IHAAS BUSINESS SCHOOL
Department of Marketing

UCB 160 Consumer Behavior

Instructor: Siew Meng Leong (Email: leongsm@haas.berkeley.edu; Phone: 510-643-4192)

Session: Fall Semester, 2003/2004

Class Hours: Tuesdays & Thursdays, 8am to 9:30am at C325 Cheit

Office Hours: Tuesdays, 9:30am to 11:30am at F496


Perspective

This course provides an overview of consumer behavior concepts, theories, research, and applications. It is designed to develop knowledge and skills that will facilitate an understanding of buyer behavior which can be integrated into the formulation of marketing strategies. This will be accomplished by surveying the social science underpinnings of consumer behavior, in particular, the contributions from social and cognitive psychology. An international (particularly Asian) perspective augments the course.

During the course, various types of consumer research will be introduced. While students should learn to recognize what types of consumer research are valuable for specific marketing decisions, the course does not focus on the technical aspects of research design. Rather, its emphasis is on the context and logical application of theories in the analysis of consumer behavior for solving marketing management problems.

Classes will consist of lectures and student presentations of assignments and projects. Students should read and prepare all assigned material prior to class. The class schedule, along with the readings and assignments, is attached.

Evaluation

Final grades for this course will be determined as follows:

- Class Assignments (Oral and Written Presentation): 30%
- Midterm Examination (closed book): 20%
- Final Examination (closed book): 20%
- Class Participation: 10%
- Project (Oral & Written Presentation): 20%

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The class will be divided into five groups for assignments and projects which aim to complement and supplement the lecture material. The weekly assignments involve a variety of mini-case studies, web research, experimental exercises, and discussion questions. Each group will address the topic corresponding to its group number (e.g., Group 3 will answer all Question 3’s of the assignments). Each week, a brief report comprising the power point slides of its oral presentation and relevant ancillary materials (e.g., ads) should be submitted at the beginning of each presentation. Each presentation should take no more than 15 minutes, including time for class participation. The order of presentation will vary from week to week (e.g., Group 1 will not always present first).

The midterm examination will cover topics up to and including consumer learning, while the final examination will cover topics from consumer attitude to promotion strategy. Both are 80 minutes in duration. All lecture notes and readings for the relevant topics will be examinable.

The project involves conducting a survey in an interesting area in consumer behavior: brand personality. A typed, double-spaced report of no more than 35 pages (including references, tables, and illustrations) will be required by November 20, although oral presentations will be made as indicated in the class schedule. Oral presentations should take no longer than 35 minutes per group, including class participation and set-up time.

Project Brief

Brand personality is an area of interest to marketers who want to project a certain image and position for their offerings. Presumably, the chosen personality generates favorable purchase attitudes and intentions. This research project involves conducting a survey on consumer perceptions of the personality of two brands in a chosen product class. In particular, the following brands and product classes have been selected for random assignment to the five groups:

Group 1: Cell Phones (Motorola and Nokia)
Group 2: Gubernatorial Candidates (Gray Davis and Arnold Schwarzenegger)
Group 3: Sports Teams (Oakland Raiders and San Francisco 49ers)
Group 4: Country of Origin (Made in America and Made in Japan)
Group 5: Dotcoms (Amazon and Yahoo)

Objective

To determine the personality dimensions of the chosen brands, assess their similarities and differences, and evaluate how they impact consumer purchase attitudes and intentions. A secondary purpose would be to assess whether these effects are associated with the consumers’ demographics and personality. These objectives should be translated into testable hypotheses. Other related topics may be proposed and investigated.

Sample

Each group should interview a convenience sample of 60 UCB undergraduates for their perceptions of the personalities of the two brands within their product class. Other data on consumers’ own personalities, demographics, and purchase attitudes and intentions toward the three brands should be collected. You may use or extend established scales (e.g., Jennifer Aaker, Journal of Marketing Research, August 1997, Volume 35, pp. 347-356; and Jennifer Aaker, Veronica Benet-Martinez and Jodi Garolera, “Consumption Symbols as Carriers of Culture: A Study of Japanese, Spanish, and North American Brand Personality Constructs,” Journal of Personality and Social Psychology, Volume 81, 2001, pp. 492-508 for brand personality).
Data Analysis & Results

Simple statistical methods like frequencies, cross-tabulations, correlations, and t-tests may be employed to test the hypotheses and report your findings. More ambitious groups may wish to use multivariate approaches such as factor analysis and regression.

