WARNING: THIS IS A DRAFT- The final version will be provided during the first class

CONSUMER BEHAVIOR COURSE
B70.2347.000.FA05

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Optional Readings:

I highly recommend you go through the readings below. However, please note we will never refer to the Solomon book in class. I will merely indicate what chapters are relevant for each class, and you can use the book as a tool to better grasp some of the concepts we will discuss in class.


2. Additional journal articles, exercises, and recent news from the popular business press will be provided throughout the semester. The journal articles will provide you with a deeper insight into selected topics and methods of consumer behavior research. The business news articles, cases, and exercises will give you the opportunity to apply the textbook’s conceptual framework to current real-world marketing problems. The readings and assignments will be handed out in class and/or posted on the Blackboard.

3. Most cases assigned for the class are in the course pack, and some will be posted on Blackboard, as we will enjoy freshly baked cases from the London Business School.

Overview:
Consumer behavior is one of the most interesting and important aspects of marketing management. Virtually all decisions involved in developing an effective marketing mix for a product or service rely on thorough knowledge of the consumers who comprise the target market. Understanding the behavior of the consumer can help marketers anticipate reactions to changes in the marketing mix, or determine whether new products are likely to be adopted. Consumer behavior is also closely related to marketing research. A practical understanding of the consumer can aid in the selection of an appropriate research methodology, question design and selection, as well as in interpreting consumer responses to such questions. In this course we will directly examine the available theory and research concerning the behavior of the consumer in order to understand its most basic principles.

The majority of the course will focus on the consumer as an information processor of one sort or another. We will examine the motivational and perceptual factors upon which buyer behavior is built, as well as look at more complex processes such as persuasion, attitude judgment, and decision-making. In practical terms, we will address the following questions: What kinds of marketing stimuli do consumers notice? How can we get them to notice our marketing messages? What motivates consumers? What do consumers value? What elements can we include in our marketing mix to motivate consumers to learn more about our product or to buy it? What kinds of information are consumers good at remembering? How can we aid consumer memory for our brand name and product features? What makes consumers evaluate products as good or bad, and how can we persuade them that our product is good? How can we get consumers to choose our product over competitors? What features do consumers care about, and how
does this influence their decision? What are the main things that determine whether consumers are satisfied with a product or not?

The goals of this class are:

- to acquire a framework for analyzing consumer behavior problems
- to learn how consumer behavior can be affected by different marketing strategies
- to show how behavioral evidence can be used to evaluate alternative marketing strategies
- to learn about and use consumer behavior theories in marketing and social psychology

The course is structured as followed: on Mondays, we will discuss a case, and on Wednesdays, we will cover the lecture related to the case.

Course Grades:

<table>
<thead>
<tr>
<th>Grade Type</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Class participation</td>
<td>20%</td>
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<tr>
<td>Written assignments (2)</td>
<td>40%</td>
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<tr>
<td>Final exam</td>
<td>40%</td>
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</table>

N.B. on class participation: Attending all sessions is obviously crucial. It will also give you the opportunity to actively participate in class discussions and obtain a high class participation grade. Note, however, that your mere presence is not sufficient to earn points for class participation. What matters is the quantity and, especially, the quality of your contributions to class discussions.

Assignments

Assignments are due at the beginning of the relevant class. They are to be prepared in groups of 4 or 5 students. Students are expected to choose who they want to work with. When a group is complete, please give it a name. One of the group members should then post it on Blackboard, within the “Assignments” section. All groups should be formed before Monday 19 September.

Length: 3 pages (double spaced), plus any appendices, graphs, etc.

The assignments involve a case analysis. Groups will write a brief paper examining the buyer behavior issues involved in two case readings assigned for the class, and describe the implications these principles have for the strategy they propose in the case. Each case will have associated questions with it that will help you structure your answer. Each assignment is due at the beginning of the class where the case will be discussed.

The two cases to hand in for the Fall semester are L’Oreal of Paris (week 4) and Medi-Cult (week 7).

Final exam

The final exam will be a three-hour case-study, closed book, involving questions related to consumer behavior. It will take place during the last week of the course. I will let you know the day asap. Please make sure that you will not have any other work-related commitment that day.
Course Website

This website has many useful things on it, including continuously updated information on assignments, readings, course schedule, etc. Also, we will use it as a platform to discuss consumer behavior issues covered in the press during the semester. Please check regularly.

Class Notes

I will hand out hard copies of the slides after the case discussion in every session. In addition, the PowerPoint slides for each class will be available for downloading from the website as of right after class. Note, however, that these slides only present an outline of the class discussion. You will still need to take additional notes to fully capture the material discussed in class.

Additional Literature

You can find additional relevant literature (e.g., for your team project) using the Bobst Business Databases (http://www.nyu.edu/library/bobst/database/d_bus.htm), as well as links on the class website.

Class Policy

- **Be prepared**: Make sure that you have read the readings assigned for each class. This will help you to better understand the material discussed in class and to actively participate in class discussions.

- **Attend regularly**: Regular attendance will provide you with more opportunities to contribute to class and thus increase your participation grade. Please note that you are responsible for knowing any changes or assignments announced in class.

- **Arrive on time**: Late-comers are very disturbing. Systematic tardiness will have a negative impact on your participation grade.

- **Respect assignment deadlines**: Late assignments will not be accepted without a prior agreement.

