

COURSE INFORMATION

Course title:	Consumer Behaviour	Credits:	1.5
Course code:	BAMA506	Class location:	HA 133
Session, term, period:	2019W2, Period 3	Class times:	Mon/Wed 4:00pm-6:00pm
Section(s):	001		
Course duration:	Jan 6 – Feb 7, 2020		
Division:	Marketing and Behavioural Science		
Program:	MBA		

INSTRUCTOR INFORMATION

Instructor:	Yann Cornil	Office location:	HA 573
Phone:	604-822-3220	Office hours:	Wed at 2:00pm or by appointment
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COURSE DESCRIPTION

Uncovering real insight into how consumers perceive, choose, consume, and evaluate products is the foundation of the success of virtually all business organizations. All decisions involved in developing an effective marketing mix rely on in-depth understanding of the consumers who comprise the target market. Thus, a clear understanding of the principles and processes of consumer behaviour is critical to evaluating and developing effective marketing strategies.

This course examines the science of understanding the consumer. The focus of this course will be on uncovering “consumer insights” and interpreting these through the lens of consumer behaviour principles. The term “consumer insight” refers to more than the simple observation and description of what consumers are doing, to moving towards explaining why consumers behave the way that they do. A meaningful consumer insight will drill deeper than surface observations of behavioural patterns into the realm of the underlying psychological processes such as conscious goals, unconscious motivations, perceptions, and values.

In this course, we will consider different tools and techniques for uncovering consumer insights. In addition, the course will provide a coverage of relevant consumer behaviour frameworks and concepts that will help us to interpret and apply these insights in business-relevant ways.

LEARNING OBJECTIVES

After completing the course, students will be able to apply analytical frameworks and methods to:

- Understand the functional and psychological dimensions of customer value
- Analyze psychographic and behavioural data to segment markets and position products
- Generate customer insights based on qualitative and quantitative methods
- Design online experiments (Facebook) to test customer insights
- Understand perception, attention, and memory to design more effective communication
- Understand the psychology of status-related consumption (e.g., luxury) to make strategic decisions

- Understand the psychology of new product adoption to make strategic decisions
- Understand the psychology of influence to create impactful and persuasive marketing messages
- Understand the key problematics in the food industry to find strategic solutions that align pleasure and health

ASSESSMENT SUMMARY

<i>Component</i>	<i>Weight</i>
Participation <ul style="list-style-type: none"> • In-class individual participation • Completing short online surveys • In-class group activities 	30%
Case Study Assignments (students can choose to work individually or in pairs) <ul style="list-style-type: none"> • Case LOréal in China (10%) • Case Renova Toilet Paper (15%) • Case Unilever in Brazil (15%) 	40%
Group project (Marketing Experiment)	30%
<i>Total</i>	<i>100%</i>

PARTICIPATION

In-Class Individual Participation

For effective class participation you need to have read the assigned materials before the class session, as indicated on the Schedule. A significant portion of class time will be devoted to in-class discussions, applying concepts you have uncovered via the readings, and analysing assigned cases. We all have unique business experience and knowledge, and drawing on this in class is actively encouraged. Please note that I will be looking for quality, not mere quantity in terms of class participation.

Grading Scale for Class Participation:

- 0 – Absent or late to class.
- 5 – Present but does not participate.
- 6 – Participates with basic information such as case facts.
- 7 – Offers an opinion or asks/answers a basic question.
- 8 – Engages in a meaningful discussion with other members of the class.
- 9 – Shares an analysis using data or evidence from the case or reading.
- 10 – Provides insight or asks a question that is instrumental in advancing understanding.

Please follow these other simple rules for successful participation:

- #1: Be on time
- #2: Put up your name tag
- #3: Come prepared and be ready to participate in discussions
- #4: No laptops.

Short Online Surveys

For some of the sessions, you will complete short online surveys by 9am prior to class (see Canvas & Schedule). There are usually no right or wrong answer, but your participation in the surveys will be taken into account in your participation grade. If you miss an online survey during the add/drop period, please contact me.

In-Class Group Activities

In some of the sessions, you will work with your study group on in-class group activities. Your participation in these activities will be taken into account in your participation grade.

CASE STUDY ASSIGNMENTS

You will answer specific questions on three cases. The deliverable is a 4 page write-up with appendix if necessary (12-point font, double spaced, one inch margins), to be uploaded on Canvas. Always justify your answers with relevant elements from the case and exhibits (no external research is needed). Please follow the instructions to purchase the case, as indicated under Course Materials & Requirements. You can choose whether to work individually or in pairs for some or all of the assignments, and if you work in pairs you can work with different partners for the different assignments. There will be no peer evaluation.

