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Buyer & Consumer Behaviour (SP2, 17)

Assignment

March 2017

You have recently been appointed as the Marketing Coordinator at Mars Inc. Australia. Mars is a leading consumer brand company, providing products to local and overseas markets in the Food, Pet Care, Chocolate, Gum & Confectionary categories. Your role is within the Gum division. Mars owns gum brands such as Extra, Eclipse, Hubba Bubba and Juicy Fruit.

Your Marketing Director is also new to her role and has commissioned some market research to collect data on people's gum buying behaviour. As you are a recent Marketing graduate from UniSA, she asks that you analyse and interpret the data and share your insights on gum buying behaviour with the department.

Your Marketing Director has given you a list of specific questions that she wants answered. Prepare a 2000-word report that addresses the questions outlined below.

Provide an Executive Summary (approx 1 page) outlining the major findings of the report and the implications for the brand **Extra**. This is followed by the main body of the report divided up into the four sections:

- Understanding Buyer Behaviour
- Brand Performance
- Mental Availability
- Demographics and Segmentation

This should be followed by a reference list. Your work should make reference to material taught in this course via your readings and other sourced materials. You should include at least 10 references as a minimum requirement. You do not have to include the tables from this document.

Note: The word count excludes the executive summary, all tables and your reference list. Headings and sub-headings in the report are encouraged where appropriate. It is important that this deadline is adhered to. This part of the assessment needs to be submitted no later than **Monday 1st May by 11.00pm** (at which time the submission link closes).

This course has a no extensions policy unless exceptional circumstances apply (for more information please refer to the Course Outline). Extensions will not be granted for this work on or after the due date. All extension requests need to be submitted in writing via the 'Extensions' link on the course website.

Section 1: Understanding Buyer Behaviour

1. Your new Marketing Director asks for your opinion about which of the two theories, Cognitivism or Behaviourism, is the best approach to understand buyer behaviour. Explain each and give reasons for your preferred theory. (400 words approx.)

Section 2: Brand Performance

Table 1: Brand Performance Measures

Brand	Market Share	Penetration	Average Purchase Frequency	Category Buying Rate	Share of Category Requirements	Sole Loyalty
Orbit	37	75	2.2	5.2	43	22
Extra	27	55	2.2	5.4	41	13
Mentos	20	45	2.0	6.8	29	7
PK	12	35	1.5	7.2	21	0
Jila	6	21	2.0	7.9	18	0
Airwaves	4	18	1.0	9.5	11	0
Average	100	42	1.8	7.0	27	5

2. Are there any patterns evident between the brand performance measures in Table 1? Describe the patterns and differences that you see between the competing brands, and specifically for Extra. (400 words approx.)
3. Your Marketing Director says “*sole loyal buyers are the best type of buyers to have, these buyers are the key to brand growth*”. She wants to implement a marketing strategy encouraging existing buyers to only buy Extra. Explain if this is a good strategy to take. Why / why not? (300 words approx.)

Section 3: Mental Availability

4. Describe Mental Availability. Discuss how mental availability can be built and enhanced. What are the appropriate marketing strategies for building mental availability? Name 10 category entry points that you would expect to be included in an advertisement for Extra. (400 words approx.)

Section 4: Demographics & Segmentation

5. Your Marketing Director believes that the Extra brand should be targeted towards a customer profile of males, aged 26-45 years old, who earn more than \$70,000 per year. Analyse Tables 4-6. Do you agree/ disagree with your Marketing Director? Explain your answer. (300 words approx.)

Table 4: Demographics – Gender

Brand	Male	Female	Male Dev.	Female Dev.	Average MAD
Orbit	64	36	4	-4	4
Extra	60	40	0	0	0
Mentos	59	41	-1	1	1
PK	61	39	1	-1	1
Jila	61	39	1	-1	1
Airwaves	58	42	-2	2	2
Average	60	40	2	2	2

Table 5: Demographics – Age

Brand	16-25	26-35	36-45	46-55	56-65	16-25 Dev.	26-35 Dev.	36-45 Dev.	46-55 Dev.	56-65 Dev.	Avg MAD
Orbit	16	35	18	13	18	-2	6	-6	-2	3	4
Extra	16	31	24	18	11	-2	2	0	3	-4	2
Mentos	18	27	23	16	16	0	-2	-1	1	1	1
PK	23	28	20	14	15	5	-1	-4	-1	0	2
Jila	19	24	27	15	15	1	-5	3	0	0	2
Airwaves	17	29	30	13	13	-1	0	6	-2	-2	2
Average	18	29	24	15	15	2	3	3	2	2	2

Table 6: Demographics – Total household income

Brand	Less than \$50,000	\$50,000 - \$70,000	More than \$70,000	<\$50k Deviations	\$50-\$70k Deviations	>\$70k Deviations	Average MAD
Orbit	23	29	31	3	6	-7	5
Extra	21	19	43	1	-4	5	3
Mentos	16	22	40	-4	-1	2	2
PK	21	22	39	1	-1	1	1
Jila	22	21	35	2	-2	-3	2
Airwaves	18	24	41	-2	1	3	2
Average	20	23	38	2	3	4	3

6. What marketing strategy recommendations would you make to your Marketing Director as a result of your demographic and segmentation analysis above. (200 words approx.)



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