

Consumer Behavior, MGB-293-002 (San Ramon)

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Class Time & Location: BR-1502, 9 am – 12 pm and 1 pm- 4 pm on Even Weekend Saturday

Office hours: By appointment or before and after classes

Pre-requisite: Marketing Management, MGP-204

Course Objectives:

The study of consumer behavior has been a central theme of contemporary business practices. Based on developing an understanding of the importance of consumer centricity for business success, the study of consumer behavior leads to designing effective marketing strategies. Marketing starts and ends with consumer, from recognizing latent consumer needs to managing post purchase satisfaction and loyalty. Gaining in-depth knowledge of consumers and understanding their behavior using scientific approaches is critical to the success of businesses in today's markets characterized by highly fragmented customer segments, short product life cycles, and increased competition.

This course will focus on gaining insights into consumer psychology and its implications for decision-making by consumers with regard to the acquisition, use or disposition of business offerings. Because we are all consumers too, we think about purchases on a daily basis, make purchases, recognize product features relevant to us, and others' influence on our purchase decisions. Amid marketing communications we are exposed to, and our own experiences, we may have developed intuitions about consumers, often shallow. This course provides an approach to scientific research and appropriate interpretation of the likely response of consumers to different marketing activities.

Required Course Material:

1. Course Pack for Harvard Business Review Articles and Cases, provided by study.net
2. List of online articles from popular newspapers (Listed on Course website in CANVAS)

Course Format:

We will use a variety of materials and approaches in this course to gain insights into consumer phenomena and to develop managerial implications and practices. Material presentation will be through lectures, classroom discussions, activities, business cases, articles, videos, etc. Application of relevant theories to real-world consumer behavior situations will be an integral part of the course.

Assessment:

As outlined in the most current GSM policies and procedures (<http://gsm.ucdavis.edu/GSM-Policies-Procedures>) letter grades will be assigned. Your course performance will be determined by five components:

1. Individual Class Participation	20%
2. Two short Individual Assignments, 10% each	20%
3. Four Case Presentations (Group Work), 5% each	20%
4. Peer Group Evaluations for Cases	10%
5. Final Exam	30%
Total	100%

All assignments must be submitted on or before the due date. Failure to do so without prior authorization from the professor will result in a score of zero for that component of the course.

1. Individual Participation (20 % of total grade)

Class participation is an important component of your grade. Regular and punctual attendance is required. You will come prepared to discuss to concepts, topics and issues related to readings in each class and actively participate in-class activities.

In-class contribution will be assessed based on the quality and consistency of your contributions. You are neither expected to have all the right answers in every class, nor to dominate every in-class discussion. However, you are required to be prepared and contribute regularly. The quality of our class discussions depends on how well prepared you are and your willingness to share the results of your preparation with the class. This means that the quality of your contributions is a lot more important than the quantity. It is entirely possible that you can talk a lot and receive a low grade for in-class contribution. When evaluating your contribution to the class discussions, factors such as the following are considered:

- Does the participant attend class regularly and come to class on time? Is the participant prepared?
- Do comments add insight to our understanding of the marketing concept, the problem, or situation or are others left with a “so what” feeling?
- Do comments generate discussion by yielding a new perspective?
- Is the participant a good listener? Are comments timely and do they advance the comments recently made by others? Are they linked to the comments of others? Is there a willingness to interact with other class members?

Individual class participation is worth 2% (or two points) of your grade for each class session, with the ten sessions adding up to 20% of your total grade. For each class, you will earn one point for

attendance (are mentally present, not pre-occupied by technology). The other point is for your participation in class discussions.

From time to time, life events (e.g., an interview) may prevent you from attending class; when this happens, you will receive a zero for class participation for that day. You can have one unexcused absence without it negatively impacting your grade. Your score starts with one point.

2. Two Short Individual Assignment (20% of total grade)

Assignment #1: “My Target Consumer Looks Like this!(!)” (10% of overall grade)

To segment, target, position and communicate, marketers need a thorough understanding of their consumer. In this assignment, you will choose a consumer and create your consumer profile, observe her/him during a shopping trip and provide analysis of the shopping behavior. You will submit a two page report on or before 4/19/2019 by 11 pm.

Assignment #2: Experiential Marketing Audit (10% of overall grade)

Experiential marketing focuses on consumer experiences. In this assignment, you will visit two branded retailers in a similar product/service category and assess them using an experiential marketing grid. You will choose retailers that you feel provide contrasting consumer experiences. You will submit a two page report on or before 5/31/2019 by 11 pm.

3. Four business case submissions (20% of overall grade)

You will form groups of four to five students depending on class size and work on business cases that help you apply some of the learnings from the class to solve practical problems. Your analysis will be in the form of responses to a set of questions posted on CANVAS. Your group will prepare 6 to 9 power point slides and make short presentations of your solutions in the class.