L'Oréal in China: Marketing Strategies for Turning Around Chinese Luxury Cosmetic Brand Yue Sai (due Session 5)

1. Given the situation facing Yue Sai and the current portfolio of brands of L'Oréal China, what should be the right value proposition? (1) keep its new lifestyle positioning as the brand of "confident, modern Chinese women", (2) be positioned as a Chinese luxury icon symbolizing the nation's long history and rich heritage, (3) adopt a more affordable value proposition, or (4) try something totally different? Please choose one option, justify your answer, and write the positioning statement.
2. Choose and justify a brand architecture in line with the value proposition: (1) sub-branding (e.g. "Yue Sai by L'Oréal"), (2) acknowledgement (e.g. "Yue Sai, a Chinese brand of L'Oréal"), or (3) independence (no mention of L'Oréal)?
3. Given the value proposition, who/what should be the "face" of Yue Sai? Du Juan? Another celebrity? Madam Yue Sai? No celebrity at all?
4. What should be the right channel(s) of distribution?

Questions 1 is the most important question, please allocate about half of your write-up to it.

Renova Toilet Paper: Avant-garde Marketing in a Commoditized Category (due Session 7)

1. Choose one among these five strategic directions described in the case: (1) increased price competition, (2) private label manufacturing, (3) continued technological innovations, (4) launch a black toilet paper as a limited PR coup, (5) launch a black toilet paper as a fully-fledged line extension. Justify your choice by reviewing the pros and cons (potential benefits and dangers) of the chosen option and briefly explaining why you rejected the other ones.
2. Discuss how you would position and promote your option.
3. Briefly discuss the implications of your chosen option for Renova's existing product portfolio.

Questions 1 is the most important question, please allocate about 2/3 of your write-up to it.

Unilever in Brazil 1997-2007: Marketing Strategies for Low-Income Consumers (due Session 9)

1. Should Unilever invest in a lower-margin segment? Why?
2. Now, assume Unilever enters:

- a. Explain whether they should: (1) develop a new brand / use one from their international portfolio, or (2) reposition one of their existing brands (which one?), or (3) launch a brand extension from one of their existing brands (which one? How would you name the brand extension?) ?
 - b. Write a positioning statement for your brand in a. above.
 - c. Explain how you would implement the 4Ps for your brand in a. above.
3. Compute the break-even cannibalization rate (BECR) for your brand (you can use the Excel sheet available on Canvas, and include the output as an appendix in your write-up). The BECR is the maximum percentage of sales of the new/repositioned product that can come from existing Unilever products in order to break even. In other words, if the actual cannibalization rate ends up being above the BECR, you won't break-even. A rule of thumb would be to have a BECR of at the very least 25%, and ideally above 40%. Also, your BECR needs to be consistent with your positioning strategy: if your proposition is not sufficiently differentiated from existing Unilever products, it is likely that the actual cannibalization rate will be fairly high, and that you won't break-even, especially if your BECR is not large enough. You will need to discuss this point in your assignment. In order to compute the BECR, use the excel sheet: it already contains all the necessary formulas

GROUP PROJECT (MARKETING EXPERIMENT)

The goal of the group project is to tie together themes, frameworks, and skills that we have focused on during the course. This assignment will provide you with first-hand experience using tools for marketing experimentation (or “A/B testing”). You will do the experiment via Facebook Ads (which features specific tools for experimentation). The data that you collect, structure, and interpret will be used to inform high-level recommendations that can be strategically acted upon by a firm, organization, or industry. Detailed instructions on the group project are provided in the document “MARKETING EXPERIMENT GROUP PROJECT DETAILED GUIDELINES” uploaded on Canvas. Information will also be given in class. You will give a presentation during exam week and you will hand in your powerpoint slide deck, research materials, and other appendices to the instructor. You don't need to write a full paper. Expect to spend about \$50 (\$10 per group member) on Facebook Ads.

Although this is a group project, your individual grade will be adjusted based on peer evaluations. Each member of your team will assess the overall contribution of each individual group member's performance in the final group project. This will be done using a confidential peer evaluation form distributed at the completion of the project. Please note that if there is consensus among the team that an individual has contributed less than their peers to the project, your team project grade will be weighted to reflect this. Be proactive with your team members and make your expectations of one another clear from the start of the team project. Any problems that arise with team members must be brought to my attention well before the projects are due. Should students fail to complete this evaluation, it will be assumed that each member contributed equally.

