

PGDM (IB), 2018-20

INTEGRATED MARKETING COMMUNICATION

IB 414

TRIMESTER – IV, End Term Examination: September 2019

Time allowed: 2 Hrs and 30 Min

Max Marks: 50

Roll No: _____

Instruction: Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means**. All other instructions on the reverse of Admit Card should be followed meticulously.

Sections	No. of Questions to attempt	Marks	Total Marks
A	Minimum 3 question with internal choices and CILO (Course Intended Learning Outcome) covered Or Maximum 6 questions with internal choices and CILO covered (as an example)	3*10 Or 6*5	30
B	Compulsory Case Study with minimum of 2 questions	20	20
			50

Section A

Attempt all three questions. Each question carries ten marks.

Q1. Take various ads from a campaign of any brand and state how much of the original strategy you can infer from the ads. Comment on the effectiveness of the strategy. (CILO 1)

OR

Q1. As the internet continues to grow in popularity, some marketers predict that the print catalogs will cease to exist, replaced by internet catalogs. Do you agree? (CILO 1)

Q2. Companies often attempt to motivate the salespersons in various ways, including offering them monetary incentives. Following up on this, give some examples of how integrating other program elements might also be effective in motivating the sales force. (CILO 2)

OR

Q2. Assume that you have been hired as an account planner by an advertising agency and assigned to work on the advertising campaign for a new brand of Baby Diaper. Describe the various types of general and product-specific pre-planning input you might provide to the creative team. (CILO 2)

Q3. Develop a Sales Promotion strategy/campaign for a new brand of 'Dog Food' as recently launched for the customers and explain the logic of the creative content used for this campaign so as to make it effective to the target segment. (CILO 3)

OR

Q3. Today, companies such as PepsiCo, Honda and others are using sponsorship of action sports events to reach Gen Y consumers. Discuss the various ways marketers can integrate various sales promotion tools into their sponsorship of these events. (CILO 3)

Section B (20 marks)

Case study (compulsory) (Combination of CILOs)

INTEL INSIDE—ADVERTISING BUILDS A GREAT BRAND

Computer chip producer Intel makes it to the Top 10 of the *World's Most Valuable Brands* as per Interbrand Survey 2012. It is at No 8, and worth \$40 billion. It is in the league of consumer products companies like Coca-Cola, McDonald's, Apple and Samsung and technology companies like IBM, Microsoft and Google. (See Exhibit 17.1 in Chapter 17 on Brand Management)

A Product Neither Seen Nor Touched by the Consumer Becomes the Trusted Brand

Marketing of computers was almost always driven by either computer manufacturers or software producers; naturally computer firms like Dell and IBM and software firms like Microsoft, Oracle and Java, became some of the earliest and well-respected IT brands. It is into this category that Intel managed its entry first through subdued promotion and then through very innovative and dynamic advertising. The unseen product became customer's trusted brand, when it came to the purchase of a computer.

This mini case traces how the tech-ingredient, the processor-chip made by Intel, became a famous brand through intelligent, value driven advertising.

Stage 1, Promotion through Vendors

In the early days, Intel solely relied on its vendors to propagate its product. To quote the Director, Marketing and Operations, South Asia, Intel: "Though the technical advances of processors played a central role in transforming the PC from a basic production tool to an entertainment, education and business device, Intel, the major processor-player relied only on its vendors to spread its message. This gave Intel a limited reach. It was in 1989 that Intel started promoting its product directly to final users. It promoted its 386X microprocessor to IT managers".

Slowly, marketing entered the scene. The marketing team of Intel studied the strategies used by companies supplying a component or technology like NutraSweet and Teflon. It is this inquiry that revealed to Intel the importance of *ingredient marketing*. Intel found that communicating the benefits of the component to the end user was very advantageous in expanding the market.

Stage 2, Mid 1990s—Intel Inside Ad Campaigns 'Multiply' and 'Chips' Commence

The advertising agency Dahlin Smith and White and Intel's marketing team developed the famous *Intel Inside* tagline and mnemonic. Intel's Pentium brand as we know it today was born in the mid-90s and built through worldwide ad campaigns, bombarding *Intel Inside*. Since then, Intel has been advertising all its new platforms like Centrino Duo for light-weight notebooks, Viiv for digital home/entertainment and VPro for IT managers. Ad campaigns, 'Multiply' and 'Chips' for Centrino Duo, elaborately taught end users, especially the non-tech laymen-users, the difference a processor can make to their computers. The message read: 'Everything you love about a computer is because of its processor, be it software, graphics or peripherals'. This was the message Intel spread through all its campaigns; TV was a major medium; the message was drilled into the minds of millions of PC users/potential buyers worldwide. Intel's objective was to make the layman-buyer throughout the world, ask for the computer with *Intel Inside!* Apart from TV, Intel spent a lot of money on advertising in language press, billboards and hoardings.

