

Customer Analysis (MAR6508) Spring 2018, Section 5045

Instructor:

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Office Hours: Tuesdays, periods 7 & 8 (1:55 – 3:50 PM), and by appointment.

Course TA: N/A.

Credit Hours: 2.0

Course Website: Through Canvas at <http://lss.at.ufl.edu>

Class Meetings:

Location: 240 Hough Hall
Times: Tuesdays and Thursdays Periods 3 & 4 (9:35 – 11:30 AM)

Course Communications:

Please send all course-related communications to me via the Canvas course website. I ask that you do this to insure that I receive your email (this account has no filtering) and that I have a complete thread of any class-related discussion. You are welcome to contact me using the above Warrington email address once the class is complete, or in the case of emergency (e.g., Canvas outage).

Purpose of Course:

Understanding your customers is fundamental to business success. Knowing how your consumers are similar and different, how they perceive your products, and how changes in your marketing strategy will affect their decisions will enable you to better fulfill their needs and provide them with value. Understanding your customers requires two sets of skills: First, you must have a basic understanding of consumer behavior and how it relates to marketing strategy. Second, you must be able to answer meaningful questions about your customers and their reactions to market change.

This class is designed to teach students how to think analytically about their customers and their firm's marketing strategy. The class centers on four content areas and four sets of analytic techniques. The analytic techniques are general and can be used to answer a variety of questions about your customers.

The substantive areas of consumer behavior and marketing strategy include:

- Segmentation and Targeting
- Attitudes and Persuasion
- Product Positioning
- Consumer Decision Making

The analytic techniques covered include:

- Measuring Associations and Efficiency
- Multidimensional Attitude Measurement
- Perceptual and Preference Mapping
- Conjoint Analysis

A more detailed discussion of each of these techniques is provided later in this syllabus.

Course Goals:

Upon completing this class, you should:

- Be able to discuss relevant theories and evidence regarding consumer behavior.
- Know which techniques are most appropriate for answering a particular behavioral question.
- Know how customer data can be used to inform and optimize marketing strategy.
- Be a knowledgeable consumer of research about consumers.

Course Objectives:

In this class, you will:

- Complete four team assignments, one for each substantive area and analytic technique.
- Use efficiency data to make informed targeting decisions.
- Use multi-attribute attitude models to understand customer needs and how they relate to your value proposition,
- Use perceptual and preference mapping to understand how customers perceive your offerings and those of your competitors.
- Use conjoint analysis to create the optimal mix of product features for your target audience.

Course Materials:

Text: Palmatier, Robert W. and Shrihari Sridhar (2017). *Marketing Strategy: Based on First Principles and Data Analytics*. London: Palgrave. ISBN 978-1-137-52623-6

Reader: There will be a class reader containing all the assigned readings for the class, available at Target Copy, 1412 W. University Ave., 376-3826. It will cost approximately \$60 (mostly copyright fees). The selected readings provide the best sampling possible of material that will help you learn how to understand your customers. The contents of the reader are listed in the Reading Assignments handout.

Course Policies:

Attendance:

Attendance in class is required. If you should need to be absent from a class, you should contact me *beforehand* to discuss your absence. Unexcused absences or multiple approved absences will result in a considerable penalty in final grading and may result in referral to the MBA programs office.

Participation:

It is critical that you attend and participate fully in classes. The material discussed in class is often quite different from or supplementary to that covered in the reader. Also, classes are designed to be interactive. I try to stimulate discussion about particular topics in class and often use group discussions to illustrate particular points. I will make printed note shells and PowerPoint files available for each class. You should read assigned material and review the PPT files prior to each class so that you can participate in an informed fashion. These are provided to aid your preparation and note-taking, there will frequently be material presented in class that goes beyond the provided PowerPoint files. Some class time will be allotted for working on various assignments.

Make-Ups:

Exams must be taken on the day they are scheduled. If an emergency should cause you to miss an exam, you must notify me prior to the exam to schedule a make-up. I will require documentation of the emergency situation and you will need to coordinate with the dean of students office. No early exams will be given. Missed exams will earn 0 points.

Incomplete Grades:

Grades of “incomplete” will only be given in the event of exceptional circumstances, and must be arranged before classes end. Incompletes will not be awarded to allow “re-takes” of the class for an improved grade. See the Graduate Catalog for details of the official policy.

Assignments:

Assignments are due by the date and time listed on the class website unless otherwise stated. All times are Eastern Time (i.e., time in Gainesville). Assignments submitted late will be penalized 10% of the grade for each fraction of a day they are late. Assignments are to be completed without communication beyond the individual student or team. Teams may divide the assignment work as they see fit, but it should be done equitably and all teammates should understand all the steps. See Grading Policies for more information.