LEARNING MATERIALS

Online Readings

Some of the course readings will be available free of charge on Canvas (go to “Library Online Course Reserves”). The rest of the readings will need to be purchased as explained below.

Course Reader (Copyrighted documents)

1. Go to the Ivey Publishing website at www.iveycases.com
2. Log in to your existing account or click "Register" to create a new account and follow the prompts to complete the registration. If registering, choose the "Student User" role.
3. Click on this link or copy into your browser: TBD
4. Click "Add to Cart".
5. You may choose to order in either print or digital format.
 - To order the material in digital format, check "digital download" and click "OK".
 - To order a printed copy for delivery, enter the print quantity required and click "OK". Please note that shipping charges will apply.
6. Go to the Shopping Cart (located at the top of the page), click "Checkout", and complete the checkout process.
7. When payment has been processed successfully, an Order Confirmation will be emailed to you immediately and you will see the Order Confirmation screen.
 - If you ordered digital copies: Click "Download your Digital Items" or go to "My Orders" to access the file.
 - If you ordered printed copies: Your order will be printed and shipped within 2 to 3 business days.

IMPORTANT: Access to downloadable files will expire 30 days from the order date, so be sure to save a copy on your computer. The downloadable file is a PDF document that can be opened using Adobe Reader.

Additional suggested readings

- Kahneman, D.: Thinking Fast and Slow.
- Thaler and Sunstein: Nudge: Improving Decisions about Health, Wealth, and Happiness.
- Heath and Heath: Made to Stick: Why Some Ideas Survive and Others Die.
- Belsky and Gilovich: Why Smart People make Big Money Mistakes.
- Cialdini, R. Influence: Science and Practice (4th Edition).

COURSE-SPECIFIC POLICIES AND RESOURCES

Missed or late assignments

Late submissions will not be accepted and will receive a grade of zero.

Academic Concessions

If extenuating circumstances arise, please contact the RHL Graduate School program office as early as reasonably possible, and submit an [Academic Concession Request & Declaration Form](https://webforms.sauder.ubc.ca/academic-concession-rhlee) <https://webforms.sauder.ubc.ca/academic-concession-rhlee>. If an academic concession is granted during the course, the student will be provided options by RHL, or by the instructor in consultation with RHL, per [UBC's policy on Academic Concession](#).

POLICIES APPLICABLE TO COURSES IN THE ROBERT H. LEE GRADUATE SCHOOL

Attendance

Excepting extenuating circumstances, students are expected to attend 100% of their scheduled class hours. Absent students limit their own academic potential, and that of their classmates, and cause unnecessary disruption to the learning environment. Students missing more than 20% of the total scheduled class hours for a course (including classes held during the add/drop period) without having received an academic concession will be withdrawn from that course. Withdrawals, depending on timing, could result in a “W” or an “F” standing on the transcript.

Punctuality

Students are expected to arrive for classes and activities on time and fully prepared to engage. Late arrivals may be refused entry at the discretion of the instructor or activity lead. Students arriving later than halfway through a scheduled class will be treated as absent for that class.

Electronic Devices

Devices such as laptops, tablets, and cell phones are not permitted to be used in class unless directed by the instructor for in-class activities. Students who do not follow the School’s policy in this regard may be required to leave the room for the remainder of the class, so that they do not distract others. Research shows that students’ use of laptops in class has negative implications for the learning environment, including reducing their own grades and the grades of those sitting around them.

Citation Style

Please use the American Psychological Association (APA) reference style to cite your sources.

Details of the above policies and other RHL Policies are available at:

<http://www.calendar.ubc.ca/vancouver/index.cfm?tree=12,199,506,1625>

UNIVERSITY POLICIES AND RESOURCES

UBC provides resources to support student learning and to maintain healthy lifestyles but recognizes that sometimes crises arise and so there are additional resources to access including those for survivors of sexual violence. UBC values respect for the person and ideas of all members of the academic community. Harassment and discrimination are not tolerated nor is suppression of academic freedom. UBC provides appropriate accommodation for students with disabilities and for religious observances. UBC values academic honesty and students are expected to acknowledge the ideas generated by others and to uphold the highest academic standards in all of their actions. Details of the policies and how to access support are available on the UBC Senate website at <https://senate.ubc.ca/policies-resources-support-student-success>.

