed quiz drops, etc).
- Note that a job-related conflict, whether a current job or a potential one, is usually not an acceptable reason for missing an exam or taking a make-up, and may not be acceptable in other circumstances either. If any doubt exists, check with your professor.
- If no exception is provided, inform the company that an academic conflict exists and request an accommodation.
- If no accommodation is provided, contact BBA Career Services and request their assistance in resolving the situation.

Note that while we do have influence with the companies that recruit at McCombs, not all conflicts can be resolved and we have little or no influence with companies that do not recruit through the Recruit McCombs system.

Finally, be aware that it is not unreasonable for an employer to expect you to go to some lengths to show your interest in them. In a recent example, several students completed an exam at 9 pm and were expected to attend an on-site interview in Houston the next morning at 8 am. A 5:30 am flight from Austin was available and the students were expected to be on it. This is reasonable, and if you think it is unfair, you probably need to reconsider what you believe are the reasonable expectations of a good job and career in business.