

**ZICKLIN SCHOOL OF BUSINESS  
BARUCH COLLEGE/CUNY**

**MKT 9716: CONSUMER BEHAVIOR  
Spring 2007**

M, W: 6 pm – 7:15 pm

*Office hours:* M, W 4 pm - 5 pm  
or by appointment

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### **COURSE OBJECTIVES**

Marketing begins and ends with the consumer. The purpose of this course is to introduce you to the study of consumer behavior. We will take the perspective of a marketing manager who needs knowledge of consumer behavior in order to develop, implement and evaluate effective marketing strategies. We will examine many concepts and theories from the behavioral sciences and analyze their usefulness for marketing strategies. The goals of this course are for you to:

- Learn the key concepts and theories of consumer behavior.
- Develop your intellectual ability to identify applications of these concepts and theories and to apply them in formulating viable marketing strategies. This includes gaining familiarity with specific research tools used to generate knowledge about consumers.
- Develop a set of skills important to successful performance in managerial positions. These include managing a reasonably complicated and ill-defined project, working successfully in a group, and honing your oral and written communication skills.

### **COURSE FORMAT**

The course combines lectures with class discussions and case analyses. The lectures are designed to reinforce and expand upon the material in the text. Discussions are aimed at bringing new perspectives to the material in the text and fostering the application of text and lecture content to consumption and marketing management situations.

Your presence in class is essential to your ability to understand and apply the material covered in this course. Therefore, **attendance is mandatory**. However, it is understandable that, at times, other commitments (or illness) may prevent you from attending class. If for some reason you cannot attend a class, please inform me prior to the missed session. Of course, absence from class (informed or uninformed) does not exempt you from being responsible for all the material covered in class and being aware of any announcements made in class. Finally, please note that excessive absences reflect a lack of commitment and will lead to a lowering of the final grade.

### **COURSE MATERIALS**

1. TEXTBOOK (Bookstore; also on Reserve in the library)  
Peter and Olson. *Consumer Behavior and Marketing Strategy*, 7<sup>th</sup> ed., Irwin/McGraw-Hill

## 2. COURSE PACKET (Bookstore)

### *Readings*

Creating New Market Space  
Want to Perfect Your Company's Service? Use Behavioral Science  
The Hidden Traps in Decision Making  
The One Number You Need to Grow  
How Global Brands Compete  
Building Loyalty in Business Markets  
Co-Creation Experiences: The Next Practice in Value Creation

### *Cases*

Ad Council's AIDS Campaign  
Population Services International: Social Marketing Project in Bangladesh  
Starbucks: Delivering Customer Service

## 3. LECTURE NOTES (Blackboard)

### **COURSE REQUIREMENTS**

The course will be graded as follows:

Tests	40% (0.6 * higher score + 0.4 * lower score)
Case Write-ups	15% (0.6 * higher score + 0.4 * lower score)
Class Participation	15%
Group Project	30%

**Please note that no late assignments will be accepted.** All written work is due in class on the due date. The due dates for the assignments are listed on the course schedule and details of the evaluation procedure and grade requirements are included in later sections of this document. Please refer to these sections as you prepare for class and work on your assignments.

Please ensure that all assignments meet a minimum level of professionalism, regardless of content. **Handwritten assignments will not be accepted.** Also, please check all assignments for grammar and spelling.

Final grades will be based on the total points (out of 100) earned by each student and will follow the standard grade distribution guidelines for graduate courses.

### **TESTS**

There will be two in-class tests (**March 14 and April 25**) consisting of multiple choice and short answer questions. These questions will test not only your understanding of the basic consumer behavior concepts but also your ability to apply them appropriately to marketing situations and problems. I will provide more specific information about the nature of the questions closer to the test dates. The tests are closed book and closed notes. The second test is not cumulative.

