

Marketing Masters

Section #502

Elizabeth Akinkugbe

Ashley Angell

Nathan Herron

Kelley O'Donnell

Rudy Ramirez

Project Report

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Problem Definition

The purpose of our study was to evaluate the entertainment habits of students that pay for their own schooling versus students that have school paid for by someone else. The primary population that was focused on was Texas State undergraduate students that ranged from the ages of eighteen to thirty years old. Our two main questions that we were trying to answer were:

- How does school funding affect the choices students make regarding entertainment?
- What are the entertainment options students will not give up regardless of funding?

Some of the concepts that we used for our study were lifestyle, how a person enacts his or her self-concept and is determined by past experiences, innate characteristics, and current situations. Lifestyles influence consumption behaviors and are a function of inherent individual characteristics shaped through social interaction in the life cycle. The next concept we felt was relevant to our study was the Innovators, who are described as successful, sophisticated, active, take-charge people with high self-esteem and abundant resources. Another concept we applied to our study was the Makers, who are practical people that have constructive skills and value self-sufficiency. The last concept was the Survivors, who live simply on limited incomes, but are relatively satisfied. They show no evidence of a strong primary motivation.

Study Design

The method our group used was in-depth interviews using laddering. By asking our sample a variety of research and probing questions, we determined the entertainment habits of students that pay for their own schooling versus students that have school paid for by someone else. By using laddering and means-end chains, we began asking our sample group how they had their college financed. This led us to our next set of questions, which prompted them to tell us about their spending habits. After finding out more about each individual's spending habits, we asked them their opinion on what they thought about people on opposite sides of the academic spectrum. This allowed us to evaluate the individual's morals, values, and lifestyles based on their level of resources, entertainment, and academics.

Our population consisted of Texas State undergraduate students between the ages of eighteen and thirty years old. Each of the Marketing Masters evaluated three males and three females, for a total of thirty students, making up our sample. We did this to ensure an equal number of students for each gender, 50% male and 50% female (See Figure 3). We selected our sample by asking fellow students in class and on campus, at work, or by knocking on doors at various apartment complexes near the university. Our sample's demographics consisted of gender, age, ethnicity, and class rank. According to age, we had nineteen year olds (13%), twenty year olds (20%), twenty-one year olds (27%), twenty-two year olds (20%), twenty-three year olds (17%), and twenty-five year olds (3%) (See Figure 1). Our sample consisted of White/Caucasian students, who made up 66.5%, and Hispanics, who were the next largest, making up 16.5% of the total sample. We did not have a large sample of the remaining races we evaluated. 7% were African-American, 3% were Asian, and the remaining students were classified as Other, which made up about 7% of our sample (See Figure 2). In regard to class rank we had no freshman, 13% were sophomores, 23.5% were juniors, and the majority were seniors who made up 63.5% (See Figure 4).

