

### COURSE INFORMATION

Course title:	<b>Consumer Behaviour</b>	Credits:	1.5
Course code:	<b>BAMA506</b>	Class location:	HA133 (Friday make-up classes: HA132)
Session, term, period:	2021W, Term 2, Period 3	Class times:	Mon/Wed 4:00pm-6:00pm <b>+ Two make-up classes on Friday, Jan 14 &amp; 21, 4-6pm</b>
Section(s):	001		
Course duration:	Jan 4 – Feb 4, 2022		
Division:	Marketing and Behavioural Science		
Program:	MBA		

### INSTRUCTOR INFORMATION

Instructor:	Yann Cornil
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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 and social influences.

### 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 how cross-cultural psychology can inform marketing decisions
- Understand the psychology of status-related consumption (e.g., luxury)
- Understand the psychology of influence to create impactful and persuasive marketing messages
- Understand the psychology of influence to promote more sustainable consumption
- 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	20%
<ul style="list-style-type: none"> <li>In-class individual participation</li> <li>In-class group activities</li> </ul>	
Short online survey completion	5%
Case Study Assignments (students can choose to work individually or in pairs)	40%
<ul style="list-style-type: none"> <li>Case LOréal in China (20%)</li> <li>Case Unilever in Brazil (20%)</li> </ul>	
Group project (Facebook Experiment)	35%
<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.

#### *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.

### SHORT ONLINE SURVEYS

For some of the sessions, you will complete short online surveys due two hours before class (see Canvas & Schedule). If you miss an online survey during the add/drop period, please contact me.

### CASE STUDY ASSIGNMENTS

The deliverable for each case is a write-up of 4 pages maximum (12-point font, double spaced, one-inch margins, the 4-page limit does not include ad concept and appendix), to be uploaded on Canvas. Please answer each question provided below. Always justify your answers with elements from the case and exhibits (no external research is needed). You can choose whether to work individually or in pairs (2 students) for one or both cases, and if you work in pairs you can work with different partners across cases. There will be no peer evaluation.

#### *L'Oréal in China: Marketing Strategies for Turning Around Chinese Luxury Cosmetic Brand Yue Sai*

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?
5. Ad concept: please propose an ad concept (download template here: <https://tinyurl.com/adconceptcb>) and include your ad in your write-up. Make sure to have a headline and a body copy. The ad concept is not included in the page limit.

*Note that questions 1 is the most important question, please allocate about half of your write-up to it.*

#### *Unilever in Brazil 1997-2007: Marketing Strategies for Low-Income Consumers*

1. Should Unilever invest in a lower-income segment? Why?
2. Now, assume Unilever enters:
  - a. Would you invest in a soap or a detergent powder? Why?
  - b. Would you: (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?) ?
  - c. Write a positioning statement for your brand.
  - d. Briefly explain how you would implement the 4Ps for your brand.
3. Ad concept: please propose an ad concept (download template here: <https://tinyurl.com/adconceptcb>) and include your ad in your write-up. Make sure to have a headline and a body copy. The ad concept is not included in the page limit.
4. Compute the break-even cannibalization rate (BECR) for your brand. 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 order to compute the BECR, please use the excel sheet (to download here: <https://tinyurl.com/cannibrate>): it already contains all the necessary formulas. Include the output as an appendix in your write-up (not included in the page limit).

### GROUP PROJECT (FACEBOOK 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). Please spend a maximum of \$50 (\$10 per group member) on Facebook Ads. 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 “GROUP PROJECT DETAILED GUIDELINES” uploaded on Canvas. This document also contains a link to a video tutorial on how to use Facebook Ads. Information will also be given in class.

You will be evaluated based on a 15-minute presentation during exam week and on your powerpoint slide deck to be submitted on Canvas (your slide deck should contain a detailed appendix with all necessary details about your project, such as research materials, Facebook Ads specifications, and additional statistics). You don’t need to write a full paper.

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.

### LEARNING MATERIALS

#### *Online Readings*

Some of the course readings will be available free of charge on Canvas. The rest of the readings will need to be purchased as explained below.

