
Consumer Behavior, MGT 293-001 on Thursdays, 2:10 PM – 5:00 PM

Professor: Dr. Vasu Unnava, Ph. D.

Pre-requisite: Marketing Management, MGP-204

Office Hours: Wednesdays from 6:30 pm to 7:30 pm on zoom or an appointment can be set up via email (vunnava@ucdavis.edu)

Course Objectives:

The study of consumer behavior has been a central theme of contemporary business practices. By developing an understanding of the importance of consumer-centric approaches for achieving business success, businesses can effectively design marketing strategies. Marketing begins 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 for the success of businesses in today's markets, which are 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 regarding 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. Harvard Business Review Business Simulation, "Managing Segments and Customers V3"
2. List of online articles from academic publications and popular press (Listed on Course website in CANVAS)

A note about accessing readings: Linked items are available through the UC Davis library or online. The links will need to be accessed from on campus or by using the [library VPN](#).

Course format:

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

Course Requirements and grading:

Your course performance will be determined by five components:

1. Individual: Class participation	15%
2. Individual: Three Assignments, 10% each	30%
3. Project work and presentations:	
(Part 1) Individual: Your undertaking in the project	10%
(Part 2) Team: Project work and presentation	15%
4. Team: 'Managing Segments and Customers' Simulations	20%
5. Individual: Peer Evaluation	10%
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.

Grading Scheme:

The following is the grading scheme for assigning letter grades:

Range	Letter Grade	Range	Letter Grade
100- 97%	A+	<80-77%	C+
<97- 94%	A	<77-73%	C
<94-90%	A-	<73-70%	C-
<90-87%	B+	<70-67%	D+
<87-83%	B	<67-63%	D
<83-80%	B-	<63-60%	D-
		<60%	F

1. Individual Participation (15 % of total grade)

Class participation is an important component of your grade. Regular and punctual attendance is required. You will come prepared to discuss 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 more important than the quantity. It is entirely possible that you can say more things than others in class and receive a low grade for in-class contribution. When evaluating your contribution to the class discussions, the following factors will be 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?

From time to time, life events (e.g., an interview) may prevent you from attending class; when this happens, please let me know as soon as possible and we will work out a schedule based on the situation.

2. Three Individual Assignments (30% of total grade)

Assignment #1: Subscription Services by Social Media Platforms (10%)

Social media (SM) platforms generate revenues from personalized advertisements (ad) based on their users' online activity. When a significant number of users consent to opt out of online tracking, perhaps due to privacy and regulations issues, SM ad revenues can go decrease. One option for SM is to charge subscription fees to compensate for the revenue loss.

In this assignment, you will identify consumer motivations, unmet needs, and willingness (or unwillingness) to pay subscription fees to prevent SM from tracking their online activity. Finally, you will explore the tradeoff between privacy concerns and subscription fees. Your assignment will be based on the frameworks discussed in the class: consumer needs, motivations, and opportunities in the market.

As a part of the assignment, you will conduct consumer research on two SM users with heterogeneous backgrounds and describe consumer (unmet) needs, motivations and missed opportunities under both opt-in and opt-out choices. You can consider "Laddering Technique" for consumer research. You will describe marketing implications and strategies to address consumer privacy concerns. Finally, you will assess the impact of your recommendations on the business financials based on your consumer research. You will turn in a two-page report with double spacing. Your references or interview questions with responses can be provided as an appendix(es). Additionally, you will submit a preformatted EXCEL sheet containing projections of expected SM revenues.

Assignment #2: Consumer's role in brand's sustainability strategies (10%)

Sustainability is a very hot topic of interest for consumers in preserving the climate and avoiding economic disasters. Traditionally, sustainability efforts by the businesses involve cancel culture of carbon offsets or going green. However, younger generation of consumers demand that businesses share their responsibility in creating real impact on environmental sustainability. Businesses recognize that customer collaboration is the key to go beyond traditional approaches, which calls for changes in the consumption behaviors related to product or service usage.

The objective of this assignment is to identify a product or service, study post purchase consumption behaviors, propose strategies to improve environmental sustainability and finally describe the impact of proposed marketing strategies. The assignment is based on the topics of consumer learning, attitudes, and decision-making processes. As a part of the assignment, you will conduct two customer interviews and evaluate their reactions to your proposed strategies. You will turn in a double spaced preformatted two-page report. Your references or interview questions with responses can be provided as an appendix(es).