### **CLASS PARTICIPATION**

Learning in this class is related to your willingness to expose your insights and viewpoints to the judgment of your classmates. Thus, each one of you is expected to contribute to class discussions. This includes preparing for class by reading the text and relevant articles or cases (see **Guidelines**

**for Case Analyses** on page 9), as well as presenting your analyses, opinions, or summaries of material covered in class. Students may be called upon at random to summarize the previous day's material, comment upon the material being covered in class, or open a case discussion. If you do not want me to call on you on a particular day because you were unable to prepare for class, please notify me before class. More generally, if you are uncomfortable speaking in front of others, I encourage you to try; the classroom is a relatively risk-free forum (compared to work settings) for learning to express your ideas and contribute to group learning.

The basis for class participation is quality, not quantity. For each class you will receive a class participation score ranging from 0 to 2. A zero reflects no participation; a two reflects participation of high quality. Attendance is a necessary but not sufficient condition for participation. To get a high participation grade, you need to actively participate. This includes making one or more group presentations in class on specific dates (e.g., Ad Council's AIDS Campaign case, Brand Maps exercise). If you elect to present on behalf of your group, you will receive a class participation score of 5 for that class period. Please note that behavior that actively detracts from the collective learning experience (e.g. late arrivals, chatting with neighbors, frequent exits during the class period, mobile phone ringing in class) is likely to lower your participation grade.

Since class participation is a significant portion of your grade it is very important that I know you by name as soon as possible. Therefore, please provide me with an information sheet about yourself that also contains your photograph. This sheet is attached to the back of your syllabus. Please fill it out, attach your photograph, and return it to me by the second day of class (**January 31**).

### **CASE WRITE-UPS**

You will need to complete two case write-ups during the semester (**Ad Council's AIDS Campaign** and **PSI: Social Marketing Project in Bangladesh**). You can do each of these write-ups as either an individual or a group assignment (maximum of five people) - the choice is yours. Each write-up must be no more than 3 pages in length (at least 12 point font, 1.5 spacing, and 1 inch margins) with the exception of figures, tables or attachments, if any. Each write-up is worth a maximum of 30 points. If it is a group effort, all group members will receive the same score on the assignment.

I will provide specific guidelines for each write-up prior to the due date. Detailed feedback on each write-up will be posted on BlackBoard.

### **GROUP PROJECT**

The project's purpose is to provide you with an opportunity to integrate and apply the material learned in this class to the development of a real-world marketing strategy. Your assignment is to identify a new market space (i.e., a new marketing opportunity, based on the unmet or under met need(s) of a specific target segment) for a specific, real company of your choice and provide strategic recommendations for entering and occupying that space (i.e., a new or repositioned product, with accompanying marketing strategy, for the chosen segment), based on your understanding of the consumers comprising your target segment. As part of this, you will need to conduct some primary research (e.g., depth interviews or focus groups involving around 5 – 10 people) to better understand your consumers, their needs, and other relevant aspects of their behavior. **Specifics of the project are provided in the *Outline of Group Project* section of the syllabus (page 10). Please read this section carefully and make sure that you understand the objectives and tasks at hand before embarking on the project. Please feel free to see me**

**about any aspect of the project that is unclear to you, both before and as you proceed through the assignment.**

The final deliverable is a written report to be turned in a week after the last day of class (**May 23**). As you know, leaving all the work for the last few weeks of the semester is often tempting but ultimately counterproductive. Consequently, in addition to the final report, there are two intermediate midsemester requirements: Midsemester Reports Part 1 and 2. Midsemester Report Part 1 is due on **February 26**, and Midsemester Report 2 is due on **April 30**. Since the primary purpose of these requirements is to help you make steady progress on the project and receive feedback from me, you will not be graded on them. However, for each assignment you do not turn in on time, you will lose 10% of your overall project grade.

### **GROUP SELECTION**

**DUE: January 31**

You will work on this project in groups of five people. Group projects, like any group work in the business world, can sometimes be a frustrating experience. It is often difficult to pick convenient times for everyone to meet. Group members sometimes feel that the division of labor is not equitable. However, as you know, learning how to effectively manage the group work experience and outcome is essential to successful professional performance. Setting clear expectations of the group at the outset, meeting the expectations set of you, and communicating frequently throughout the semester are key. You are strongly urged to use Blackboard as a means of communication, particularly when it is difficult for the group to meet in person.