Extra Credit:

Your grade in this class will be based on the rubric discussed above. Students may not request supplementary assignments for “extra” credit, since offering opportunities to some students that are not available to all would be unfair. Exams may include problems for “extra credit” but these opportunities, if available, will be available to all students.

Course Technology:

Some of the software used in this class will already be familiar to you, and you will likely already have it installed on your laptop (e.g., Microsoft Excel and Word). Other software will be new to you. Any special software required for this class will be provided to you. If you have questions about the installation of the software, or encounter any software-related problems, you should request technical help in Technology Assistance Center (TAC, <http://warrington.ufl.edu/itsp/techservices/students.asp>). Questions about using the software, on the other hand, are best answered by me.

In some classes, I will explicitly ask you to use your laptops to work on assignments. In other cases, computers will not be necessary. It is fine with me if you use your laptops to take notes and/or work on class problems. You should not use your computer in a way that distracts you or others from the class, is generally disruptive, or is contrary to the IT policies of the university (see below). You should focus on this class while it is going on.

You will not be permitted to use a computer or any device that has communication capability (e.g., cell phones) during exams. This means having any necessary materials in hardcopy format during exams.

To avoid disruption, I ask that you turn off or set to "silent" all cell phones prior to class. Exceptions can be made under special circumstances.

University Policies:**Students with Disabilities:**

Students requesting accommodation for disabilities must first register with the Dean of Students Office (<http://www.dso.ufl.edu/drc/>). The Dean of Students Office will provide documentation to the student who must then provide this documentation to the instructor when requesting accommodation. You must submit this documentation prior to submitting assignments or taking the quizzes or exams. Accommodations are not retroactive, therefore, students should contact the office as soon as possible in the term for which they are seeking accommodations.

Academic Misconduct:

We, the members of the University of Florida community, pledge to hold ourselves and our peers to the highest standards of honesty and integrity.

As a result of completing the registration form at the University of Florida, every student has signed the following statements: "I understand that the University of Florida expects its students to be honest in all their academic work. I agree to adhere to this commitment to academic honesty and understand that my failure to comply with this commitment may result in disciplinary action up to and including expulsion from the University."

All work submitted in this class must be your own. You are encouraged to discuss class topics with others, study together, etc., but you are not permitted to represent the work of another as your own. Cheating, plagiarism, and other violations of the University of Florida

Academic Honesty Guidelines will not be tolerated, and will be dealt with according to University policy. This will, at a minimum, result in a failing score on the assignment in question. If you have any questions about what behavior might constitute a violation of the policy, you should consult your student handbook or the following website:

<https://www.dso.ufl.edu/sccr/process/student-conduct-honor-code/>

Software and Computer Use:

All faculty, staff and students of the University are required and expected to obey the laws and legal agreements governing software use. Failure to do so can lead to monetary damages and/or criminal penalties for the individual violator. Because such violations are also against University policies and rules, disciplinary action will be taken as appropriate.

More information is available at:

<http://www.it.ufl.edu/policies/acceptable-use/acceptable-use-policy/>

If you have any questions regarding these policies, please contact me to discuss them.

Getting Help:

For issues with technical difficulties for E-learning, please contact the UF Help Desk at:

- Learning-support@ufl.edu
- (352) 392-HELP - select option 2
- <https://lss.at.ufl.edu/help.shtml>

** Any requests for make-ups due to technical issues MUST be accompanied by the ticket number received from LSS when the problem was reported to them. The ticket number will document the time and date of the problem. You MUST e-mail your instructor within 24 hours of the technical difficulty if you wish to request a make-up.

Other resources are available at <http://www.distance.ufl.edu/getting-help> for:

- Counseling and Wellness resources
- Disability resources
- Resources for handling student concerns and complaints
- Library Help Desk support

Grading Policies:

Course Evaluation:

Your performance in this class will be based on 2 exams, 4 assignments, and class participation. Grades will be based on your cumulative point score as follows:

Assignments	25 points each, 100 points total
First Exam	40 points
Second Exam	50 points
<u>Class Participation</u>	<u>10 points</u>
TOTAL	200 points total

Overall course grades will be assigned as follows:

180 – 200 points = A

160 – 179 points = B

140 – 159 points = C

120 – 139 points = D

below 120 points = E

Plus and minus grades will be awarded to students in the top and bottom 6 points of each range, respectively (e.g., 173-179 = B+, 160-166 = B-). Borderline students may receive the next higher grade if I feel that they have made a concerted effort to master class material.