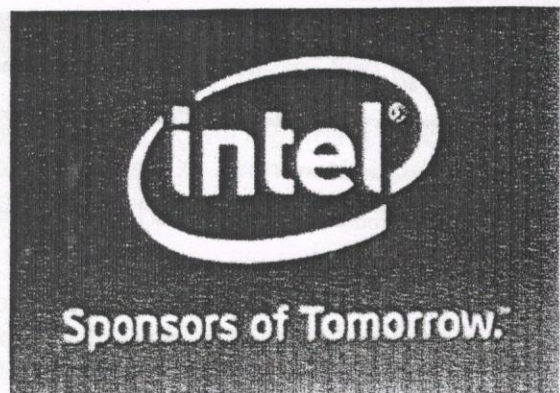
Cooperative Advertising

For better coverage and involvement of computer makers, Intel also resorted to incentive-based cooperative advertising scheme, where it partnered with computer firms like HP, Lenovo and Acer. Intel shared the advertising costs of these firms for their PC print ads that carry the Intel logo. The Intel logo not only gave more stretch for the ad budget of these firms, it also conveyed an assurance that their systems were powered by the latest technology.

Awareness Campaigns for Developing Markets Like India

Intel ran special campaigns for unfolding markets like India. Here the assembled, no-name PC was coming up as a big market. The Intel campaigns and personal selling targeted such shops. The results were visible. To quote the Director, South Asia, Intel: "In India about 40–50 per cent of our products is supplied to no-name shops who gain credibility because of the powerful Intel brand we have built up." A major portion of the huge assembled PC market of India is now going to Intel, through these shops. The assemblers do not bother about the makers of the various components/parts that go into the PC, but when it comes to the processor, they insist on Intel. Intel's campaigns for the tier-2 towns will continue.

To quote the Director, South Asia, Intel, again: "In India, only the Top 70 towns are fully aware of a chip and its function; and further down this knowledge drops dramatically and this is the crowd that we have to make aware. Some 400 towns in India are yet to be covered in this awareness campaigns."



Stage 3—New Campaigns for Modern Times

2007—Chatting and Singing Little Processors

Intel discontinued the 'Multiply' ads and launched a new ad campaign, which was more processor-specific. These were for 'Centrino Duo' and the ads featured 'debonair and charming' little processors chatting and singing inside designed fab. The ads were all fun, and straight to the point: *Great computing starts with Intel inside.*

2009—Intel's Dancing Engineers

Intel featured its engineers in its new global ad campaigns. The tag was "our rock stars are different from your rock stars. Your rock stars are seen, so they are famous; our rock stars are not seen..."

And, the question was: What if Intel's scientists are treated like rock stars?

Intel was making a lighthearted argument that its engineers play a key role in creating new technologies, a role that generally goes unseen in PCs, laptops and other high-tech gadgets.

The campaign "Sponsors of Tomorrow," was a high budget one, and ran in various media.

2012—New Ad Campaign for Ultrabook Laptop

This has been Intel's biggest marketing campaign so far, a campaign that included TV, print, outdoor, online and other advertisement placements, as well as in-store and online retail campaigns. Paid promotion on Twitter was a first of its kind in online marketing. The campaign ran in 50 countries across 26 languages. A campaign that the company itself commented as 'cinematic and epic!' It is not about processor; it is about the new laptops, the **Ultrabook**, Intel is associating with. Ultrabooks are a new class of slim, lightweight, fast-waking laptops that use the company's low-power processors. They are positioned as devices from 'the future.' And Intel has been spending hundreds of millions of dollars behind a huge advertising campaign to promote this new category of computers.

The campaign theme: "Suddenly, everything else seems old-fashioned. Ultrabook, inspired by Intel". The TV commercials are set in the American Old West, ancient China and medieval times; the campaign was called "A New Era of Computing". About the campaign, Intel's VP, Sales and Marketing and Director, Advertising and Digital Marketing, says: "This campaign is going to be very different from what you've seen from Intel in a long time. This is not a campaign where we're talking about the microprocessor or Intel the company. Instead, we're giving a cinematic and epic feel to how Intel-inspired Ultrabook systems are ushering in a new era of computing and making everything else seems like ancient history." Intel aims to see that thicker, heavier laptops become an artifact of the past.

Lesson—The Intel Brand, Technology Demystified for the Commoner Through Advertising

In short, it has been amazing that an ingredient could so well demystify itself, through its simple rhythmic slogan and global ad campaigns. The Intel brand development story is a real lesson on the power of advertising.

It is interesting to see what Intel insiders say about this story; to quote Heather Dixon, an Intel marketing manager, "Intel doesn't sell anything the everyday consumer can buy. That's the challenge of being an ingredient brand; Intel ads made its brand a must-have when consumers are PC shopping... We want Intel to be top-of-mind".

Frank Grady, President of Grady Britton ad agency, says: "They are marketing to the consumer through somebody else's product, and I think they've done that very well in the past; it can only happen if they have the brand attributes to pull that off." Yes, that precisely was Intel's success; it had a great tech product on hand, it pitched for top quality, bet on performance, did not compete on price with smaller rivals like AMD. It kept bombarding *Intel Inside*; and kept its tech-upgradation on top priority. It first ensured its product superiority.

Now, Intel is poised to move away from the *Intel Inside* theme, as the company is fast moving beyond its traditional microprocessor business. The company is now developing graphics chips, dabbling in new wireless technologies, serving many industries. The company is taking the focus off its individual products and trying to build its corporate name. Just Intel. The *inside*-theme is being dropped. The company is obviously reaching out to a much wider audience.

Source: http://www.oregonlive.com/2009/05/intel_ad_campaign <http://newsroom.intel.com/> April 4, 2012.

? Discussion Question

What were the communication objectives of Intel? What were the unique problems in advertising the processor-chip, an ingredient?