All problems arising within the group, including those related to relative contributions of the group members, are to be handled internally, by the group; this is an essential part of the group project experience. However, you will also have the opportunity to evaluate your group members at the end of the semester based on the quality and quantity of their contributions (please see Group Evaluation Form on page 13). Your grade can go up or down based on these evaluations if there is consensus regarding over- or under-contribution.

### **GROUP PROJECT TOPIC**

**DUE: February 7**

Approximately a week after you have selected into groups, you will turn in a one-page memo describing the market area (e.g., investment advisory services, bottled water, New York City health clubs) and the company (e.g., Fidelity, Evian, Crunch) you have chosen to focus on. This memo should clearly identify the market area, contain some basic background information about it (i.e. size, key players, key customer segments, important trends) and identify the company that you will focus on. **Please pick a market area that your group finds interesting since you are going to be working on it all semester!**

### **MIDSEMESTER PROJECT REPORT 1**

**DUE: February 26**

Approximately two weeks after you have made your market area and company choices, you will submit your first progress report. This report (**six pages maximum**) must profile your market area (section I) based on the secondary research (i.e., library databases, business periodicals, the Internet, company brochures and reports, etc.) you have conducted. The report must also contain a description and justification of your chosen target segment (section II). All language and ideas not your own must be cited in the body of the text and referenced at the end of the paper. **Be sure to address all the relevant issues in section I and II as indicated in the *Outline of Group Project*.**

## RESEARCH PLAN

**DUE: March 21**

Approximately four weeks after your first project report, you must submit your plan for primary research. This plan must contain an enumeration of the specific objectives (one page maximum) of the qualitative research (i.e., in-depth interviews and/or focus groups) that you will conduct to understand your target segment (see **Section III** in *Outline of Group Project*). You will also need to include a draft of the moderator's guide (no page limit) you will use in conducting your qualitative research (see chapters 6 and 8 from *Qualitative Marketing Research*, on Electronic Reserves in the library). In drafting these, think about what information you need from your consumers (e.g. needs/wants, memory structures, product category knowledge, brand knowledge, usage behavior and satisfaction, involvement, interpretation processes, attitudes, decision-making) to get a complete and in-depth understanding of their behavior, particularly as it relates to the market area you are focusing on. This will allow you to formulate a successful plan to enter the new market space.

## MIDSEMESTER PROJECT REPORT 2

**DUE: April 30**

Approximately four weeks after your research plan submission, you must submit a second progress report. This 11-page report must contain (a) the revised sections I and II (based on my feedback on the first report; maximum 6 pages) and (b) a draft of section III (maximum 5 pages). **Your discussion of section III must integrate the concepts we discuss in class with your research findings, both primary and secondary.**

## FINAL PROJECT REPORT

**DUE: May 23**

The final report must be a professional and polished document (maximum 18 pages; see below for recommended section limits). Consider summarizing relevant information in charts and tables; these are to be included as appendices and do not count against the page limit. List your sources of information, including articles, interviews, etc. in a *Bibliography* section at the end of the paper (not included in page limit). Do not forget to cite them, where appropriate, in the body of the paper. All language and ideas not your own must be properly cited. Please provide your research plan as an appendix and summarize all of your findings in that appendix (even if you do not use them in the paper). Cite the relevant findings from your research wherever appropriate in the paper. The paper must also include, on a separate page, an executive summary (approximately 1-2 paragraphs long) that provides a brief overview of the report.