Write-Up

Each report may be structured as follows: An introduction stating the background and objectives of the study, literature review and hypotheses, method, results, discussion of the theoretical and managerial implications of the findings, and concluding with future research directions.
CONSUMER BEHAVIOR CLASS SCHEDULE

Week 1, Tuesday, August 26: Course Introduction and Administration
Reading: Chapters 1 and 2

Week 1, Thursday, August 28: Motivation
Reading: Chapter 4

Week 2, Tuesday, September 2: Personality
Reading: Chapter 5

Week 2, Thursday, September 4: Introduction and Motivation Assignment

1. Nike appeals to both male and female consumers. Visit the www.nike.com and www.nikegoddess.com websites. (a) Analyze their contents (e.g., styles, language, colors, celebrity endorsers, games, etc.) based on their appeal to the male and female segments respectively. (b) What Nike has learned about market segments and market targets? (c) How do the two websites assist Nike in its marketing efforts?

2. A manufacturer of powdered fruit drinks would like to investigate the effects of food color and label information on consumers' perception of flavor and product preferences. What data would she collect and what insights would she obtain should she use (a) observational research, (b) experimentation, and (c) a survey?

3. Develop and justify three headlines for an ad campaign for a digital camera, each based on one of the levels of Maslow’s need hierarchy.

4. For each of the needs for power, affiliation, and achievement, find an ad that illustrates how the marketer is employing the concept. Explain your choices.

5. Answer the two questions relating to the case on “The Product Collection at New Product Works” on page C-7 at the back of your text.

Week 3, Tuesday, September 9: Psychographics
Reading: Chapter 3 (especially pages 53 to 61 and 73 to 75)

Week 3, Thursday, September 11: Personality Assignment

1. Find three print ads based on Freudian personality theory. Discuss how Freudian concepts are used in these ads. Do any of the ads personally a brand? If so, how?

2. Describe the type of promotional message that would be most suitable for each of the following personality market segments and give an example of each: (a) highly dogmatic consumers; (b) inter-directed consumers; (c) consumers with a high need for cognition, (d) consumers who are visualizers, and (e) consumers who are verbalizers.
3. Answer the question relating to the case on “Product Testing on the Internet” on page C-10 at the back of your text.

4. A marketer of health foods is attempting to segment a certain market based on consumer self-image. Discuss which of the various types of consumer self-image would be most effective for this purpose.

5. Visit the Sprite and the Kit-Cat websites at www.sprite.com and www.kit-cat.com respectively.
   (a) Develop your own scale to measure optimum stimulation level and evaluate the two websites using it. (b) Compare the two score lists. How could the “loser” enhance OSL?

Week 4, Tuesday, September 16: Perception

Reading: Chapter 6

Week 4, Thursday, September 18: Psychographics Assignment

1. Club Med is a prominent company in the vacation and travel industry. Describe how the company can use demographics and psychographics to identify TV shows and magazines in which to place its ads.

2. Visit the SRI Consulting Business Intelligence’s website at www.sric-bi.com. Obtain the VALS profile of each of your group members by completing the online survey there. Comment on the output and how marketers may use it to target your group. Do you anticipate any major changes in your lifestyle in the next five years? If so, which VALS segment are you likely to belong to five years from now? Explain.

3. The owners of a local health-food restaurant have asked you to prepare a psychographic profile of families living in the community surrounding the restaurant’s location. Construct a 10-item psychographic inventory appropriate for segmenting families based on their dining-out preferences. How would you analyze the data collected for use by the restaurant owners?

4. Answer the question relating to the case on “A Muscle Car for Middle Age,” on page C-5 at the back of your text.

5. Find three print ads that you believe are targeted at a particular psychographic segment. How effective do you think each ad is in terms of achieving its objective? Why?

Week 5, Tuesday, September 23: Learning

Reading: Chapter 7

Week 5, Thursday, September 25: Perception Assignment

1. Construct a two-dimensional perceptual map using two attributes most influential in college enrollment decision (poll your group to determine these attributes). Then mark the position of UC Berkeley and two other schools that you considered (poll your group to select these colleges). Discuss the implications of this perceptual map for the student recruitment function of the two universities your group did not choose.
2. Answer the two questions on the case “Repositioning and Revitalizing Classic Brands” found on page C-12 at the back of your text.

3. Kraft Foods has aggressively promoted Luncihables as a healthy alternative to the “old time” sandwiches. However, many mothers may not agree and continue to prepare school lunches for their children in the older fashion. Visit the Lunchables website at www.lunchables.com to examine possible perceptual barriers erected by non-users. Considering the influences that might enhance perceptual distortion, devise a plan for Kraft to overcome such mothers’ objections. How might your plan be implemented through communication channels?

4. Find three examples of print ads that use some of the stimulus factors discussed in the chapter to gain attention. For each example, evaluate the effectiveness of the stimulus factors used.

5. Describe how marketers of energy bars and expensive face moisturizers can apply their knowledge of differential threshold to packaging, pricing, and promotional claims during the periods of (a) rising ingredient and material costs, and (b) increasing competition.