#### *Course Reader (Copyrighted documents)*

Please purchase the course reader via: <https://www.iveypublishing.ca/s/ivey-coursepack/a1R5c00000F1rsLEAR/bama-506001-wt2-consumer-behaviour>

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.

## 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.

### *COVID-19 Policies for Attendance & Academic Concessions:*

If a student feels unwell, they should stay home and send a courtesy email to each impacted instructor and cc their program manager. The student should also submit an [Academic Concession Request & Declaration Form](#).

If a student suspects possible COVID-19 infection, they should use the BC Ministry of Health's [self-assessment tool](#), to help determine whether further assessment or testing for COVID-19 is recommended.

If a student is required to self-isolate (e.g., while waiting for test results), they should follow the steps above (stay home, email instructor(s) and program manager, submit an [Academic Concession Request & Declaration Form](#), and follow BC Health Guidance.

Students who are required to quarantine, should get in touch with their Program Manager to discuss the possibility of academic concessions for each impacted course. The Program Manager will work closely with your instructors to explore options for you to make up the missed learning.

### *COVID-19 Safety in the Classroom:*

**Masks:** Masks are **required** for all indoor classes, as per the BC Public Health Officer orders. For our in-person meetings in this class, it is important that all of us feel as comfortable as possible engaging in class activities while sharing an indoor space. For the purposes of this order, the term "masks" refers to medical and non-medical masks that cover our noses and mouths. Masks are a primary tool to make it harder for COVID-19 to find a new host. You will need to wear a medical or non-medical mask for the duration of our class meetings, for your own protection, and the safety and comfort of everyone else in the class. You may be asked to remove your mask briefly for an ID check for an exam, but otherwise, your mask should cover your nose and mouth. Please do not eat in class. If you need to drink

water/coffee/tea/etc, please keep your mask on between sips. Students who need special accommodation are asked to discuss this with the program office.

**Seating in class:** To reduce the risk of COVID-19 transmission, please sit in a consistent area of the classroom each day. This will minimize your contacts and will still allow for the pedagogical methods planned for this class to help your learning.

Visit the following website for the most recent updates regarding COVID-19 protocol on campus:  
<https://students.ubc.ca/campus-life/returning-to-campus>

### *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>.

### *Respect for Equity, Diversity, and Inclusion*

The UBC Sauder School of Business strives to promote an intellectual community that is enhanced by diversity along various dimensions including status as a First Nation, Metis, Inuit, or Indigenous person, race, ethnicity, gender identity, sexual orientation, religion, political beliefs, social class, and/or disability. It is critical that students from diverse backgrounds and perspectives be valued in and well-served by their courses. Furthermore, the diversity that students bring to the classroom should be viewed as a resource, benefit, and source of strength for your learning experience. It is expected that all students and members of our community conduct themselves with empathy and respect for others.

*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 and could be subject to legal action. Any lecture recordings are for the sole use of the instructor and students enrolled in the class. In no case may the lecture recording or part of the recording be used by students for any other purpose, either personal or commercial. Further, audio or video recording of classes are not permitted without the prior consent of the instructor. Students may not share class Zoom links or invite others who are not registered to view sessions.

**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: 30 NOV 2021)**

(Subject to change)

Class	Date	Topic	Readings	Assessments due
1	Mon. Jan. 10	Course Introduction		
2	Wed. Jan. 12	Segmentation, Targeting, Positioning and Customer Value	<ul style="list-style-type: none"> <li>• Creating Customer Value. <i>HBS</i> COURSE READER</li> <li>• The Elements of Value. <i>HBR</i> ONLINE READING</li> <li>• Cluster Analysis for Segmentation. <i>Darden Business Publishing</i> COURSE READER</li> </ul>	