Academic Integrity

The academic enterprise is founded on honesty, civility, and integrity. As members of this enterprise, all students are expected to know, understand, and follow the codes of conduct regarding academic integrity. At the most basic level, this means submitting only original work done by you and acknowledging all sources of information or ideas and attributing them to others as required. This also means you should not cheat, copy, or mislead others about what is your work. Violations of academic integrity (i.e., misconduct) lead to the breakdown of the academic enterprise, and therefore serious consequences arise and harsh sanctions are imposed. For example, incidences of plagiarism or cheating may result in a mark of zero on the assignment or exam and more serious consequences may apply if

the matter is referred to the President’s Advisory Committee on Student Discipline. Careful records are kept in order to monitor and prevent recurrences.

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All materials of this course (course handouts, lecture slides, assessments, course readings, etc.) are the intellectual property of the instructor or licensed to be used in this course by the copyright owner. Redistribution of these materials by any means without permission of the copyright holder(s) constitutes a breach of copyright and may lead to academic discipline. Audio or video recording of classes are not permitted without the prior approval of the Instructor.]

ACKNOWLEDGEMENT

UBC’s Point Grey Campus is located on the traditional, ancestral, and unceded territory of the xwməθkwəyəm (Musqueam) people, who for millennia have passed on their culture, history, and traditions from one generation to the next on this site.

COURSE SCHEDULE (VERSION: 11/5/2019)

(Subject to change)

Class	Date	Topic	Readings	Assessments due
1	Jan. 6	Course Introduction		
2	Jan. 8	Segmentation, Targeting, Positioning and Customer Value	<ul style="list-style-type: none"> • Creating Customer Value. <i>HBS</i> • The Elements of Value. <i>HBR</i> • Cluster Analysis for Segmentation. <i>Darden Business Publishing</i> 	
3	Jan. 13	Experimental Methods to test insights	<ul style="list-style-type: none"> • A Step-By-Step Guide to Smart Business Experiments. <i>HBR</i> • The Surprising Power of Online Experiments. <i>HBR</i> • Experimental evidence of massive-scale emotional contagion through social networks. <i>PNAS</i> 	✓ Start exploring Facebook Ads’ functions (see project guidelines)
4	Jan. 15	Qualitative Methods to gather insights	<ul style="list-style-type: none"> • Using laddering to understand and leverage a brand’s equity. <i>Qualitative Market Research</i> • The ZMET alternative. <i>Marketing Research</i> • Boston Beer Case. <i>HBS Case</i> 	✓ Answer short survey on Boston Beer case (Canvas)
5	Jan. 20	Heart and Mind in Conflict	<ul style="list-style-type: none"> • Brand Positioning Statements. <i>HBR</i> • Dear Diary. <i>Ivey Case</i> • L’Oréal in Chin. <i>INSEAD Case</i> 	✓ Submit L’Oréal in China case assignment (Canvas) ✓ Answer short survey on L’Oréal in China case (Canvas)

6	Jan. 22	Influence and Persuasion	<ul style="list-style-type: none"> • Harnessing the Science of Persuasion. <i>HBR</i> • Eager Sellers and Stony Buyers: Understanding the Psychology of New-Product Adoption. <i>HBR</i> • Understanding the Psychology of Adoption. <i>Rotman Magazine</i> 	
7	Jan. 27	Perception and Attention	<ul style="list-style-type: none"> • Science of Sensory Marketing. <i>HBR</i> • Renova. <i>INSEAD Case</i> 	<ul style="list-style-type: none"> ✓ Submit Renova case assignment (Canvas) ✓ Answer short survey on Renova case (Canvas)
8	Jan. 29	Guest Speaker: TBD		
9	Feb. 3	Money and Status	<ul style="list-style-type: none"> • Luxury Branding Below the Radar. <i>HBR</i> • Competing against bling. <i>HBR</i> • Unilever in Brazil. <i>INSEAD Case</i> 	<ul style="list-style-type: none"> ✓ Submit Unilever in Brazil case assignment (Canvas) ✓ Answer short survey on Unilever in Brazil case (Canvas)
10	Feb. 5	Food, Health, and Pleasure	<ul style="list-style-type: none"> • Potential Benefits of Calorie Labeling in Restaurants. <i>JAMA</i> • Reducing Sugar Drink Consumption: NYC Approach. <i>AJPH</i> • <u>Case</u>: Candy Crush: Aligning Health, Business, and Pleasure in the Chocolate Industry. <i>INSEAD</i> 	<ul style="list-style-type: none"> ✓ Answer short survey on Candy Crush (Canvas)
GROUP PROJECT PRESENTATIONS (FEBRUARY 10 TO 14, SCHEDULE TBD)				