**Recommended Section Limits** (at least 11 point font, double spacing, and 1 inch margins):

Executive Summary	1 page
Section I	5 pages
Section II	1 page
Section III	5 pages
Section IV	1 page
Section V	5 pages
Appendices	No limit

## POINTS TO CONSIDER IN THE PROJECT WRITE-UP AND PRESENTATION

The heart of the project is your creative analysis of the basic consumer behavior issues involved in the marketing problem you are addressing. Here is your opportunity to apply many of the ideas, concepts, models, and theories we will have discussed during the semester (e.g. consumer

knowledge and involvement, attention and comprehension processes, attitudes, consumer decision making, social and cultural influences, etc.), including those in the readings (e.g., value curve, sequence and duration effects, relationship marketing, buzz, etc.) How can you use these concepts most meaningfully to study, understand, and interpret the basic issues underlying the consumption behavior of your target segment, particularly as it relates to your market area? Be sure to present your ideas in explicit and concrete terms.

You should also offer creative marketing mix strategies that optimize your entry into the new market space you have identified. These strategies involve aspects of product strategy, advertising, sales promotion, pricing, and distribution. Be as specific as you can. Be sure **to justify your recommendations** on the basis of all the information you have regarding both the product category as well as the behavior of your target segment (i.e., sections I and III).

I will focus on your choice of the relevant consumer behavior issues, the creative ways in which you analyze the consumer issues, how you select and use concepts from the class to help solve the new market space entry "problem", the originality, soundness and the level of specificity of the strategies that you recommend and how clearly these follow from your consumer behavior analyses.

















Remember, your primary job in this project is to demonstrate your understanding of and ability to apply the concepts and frameworks of consumer behavior in the formulation of optimal marketing strategies. Please do not get so carried away with presenting facts about the product category, the firm, or the product that you fail to explicitly relate them to consumer behavior concepts.

















## **GRADING OF THE PROJECT**

*Papers will be graded using the following guidelines:*

Profile of the Market	15 points
Description and Justification of Target Segment	10 points
Analysis of Consumer Behavior Issues	35 points
Strategic Marketing Mix Recommendations	25 points
Organization and Presentation	10 points
Coherence, Style and Writing	5 points

## TENTATIVE COURSE OUTLINE

CLASS	DATE	TOPIC	ASSIGNMENT
1.	Monday January 29	Introduction & Course Overview	 CP: Co-Creation...
2.	Wednesday January 31	Framework for Consumer Analysis Cognitive Processing	 Chs. 1, 2 (skim) & 3  Group List
3.	Monday February 5	Cognitive Processing	 CP: Creating New Market...
4.	Wednesday February 7	Knowledge & Involvement	 Ch. 4  Group Topic
5.	Wednesday February 14	Knowledge & Involvement	
6.	Thursday February 15	GROUP DAY	
7.	Wednesday February 21	Interpretation Processes	 Ch. 5  CP: Want to Perfect...?
8.	Monday February 26	Interpretation Processes	 Midsemester Report 1
9.	Wednesday February 28	Attitudes	 Ch. 6
10.	Monday March 5	Attitudes	
11.	Wednesday March 7	Attitudes	 CASE: Ad Council  Case Write-up
12.	Monday March 12	Decision Making	 Ch. 7
13.	Wednesday March 14	TEST 1	
14.	Monday March 19	Decision Making	 CP: The Hidden Traps...
15.	Wednesday March 21	Behaviors	 Ch. 9  Research Plan

16.	Monday March 26	Behaviors	 CP: The One Number...
17.	Wednesday March 28	Behaviors	 CASE: Starbucks
18.	Wednesday April 11	Micro Social Influences	 Chs. 13 & 14  CP: Building Loyalty...
19.	Monday April 16	Macro Social Influences	 Ch. 12  CP: How Global Brands...
20.	Wednesday April 18	Segmentation, Positioning & CB	 Ch. 15 ▲
21.	Monday April 23	Segmentation, Positioning & CB	 CASE: Rollerblade*
22.	Wednesday April 25	TEST 2	
23.	Monday April 30	Product Strategy & CB	 Ch. 16  CASE: A X*  Midsemester Report 2
24.	Wednesday May 2	Product Strategy & CB	 Brand Maps
25.	Monday May 7	Brand Map Presentations	
26.	Wednesday May 9	GROUP DAY	
27.	Monday May 14	Pricing Strategy & CB	 Ch. 18
28.	Wednesday May 16	Promotional Strategy & CB	 Ch. 17  CASE: PSI  Case Write-up

\* Case will be handed out in class

## GUIDELINES FOR CASE ANALYSES

Case analyses are key to the development of your abilities to select, evaluate and apply concepts, models and theories of consumer behavior to effective marketing strategy formulation. We will be discussing several cases in this class. The focus of the case discussions will be on identifying the problem faced by the company and formulating a solution, in the form of a set of recommendations, supported by thorough analyses of the consumer behavior issues inherent to the case.

