Consumer Behavior

Spring 2014

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Course Overview

Consumer Behavior is one of the most relevant topics of study for business students. We are all consumers, so we can easily relate to the subject of study; and behavior is observable. The goal of this course is to enhance your understanding of consumer psychology, to enable you as marketers to better meet consumer needs. The basic approach will be to learn new theories that describe and explain consumer behavior, then to apply them to solving actual marketing problems.

I expect students to want to excel. The course is best suited for those who are motivated to synthesize new knowledge and identify unique and relevant applications of the knowledge, by combining and building on what they learn in class. Students who can communicate clearly, and work effectively in groups, will have the best learning outcome.

The class sessions will be a combination of interactive lectures, presentations and class discussions. Each student should come to class, well prepared to contribute to the learning experience for all.

Class Policies

Please be respectful. So that the learning experience not be compromised for any classmate, I expect that you: (1) attend each class as you would a scheduled business meeting, (2) turn off all electronic devices including laptops, tablets, and telephones when in the classroom, and (3) refrain from other distracting behavior such as arriving late, leaving early, and disruptive eating.

Performance Evaluation:

Grades will be weighted as follows:

Behavioral change project

Group grade   15%

Individual grade	15%
Marketing failure to success project	
Group grade	20%
Individual grade	20%
Behavior analysis	10%
In-class exercises	10%
Class participation	10%
TOTAL	100%

Behavioral change project

This is a group assignment, and its evaluation also comprises an individual component. I strongly recommend a group about four members.

(1)   Identify a behavioral change that you want to effectuate. It can be a general behavior change, such as "stop smoking" or a more specific one such as "buy more beverages at this fast food chain." Discuss the marketing relevance of the behavioral change, and the target segment.

(2)   Evaluate the existing marketing efforts to effectuate the change in the context of class material.

(3)   Make specific, reasonable, actionable recommendations for improving the existing marketing efforts based on class material.

The deliverables for this project are: an in-class presentation not to exceed 10 minutes, a hard copy of any overheads you may use for the presentation, and a write-up of the findings, not to exceed 3 pages of text. The write up may separately attach self-explanatory charts, spreadsheets, and/or graphics.

You will also be evaluating your classmates' behavioral change project presentations, assigning each group to the top third, middle third, or bottom third.

Each project will receive a single grade, although individual team members may receive different grades for the project, depending on peer evaluations. You will allocate 100 points among your team members, according to your respective contribution. In order to get your individual portion of the project grade, you *must* submit by Mar 7 (F) (1) the 100 point allocations among your team members, and (2) the evaluations of your classmates' presentations.

Marketing success to failure project

This is a group assignment, and its evaluation also comprises an individual component. I strongly recommend a group about four members.

(1)   Identify a marketing effort that has failed. It can be a big, inter/national failure such as New Coke, or a more local one such as the restaurant on Main Street that went out of business. Discuss the relevance of the marketing failure.
(2)   Explain why the marketing endeavor failed in the context of class material.
(3)   Redesign the marketing plan to make the failure a success, based on class material.

The deliverables for this project are: an in-class presentation not to exceed 15 minutes, a hard copy of any overheads you may use for the presentation, and a write-up of the findings, not to exceed 3 pages of text. The write up may separately attach self-explanatory charts, spreadsheets, and/or graphics.

You will also be evaluating your classmates' failure to success project presentations, assigning each group to the top third, middle third, or bottom third.

Each project will receive a single grade, although individual team members may receive different grades for the project, depending on peer evaluations. You will allocate 100 points among your team members, according to your respective contribution. In order to get your individual portion of the project grade, you *must* submit by <u>May 2 (F)</u> (1) the 100 point allocations among your team members, and (2) the evaluations of your classmates' presentations.

Behavior analysis exercise

This is an individual assignment. Identify a specific marketing decision, e.g. advertisement for a specific product. Discuss its relevance, and evaluate its efficacy in the context of pre-assigned class material. You will prepare this assignment for an up to 5 minute in-class presentation. The in-class presentation should be accompanied by an up to 1 page write-up, and a hard copy of any presentation material that you may use.

In-class exercises

These are individual assignments. There will be various exercises, typically one-page handouts given out in class, which you will complete, and then submit. Some exercises may be surveys to motivate class discussion and will be graded based on credit or no-credit. Others may be short quizzes of multiple choice or short answer format.

Assignments will be graded on the following grading system:

5: Exceptional. Assignment demonstrates original insight based on in-depth analysis and unique application of class material. Exceptional assignments are also articulately presented, and leave the reader/audience thinking "I would not have thought of that, but wish I had!" This is a rare mark.

4: Proficient. Assignment presents convincing arguments based on coherent analysis and relevant application of class material. Proficient assignments are competently presented, and leave the reader/audience thinking "That's clever." Few receive this mark.

3: Basic. Assignment presents some good arguments that demonstrate some understanding of class material. Basic assignments are complete, and the reader/audience does not find flaws in the arguments. Many receive this mark.

2: Minimal. Assignment presents ideas that are based primarily on personal opinions, with little relevant reference to class material. Minimal assignments may be incomplete.

1: Unsatisfactory. Argument is fundamentally flawed or irrelevant, and/or reference to class material is absent or erroneous.

0: Absent. No reasonable attempt is made to complete the assignment on time.

Class date (day)	topic	assignment
January 13 (M)	Introduction	
Jan. 15 (W)	Economics and psychology of choice	POC Ch. 1 & 2
Jan. 20 (M)	Holiday, no class	
Jan. 23 (W)	Utility and subjective value	POC Ch. 3
Jan. 27 (M)	Consumer research	HBR "A Step-by-Step Guide to Smart Business Experiments"
Jan. 29 (W)	Mental accounting	Mkt Sci "Mental Accounting and Consumer Choice"
Feb. 3 (M)	Categorization	Case: Burberry
Feb. 5 (W)	Segmentation	POC Ch. 4 & 5
Feb. 10 (M)	Perception	POC Ch. 6 & 7
Feb. 12 (W)	Taste perception, segmentation	Case: Introducing New Coke
Feb. 17 (M)	Attitude	HBR "Harnessing the Science of Persuasion"
Feb. 19 (W)	Changing attitude	Case: JC Penney: Turbulent Times for an Iconic American Department Store
Feb. 24 (M)	Inertia	POC Ch. 8 & 9
Feb. 26 (W)	Group work	
Mar. 3 (M)	Presentation	
Mar. 5 (W)	Presentation	
Spring break		
Mar. 17 (M)	Facilitating choice: reasons, heuristics	POC Ch. 10 & 11
Mar. 19 (W)	Construal level theory	JPSP
Mar. 24 (M)	Regulatory focus	paper
Mar. 26 (W)	Customer complaints	Case: Rapid Rewards at Southwest Airlines
Mar. 31 (M)	Guest speaker	
Apr. 2 (W)	Independence, interdependence	paper
Apr. 7 (M)	Guest speaker	
Apr. 9 (W)	Targeting and positioning	HBR "Want to Perfect Your Company's Service? Use Behavioral Science"
Apr. 14 (M)	Guest speaker	
Apr. 16 (W)	Time and money	HBR "If Money Doesn't Make You Happy, You Probably Aren't Spending It Right"
Apr. 21 (M)	Presentation	
Apr. 23 (W)	Presentation	
Apr. 28 (M)	Presentation	
Apr. 30 (W)	Course wrap-up	