- **Be honest**: Cheating and plagiarism will result in a grade of “F” for the assignment/test for all parties involved.
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<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Readings (warning: other readings will be added)</th>
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<tbody>
<tr>
<td>7 Sep</td>
<td>Introduction to the class</td>
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<tr>
<td>12/14 Sep.</td>
<td>Consumer behavior and market-orientation</td>
<td>Syllabus</td>
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<tr>
<td>12/14 Sep.</td>
<td>Case discussion: Tetra Pak (A) and (B)</td>
<td>Case: Tetra Pak (A)</td>
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<tr>
<td>19/21 Sep.</td>
<td>Consumer response to marketing actions</td>
<td>Tetra Pak (B) will be handed out in class</td>
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<td>19/21 Sep.</td>
<td>Article: Analyzing Consumer Perceptions (9-599-110)</td>
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<td>26/28 Sep.</td>
<td>The rational consumer? Attitudes, beliefs, intentions and behavior</td>
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<td>26/28 Sep.</td>
<td>Case: Levi’s (video case)</td>
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<tr>
<td>03/05 Oct.</td>
<td>Consumer information processing and choice</td>
<td>Case: L’Oreal of Paris: Bringing “Class to Mass” with Plenitude (9-598-056)</td>
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<td>03/05 Oct.</td>
<td>Case discussion: L’Oreal of Paris: Bringing “Class to Mass” with Plenitude (9-598-056)</td>
<td>Article: “Spend a Day in the Life of Your Customers”</td>
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<tr>
<td>12 Oct.</td>
<td>Guest speaker: creative brainstorming</td>
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<tr>
<td>17/19 Oct.</td>
<td>Segmentation and targeting</td>
<td>Case: Fighting HIV / AIDS</td>
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<tr>
<td>24/26 Oct.</td>
<td>Targeting and positioning</td>
<td>Case: “Re-Positioning Unilever’s European ice Cream Business”</td>
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<tr>
<td>31 Oct./2 Nov.</td>
<td>Consumer behavior and pricing Strategy</td>
<td>“Medi-Cult” case</td>
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<tr>
<td>31 Oct./2 Nov.</td>
<td>Case Discussion: “Medi-Cult”</td>
<td>Article: “Pricing and the Psychology of Consumption” (HBR-OnPoint #1814)</td>
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<tr>
<td>14/16 Nov.</td>
<td>Product, place strategy and consumer behavior</td>
<td>Case: Tofu</td>
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<tr>
<td>14/16 Nov.</td>
<td>Case discussion: Tofu</td>
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<tr>
<td>21/23 Nov.</td>
<td>Ethics</td>
<td>Case: Uptown, Dakota and Powermaster</td>
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<tr>
<td>21/23 Nov.</td>
<td>Guest speaker</td>
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<tr>
<td>28/30 Nov.</td>
<td>Expanding the consumer concept</td>
<td>Case: SCPT</td>
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<tr>
<td>28/30 Nov.</td>
<td>Case: Security Capital Pacific Trust</td>
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<tr>
<td>Last week</td>
<td>Exam (precise date TBA)</td>
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Case questions:

1. Tetra Pak (A):

Case preparation questions:
1. What are the important features of the Italian milk market?
2. What is Tetra Pak’s strategy towards this market?
3. How well did Tetra Pak diagnose Pontero’s market share problems?
4. How viable was Fortina’s “enriched milk” solutions? Why did Pontero reject them?
5. What, if anything, should Tetra Pak propose next to Pontero?
6. How would you respond to the Managing Director’s question on page 7: “What else do we need to do to stay close to this most important customer?”

2. Reagan-Bush case:

Case preparation questions:
1. What are the pros and cons of using the MECCAs framework?
2. Given the HVM, what advertising campaigns would you develop for Reagan’s campaign?

3. Levi’s case: The questions for the Levi’s case will be provided in class the day we discuss it.

4. L’Oreal of Paris: TBA

5. Fighting HIV / AIDS: TBA

6. Unilever:

Case preparation questions:
1. Which market should Unilever target with their ice cream brands?
2. How should Unilever position their ice creams for the European market? In particular, which brand portfolio strategy should they follow, and why?

7. Medi-Cult:

Case preparation questions:
1. What are the benefits of Medi-Cult’s IVM approach over the existing IVF method for patients, clinics and doctors?
2. What is the value of a single dosage of IVM medium?
3. Should Medi-Cult adopt a skimming or penetration pricing strategy?
4. What launch price(s) would you recommend that Medi-Cult adopt for Denmark, France, the United Kingdom and the USA? What would be the contribution to profits in the first year after launch?

8. Red Bull:

Case preparation questions:
1. Who is Red Bull targeting?
2. What communication / media types would you use to promote Red Bull? How would you integrate these?
3. What are the opportunities for increasing demand of Red Bull?

9. Tofu

Case preparation questions:

1. What are the "strengths" of a product like Tofu for the American market? Its "weaknesses"?
2. What distribution strategy would you develop to foster the adoption of Tofu when the case was written?
   How would you do it differently if you were to introduce Tofu in the U.S. today?

10. Uptown, Dakota and Powermaster: questions provided in class.

11. SCPT:

1. Is there any reason for which Scott Sellers should not go for a branding strategy?
2. If you decide to go for branding, what actions would you take to build the brand?