CMGT 542 | Section 21738 | Summer 2018

**BUSINESS STRATEGIES OF MARKETING COMMUNICATION FIRMS:
ADVERTISING PRACTICES & PROFESSIONALS**

Instructor: Freddy J. Nager (freddynager.com)
Class Time: Thursdays 6:00-10:10 pm, May 17-August 2, 2018
Classroom: ANN 309
Office Hours: on class days by appointment
Contact: fnager@usc.edu
Units: 4

The advertising industry has dramatically changed since the "Mad Men" era of the 1950's through the 1970's. It has consolidated, with a handful of multinational holding companies now controlling the major agencies while acquiring smaller agencies every year. It has also splintered, with thousands of boutique agencies and consultancies regularly entering the market, some specializing in niche services (such as social media, PR, SEO, programmatic, and experiential), others in industry verticals (such as entertainment, fashion, automotive, technology, politics, etc.).

While structures and strategies have shifted, disruptive changes in communication technology and consumer habits have created an even greater impact. For example, while advertising dollars are shifting to online media, nascent issues such as bot-fueled ad fraud, ad blocking, and the Google-Facebook duopoly make many marketers ponder whether digital marketing is worth the investment. In addition, economic, demographic, geographic, and cultural shifts are transforming the industry while opening borders and opportunities.

In this course, we'll evaluate different types of marketing communication firms, how they're organized and operated, the various professional roles within them, and the social and technological trends now challenging and changing individual firms and entire industries.

LEARNING OBJECTIVES

Through research, readings, interviews, and team projects, you will explore the marketing communication industry. By the end of this course, you should be able to critically analyze and readily discuss the following issues and how they're shaping industries, firms, and professionals:

- Professional roles, including creative, account, and media
- Agency business models and practices
- The skills and art of pitching
- Ethics, such as the debates over "native advertising," social responsibility, and promoting materialism
- Technology, including new modes of communication and programmatic functions

INSTRUCTOR

Freddy J. Nager has over 25 years of professional experience in marketing and media. He began his career as a copywriter and website editor at MCA Records/Universal Music Group, where he directed one of the world's first entertainment sites. He subsequently joined major ad agency Saatchi & Saatchi as Sr. Interactive Copywriter on the Toyota account. Freddy currently runs the media consultancy Atomic Tango LLC and is a partner in the branding agency Ad Victorem. A second-generation Trojan, Freddy received his MBA from USC and his BA from Harvard. He has taught at Annenberg since 2012.

READINGS

This course is reading intensive, with over 100 pages assigned per week, plus your own curation of articles for class presentations (see Assignments).

Books:
- David Ogilvy, *Ogilvy on Advertising*, 1985 Vintage
- Jon Steel, *Perfect Pitch: The Art of Selling Ideas and Winning New Business*, 2007 Wiley
- Jon Steel, *Truth, Lies, and Advertising: The Art of Account Planning,* 1998 Wiley
- Esther Thorson & Margaret Duffy, *Advertising Age: The Principles of Advertising and Marketing Communication at Work*, 2011 Cengage [includes subscription to Ad Age On Campus if new]

Digital:
- **AdAge.com** [subscription included with textbook purchase — see above]
- **Digiday.com** [no need to subscribe; simply "like" on Facebook or visit the site regularly]
- **Journal of Advertising Research** [access through USC Library]
- **Crain's Los Angeles Newsletter** [subscribe at http://losangeles.crains.com/]

ASSIGNMENTS

These assignments are not reports. They should demonstrate your ability to think critically and apply research, theories, frameworks, and creativity. They will also be graded on production quality, including structure, presentation, and writing. Specific assignment guidelines and instructions will be provided in class.

- **Professional Marketing Communication Bio/Cover Letter (10%):** For your first assignment, you will write a one-page biography or cover letter introducing yourself as a marketing communication professional to a prospective employer or client. It must be specific and concrete — e.g., you may not use any variation the word "passion." Your first draft will be evaluated and returned to you for a revision.

- **Weekly Article Evaluation (10%):** Each week, you will bring to class one article about the advertising business, either from *Adweek*, *Advertising Age, Digiday,* or *The Journal of Advertising Research.* (At least two articles must be from *The Journal of Advertising Research*.) One student will be randomly selected to present their summary and evaluation of the article to the class. The rest will share their article summaries and evaluations on Blackboard.

- **Class Participation (10%)**
  Each student must contribute to discussions in the classroom and on Blackboard. The full participation score cannot be earned simply by attending. In most class sessions, you must speak, ask questions, and debate respectfully. Preparation is essential: complete assigned readings before class, research additional materials, and apply theories to personal and professional experiences. Staying silent is unacceptable, especially in the company of guest speakers, since it conveys disengagement. Here is how your class participation is evaluated:

  o   Is it relevant to the discussion and respectful of others?
  o   Does it address ideas offered by the reading and by classmates?
  o   Does it increase everyone's understanding or merely repeat facts?
  o   Does it support views with data, third-party theories, and research?
  o   Does it test new ideas and challenge assumptions, or just "play it safe"?