Assignment #3: Roundtable Discussion in class (10%)

Roundtable Discussions provide an opportunity to learn consumer behavior topics and apply to real marketing situations. You will lead the discussion in the classroom on an assigned topic. The focus of the discussion is about learning objectives or key questions, identifying real consumer issues and relating to course topic under study. You will submit a discussion guide consisting of one page handout to students, in-class presentation material and two-page report on the learnings about consumers before roundtable discussion date. A basic format for the discussion would be:

- A brief outline of three key concepts you will highlight in your discussion.
- Relate each concept to the types of business decisions where it is relevant.
- Identify one short business article for each concept to show how a business is using the concept (e.g., if advertising recall is a concept, show how a company used it).
- Initiate a discussion by bringing three questions on the topic that you would like to know more about.

3. Project Presentations on the topic of your interest:

Consumer behaviors are changing rapidly from purchasing a product to building meaningful experiences and maintaining long term relationships with brands. Your team will undertake a topic related to the changes in consumer behaviors. Your topic can relate to work life, wellness, education, shopping experiences etc. In doubt, we discuss and identify a topic for your project work. Your team will explore traditional behaviors, identify the changes in those behaviors through your reading of published sources and conduct interviews of five consumers to see if your research is supported by the behaviors of those consumers. Then, indicate how traditional marketing techniques should change or have changed to deal with the changes in consumer behavior you identified. For the research of published sources, I expect a minimum of 15 references for this project. These publications may be academic or popular press. Again, I would like to see your ability to abstract and synthesize the information from your references, not just a rewrite of what is being mentioned in those papers. You should submit the list of references and indicate which group member will be responsible for which part of the discussion in your project.

Part 1) Your individual undertaking in the project (10%): Each group member will conduct literature review of their list of articles and submit a three-page summary.

Part 2) Group work and presentation (15%): Your team will organize the research findings, develop interview questions to gather primary data. Your team will interview a total of 5 consumers and analyze the findings. The group presentation will contain introduction to problem, organization of research and objectives of qualitative interviews, interview takeaways, and propositions for marketing implications. Each group will submit their presentation slides 24 hours ahead of the presentation day.

4. Two Executions of “Managing Segments and Customers” (20%)

Managing Segments and Customers simulation deep dives into concepts of customer satisfaction and retention. As a group, you will decide on allocation of resources to improve customer satisfaction and see the impact of your actions on various financial measures in the first execution. In the second execution, new challenges arise from social media and your team will respond with altered allocation

decisions regarding marketing communications and learn how your actions affects customer satisfaction and retention.

5. Peer Evaluation of business cases participation (10%)

You will work in groups on business cases and 10% of your grade depends on an anonymous rating given by your group peers after team presentations. The peer evaluation will reflect your contribution to the group's work product and simulation.

Academic Integrity: All students who take this course are governed by the Univ. of California's standards of ethical conduct for students. These sections set forth the responsibilities of students and faculty to maintain a spirit of academic honesty and integrity. You were given this code of conduct with explicit explanations of violations (e.g. plagiarism, cheating, unauthorized collaboration, etc.) and your responsibilities in regard to them during orientation. It is essential that you are aware of this code of conduct and the disciplinary actions that may be taken in the event of a violation. A copy of the Code of Academic Conduct can be found at <http://sja.ucdavis.edu/files/cac.pdf>. If you are uncertain about what constitutes an academic conduct violation, please refer to the code linked above, contact your instructor, or refer to the Office of Student Judicial Affairs.

Principles of Community: All participants in the course, instructor and students, are expected to follow the UC Davis Principles of Community, which includes affirmation of the right of freedom of expression, and rejection of discrimination. The right to express points-of-view without fear of retaliation or censorship is a cornerstone of academic freedom. A diversity of opinions with respectful disagreement and informed debate enriches learning. However, in this course, any expression or disagreement should adhere to the obligations we have toward each other to build and maintain a climate of mutual respect and caring.

Statement on Accommodation: UC Davis is committed to educational equity in the academic setting, and in serving a diverse student body. All students who are interested in learning about how disabilities are accommodated can visit the Student Disability Center (SDC). If you are a student who requires academic accommodations, please contact the SDC directly at sdcc@ucdavis.edu or 530-752-3184. If you receive an SDC Letter of Accommodation, submit it to your instructor for each course as soon as possible, at least within the first two weeks of a course.

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*.
- Thaler, Richard H. and Cass Sunstein (2009), *Nudge: Improving Decisions about Health, Wealth, and Happiness*.
- 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*.
- Cialdini, Robert (1984), *Influence, The Psychology of Persuasion*
- Current Research: *Journal of the Association for Consumer Research* (<https://www.journals.uchicago.edu/toc/jacr/current>) and *Journal of Consumer Research* (<https://academic.oup.com/jcr>)

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 class time. 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 illustrate 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.

