Course Description

The Internet presents unique challenges and opportunities for companies. This course aims to provide the theoretical as well as practical understanding of the Internet marketplace necessary to adapt to its many changes. The following topics are covered: (1) an overview of the digital industry landscape and online consumer behavior; (2) digital marketing strategies (e.g., paid search advertising, display advertising, search engine optimization) to communicate value to consumers; and (3) analytics to measure digital marketing effectiveness. This course uses three pedagogical tools to achieve the goal: (1) lectures that cover basic concepts and theories of digital marketing; (2) business cases that apply the concepts/theories to real-world online marketing problems; and (3) a business simulation game that focuses on digital marketing communication strategies and tactics.

Course Objectives

The course will help students achieve the following objectives.

1. To understand recent moves in the digital space by examining major online players (e.g., Google, Facebook, Amazon, and Apple) and to study new consumer behaviors such as electronic word-of-mouth (eWOM) due to the Internet.

2. To understand how firms use the Internet to communicate value to consumers by examining various online promotion tools such as paid search advertising, display advertising, search engine optimization, and social media marketing.

3. To understand the complex interactions among marketing channels across online and offline.
Course Structure

This course consists of three modules.

Module 1: Online Consumer Behavior and Digital Industry Landscape. It is important to understand the overall industry landscape created by the Internet and to examine how consumers use digital technologies in their purchase processes. Module 1 introduces online consumer behaviors made possible by the Internet and explores the status quo of the digital industry. We will study how the Internet has changed consumers’ shopping behavior (Week 1), how firms “get here” and what they do with the Internet (Week 2), how consumers spread and use eWOM in their purchase journey and how the eWOM affects firms’ market outcome (Week 3), and how firms can measure online consumer behaviors using various web metrics (Week 4).

Module 2: Digital Marketing Strategies. Module 2 explores how firms use various online marketing tools to communicate their products and services to consumers. We will study how firms use paid search advertising and display advertising to reach out to consumers (Week 5); learn how firms use inbound marketing tools to attract (instead of reaching out to) prospective customers (Week 6); how firms engage with consumers on the social media (Week 7). Week 8 will introduce MIMIC Pro (the digital marketing simulation game used in this course); students will run the first two rounds of the simulation game in the week. In Week 9, we will study key components of viral marketing and learn how to make a marketing campaign viral. Finally, Week 11 will explore how firms can manage their reputations on the Internet and how to respond to adverse rumors and fake news.

Module 3: Digital Marketing Analytics. Measuring digital marketing effectiveness is important but challenging. It is important because correct measurement of marketing effectiveness helps firms to use the scarce marketing resource more effectively; it is challenging because there exist complex interactions among different marketing activities, across online and offline. Module 3 focuses on analytics to understand the true effectiveness of digital marketing activities. We will learn and apply tools to optimize digital marketing activities, using sponsored search as an example case (Week 12). Then, we will learn how different online marketing channels can interact and what those complex interactions mean to firms (Week 13). Finally, we will learn that online marketing activities do not work in silos but interact with offline marketing activities (Week 14).

In the last three weeks of the semester, we will review the course (Week 15), take the final exam (Week 16), and present the MIMIC Pro simulation (Week 17).

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1 Week 10 is the spring break.
Course Materials

- **Lecture Slides**
The lecture slides are the most important material to study digital marketing concepts in this course. They are based on various textbooks, industry articles, and academic research papers. A weekly session’s slides will be posted on Canvas before the session starts. Please check the **Complete Weekly Reading List** at the end of the syllabus. The lecture slides are based on the list.

- **Textbooks**
The following text provides a basic understanding of digital marketing strategies and is frequently referenced in the lecture slides.
  - Larson, Jeff and Stuart Draper (2017), *Digital Marketing Essentials: A Comprehensive Digital Marketing Textbook.* Stukent. (This e-textbook is optional and can be purchased at stukent.com.)

- **Business Cases**
Business cases are an integral part in this course. They are used not only to discuss the real-world cases but also to learn and apply concrete digital marketing concepts. The following cases are included in the course pack ([https://hbsp.harvard.edu/import/597492](https://hbsp.harvard.edu/import/597492)) for purchase:

- **Digital Marketing Simulation**: We will play a digital marketing simulation game (MIMIC Pro by Stukent) in the second half of the semester. Every student should purchase the license here: [https://home.stukent.com/join/C00-D19](https://home.stukent.com/join/C00-D19).

**Team Formation**

You need to form team for the MIMIC Pro digital simulation game. An ideal group will consist of three to four students and no group can have more than five students. We will form teams before Week 8—the first week of the simulation game.

**Session Format**

A typical weekly session will consist of a lecture and a case discussion.

- **Lecture**. A weekly session will start with a lecture studying the lecture slides that cover the concepts and theories assigned to the week. A week’s topic and textbook (Gupta and Davin, *Marketing Reading: Digital Marketing*) chapters can be found in the Course Schedule section of the syllabus.

- **Case Discussion**. Business cases have been selected to enhance your learning by examining real-world problems. All students are expected to come to class ready to discuss the assigned case. At a minimum, each individual student should be able to (i) summarize the business environment the focal company is situated in; and (ii) identify main issues facing the focal company. Additionally, students are encouraged to prepare recommendations for the focal firm backed by your analysis.

- **MIMIC Pro Simulation**. Students will be assigned to a team and each team will run MIMIC Pro simulation game for seven rounds, starting in Week 8 (March 14). More detailed information about the simulation game will be given in the class. As we move to the later part of the course, we may discuss your MIMIC Pro performance during the class.
Written Assignments

- *Case analysis executive memos (Case EM)*. For every case discussion, you will prepare a **one-page, single-spaced** memo that is based upon situation analysis and organize your thoughts/ideas for the case. This is an individual assignment and should be **completed independently by each student**. Submit the memo on Canvas by the **noon of the class day**. Writing a memo for every case is designed to help you prepare for every case discussion.