  Here are the point values assigned to participation, in class and online:

  o   Thoughtful and highly valuable to the conversation: +2
  o   Correctly answers a question or makes a brief point: +1
  o   Little or no value: 0

- o Incorrectly answers a question or is a digression: -1
- o Disruptive or inappropriate, or using phones/computers in class: -2

- **Agency Professional Interview (20%):** You will interview a mid-level or higher agency employee or solo consultant/proprietor (i.e., no assistants, entry-level, or support personnel). This interview will explore the professional's career path (education and experience), their role and responsibilities, the skills and expertise they need on a regular basis, and an example of their work.

- **Agency Analysis (Team Project 25%):** In a fictitious scenario, your team needs to hire a marketing communication agency to create a tourism campaign. Toward this end, you'll critically evaluate at least 3 real-world agencies, including their current market positions, practices, structures, clients, and work. Your research should include interviews with agency personnel or clients, evaluations of agency media, and reading news about the agency. You will then "hire" one agency, and justify your decision based on facts.

- **Agency Plan + Ad (Team Project 25%):** For the final project, your team will create a plan for a new marketing communication agency or consultancy. This plan will include the agency's core competencies (industry verticals, technologies, and practices); the types of professionals needed; the target industries and clients; and how the agency will differentiate itself from the competition. Your decisions must be supported by market research. You will then create an ad for your agency — print, video, radio, or online — which you'll present to the class.

GRADES + GUIDELINES

A	93.0% or higher (extremely rare)
A-	90.0%-92.9%
B+	87.0%-89.9%
B	83.0%-86.9%
B-	80.0%-82.9%
C+	77.0%-79.9%
C	73.0%-76.9%
C-	70.0%-72.9%
D	60.0%-69.9%
F	59.9% or lower

Grading Components
- Bio   10%
- Article Evaluations   10%
- Class Participation   10%
- Interview   20%
- Agency Analysis   25%
- Agency Plan   25%

- **Criteria:** A's and A-minuses are earned by "going the extra mile" to develop professional caliber work that could be presented to a client or CEO. A-level work is mistake-free, reflects in-depth research, shows creativity and superlative communication skills, and demonstrates a strong understanding of the course material. Personal recommendations will be provided on request to students who earn an A.

  B's are awarded to graduate-school caliber work, reflecting in-depth research and analysis, as well as a strong understanding of course material. The ideas and production quality would need to be stronger to succeed in a professional setting.

  C's and lower are given to amateurish work, marked by insufficient research, many errors in writing and implementation of course material, or superficial analysis.

- **Attendance:** You must attend every class, arrive on time, and stay for the entire class (missing more than 10 minutes counts as a half absence). Makeup assignments will be given for any excused absences,

such as illnesses or athletic commitments. Should you need to miss a class, notify the instructor in advance (except, of course, in the case of emergencies), and obtain what you missed from classmates and Blackboard. Two unexcused absences will result in a complete loss of participation points. More than two unexcused absences will result in a course grade of C- or lower. Note: coming to class sick, or using a phone or computer, will be counted as an absence, since you are in attendance but not truly present.

- **Deadlines:** Without an exceptional circumstance and permission from the instructor in advance, late assignments will not be accepted.

- **Critical Thinking:** In communication there are few "right" answers: what works for one company might fail for another — or even for the same company at another time. Assignments must describe "why" and "how," not just "what," and will be evaluated on the quality of the reasoning.

- **Professional Writing:** Since this is a graduate program in communication, your writing and document production quality will be factored into all assignment grades, so please proofread to eliminate all errors. If you need help with fluency or simply polishing your work, contact Annenberg's Graduate Writing Coach: http://cmgtwriting.uscannenberg.org/

- **Research and References:**
  - Your work must be supported by research from authoritative sources, such as academic journals, professional journalists and news publications, and credible experts. Please vet your sources.
  - If you use Wikipedia, do not cite it as a reference. Rather, refer to the sources listed in the Wikipedia article, and cite if applicable.
  - Do not limit your research to whatever Google turns up. Contact experts on campus or online. You may also conduct focus groups, interviews, and surveys; just make sure to include all contact information (dates, medium, etc.) and any disclaimers about statistical significance.
  - Bibliography entries must include complete source information — a URL alone is never enough. You may use any style that includes the full name of the source, article titles, author names, and dates of publication. In addition, in the case of websites, you should include the date you accessed the source.

- **Respect:** Treat classmates and speakers with courtesy. You may certainly question and criticize ideas — that is encouraged in the learning environment — but never criticize the person. Also, *be present*: **all computers and phones must be turned off and put away during lectures — no exceptions**. You may eat in class, but not in the presence of guest speakers.