4. Peer Evaluation of business cases participation (10% of overall grade)

You will work in groups on business cases and 10% of your grade depends on an anonymous rating given by your group peers at the end of class.

5. Final Exam (30% of total grade)

The final exam will be an online exam, opening at 9 am on June 8th and closing on June 9th at 11:00 pm. The format of the exam will be essay and short response, is open-book, and the material for the exam is cumulative, i.e., includes all material covered during the quarter. A review or sample exam will be posted on CANVAS in preparation for final exam. There will be no makeup exams, unless there is an emergency. Plan your schedule accordingly.

Additional Readings (recommended based on your interests)

There are several textbooks and popular press book titles that cover issues related to our class discussions. If earlier editions are cheaper for suggested additional readings, they are generally similar to more recent editions and you can get them instead.

My first recommendation is a comprehensive consumer behavior textbook that you may wish to purchase as a supplement to your course pack:

- Hoyer, Wayne D., Deborah J. MacInnis, and Rik Pieters, *Consumer Behavior*, 7th edition, by Cengage Learning. ISBN-13: 978-1305507272/ ISBN-10: 1305507274

I also highly recommend the following books that touch on topics we will cover during the term (you are not required to purchase these, but you may wish to for your own, independent reading).

- Kahneman, Daniel (2011), *Thinking Fast and Slow*, Farrar, Straus and Giroux.
- Underhill, Paco (2009), *Why We Buy: The Science of Shopping: Updated and Revised for the Internet, the Global Consumer, and Beyond*, Simon & Schuster.
- Thaler, Richard H. and Cass Sunstein (2009), *Nudge: Improving Decisions about Health, Wealth, and Happiness*, Penguin.
- Zaltman, Gerald and Lindsay H. Zaltman (2008), *Marketing Metaphoria: What Deep Metaphors Reveal About the Minds of Consumers*.
- Iyengar, Sheena (2011), *The Art of Choosing*.

A Few Other Things:

A special note: There is a significant amount of reading in this course. It is critical that you read and think about this material BEFORE coming to class. Each class begins with the assumption that you have at least a rudimentary understanding of assigned reading material. At times, we will talk in depth about the assigned readings, and at other times we will not talk about them at all – they will be a supplement to the class discussions. The readings are meant to give you a background on the topic and/or to give interesting examples of how this topic has been examined either in academia or in the media. Assuming you come prepared and energized, we should all have an interesting learning experience at each meeting.

Writing. All writing completed for the course should be carefully proof-read and free of grammatical and typographical errors. I reserve the right to penalize any and all instances of poor writing even if writing quality is not explicitly listed as a grading criterion. All your written reports will be double spaced with 12-font of Times New Roman format.

Cell phones, iPods and laptops. Please turnoff all cell phones and iPods upon entering the classroom. Please do not use laptops (or any other electronic devices) during class, as they can be distracting to those around you. This is very common in the MBA curriculum across top programs. If, for some reason you need to use a computer for note taking, please speak with me.

Notice of the Code of Academic Conduct. Please familiarize yourselves with the University Code of Academic Integrity: (<http://sja.ucdavis.edu/files/cac.pdf>).

COURSE CALENDAR* Spring Quarter, 2019 for San Ramon

**Calendar is subject to change. All changes will be discussed in advance of the day affected.*

Date	Topic	Readings/.Assignment Due (Dropbox close time 11 pm)
4/6	Consumer Behavior and Market Orientation	<u>Readings:</u> A step-by-step guide to smart business experiments. Consuming Rituals of a Suburban Tribe.
4/6	Emotions and Motivations	<u>Readings:</u> How Emotions Influence What We Buy Using laddering to understand and leverage a brand's equity Case: Starbucks: Delivering Customer Service Upcoming Assignment 1 Submission: "My Consumer Looks Like This!?" Due on 4/19/2019 at 11 pm.
4/20	Consumer Preferences: Exposure, Attention and Perception	<u>Readings:</u> TV commercials shrink to match attention spans. Anywhere the Eye Can See, It's Likely to See an Ad. Objects in store are smaller than they appear. Please Touch the Merchandise.
4/20	Memory and Learning	<u>Readings:</u> Case: Renova Toilet Paper: Escaping the Commoditization Trap- Abridged
5/4	Consumer Attitudes	<u>Readings:</u> A hint of hype, a taste of Illusion.
5/4	Consumer Decision Making and Purchases	<u>Readings:</u> Not on the List? The truth about impulsive purchases. The rise of the surgical shopper as impulse buying declines. Case: Behavioral Drivers of Brand Equity-Head and Shoulders in India.
5/18	The Social Consumer	<u>Readings:</u> You remind me of me. Is Justin Timberlake a Product of Cumulative Advantage?
5/18	Experiential Marketing	<u>Readings:</u> Brands are doing more experiential marketing. Agencies everywhere see experiential marketing as the next big thing, and brands want in. Case: Making stickK Stick: the Business of Behavioral Economics Upcoming Assignment 2 Submission: "Experiential Marketing Audit" Due on 5/31/2019 at 11 pm.
6/1	Pricing and the Psychology of Consumption	<u>Readings:</u> Mind Your Pricing Cues. Sometimes, We Want Prices to Fool Us. The psychology of discounting: Something does not add up. Pricing and the Psychology of Consumption
6/1	Vulnerable Consumers	<u>Readings:</u> If it says McDonald's, then it must be good. Case: Rewarding Consumers for Recycling Packaging; Kimberly Clark Seeks Shared Values
6/8	Final EXAM	Online exam opens at 9 am on June 8 th and closes on June 9 th at 11 pm.

