Integrated Marketing Communications

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AOB IV, Room # 151
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Class Meetings:

- **Day-MBA**: Wednesdays, 9-11:50 p.m., AOB4 # 261
- **Sac-MBA**: Wednesdays, 6-9 p.m., OCM 2
- **Bay-MBA**: Fridays, 2-5 & 6-9 p.m., Bishop Ranch 1502

Office Hours: Students can meet me any time without appointment.

**Course Outline**

**Course Description**

Advertising transforms commodities (e.g., cars, chips, and computers) into brands (e.g., BMW, Pentium, Dell). By building strong brands, it enables companies to charge price premiums, gain competitive advantage, and sustain long-run profitability. Consequently, companies typically spend multi-million dollars on marketing communications; collectively, US companies spend about $250 billion each year on advertising alone — a sum that exceeds the gross domestic product (at purchasing parity) of 85% of the **nations** of the world, which includes the developed economies like Switzerland, Hong Kong, and Singapore.

In this course, we will cover issues of designing and implementing advertising and promotional plans. Specifically, we study institutional aspects of advertising, measuring consumer preferences (conjoint analysis), classical and disruptive positioning, assessing ad effectiveness and budget allocation, creative strategy, use & abuse of consumer and trade promotions, PR & product placement, social media and the emerging media landscape. We will discuss the role of “integrating” all the marketing communications (e.g., television, print, PR, direct mail, and the new media) to achieve synergistic impact.

The course focuses on managerial aspects of decision-making for building brands profitably. Besides acquiring conceptual knowledge to think like marketers, you will learn implementable tools to determine the value of a brand name, locate brand’s position in consumers’ minds, evaluate the effectiveness of ads, and set optimal budget to attain stated goals (e.g., maximize awareness or profit).

**Class Objectives**

1. To understand institutional aspects of advertising: agency structure, functions, compensation, evaluation, and agency-client relationship
2. To learn conjoint analysis to determine the value of a brand name
3. To build perceptual maps to locate a brand’s position in consumers’ minds
4. To measure ad effectiveness, set optimal budget, and evaluate creative ad strategies
5. To know various consumer and trade promotions and when to use which ones.
6. To understand the role of various media landscape (both the old and the new) and how to achieve synergy via an “integrated” strategy.

Class Administration

Classes consist of lectures, cases, articles, homework assignments, and projects. Lectures provide concepts and principles of advertising, promotions, direct marketing, and integrated marketing communications. Cases illustrate the application of concepts in business practice. You are expected to read thoroughly the assigned case and be prepared to discuss and present. Articles, written by leading scholars in their areas of expertise, furnish literature reviews and discuss state-of-the-art issues. Homework assignments present a unique opportunity to acquire hands-on learning of decision-making tools.

Project. A small group of students will form teams (~ 5 or so), and each team will identify a topic of interest related to advertising, promotion, database marketing, or new media (e.g., blogs, social network, web-chatter). The teams will do research on their chosen topic to generate valuable information, fresh perspectives, or new insights. You will summarize your findings in an oral presentation to the class.

Grading

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<tr>
<th>Points</th>
<th>Description</th>
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<tr>
<td>25</td>
<td>Class participation, quality of discussions, and homework</td>
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<td>25</td>
<td>Mid-term Exam</td>
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<td>Final Exam</td>
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<td>Project</td>
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Course Packet: Required readings as below:

- Mountain Dew Case, HBS CD-ROM (one copy per group of 5 or so students)
- “Optimal Marketing,” by Corstjens and Merrihue, HBR article
- “Sales Promotion,” by Scott Neslin, Handbook of Marketing.
- A Practical Guide to Conjoint Analysis (HBS Case Nos 9-UV0-406)
- Methods for Producing Perceptual Maps from Data (HBS Case Nos 9-UV0-405)
- Obama versus Clinton: The YouTube Primary (HBS Case Nos 9-509-032)