<div align="center">

Statement on Academic Conduct and Support Systems

</div>

Academic Conduct:
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:
Student Counseling Services (SCS) - (213) 740-7711 – 24/7 on call
Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention. https://engemannshc.usc.edu/counseling/

National Suicide Prevention Lifeline - 1-800-273-8255
Provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week. http://www.suicidepreventionlifeline.org

Relationship & Sexual Violence Prevention Services (RSVP) - (213) 740-4900 - 24/7 on call

Free and confidential therapy services, workshops, and training for situations related to gender-based harm. https://engemannshc.usc.edu/rsvp/

Sexual Assault Resource Center
For more information about how to get help or help a survivor, rights, reporting options, and additional resources, visit the website: http://sarc.usc.edu/

Office of Equity and Diversity (OED)/Title IX compliance – (213) 740-5086
Works with faculty, staff, visitors, applicants, and students around issues of protected class.https://equity.usc.edu/

Bias Assessment Response and Support
Incidents of bias, hate crimes and microaggressions need to be reported allowing for appropriate investigation and response. https://studentaffairs.usc.edu/bias-assessment-response-support/

Student Support & Advocacy – (213) 821-4710
Assists students and families in resolving complex issues adversely affecting their success as a student EX: personal, financial, and academic. https://studentaffairs.usc.edu/ssa/

Diversity at USC – https://diversity.usc.edu/
Tabs for Events, Programs and Training, Task Force (including representatives for each school), Chronology, Participate, Resources for Students

LECTURE SCHEDULE

This schedule may change depending on the pace of class discussions and the availability of guest speakers. For final requirements, please refer to the lecture slides, which will be posted on Blackboard.

Class 1, May 17: Intro — From Mad Men To Madness?
- Course Overview
- History of advertising in America
- Assignments:
    - Read Ogilvy, Chapters 1 & 18
    - Read Advertising Age, Chapters 1-3 & 5

PART 1: THE PLAYERS

We'll explore the industry's stakeholders, including companies (agencies, consultants), clients (B2B, B2C), and core professionals (creatives, account, media).

Class 2, May 24: The Company You Keep — Firm Types and Practices
- Major agencies: PR vs. Advertising
- Consultants and specialists
- Industry vertical specific
- Tech and media specific (SEO, social media, events)
- Holding companies and conglomerates
- Assignments:
    - Create Bio (due next week)
    - Article Presentation
    - Read Advertising Age, Chapters 4-5
    - Read Ogilvy, Chapters 2-3

Class 3, May 31: Advertising's Got Talent 1 — Creative
- Copywriters
- Art Directors
- Creative Directors

- Production: developers (programmers), video directors, etc.
- Assignments:
  - Professional Interview (due June 14)
  - Read Advertising Age, Chapters 10-13
  - Read Ogilvy, Chapters 7-13
  - Article Presentation

Class 4, June 7: Advertising's Got Talent 2 — Account
- Account Execs
- Account Planners
- Researchers & Analysts
- Assignments:
  - Read Advertising Age, Chapters 5-8
  - Read Ogilvy, Chapter 15
  - Read Truth, Lies & Advertising, Chapters 1-3
  - Article Presentation

Class 5, June 14: Advertising's Got Talent 2 — Media
- Planners vs. Programmatic
- Social Media & Publicists
- SEO
- Assignments:
  - Professional Interview due
  - Read Advertising Age, Chapters 14-16, 18
  - Read Truth, Lies & Advertising, Chapters 4-8
  - Article Presentation

PART 2: THE GAME

We'll evaluate how various firms function, including their revenue models, client acquisition and retention practices, and their own branding and self-promotion (why awards matter).

Class 6, June 21: Let's Do Launch — Starting & Managing A Practice
- Naming and Positioning
- Self-Promotion (awards and alliances)
- Staffing Up
- Assignments:
  - Agency Analysis (due July 5)
  - Read Ogilvy, Chapters 4-6
  - Read Perfect Pitch, Chapters 1-4
  - Article Presentation

Class 7, June 28: Cashing In — The Unsettled Issue Of Compensation & Revenue Models
- Business Development
- Commission-Based
- Performance-Based
- Value-Based
- Project Rate vs. Hourly
- Assignments:
  - Read Perfect Pitch, Chapters 6-9
  - Article Presentation

Class 8, July 5: And There's The Pitch — Class Competition
- Each team will be given an hour to prepare
- Teams will then pitch in class to land the account

- Assignments:
  - Agency Analysis due
  - Article Presentation

PART 3: THE GAME CHANGERS

We'll examine the trends and technologies disrupting the industry, including globalization, diversity issues, attribution and ad fraud, ethics, and new tech.

Class 9, July 12: The Tech Effect & Shiny New Objects
- The Dirt on Digital Media: Ad Fraud, Bots, Viewability, Dubious Metrics ("Engagement")
- Artificial Intelligence to the rescue?
- Blockchain to the rescue?
- New Toys: AR, VR
- Assignment:
  - Agency Plan (due August 2)
  - Article Presentation

Class 10, July 19: Ethics & Controversy
- Promoting Unhealthy Habits
- Unfettered Consumption
- Controversial Clients
- "Native Advertising"
- Conflicts Of Interest
- Unsavory Media
- Milking Clients
- Assignments:
  - Read Advertising Age, Chapter 4, 9 & 20
  - Article Presentation

Class 11, July 26: It's A Small World — Diversity & Globalization
- Globalization vs. Internationalization
- Diversity in Staffing & Representation
- Segmentation or Stereotyping?

Class 12, August 2: Show Time
- Teams present their agency plans and ads
- Assignments:
  - Plan due