The business situations presented in the cases are complex and frequently involve a series of interrelated problems. What I am looking for is your insight into the key problem(s). For example, in discussing a case, draw on your knowledge of consumer decision making, information processing, cultural influences and other topics covered in class. Application of consumer behavior concepts to the case and the **interpretation of the key issues in the case in terms of these concepts and frameworks** will be rewarded.

Some of you may have never done a case analysis before; others may have not done so from a consumer behavior perspective. Given below are some guidelines on how to effectively prepare for and participate in case discussions in this class.

In preparing for a case discussion prior to class, you must address the following issues:

- (i) Identify the key problem facing the company.
- (ii) Identify the various alternative solutions that the company could potentially pursue.
- (iii) Analyze and interpret the information in the case using concepts and frameworks of consumer behavior. This includes interpreting the problem in terms of consumer behavior. For example, is the low market share caused by poor awareness or negative attitude towards the product?
- (iv) Propose *your* solution to the problem supported by (iii).

In proposing a solution, keep the following points in mind:

- (a) Is the proposed solution sensible? Has it been "pulled out of thin air" or does it make sense in light of the material presented in the case and your consumer behavior analysis?
- (b) Consider both the pros and cons of your solution; do not be one-sided in your analysis, "setting up" your solution.
- (c) Choose a specific course of action. Does it follow from your analysis? Expand on the course action (e.g. specifics of the 4 P's) and discuss implementation issues (e.g. potential problems/concerns and your contingency plans).

## OUTLINE OF GROUP PROJECT

The following outline has been provided as a **sample** structure for your group project. Feel free to modify it where necessary to fit the specific context of your market area. **Your report should draw on as many topics covered in class as possible.**

### SECTION I: PROFILE OF THE MARKET AREA

This section involves an overview of your market area and draws on many of the basic concepts from *Principles of Marketing Management* (i.e., the core class). If you took the course a long time ago, you may want to review what you learnt about market analysis (e.g. segmentation, competition, etc.) before tackling this section.

- Describe the market area you are analyzing.
- Characterize this market area in terms of size, historical trends, growth forecasts, etc.
- What are the different customer segments in this market? **A thorough analysis of all the existing, emerging, and potential customer segments in this market is essential to a sensible and creative market space entry.**
- Describe the competitive structure within this market. What is the total number of competitors? Describe the competitive positions of the major players. Who are the leaders/challengers/followers/niche players? Why? What are their positions (including advantages and disadvantages)?
- What recent trends (e.g. economic, demographic, psychographic, others) have affected this market?
- What marketing opportunities do such market shifts suggest?

### SECTION II: DESCRIPTION AND JUSTIFICATION OF TARGET SEGMENT

- Based on your understanding of the market (i.e. section I), what consumer segment do you believe is the most attractive? Describe this segment.
- Justify why you have selected this segment.

### SECTION III: ANALYSIS OF CONSUMER BEHAVIOR

In this section, you need to conduct a thorough consumer behavior analysis of your chosen target segment. In doing so, you may want to address the following issues as they apply to your chosen segment:

- What is/are the relevant need(s) within this segment? Which of these needs are currently being poorly met or not met at all? How, when and where might need recognition occur?
- Describe the internal/external search process. What sources of information does this segment currently use? When? For what purpose?
- Describe the kinds of knowledge and involvement consumers might have related to both the need(s) you have identified as well as the extant satisfiers, if any, of these needs. What types of means-end chains are relevant here? Is symbolic meaning important?
- Describe the interpretation processes consumers are likely to undergo.