3	Fri. Jan. 14 <b>MAKE- UP CLASS</b>	<b>Experimental Methods to test insights</b>	<ul style="list-style-type: none"> <li>• A Step-By-Step Guide to Smart Business Experiments. <i>HBR</i> ONLINE READING</li> <li>• The Surprising Power of Online Experiments. <i>HBR</i> ONLINE READING</li> <li>• Experimental evidence of massive-scale emotional contagion through social networks. <i>PNAS</i> ONLINE READING</li> </ul>	✓ Start exploring Facebook Ads' functions (see project guidelines)
4	Mon. Jan. 17	<b>Qualitative Methods to gather insights</b>	<ul style="list-style-type: none"> <li>• Using laddering to understand and leverage a brand's equity. <i>Qualitative Market Research</i> ONLINE READING</li> <li>• Boston Beer: Light Beer Decision. <i>HBS Case</i> COURSE READER</li> <li>• <u>Optional reading</u>: The ZMET alternative. <i>Marketing Research</i> ONLINE READING</li> </ul>	✓ Answer short survey on Boston Beer case (Canvas), due 2 hours before class.
5	Wed. Jan. 19	<b>Heart and Mind in Conflict</b>	<ul style="list-style-type: none"> <li>• Dear Diary. <i>Ivey Case</i> COURSE READER</li> <li>• L'Oréal in China. <i>INSEAD Case</i> COURSE READER</li> <li>• <u>Optional reading</u>: Brand Positioning Statements. <i>HBR</i> COURSE READER</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>Submit L'Oréal in China case assignment (Canvas), 2 hours before class</b></li> <li>✓ Answer short survey on L'Oréal in China case (Canvas), due 2 hours before class</li> </ul>
6	Fri. Jan. 21. <b>MAKE- UP CLASS</b>	<b>Influence and Persuasion</b>	<ul style="list-style-type: none"> <li>• Harnessing the Science of Persuasion. <i>HBR</i> ONLINE READING</li> <li>• Understanding the Psychology of Adoption. <i>Rotman Magazine</i> ONLINE READING</li> <li>• <u>Optional reading</u>: Eager Sellers and Stony Buyers: Understanding the Psychology of New-Product Adoption. <i>HBR</i> ONLINE READING</li> </ul>	
7	Mon. Jan. 24	<b>Marketing Across Cultures</b>	<ul style="list-style-type: none"> <li>• Culture and Consumer Behaviour ONLINE READING</li> <li>• Pearl River Piano. <i>LBS Case</i> COURSE READER</li> </ul>	✓ Answer short survey on Pearl River Piano (Canvas), due 2 hours before class
8	Wed. Jan. 26	<b>Guest Speaker: To be Confirmed  Sustainability</b>	<p>Your choice!</p> <ul style="list-style-type: none"> <li>• <u>Short version</u>: The elusive green consumer. <i>HBR</i> ONLINE READING</li> <li>• <u>Long version</u>: How to SHIFT Consumer Behaviors to be More Sustainable. <i>JM</i> ONLINE READING</li> </ul>	



9	Mon. Jan. 31	Money and Status	<ul style="list-style-type: none"> <li>Luxury Branding Below the Radar. <i>HBR</i> ONLINE READING</li> <li>Competing against bling. <i>HBR</i> ONLINE READING</li> <li>Unilever in Brazil. <i>INSEAD Case</i> COURSE READER</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>Submit Unilever in Brazil case assignment (Canvas), due 2 hours before class</b></li> <li>✓ Answer short survey on Unilever in Brazil case (Canvas), due 2 hours before class</li> </ul>
10	Wed. Feb. 2	Food, Health, and Pleasure	<ul style="list-style-type: none"> <li>Candy Crush: Aligning Health, Business, and Pleasure in the Chocolate Industry. <i>INSEAD case</i> COURSE READER</li> <li><u>Optional reading</u>: Potential Benefits of Calorie Labeling in Restaurants. <i>JAMA</i> ONLINE READING</li> <li><u>Optional reading</u>: Reducing Sugar Drink Consumption: NYC Approach. <i>AJPH</i> ONLINE READING</li> </ul>	<ul style="list-style-type: none"> <li>✓ Answer short survey on Candy Crush (Canvas), due 2 hours before class</li> </ul>
	TBD	<p><b>GROUP PROJECT PRESENTATIONS (schedule to be confirmed)</b> Upload your slides on Canvas prior to the presentation</p>		