COURSE CALENDAR* Winter Quarter, 2024

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

<u>Date</u>	<u>Topic</u>	<u>Pre-Class Readings/Assignment Due Dates</u> <u>(Dropbox closing time is 11 pm)</u>
Class 1 1/11	Consumer Behavior and Market Orientation	<ol style="list-style-type: none"> 1. More American Are Living Solo, and Companies Want Their Business (2019), Wall Street Journal (WSJ). 2. A Step-by-Step Guide to Smart Business Experiments (2011), Harvard Business Review (HBR), search for AN 58558644. 3. Marketing in the Age of Alexa (2018), HBR.
Class 2 1/18	Motivations	<ol style="list-style-type: none"> 1. The Elements of Value (2016), HBR. 2. Using laddering to understand and leverage a brand's equity (2003). 3. The Beauty Industry is Defying Inflation (2022), WSJ.
Class 3 1/25	Exposure, Attention and Perception	<ol style="list-style-type: none"> 1. Objects in the store are smaller than they appear. (2008) LA Times. 2. How companies change packaging without alienating customers (2018), CNN Business. 3. How consumer needs shape search behavior and drive intent (2019), Think with Google. <p><u>Roundtable 1</u>: How do consumer motivations and values differ between similar services offered by different brands?</p> <p>. Upcoming Submission: Assignment #1 Jan 28th</p>
Class 4 2/1	Memory and Learning	<ol style="list-style-type: none"> 1. The Problem with Feedback (2018), The Atlantic. 2. What the wine industry understands about connecting with consumers (2019), HBR. <p><u>Roundtable 2</u>: Consumer Learning and Product Failures</p>
Class 5 2/8	Consumer Attitudes	<ol style="list-style-type: none"> 1. Track Customer Attitudes to Predict Their Behaviors (2014), HBR. 2. How Certainty Transforms Persuasion (2015), HBR. 3. Consumers Are More Likely to Use or Drop Brands on Racial Justice Response, Survey Finds (2021), WSJ. <p><u>Roundtable 3</u>: What are the differences in consumer attitudes towards Instagram and tiktok?</p>
Continued in the next page		

COURSE CALENDAR* Winter Quarter, 2024 (Continued)

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

<u>Date</u>	<u>Topic</u>	<u>Pre-Class Readings/Assignment Due Dates</u> <u>(Dropbox closing time is 11 pm)</u>
Class 6 2/15	Consumer Decision Making	<ol style="list-style-type: none"> 1. We Actively Avoid Information That Can Help Us (2020) HBR. 2. The Elusive Green Consumer (2019), HBR. 3. How E-Commerce Sites Manipulate You Into Buying Things You May Not Want (2019), NYTimes. <p><u>Roundtable 4</u>: Information search and switching costs</p>
Class 7 2/22	Post Decision Process: Customer Satisfaction and Retention	<ol style="list-style-type: none"> 1. Linear Thinking in Nonlinear World, (2017) HBR. 2. Nudge your customers toward better choices (2008), HBR. 3. How Tech Giants Get You to Click This (and Not That) (2019), WSJ. <p>. Upcoming Submission: Assignment #2 by Feb 25th</p>
Class 8 2/29	Social Influence	<ol style="list-style-type: none"> 1. You remind me of me, (2004) NYT. 2. Is Justin Timberlake a Product of Cumulative Advantage?, (2007) NYT Magazine. 3. How Consumers Really Use Online Reviews, (2020), WSJ. 4. There is Something About Breath Mints and Sharing (2017), WSJ. <p><u>Roundtable 5</u>: Consumer Online Reviews</p> <p>. Upcoming Submission of Individual part of research on group project topic by March 3rd</p>
Class 9 3/7	Social Influence and Word of Mouth	<ol style="list-style-type: none"> 1. Harnessing the Science of Persuasion (2001), HBR, search for AN 5329110 2. The Trendiest Fitness Class Now: Working Out Alone at Home (2019), WSJ. 3. The consequences of Sharing (2020), Current Opinion in Psychology. <p>. Simulation I Execution in-Class & Report Submission</p>
Class 10 3/14	“Changing Consumer Behaviors”	<p>. Simulation II Execution & Report Submission</p> <p>. Project Presentations</p>
Finals Week	Final Project PPT and Peer Evaluation Submissions	<p>. Submission of PPT and Peer Evaluations Forms</p>

A note about accessing readings: Linked items are available through the UC Davis library or online. The links will need to be accessed from on campus or by using the [library VPN](#).