- What need satisfiers, including products and/or brands, are likely to be included in consumers' consideration sets? How are these consideration sets formed?
- What beliefs and attitudes are relevant here? How might they affect the decision making process? Do strong subjective norms exist? If so, of what kind?
- What type of decision strategies are consumers likely to use? Why?
- What are the key social influences, if any, which are likely to affect this segment's decision-making process? Is there any role specialization? What are the relative influences of family members or others, if any, in the decision making process?
- Are there important reference group or cultural influences? What are they? How do they affect the decision making process?

#### **SECTION IV: PRODUCT CONCEPT STATEMENT**

- Develop a product concept statement, including the specific brand image, if any, to be used.
- Justify your product concept based on your analyses in Sections I and III.

#### **SECTION V: MARKETING MIX RECOMMENDATIONS**

**Make sure that your marketing mix recommendations are specific, actionable, and consistent with your consumer behavior analysis in section III.**

- Formulate and justify a product strategy for your brand. Discuss name, packaging, brand features, services, etc.
- Formulate and justify a pricing strategy for your brand.
- Formulate and justify a general promotional program.
  - What is the relative importance of various promotional mix tools (i.e. advertising, price promotions, public relations, personal selling, direct marketing)?
  - Describe each one you are going to use, including specific objectives, tactics, schedules, etc.
- Formulate and justify the appropriate channels of distribution.

## GROUP EVALUATION FORM

Please fill out the group evaluation form on the next page. Your evaluation will comprise of allocating a total set of points (10 x number of group members) among all the group members (including yourself) for each of a set of evaluative criteria (described below). Thus, if there are five people in your group you have 50 points to allocate among the five group members for each evaluative criterion.

You should give careful consideration to how you assess each group member's participation. If an individual receives a consistently high or low allocation of points from his/her peers, then that individual's grade will be affected accordingly. Before completing the form, please read the descriptions of the evaluation criteria listed below.

Keep in mind that this group evaluation is completely confidential. Be assured that no one other than the instructor will be allowed access to the evaluations and comments you provide.

### EVALUATIVE CRITERIA

- **Cooperation**

Was the person a good colleague? Was the person dependable in accomplishing tasks and attending group meetings? Did the person accept tasks/responsibilities requested by the group? Did the person readily offer to help other group members and offer constructive criticism of other group members' ideas and work?

- **Extent of Contribution**

Was the person active in group meetings, activities, and efforts? Did the person offer ideas and make an effort above and beyond what would normally be expected?

- **Quality of Contribution**

Did the person offer suggestions and ideas which were well thought-out and worth listening to? Did the person add value to the group's overall performance?

- **Overall Evaluation**

Evaluate the person's overall performance.

### GROUP EVALUATION FORM

Please evaluate each group member by allocating a sum of points (50 points for a group of five, 60 points for a group of six) among all group members for each criterion listed below. Refer to the description of each criterion provided on the previous page. If a low number of points are assigned, please provide an explanation in the space provided or on an attached sheet.

NAME	COOPERATION	EXTENT OF CONTRIBUTION	QUALITY OF CONTRIBUTION	OVERALL EVALUATION	COMMENTS

Additional Comments:

Group \_\_\_\_\_

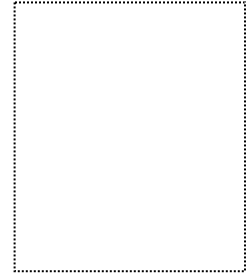
Your Name \_\_\_\_\_

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STUDENT PROFILE SHEET

NAME \_\_\_\_\_

PICTURE



EMAIL (please **print clearly**): \_\_\_\_\_

TELEPHONE: \_\_\_\_\_

MARKETING COURSES TAKEN SO FAR:

\_\_\_\_\_

WORK EXPERIENCE THUS FAR:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

TELL ME SOMETHING **INTERESTING** ABOUT YOURSELF (to help me remember you better):

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\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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**GROUP INFORMATION SHEET**

Names

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

5. \_\_\_\_\_

SAMPLE