

## CONSUMER BEHAVIOR: MGB 293 (SUMMER 2012)

### Instructor

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Office hours: Before and after class and by appointment

### Course description

Consumers and customers (current consumers/customers and prospects) are the focus of all marketing activity. Starting with this simple proposition, this course examines a wide range of behavioral science concepts and their application to marketing situations—the cognitive, affective, and behavioral responses of consumers to products and services, and to the marketing of those products and services. Significant attention will be paid to how B2C consumers and B2B customers make decisions, and how marketers can influence those decisions. Changes in consumer behavior in the internet age will be addressed.

### Learning Objectives

- Understand theories and concepts of buyer behavior
- Apply consumer behavior concepts to analysis of applied B2C and B2B marketing situations in both the physical and online worlds
- Define target segments and be able to define brand positioning and value propositions for defined market segments

### Learning approach

Time in the classroom will be learning-centered. We will use a wide mix of learning methods—lectures, class discussions, case analyses, and so on—to utilize the relatively short time we have together fully. The course is taught over 30 classroom contact hours. Students are also expected to carry out substantial self-study and preparation for the class sessions.

In terms of classroom etiquette, please think of the best business meetings you have been to. People came on time. They were prepared. They contributed. They were enthusiastic about solving the problem at hand. Comments added insight, and often built on comments of others. They treated one another with respect, but were not afraid to disagree. And, disagreements were not “personal.” They did not grandstand. They did not “hog” air time and make points just to hear themselves speak. The same professionalism and courtesy will be expected in the classroom.

To achieve our goal of a learning-centered classroom, the following are required of all students.

- Attendance at all class sessions
  - Please contact me if you must miss class(es) for whatever reason
- Preparation before coming to class. That is, please read and assimilate the assigned materials before that day's class.
  - There will be short (15 minute) quizzes at the beginning of class as indicated in the course outline.
- Participation in class discussions. While quality will count a lot more than quantity, it is unlikely that being relatively quiet will get you high marks on discussion.

Please bring a laptop or touchpad to class every day. In addition, bring your textbook to class every day. You'll need them.

## Required text

- Michael Solomon, Consumer Behavior: Buying, Having and Being, 10<sup>th</sup> ed., Pearson Education Inc, 2013 (S)
- MyMarketingLab online self-assessment and preparation solution to accompany Solomon, Consumer Behavior, 10<sup>th</sup> ed
  - Please use this online resource to prepare for the material in the textbook before you come to class
  - Further directions will follow

## Additional sources

Please also sign up for the following websites/newsletters (this is required). The field is developing so rapidly that there's a lot happening outside textbooks and the classroom. We will set aside some class time every session to talk about current applied issues.

## Whitepapers and articles

- bcgperspectives.com, the intellectual property website of the leading management consultancy, BCG. Registration is free. I will ask you to download articles for reading.
- mckinseyquarterly.com, the intellectual property website of the leading management consultancy, McKinsey. Registration is free. I will ask you to download articles for reading.

## Newsletters

- Subscribe to comScore Data Gems (comscore.datamine.com). This is free.
- Subscribe to the eMarketer Daily Newsletter (emarketer.com). This too is free.
- www.mediapost.com. Registration is free. Their blogs and newsletters are quite good. If nothing else, you pick up the key issues and lingo.
- Nielsen Wire Newsletter (www.nielsen.com). This too is free.

**These articles and newsletters (particularly the newsletters) will also provide you the background material to initiate discussion of current, applied issues.**

## Course outline

This course outline is subject to change depending on progress. Any changes will be communicated in class and via email.

Please note that all the cases are in your course textpak. Questions to be answered (and turned in) for the case analyses will be communicated well before every case as we progress. (The questions for the first set of cases is given below.)