Week 6, Tuesday, September 30: Attitude

Reading: Chapter 8

Week 6, Thursday, October 2: Learning Assignment

1. Answer the two questions relating to the case, “The Pitfalls of Reinforcement of Customer Behavior,” found on page C-14 at the back of your text.

2. Compare the websites of two Internet brokerage firms (www.etrade.com and www.charles schwab.com) by constructing a table indicating how each attempts to enhance consumer learning. What behavioral learning theories does each website appear to be using? Which appears to be more effective on this front? Why?

3. Neutrogena, the cosmetic company, has introduced a line of shaving products for men. How can the company use stimulus generalization to market these products? Is instrumental conditioning applicable in this marketing situation? If so, how? If not, why not?

4. Visit a supermarket. Identify three packages where the marketer’s knowledge of stimulus generalization and stimulus discrimination was incorporated into the package design. Explain how these concepts were employed.

5. Modeling is the process through which individuals learn behavior by observing the behavior of others. (a) For the ad in Figure 7-11 in your text, indicate two ways the modeling displayed might be positive, and two ways where it might be negative, with respect to business ethics. (b) Find an ad that appears to use modeling in an unethical manner. Explain.
Week 7, Tuesday, October 7: Midterm Examination (Duration: 80 minutes)

Answer 60 multiple-choice questions covering material up to and including Consumer Learning.

Week 1, Thursday, October 9: Decision Making

Reading: Chapter 16

Week 8, Tuesday, October 14: Attitude Assignment

1. Based on your understanding of attitude measurement from Chapter 2, develop five statements to be measured on a Likert scale and five semantic differential scales to assess students’ attitudes towards the Baas Business School. What insights to the School’s administrators do your scales aim to furnish?

2. For each of the four motivational functions of attitudes, find an ad that illustrates that function. Distinguish between ads that are designed to reinforce an existing attitude and those aimed at changing an attitude.

3. Explain consumers’ attitudes toward visiting Disney World in terms of the tricomponent attitude model.

4. “Got Milk?” is a long-running ad campaign that aims to maintain milk’s market share in light of growing competition from dairy alternatives (especially for youths). Visit the www.gotmilk.com website operated by the Milk Producers organization. Using the attitude–toward-the-ad model, describe how the “Got Milk?” campaign attempts to influence attitudes. To what extent is this approach ethical and effective?

5. Answer the question relating to the case, “Domino’s for Pizza – Not Exactly!” found on page C-16 at the back of your text.

Week 8, Thursday, October 16: Macro-Social Influences

Reading: Chapters 12, 13, and 14

Week 9, Tuesday, October 21: Decision Making Assignment

1. Consumers employ various heuristics in their purchase decision making. For any three heuristics, select a print ad for each that attempts to encourage the consumer to apply it in purchase decision making. Evaluate the effectiveness of the ads you selected.

2. Assume you are planning to spend a month touring Europe next summer and are thus in need of a good 35mm camera. (a) Develop a list of product attributes to use as purchase criteria in evaluating various 35mm cameras. (b) Distinguish differences that would occur in your decision process if you employed compensatory versus non-compensatory integration rules.

3. Examine Figure 16-2. Which of the three main sections of the model (input, process, and output) do you consider the greatest potential for ethical dilemmas in the marketing? Which of these would hold the greatest opportunity to excel in good ethical behavior for marketers? How could a company use this model to guide its ethical behavior toward consumers?
4. Answer the question relating to the case on "A Really Big Zippo" found on page C-34 at the back of your text.

5. Visit BMW's website at www.bmw.com. Use the design feature there to design your own car. As you design your car, consider the integration rules that are impacting your decisions. Once you have designed your car, download a picture of it and list all the features you have included. Describe what you did, what integration rules you employed, and how these rules influenced your overall decision process.

Week 9, Thursday, October 23: Micro Social Influences

Reading: Chapters 10 and 11

Week 10, Tuesday, October 28: Macro Social Influences Assignment

1. Advertising symbols such as brand logos are important ways that businesses communicate with consumers. Joey Katzen has developed an excellent symbols recognition game on his website at www.joeykatzen.com/alpha. Play any historical version of The Retail Alphabet Game which involves identifying letters (symbols) from well-known retail names or phrases and report how well your group scored. (As not play the most recent version of the game as Katzen charges for it.) What did your group get right? What did you miss? What conclusions can you draw about your ability to recognize symbols?

2. It is said that "we all live in tribes." Examine the tribal (ritual) behavior on the Survivor TV series at the CBS website. Visit www.cbs.com and trace the history of this popular program by going to the "select a show" feature and scrolling to the Survivor series. How are these rituals transferred to the consumption behavior of the show's contestants? What are some implications of these ritualistic behaviors to the marketers of the products and brands featured on Survivor?