- *MIMIC Pro Campaign Report*. After fishing the simulation, student teams should write a post-campaign report that summarizes the campaign results as well as the lessons that you learned from the game. The post-campaign report should be submitted to the instructor via Canvas. The report should not exceed **eight pages (double-spaced)**.

Grading Policy

The assessment and grading system is intended to reflect student learning and performance.

<table>
<thead>
<tr>
<th>Attendance</th>
<th>5% (Individual)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Case analysis executive memo</td>
<td>30% (Individual)</td>
</tr>
<tr>
<td>Final exam</td>
<td>30% (Individual)</td>
</tr>
<tr>
<td>MIMIC Score</td>
<td>10% (Group)</td>
</tr>
<tr>
<td>MIMIC post campaign report</td>
<td>20% (Group)</td>
</tr>
<tr>
<td>MIMIC peer evaluation</td>
<td>5% (Individual)</td>
</tr>
</tbody>
</table>

Grading Scale

| 100 – 94 = A | 89.99 – 87 = B+ |
| 93.99 – 90 = A- | 86.99 – 84 = B |
| 83.99 – 80 = B- | 79.99 – 77 = C+ |
| 76.99 – 74 = C | 73.99 – 70 = C- |
| 69.99 – 67 = D+ | 66.99 – 64 = D |
| 63.99 – 61 = D- | 60.99 – 0 = F |

Computer Policy

Students may bring and use a notebook PC in the classroom for educational purpose only.
# Course Schedule (Subject to change)

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
<th>Material (C: Case, T: Textbook)</th>
<th>Assignment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (1/24)</td>
<td>Shopping in the Digital Era</td>
<td>(T) GD’ Ch 2.4</td>
<td></td>
</tr>
<tr>
<td>2 (1/31)</td>
<td>Digital Industry Landscape</td>
<td>(T) GD Ch 1 (C) Amazon, Apple, Facebook, Google</td>
<td>EM: AAFG</td>
</tr>
<tr>
<td>3 (2/7)</td>
<td>Electronic Word of Mouth</td>
<td>(C) United Breaks Guitars</td>
<td>EM: United</td>
</tr>
<tr>
<td>4 (2/14)</td>
<td>Measuring Online Consumer Behavior</td>
<td>(T) Online, Email, and Mobile Metrics</td>
<td></td>
</tr>
<tr>
<td>5 (2/21)</td>
<td>Outbound Marketing</td>
<td>(T) GD Ch 2.1 (T) LD”” Ch 6, 7 (C) Motorcowboy</td>
<td>EM: Motorcowboy</td>
</tr>
<tr>
<td>6 (2/28)</td>
<td>Inbound Marketing</td>
<td>(T) GD Ch 2.2 (T) LD Ch 4 (C) Hubspot</td>
<td>EM: Hubspot</td>
</tr>
<tr>
<td>7 (3/7)</td>
<td>Social Media Marketing</td>
<td>(T) GD Ch 2.3 (C) Big Skinny</td>
<td>EM: Big Skinny</td>
</tr>
<tr>
<td>8 (3/14)</td>
<td>MIMIC Pro Introduction &amp; Practice</td>
<td>(T) MIMIC Pro User Manual (MIMIC Round 1 &amp; 2)</td>
<td>MIMIC Pro User Manual</td>
</tr>
<tr>
<td>9 (3/21)</td>
<td>Engineering Virality</td>
<td>(C) Mekanism</td>
<td>EM: Mekanism</td>
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<tr>
<td>11 (4/4)</td>
<td>Online Reputation Management</td>
<td>(C) TripAdvisor</td>
<td>EM: TripAdvisor</td>
</tr>
<tr>
<td>12 (4/11)</td>
<td>Optimizing Sponsored Search</td>
<td>(C) Air France</td>
<td>EM: Air France</td>
</tr>
<tr>
<td>13 (4/18)</td>
<td>Marketing Resource Allocation</td>
<td>(T) GD Ch 2.1.3 (C) BBVA Compass</td>
<td>EM: BBVA Compass</td>
</tr>
<tr>
<td>14 (4/25)</td>
<td>Balancing Online and Offline</td>
<td>(C) HBS EE</td>
<td>EM: HBS EE</td>
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<tr>
<td>15 (5/2)</td>
<td>Course wrap-up</td>
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<tr>
<td>16 (5/9)</td>
<td>Final Exam (Online)</td>
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<tr>
<td>17 (5/16)</td>
<td>MIMIC Report and Presentation</td>
<td></td>
<td>MIMIC Report and Presentation</td>
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</tbody>
</table>

Note: Week 10 is the spring break. No class.
* GD: Gupta and Davin
** LP: Larson and Draper
Complete Weekly Reading List

(C: Case Assigned to the Week; T: Text Assigned to the Week)

The lecture slides are based on the following documents. Most of them are free, accessible on the web and through the UMSL library. Business cases and the textbooks are not available on the web or through the UMSL library. They are in the course pack (https://hbsp.harvard.edu/import/597492).

- **Week 1 (1/24)**
  - AOL, BBDO, and Insight Now (2012), *Seven Shades of Mobile: The Hidden Motivations of Mobile Users*.

- **Week 2 (1/31)**

- **Week 3 (2/7)**


- Week 4 (2/14)

- Week 5 (2/21)

- Week 6 (2/28)

- Week 7 (3/7)

- Week 8 (3/14)
  - MIMIC Pro User Manual

- Week 9 (3/21)

- Week 11 (4/4)

- Week 12 (4/11)

- Week 13 (4/18)

- Week 14 (4/25)