Exams:

The exams will be based on lectures, assigned readings, and team assignments. They may involve a variety of question types including multiple choice, identification, short answer, and essay formats. They are closed-book, closed-notes unless I state otherwise. They will be given during the normal class period on Thurs., February 1 and Tues., February 27. Exams are not explicitly cumulative, but the second exam may involve some material from the first half of the class. Exam scores may be curved if necessary. You will require a calculator for the exam. The policy regarding computer use during the exams will be announced prior to the first exam. This class emphasizes understanding over rote learning, so I will provide you with any complex formula on the exam.

Team Assignments:

Assignments are designed to give you working experience with the analytic techniques covered in class. They are also designed to give you general experience with a variety of software and experience working in a group. You will need to spend considerable time and effort on these assignments. Together, they account for 50% of your grade, so they should be taken very seriously. You should submit each assignment as if it were a full analytical report to your manager. In particular, you should include a discussion of the question or questions addressed, the methods used, the results, and the implications for changes in the firm's marketing strategy.

All assignments are team assignments. Teams will be assigned by me and will be the same for all assignments. Group size depends on class size and will be announced in class. Occasionally, groups experience internal conflicts based on the delegation of responsibilities. These conflicts are best resolved within the group. If a group encounters irreconcilable differences, they should contact me, and I will resolve the disagreement (as I see fit).

At the end of the semester, students will have the opportunity to rate the contribution of their teammates to the team projects. These ratings will determine, in part, the proportion of the team's points that are awarded to each member. The goal of this procedure is to minimize the chances of "free-riding" and to require all teams to specify in detail what contributions are required by each member. Each team member should contribute equally to each assignment. It is important that each team member understands all parts of each assignment. You will need to exhibit these skills on the exam.

Students are responsible for knowing when assignments are due. Late assignments will not be accepted (except by prior arrangement). Late assignments will be docked three points for each day they are late, regardless of the reason for lateness. Team assignments should be turned in *in class* on the day they are due. I will not accept electronic submissions. Please do all assembling of pages, proofreading, etc. before class.

Class Participation:

Classes often involve fairly detailed discussions of behavioral theories or analytic techniques. I will make available PowerPoint files for each lecture. These PPT files provide much of the material that is presented in class.

It is critical that you attend lectures. The material discussed in lecture is often quite different from that covered in the reader. Also, classes are designed to be interactive. I try to stimulate discussion about particular topics in class and often use group discussions to illustrate particular points. Ten points will be awarded to students who I feel have contributed often and productively to class discussion. You should read assigned material and review the PPT files prior to each class so that you can participate in an intelligent fashion. Some class time will be allotted for working on group assignments. I ask that you turn off or set to "silent" all cell phones and beepers prior to class. Exceptions can be made under special circumstances.

Spring 2018 Class Schedule

Date	Topic	Assignment
Tues., January 9	Class Goals and Expectations	<ul style="list-style-type: none"> • Read P&S Chapter 1
Thurs., January 11	Segmentation and Targeting Strategies / Efficiency	<ul style="list-style-type: none"> • Read P&S Chapter 2 • Read Kotler: "Identifying Market Segments and Selecting Target Markets." (Canvas)
Tues., January 16	Demographic and Geographic Segmentation / Measures of Association	<ul style="list-style-type: none"> • Read Sarstedt & Mooi: "Cluster Analysis" (Canvas)
Thurs., January 18	Psychographic Segmentation	<ul style="list-style-type: none"> • Read P&S Chapter 5 • Read Mowen & Minor: "Attitude, Belief, and Behavior Change." (Reader)
Tues., January 23	Attitude Theory, Multi-attribute Attitude Models	<ul style="list-style-type: none"> • Read Peter & Olson chapter: "Attitudes and Intentions." (Reader) • Assignment 1 due
Thurs., January 25	Factor Analysis	<ul style="list-style-type: none"> • Read Sarstedt & Mooi: "Factor Analysis" (Canvas)
Tues., January 30	Attitude Formation and Change / Persuasion	<ul style="list-style-type: none"> • Assignment 2 due.
Thurs., February 1	Midterm Exam.	
Tues., February 6	Perceptual Mapping / Multi-Dimensional Scaling	<ul style="list-style-type: none"> • Read Dolan "Analyzing Consumer Perceptions" (Reader) • Read Churchill "Perceptual Mapping." (Reader)
Thurs., February 8	Preference Mapping	
Tues., February 13	Conjoint Theory, Conjoint Value Analysis	<ul style="list-style-type: none"> • Read Dolan "Analyzing Consumer Preferences" (Reader) • Read Churchill "Conjoint Measurement." (Reader) • Assignment 3 due.
Thurs., February 15	Applied Conjoint Analysis	<ul style="list-style-type: none"> • Read Curry "Understanding Conjoint Analysis in 15 Minutes" (Reader) • Read Orme "Analysis of Traditional Conjoint Using Microsoft Excel: An Introductory Example." (Reader)
Tues., February 20	Applied Conjoint Analysis, Behavioral Decision Making	<ul style="list-style-type: none"> • Read Thaler (1980). (Reader)
Thurs., February 22	Review and Class Summary	<ul style="list-style-type: none"> • Assignment 4 due.
Tues., February 27	Final Exam 9:35 – 11:30 PM Hough 240	