Figure 1

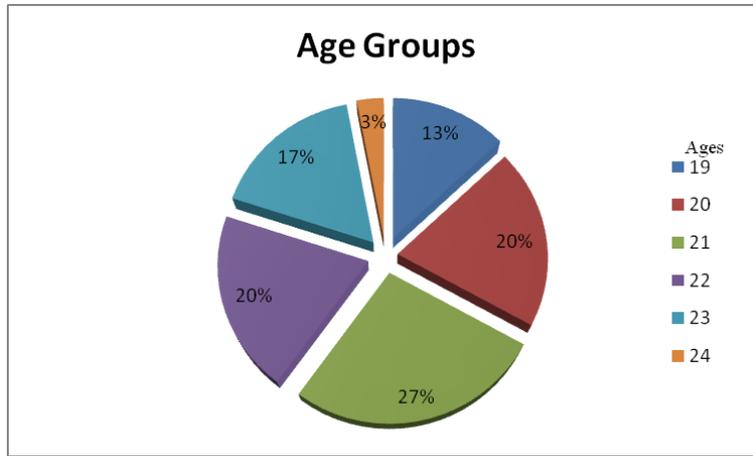


Figure 2

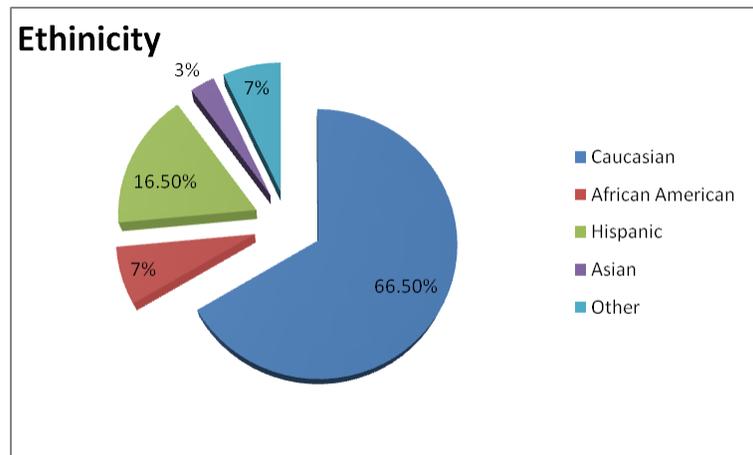


Figure 3

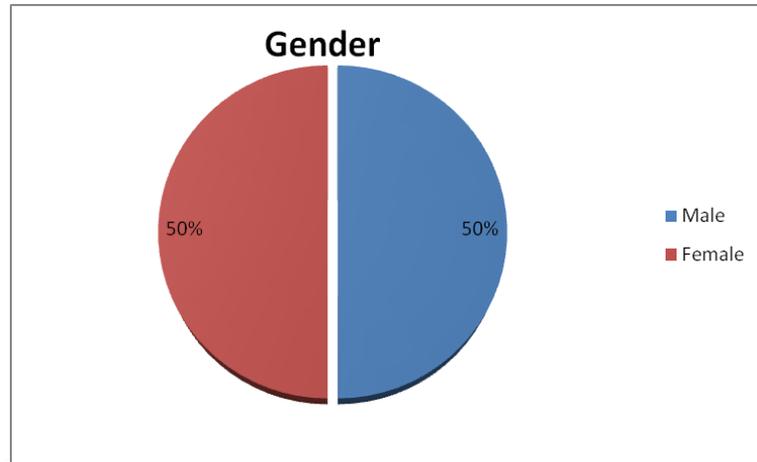
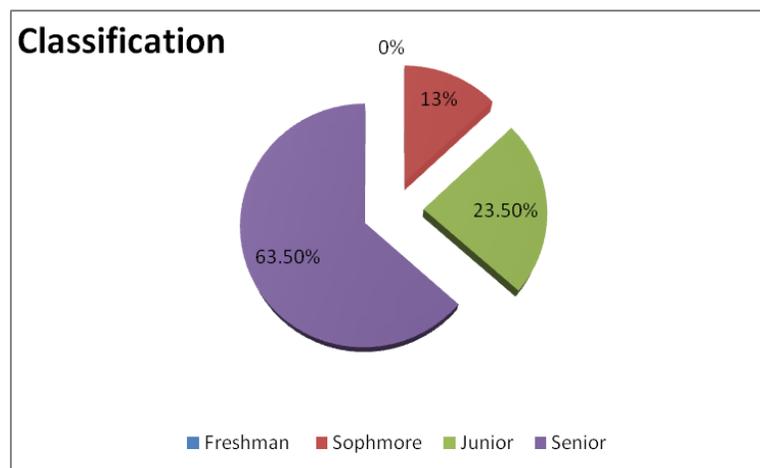


Figure 4



The first question we asked our sample was, “How is your college paid for?” Depending on their response, they led us to ask questions such as, are you responsible to pay your loans off yourself or will you have help paying the loans off. Next, we asked: How often do you go out to eat? When answered, we asked the following questions: “Are the restaurants you visit expensive? How much do you spend on food you prepare at your home?” Third, we asked “What kind of entertainment do you participate in that is free?” If they participated in things that were free, we wanted to find out if they went to places like the river or the public library.

Following that question, we asked what kind of entertainment they participated in that cost them money. Which directed us toward many probing questions such as, “how many times a week do they party? How often do they buy movies, music, and video games?” We also asked our sample, “Do you have a weekly entertainment budget?” This led us to ask if they follow it closely or if they exceed their budget on a regular basis. Sixth, we asked if their spending money was reduced significantly, what they would not be able to give up. Last, we asked our sample, “Do you think someone on academic probation goes out more or less than someone on the dean’s list?” This led us to ask if they were ever on academic probation or on the dean’s list. By asking these questions our interviewees gave us much lead useful information regarding their weekly priorities and budgeting.