3. Answer the two questions is the case "Avon's Anew Ultimate" found on page C-28 at the back of your text.

4. Review the research material available on Brandweek (www.brandweek.com), Adweek (www.adweek.com), and Mediaweek (www.mediaweek.com). Describe and evaluate three ways marketing efforts are directed towards two subcultures identified in the text.

5. Answer the two questions relating to the case "Baby-Sitting by Cell Phone" found on page C-30 at the back of your text.

Week 10, Thursday, October 30: Product Strategy

Reading: Chapter 15 (pages 517 to 540) and Chapter 7 (pages 241 to 245)

Week 11, Tuesday, November 4: Micro Social Influences Assignment

1. Select three product categories and compare the brands you prefer to those your parents prefer. To what extent are the preferences similar? Discuss in the context of consumer socialization.
2. Answer the two questions in the case "Who's Harley Earl?" found on page C-22 at the back of your text.

3. Most brides consider the planning of their weddings to be a highly stressful experience. Today, several websites offer expert guidance in wedding planning to reduce bridal stress. Visit www.bride.com and www.weddingchannel.com to plan your wedding. What connections did the merchants involved attempt to make with you as a potential customer? What is the principal value of such sites? What problems, if any, did you encounter? What other services besides wedding planning could such sites undertake? Why?

4. One of the hottest spots around is wrestling. Once considered lower-class entertainment, it has gone prime time. Investigate the World Wrestling Entertainment website at www.wwe.com to determine how this sport attempts to appeal to all social classes. Be specific in your assessment regarding the demographics of consumers who enjoy and attend this sporting event. How can this knowledge be useful to the sport's marketers?

5. Select two households featured in two different TV sitcoms. Classify each household into one of the social classes discussed in class and analyze its lifestyle and consumption behavior.

**Week 11, Thursday, November 6: Promotion Strategy**

*Reading: Chapter 8 and Chapter 15 (pages 499 to 517)*

**Week 12, Tuesday, November 11: Holiday**

**Week 12, Thursday, November 13: Product Strategy Assignment**

1. Answer the question in the case "Let the Robot Pick It Up" found on page C-31 at the back of your text.

2. How would you apply one of the methods of customer satisfaction measurement in Table 2-5 of your text to assess students' satisfaction with the services provided by the registrar at UC Berkeley? Assuming you collected data using this method, what marketing insights can it furnish for university administration?

3. Sony is introducing a 27-inch TV with a built-in VCR, a picture-in-picture feature, and a feature that allows the viewer to simultaneously view frozen frames of the last signals received from 12 channels. (a) Who would constitute Sony's initial target market for this TV model? (b) How would you identify the innovators for this product? (c) Select three characteristics of consumer innovators (as summarized in Table 15-13) and explain how Sony might use each of these characteristics to influence the adoption process and accelerate the product's diffusion. (d) Should Sony pursue a penetration or skimming policy in launching the product? Why?

4. Answer the question in the case "Starbucks" found on page C-29 at the back of your text.
5. Family branding involves marketing an entire line of products under the same brand name. Two businesses which employ family branding are Kellogg's and C. W. Post. Visit their respective websites at www.kelloggs.com and www.postcereals.com. List all the products under the respective corporate umbrellas. Evaluate which organization appears to be superior in its family branding efforts using a set of criteria based on your reading of family branding in Chapter 7 and materials discussed in class.

Week 13, Tuesday, November 18: Promotion Strategy Assignment

1. Feedback is an important aspect of effective communication. The Internet provides a channel for almost instantaneous feedback. Visit the website www.hotornot.com. Review the process of feedback provided there for its value. How can it be improved? What biases may be involved? How could the people who score low improve their scores using effective communication principles?

2. Find two ads, one illustrating a one-sided appeal and the other a two-sided message. Which measures would you use to evaluate the effectiveness of each? Explain.

3. Answer the question in the case “Selling Movie Tickets” found on page C-32 at the back of your text.

4. (a) Find an ad which tries to stimulate and another which attempts to stimulate opinion leadership. Evaluate their effectiveness. (b) Provide a recent example of a negative rumor about a company or brand in the Bay Area. How effective was the company's response to the rumor?

5. Find two ads, one illustrating a fear appeal and other a sex appeal. Discuss the extent to which they are effective. How can they be improved?

Week 13, Thursday, November 20: Project Presentation (Groups 1 and 2)
All groups to submit project reports.

Week 14, Tuesday, November 25: Project Presentation (Groups 3 and 4)

Week 14, Thursday, November 27: Holiday

Week 15, Tuesday, December 2: Project Presentation (Group 5) & Review

Week 15, Thursday, December 4: Final Examination (Duration: 80 minutes)
Answer 66 multiple-choice questions covering material from Consumer Attitude to Promotion Strategy.