Course Description:

The most complex aspect of marketing is the consumer: their hearts and minds and actions. If consumer behavior was easy to explicate, then all products would sell as well as projected, all ads would be effective, economies would be efficient and marketing would be a simple prospect. In actuality, consumers are frustratingly human: irrational and emotional and difficult to predict.

This course provides you with some tools to better understand consumer behavior. It offers numerous advantages:

(1) It builds a broad understanding of the psychology driving consumer behavior (and human behavior more generally) and, thus, illuminates techniques that can be used to market virtually any brand, product, or idea.

(2) It uncovers the reasons why some marketing strategies succeed when others fail and, in so doing, points to novel—sometimes counterintuitive—techniques that reach beyond existing marketing practice.

(3) It helps students avoid the pitfalls of relying on heuristics, intuition, or personal experience and enhances their ability to make sound decisions in marketing and other domains. It also helps students predict and influence other people’s decision, attitudes, and preferences.

Class Discussions and Participation:

While the course is largely lecture based, we will also have in-class discussions on the assigned readings and cases. Being present in class does NOT necessarily mean class participation. For lecture based classes, there are two ways of earning your class participation grade. The first is by reading the assigned material before coming to class and coming with questions or comments. In addition, you could look for examples of how the concepts in class are demonstrated in the experiences you have as a consumer. I will ask each week for examples that you have seen that apply to current or previous lectures on consumer behavior. You can choose to email me a link to an ad or article before class, or just share your story/experience in class. For case based sessions,
you will fill out a case participation outline (details of which are given in Appendix 1 of this outline), due for each case, and submit it at the beginning of the class. You will not be allowed to sit through a case class if you do not submit the participation outline. These outlines will not be graded except on a pass/fail basis.

**Code of conduct:**

Complete all individual assignments alone, with no input from other students, previous papers, or anyone else. These assignments are meant to be completed by individuals only and are graded as such. Also, please do not gather information from other sources for use in your projects and homework assignments, unless you very carefully understand the relevance. While using information from outside, ensure that the source is **visibly cited**.

For group projects, leaders are supposed to ensure equitable distribution of work among the members. All members are equally responsible for the project research, write-up and presentation. Failure to be present on the day of the presentation would lead you to a straight zero on the presentation. Furthermore, your report must include a clear statement of contribution, explaining each member’s area of responsibility.

Students have a tendency of taking it easy during the early months of the semester, with the result that they are bogged down with deadlines to meet towards the end. In order to avoid the situation, ensure that your work is planned out for the semester. **No extensions in deadlines would be made.**

**You are responsible for your own grade.** Active and logical class participation and submission of assignments on time would not only help you in performing well but also enable you to score a high grade in the course.

**Individual Assignment:**

The purpose of the assignment is to get you to think about the psychology of consumer behavior by applying it to your own life. The theories or concepts that you apply are basically up to your own perception of your own behavior. However, these must be theories grounded in the text and classroom discussion. The journal will have three goals: understanding the influences behind your purchases, understanding the consequences of your purchases, and giving you a chance to reassess and change your purchase patterns. The method is as follows:

a) For a FOUR WEEK period, you must keep a diary of the products you purchase. This is simply a listing of the products, when, and where you made the purchase. Do this on a daily basis.

b) At the end of each week, look for 3 products you seem to “consume” most regularly or consistently, then think back on that week and analyze:
   a. why you bought that product over another
   b. what advantages or disadvantages resulted from purchasing that product over others
c. your satisfaction/dissatisfaction with the purchase
d. your intent to continue that purchase (or note if you decided to change your purchase pattern & why)

c) At the end of the four weeks, choose 3 key products and consider the one major psychological factor or process for each separate product (e.g. peer pressure, learning, subliminal messages etc.) that contributed most to your consumption pattern (i.e. one different process for each of the 3 products).

Entries in the journal will begin from September 15th. You must hand in your journal every first class of the week. Final assignments/papers are due on October 15th (at the end of the four week period) at the beginning of class. Please be very specific to both the psychological processes and its application to your specific purchase pattern. Specific reasons for why you think it was that process that was most influential on that product, must be highlighted. The maximum length of each paper should be six (6) pages double spaced, with 1 inch margins and 12 point Times New Roman font. Your grade will be based on three main criteria:

1) Your ability to briefly summarize the psychological process (you must show that you understood what the process involves, how it works, how it influences consumer behavior in general)

2) Your ability to effectively communicate its application to your life (you have to then take the theory one step further to show specifically how it applies to your particular consumer behavior and why it is the major reason behind your purchase pattern)

3) The clarity and effectiveness of your communication compared to others in the class (in this respect, writing style does matter because it is part of effective communication, the key is to convey your point simply and clearly-BIG WORDS do not impress, but clarity does)

**Group Assignment**

This assignment has been taken from the Harvard Business School curriculum. The purpose of this exercise is to broaden your horizons and bring you face to face with a customer. The assignment is explained in a step wise fashion below:

a. Find people who are not a part of this course, using a product or service defined in the choices given later.