Results

In our in-depth interviews we asked a series of questions relating to how students are paying for their education, what their entertainment budgets were like, and what they would not give up regardless of financial means. From gathering all of our qualitative data we answered our first research question concerning school funding and how that affects the choices students make regarding entertainment. From what we gathered, we categorized them into three distinct lifestyle groups based on financial assistance, spending habits, and academic performance. We concluded that our first category were students that fit into the VALS category of Innovators.

These students have a great deal of resources and are responsible with not only academics, but also spending habits. These consumers had good grades, more free time, and more resources to enjoy. The students that have full financial support from family or scholarships allowed them to not have to acquire a steady job. This gave them more time to go out with their friends. One of our interviewees stated, "My parents put two hundred dollars in my bank account weekly so that I can go out with friends and not have to go out and look for a job. This allows me to focus on my grades, which reduces my stress." This student has the opportunity to spend extra time with friends and not worry about other things, which reduces his stress and leads to better grades.

- Full financial support from family or scholarships → Not needing to have a job → More time to go out with friends → Less overall stress → Better grades → Deans list.

On the opposite end of the spectrum is the group, Survivors. These students mainly rely on financial aid and accept a substantial amount of student loans. Even though they have limited resources and constricted lifestyles, they seem unaware of the long term consequences of extravagant spending habits. They seem to care less about their academics and are more concerned about barely obtaining a degree. From the sample of survivors, we discovered some students had jobs in order to pay for their expenses, but still continued to spend money on unnecessary purchases. These students with jobs led to not having enough time to study. For example, one student from our sample works a part-time job and relies on student loans to pay for his schooling. He stated, "Working a part-time job causes me stress, which makes going to the 'square' seem like a better idea than studying." This has the potential of lowering a student's grades and carries the risk of academic probation.

- 100% Financial aid and student loans → Full/part time job → More stress → Goes out more → Not enough time to study → Lower grades → Potential academic probation.

The remaining cluster of our students fell into the VALS category, Makers. This group had a range of funding from parents to loans. Many of them work steady jobs, maintain good grades, and keep track of spending budgets, while still indulging in their choice of entertainment. All of the Makers seemed to be very responsible in their own way. Each one was fully aware of their resources; some even kept detailed records of their entertainment budgets. For example, one of our senior students described her detailed Microsoft Excel documents listing details of her food, clothing and “going out” budgets. She said, “My monthly entertainment budget is \$50, and I always try to stick to it, I guess I do not go out much do I?” As you can see, students in the Maker’s category budget their resources and time wisely to allow them to focus on grades. This often allows them to balance their stress levels which results in above average grades.

- Balancing financial resources → Part time job/unemployed → Less time going out → More focus on grades → Mild stress → Average grades.

For our second research question we asked students what they would not give up regardless of their funding. We found an interesting correlation between the different VALS categories and what they would not give up. We found that the Makers would not give up things that one might consider to be a necessity such as a cell phone, gas money and groceries. This correlation suggested they were very practical in nature. The Innovators told us that they would not give up things like getting their hair done, going out with friends, and music. This led us to believe that because they previously never experienced a lack of resources, they did not think about practical everyday things, like cell phones or gas money. When interviewing the Survivor group, we found that they would not give up items like cigarettes and video games. This equally corresponded with their lifestyles and how the majority are irresponsible with their resources.

Refer to table 1 and 2 to read examples of our samples quotes.

Summary Conclusion

We evaluated the entertainment habits of students that pay for their own schooling versus students that have school paid by someone else. After interviewing our sample, we determined how school funding affects the choices students make regarding entertainment. We categorized our sample according to their different lifestyles by grouping them into three categories; Innovators, Makers and Survivors. Innovators are students that have a great deal of resources and are responsible with not only their academics, but also with their spending habits. The Makers hold steady jobs, maintain good grades, and keep track of spending budgets while still indulging in their choice of entertainment. The Survivors are mainly dependent on financial aid and accept significant student loans. Even though they have limited resources and constricted lifestyles, they seem unaware of the long-term consequences associated with extravagant spending habits. The other question we wanted to answer was the entertainment options students will not give up regardless of funding. We realized that each of the VALS system categories reacted similarly to the question previously stated. The Innovators and their abundant resources did not consider giving up practical necessities that Makers might view as a privilege. The Survivors seemed to demonstrate more addictive habits and would not give up products like cigarettes, alcohol and television. Our findings led us to realize the importance of categorizing consumers using the VALS system in order to successfully reach the intended target market.