Summary of Analytic Techniques

This document is designed to give students a rudimentary understanding of the analytic techniques discussed in MAR6508, the assumptions that each makes, the questions that each can address, and the data that each require. Reading this document will help you to better understand each technique as you encounter it in class.

Segmentation and Targeting:

In the segmentation and targeting section of class, we will cover a variety of techniques that are designed to help you better understand your market and the similarities and differences among your customers. I will introduce different sources of demographic and geographic segmentation data including the U.S. Census, Simmons surveys, and EASI, among others. I will also introduce you to different measures of association (e.g., r , χ^2 , etc.) and measures of efficiency. These techniques are designed to provide answers to the following sorts of questions:

- 1) How are customers similar and different in terms of location, demographics, psychographics, or behavior?
- 2) How can I select segments of customers who are most likely to buy my product?
- 3) How can I efficiently target my advertising and promotions to appropriate segments of customers?

The data used in these techniques varies. In some cases, it takes the form of categorical (frequency) data, in other cases we will discuss continuous measures such as Likert scales. Many of the analytic techniques in this section can be computed by hand, or use simple spreadsheet programs such as Excel. Others are best performed using statistical software such as SPSS or SAS.

Multi-Attribute Attitude Measurement:

In this section of class, we will discuss *multiattribute attitude measurement*. This is a technique that helps you understand what your customers believe about your brand and the brands you compete with, the strengths of those beliefs, and their individual preferences towards the attributes. The technique allows managers to answer the following questions:

- 1) What do customers believe about my brand and those of my competition?
- 2) What features do customers see as positive and negative?
- 3) How important are these attributes to the customer?
- 4) How do beliefs and importance judgments differ across market segments?
- 5) How effective would different brand positioning strategies be?
- 6) How should I advertise my product?

The data used in multiattribute attitude measurement vary, but are most often survey data based on Likert scale or probability rating questions. The analyses can be done using simple spreadsheet packages such as Excel.

Perceptual and Preference Mapping

In this section of class, we will discuss two related techniques called *perceptual mapping* and *preference mapping*. The goal of each technique is to represent similarity or preference data using a multidimensional space. Brands, and in some situations, consumers are represented as points in this space, and distances between the points reflect either perceived similarities between the brands or preferences for the brands. Managers can use these techniques to answer the following questions:

- 1) What brands in the marketplace are perceived to be similar?
- 2) What dimensions are important determinants of similarity and competition?
- 3) How do customers differ in their perceptions and preferences?
- 4) How should I position a new product or reposition an old product?
- 5) Are there untapped segments of consumers within the market?

Both sets of techniques use some form of similarity data. Perceptual mapping most often uses direct customer ratings of brand similarity, although other measures are possible. Preference mapping typically uses either brand ratings or rankings. Some statistical packages have tools for either perceptual or preference mapping, or both. In assignment 3, you will use SAS to perform a preference mapping.

Conjoint Analysis

In this section of class, we will discuss a technique called conjoint analysis. This technique is used to decompose customers' evaluations of different product profiles into their constituent parts. It produces a set of "part-worth utilities" that describe the amount of utility that a given consumer receives from a given feature or attribute level. The technique can be used to answer the following questions:

- 1) What features do customers value most and least in my product?
- 2) How important are different features to different segments of consumers?
- 3) How well will people like a brand having particular features?
- 4) What market share and profit do I expect to receive depending on the brands that I and my competition offer?

Conjoint analysis can be based on choices between product profiles, brand rankings, or brand ratings. In assignment 4, you will perform a conjoint analysis using state-of-the-art software for the design, administration, and analysis of conjoint studies.