### 6.22.12

- Overview of course
- Why study consumer behavior? (S: Ch. 1)
- Best practices in consumer goods marketing
  - Colgate-Palmolive: Staying Ahead in Oral Care (311120-PDF-ENG)
  - L'Oreal: Global Brand, Local Knowledge (311118-PDF-ENG)
  - Nestle SA: Nutrition, Health and Wellness Strategy (311119-PDF-ENG)
  - Procter and Gamble: Marketing Capabilities (311117-PDF-ENG)
  - Reckitt Benckiser: Fast and Focused Innovation (311116-PDF-ENG)
- Please prepare a succinct one- or two-pager for each case (bullet-point format is fine) to answer the questions that follow. You'll have to turn these write-ups in.
  - What is (company) focusing on?
  - How are they doing this?
  - What are the tradeoffs? What are they not doing?
  - Lessons for consumer goods companies?
  - Lessons for your company?

### 6.23.12

- Best practices in consumer goods marketing (continued)
- Perception, learning and motivation (S: Ch 2-4)

### 7.6.12

- Quiz 1: S Ch 1-4
- Perception, Learning and Motivation (Continued)
- Thomas Reynolds and David Whitlark, Applying Laddering Data to Communication Strategy an Advertising Practice, Journal of Advertising Research, July/August 1995
- Robert Dolan, Analyzing Consumer Perceptions, 2001 (59110-PDF-ENG)

### 7.7.12

- Branding: Segmentation, Targeting and Positioning (S: Ch 5, 6, 12, 13)
- Reed Supermarkets: A New Wave of Competitors (4296-PDF-ENG)
- Reed Supermarkets spreadsheet Supplement (4298-XLS-ENG)

### 7.20.12

- Quiz 2: S Ch 5, 6, 12, 13
- Branding: Segmentation, Targeting and Positioning (continued)
- Grey Advertising Canada Dry Account 579012-PDF-ENG

### 7.21.12

- Branding: Segmentation, Targeting and Positioning (continued)
- Ontela PicDeck (A): Customer Segmentation, Targeting and Positioning (KEL450-PDF-ENG)
- Ontela PicDeck (b): Customer Segmentation, Targeting and Positioning (KEL451-PDF-ENG)
- Ontela PicDeck spreadsheet supplement (KEL453-XLS-ENG)

<u>8.3.12</u> <ul style="list-style-type: none"> <li>• Branding, Segmentation, Targeting and Positioning (continued)</li> <li>• Dove: Evolution of a Brand (508047-PDF-ENG)</li> <li>• Unilever's Mission for Vitality (KEL364-PDF-ENG)</li> <li>• Attitudes and consumer decision making (S: Ch 7, 8, 9)</li> </ul>
<u>8.4.12</u> <ul style="list-style-type: none"> <li>• Quiz 3: S: Ch 7, 8, 9</li> <li>• Attitudes and Consumer Decision Making (continued)</li> <li>• Marketing funnels</li> <li>• New-products</li> </ul>
<u>8.17.12</u> <ul style="list-style-type: none"> <li>• New products (continued)</li> <li>• TruEarth Healthy Foods: Market Research for a New Product Introduction (4065-PDF-ENG)</li> <li>• TruEarth student spreadsheet (4067-XLS-ENG)</li> </ul>
<u>8.18.12</u> <ul style="list-style-type: none"> <li>• Consumer trends</li> <li>• Wrap up</li> </ul>
<u>9.1.12</u> <ul style="list-style-type: none"> <li>• Final examination</li> </ul>

## Grading

- Attendance, preparation (including quizzes) and participation: 35%
- Case analyses/project(s): 35%
- Comprehensive final exam: 30%

The cases/projects will be graded using the following scale:

	Points
Far exceeds expectations: Truly outstanding work, with new insights or an exceptional synthesis of current thinking.	10
	9
Exceeds expectations: Great work that is above expectations for the course—well thought through, internally tight, good insights.	8
	7
Meets expectations: What is expected of a good MBA student. Solid effort, clearly articulated logical arguments.	6
	5
A little short of expectations: Honest work, but deep thought and/or careful analysis is missing. Few attempts to draw insights	4
	3
Far short of expectations: Not worthy of an MBA student. cursory examination of issues, with repetition of facts without drawing implications and insights	2
	1

# Chandra Sekhar Chaterji

Chandra Chaterji is an award-winning and published marketing intelligence and strategy expert. He has progressively senior experience in analytics, insights and strategy earned at world class companies. His broad-based domestic and international experience spans leading brands in diverse categories.