b. Conduct an in-depth interview of about 2 hours with each customer. The goal of the interview is to understand how the owner or user feels about the product or service in terms that can be useful to a marketing manager. The list of questions given later in Appendix 2 of this outline is intended as a broad guideline around which you can structure your interview. It is not complete or exhaustive of the type of questions you need to ask or the level of detail for which you need to probe. Rather you should try to stimulate a lively and open discussion around these key question areas from which you can (a) develop a deep understanding of the ownership/usage experience; (b)
surface the factors, in the environment and in the consumer psyche, that determine why the customer acts, thinks, and feels the way s/he does.

c. Report briefly and concisely to the class your key insights. Summarize your thoughts in a maximum of five pages.

Key product/services to be studied:

1. Smartphones in 19-22 year olds
2. Gyms in 19-22 year olds
3. Music in 19-22 year olds
4. Sportswear in 19-22 year olds
5. Branded clothes in 19-22 year olds
6. Sheesha in 19-22 year olds
7. Confectionary items in 9-12 year olds*
8. Toys in 9-12 year olds*
9. Movies in 9-12 year olds*
10. Fashion items in 13-16 year olds*
11. Social networking in 13-16 year olds*
12. Video games in 13-16 year olds*

The assignment is due on December 12, 2011. Depending upon the size of the class, groups of three or four would be made. Each member is responsible to conduct two in depth interviews and all interviews are to be video recorded and saved on a CD; this CD would be submitted along with the final report.

*These products/services require students to make extra effort in finding the right customers/consumers and carrying out the research. Hence, there is an additional 1 mark award for any group taking the challenge of studying a topic from number 7-12. The topics will be assigned on a first come first serve basis.
Grading:

The breakdown for the final grade is as follows:

- 3 Quizzes (n-1)   10
- Individual assignment             10
- Group assignment  10
- Class Participation  10
- 2 Mid Terms   30
- Final Exam     30

TOTAL  100

Course Schedule:

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APPENDIX 1

Case Participation Outline:

In studying a case, assume you are a consultant hired by the firm. While facts should be accepted as true, statements, judgments, and decisions made by the individuals in a case should be questioned, especially if not supported by facts—or when one individual disagrees with another. Following the sequence given below, will help you systematically arrive at a rational recommendation.

1. **Presentation of facts surrounding the case**
   During your reading of the case, you should underline crucial facts, interpret figures and charts, critically review the comments made by individuals, judge the rationality of past and current decisions, and prepare questions whose answers would be useful in addressing the key issue(s).

2. **Identification of the key issues**
   New opportunities, a changing environment, a decline in competitive position, or excess inventories are all key issues to look out for in a case. Identify the characteristics and ramifications of the issue(s) and examine them, using the material in the case and the text. Sometimes, you must delve deeply because the key issue(s) and their characteristics may not be immediately obvious.

3. **Listing of alternative courses of action that could be taken**
   Alternative actions pertaining to the key issue(s) in the case are listed. Consider courses of action based on their suitability to the firm and situation. Proposed courses of action should take into account such factors as the business category, goals, the customer market, the overall strategy, the product assortment, competition, legal restrictions, economic trends, marketplace trends, financial capabilities, personnel capabilities, and sources of supply.

4. **Evaluation of alternative courses of action**
   Evaluate each potential option, according to case data, the key issue(s), the strategic concepts in the text, and the firm's environment. Specific criteria should be used and each option analyzed on the basis of them. The ramifications and risks associated with each alternative should be considered. Important data not included in the case should be mentioned.

5. **Recommendation of the best course of action**
   Be sure your analysis is not just a case summary. You will be assessed on the basis of how well you identify key issues or problems, outline and assess alternative courses of action, and reach realistic conclusions. You need to show a good understanding of both the principles of the course and the case. Be precise about which alternative is more desirable for the decision maker/manager in its current context.
APPENDIX 2

General discussion areas for the group assignment

Your task is to audit the relationship between the consumer and/or the product/service.

How would you describe the consumption experience?

- How has the product/service used or consumed? Who uses it? When? Where? How often? What feelings and opinions surround the consumption experience?

What type of relationship does the customer have with the product/service?

- How long has the relationship been going on? How has it evolved and changed over time? What terms best describe the relationship: good, bad, mixed, love-hate, dependency, casual, partners, exploited, exploitative, good friends?

What kinds of things have gone wrong in the relationship?

- Stockouts, unavailability of parts of service, inappropriate communication, quality lapses, violations of norms or expectations or values.

What positive surprises have occurred?

- Exceptional service, welcome communication, performance above expectations, affirmation of values

Is the customer satisfied or dissatisfied with the product/service?

- What factors influence the level of felt (dis)satisfaction? How were expectations formed? Did the product exceed them or fall short? How?

What is the meaning of this product/service to the customer?

- How does the product/service fit into the consumer’s life?

What role does the brand play in all of this?