Harvard Business Review Articles and Cases on Study.net

1. A step-by-step guide to smart business experiments (R1103H-PDF-ENG)
2. Starbucks: Delivering Customer Service, (504016-PDF-ENG)
3. Renova Toilet Paper: Escaping the Commoditization Trap- Abridged (INS900-PDF-ENG)
4. Behavioral Drivers of Brand Equity-Head and Shoulders in India (IMB645-PDF-ENG)
5. Making stickK Stick: the Business of Behavioral Economics (514019-PDF-ENG)
6. Rewarding Consumers for Recycling Packaging; Kimberly Clark Seeks Shared Values (B5884-PDF-ENG)
7. Mind Your Pricing Cues (R0309G-PDF-ENG)
8. Pricing and the Psychology of Consumption (HBR OnPoint Enhanced Edition) (1814-PDF-ENG)

List of popular readings accessible through our library (You may need UC Davis library VPN to access the following links) and/or internet. You also have free access to the New York Times through campus.

1. "Consuming Rituals of the Suburban Tribe," Lawrence Osborne (<http://www.nytimes.com/2002/01/13/magazine/consuming-rituals-of-the-suburban-tribe.html>)
2. "How Emotions Influence What We Buy,:" Peter N. Murray (<https://www.psychologytoday.com/blog/inside-the-consumer-mind/201302/how-emotions-influence-what-we-buy>)
3. "Using laddering to understand and leverage a brand's equity," Wansink, 2003, Qualitative Marketing Research: An International Journal. (https://www.researchgate.net/publication/237539246_Using_Laddering_To_Understand_and_Leverage_a_Brand's) [You may get an error but the full text should be there]
4. "TV commercials shrink to match attention spans" AP (<http://www.denverpost.com/2010/10/29/tv-commercials-shrink-to-match-attention-spans/>)
5. "Anywhere the Eye Can See, it's Likely to See an Ad," Louise Story (<http://www.nytimes.com/2007/01/15/business/media/15everywhere.html>)
6. "Objects in store are smaller than they appear," Los Angeles Times (<http://articles.latimes.com/2008/nov/09/business/fi-shrink9>)
7. "Please Touch the Merchandise," Williams and Ackerman, Bloomberg (<https://www.bloomberg.com/news/articles/2011-12-16/please-touch-the-merchandise>)
8. "A hint of hype, a taste of Illusion," Wall Street Journal [Use library VPN to access] (<https://search.proquest.com/docview/399070237?accountid=14505>)
9. "Not on the list? The truth about Impulse Purchases," Knowledge@Wharton (<http://knowledge.wharton.upenn.edu/article/not-on-the-list-the-truth-about-impulse-purchases/>)
10. "The rise of the surgical shopper as impulse buying declines," Anne D'Innocenzio and Rachel Beck (https://usatoday30.usatoday.com/money/industries/retail/2010-11-08-shopping-patterns_N.htm)
11. "You remind Me of Me," Benedict Carey (<http://www.nytimes.com/2008/02/12/health/12mimic.html>)
12. "Is Justin Timberlake a Product of Cumulative Advantage?" Duncan J. Watts (<http://www.nytimes.com/2007/04/15/magazine/15wwlnidealab.t.html>)
13. "Brands are doing more experiential marketing. Here's How they're Measuring Whether It's Working," (<https://www.adweek.com/brand-marketing/experiential-can-create-more-meaningful-relationships-with-consumers/>).
14. "Agencies Everywhere See Experiential Marketing as the Next Big Thing, and Brands Wants In," (<http://www.adweek.com/agencies/brands-want-you-to-have-an-immersive-experience/>).

15. "Sometimes, We Want Prices to Fool Us," Stephanie Clifford and Catherine Rampell (<http://www.nytimes.com/2013/04/14/business/for-penney-a-tough-lesson-in-shopper-psychology.html>)
16. "The Psychology of discounting Something doesn't add up," The Economist (<http://www.economist.com/node/21557801>)
17. "If it says McDonald's, then It must be good," Aug 14, 2007, New York Times (<http://www.nytimes.com/2007/08/14/health/nutrition/14nugg.html>)