As an independent analytics, insights and strategy consultant, Chandra offers best-practice, state-of-the-art capabilities to clients. He has served companies in various sectors as a consultant: Start-up and mid-size companies; Advertising, branding, media and marketing conversion companies; Non-profits.

Chandra has broken new ground in marketing science and analytics throughout his career, working on building marketing measurement systems, determining effectiveness, and conducting in-depth analyses of research data to maximize insights. He was building marketing mix models at top Madison Avenue agencies when many if not most marketers were unaware of model-based understanding and predictions. He was the first architect of marketing mix modeling and marketing sciences at JWT/NY (a top-five advertising agency). He was the first director of marketing sciences at Visa. He was recruited by a major southwestern advertising agency (GSD&M) to be the analytics lead on their largest account (\$1.2 billion in billings!!), and subsequently became a champion for analytics and accountability across all agency accounts. Most recently, one of his consulting gigs has him heading the "big data" predictive modeling efforts of a best-of-breed conversion marketing firm.

Chandra has held positions in brand strategy and consumer insights at major corporations and on Madison Avenue and has made major contributions in both areas. He is now putting these skills to work for his clients.

He "grew up" professionally in major NY advertising agencies when agencies "sat at the table" and collaborated with clients in all key strategy and insights decisions. He progressed to become a group director of strategic planning and consumer insights for approximately \$150 million of billings (in today's dollars) at JWT/NY, and was on several EFFIE-winning teams (the leading award for marketing effectiveness). He headed various market research functions at Visa, the world's

largest payment card company. In addition, he led the worldwide executive team that developed the first global brand positioning for Visa, and played a key thought leadership and strategic role in the international brand management function.

He has directed research studies in over twenty countries on five continents. Not just a quantoid, he has designed and implemented more than his fair share of qualitative research studies in addition to many quantitative ones.

Chandra excels at building solid working relationships with clients and colleagues (including those in the C-suite), and has been commended for his consultative style. He has led many cross-functional teams throughout his career. Over the years, he has had the good fortune to mentor some exceptionally bright direct reports, some of whom are now leaders in well-known organizations.

Chandra has a doctorate in marketing from the University of Kansas (from where he graduated Beta Gamma Sigma), an MBA from the Indian Institute of Management Calcutta, and an undergraduate degree in physics from St. Stephen's College, Delhi (where he was a National Science Talent scholar). He was on the marketing faculty at Loyola of Chicago, and has taught part-time in the MBA programs at Rutgers, University of California Davis and University of San Francisco. He has presented refereed papers at premier marketing science conferences over the years.

## Résumé

**Strategy by Chaterji, 2009-present and 2004-2006**  
Principal of analytics, insights and strategy consultancy

**GSD&M Idea City, 2006-2009**  
Analytics champion

**Health Net Inc., 2003-2004**  
VP, Market Research

**TNS, 2001-2003**  
SVP, IT practice

**Visa, 1991-2000**  
VP, International Corporate Strategy  
VP, International Strategic Marketing  
Director, US Market Research

**JWT/NY, 1985-1991**  
VP, Group Director, Consumer Behavior Group  
Associate Director, Quantitative Marketing Analysis

**BBDO/NY, 1983-1985**  
Manager, Marketing Sciences department

**AT&T, 1982-83**  
Market research analyst, consumer long distance business

**Loyola University of Chicago, 1977-1981**  
Assistant Professor of Marketing, School of Business