
Consumer Behavior, MGT/P -293-002 (Davis and Sacramento Joint Session at Davis)

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Class Time & Location: Zoom Sessions from UC Davis, 6:30 pm to 9:30 pm (Wednesdays).

If any changes in location occurs, information will be conveyed in advance.

Office hours: By appointment

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 School Cases, provided by Harvard Business Publishing
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. 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 letter grades will be assigned (https://gsm.ucdavis.edu/sites/main/files/file-attachments/gsm_policies_and_procedures_0.pdf).

Your course performance will be determined by five components:

1. Two short Individual Assignments, 15% each	30%
2. Four Case Presentations (Group Work), 7.5% each	30%
3. Peer Group Evaluations for Cases	10%
4. 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.

Grading Scheme:

The following grading scheme will be used for assigning letter grades:

Range	Letter Grade	Range	Letter Grade
100- 97%	A+	<80-77%	C+
<97- 93%	A	<77-73%	C
<93-90%	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. Two Short Individual Assignments (30% of total grade)

Assignment #1: “My Target Consumer Looks Like this! (?)” (15% 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, if feasible 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: Social Influences on Consumers (15% of overall grade)

Marketers need to understand the sources and power of social influences on consumers. In this assignment, you will describe two choice dilemma situations and discuss the impact of social influences on consumer choices. You will submit a two-page report on or before 5/31/2019 by 11 pm.

2. Four business case submissions (30% of overall grade)

You will form groups of three to four 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 about 8-10 power point slides and make short presentations of your solutions in the class.

3. 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.

4. Final Exam (30% of total grade)

The final exam will be an online exam, opening at 9 am on June 5th and closing on June 10th at 11:00 pm. The format of the exam will be essay and short response, is an 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*.
- 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*.
- Schwartz, Barry (2004), *The Paradox of Choice: Why More is Less*.
- Cialdini, Robert (1984), *Influence, The Psychology of Persuasion*
- Heath, Chip and Dan Heath (2007), *Made to Stick*.

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 class session. 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.

Electronic Device for Zoom Sessions: While using an electronic device for Zoom sessions, you would require a computer with capabilities to make yourself visible, your voice audible, and to participate in course activities such as reading, writing documents etc. Please eliminate distractions upon entering zoom session. This is very common in the MBA curriculum across top programs.

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, 2020 for Davis and Sacramento Joint Sessions at Davis

**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)
4/1	Consumer Behavior and Market Orientation	Readings: A step-by-step guide to smart business experiments. Consuming Rituals of a Suburban Tribe.
4/8	Motivations and Emotions	Readings: How Emotions Influence What We Buy. Using laddering to understand and leverage a brand's equity.
4/15	Exposure, Attention and Perception	Readings: Anywhere the Eye Can See, It's Likely to See an Ad. TV commercials shrink to match attention spans. Assignment 1 Submission: "My Consumer Looks Like This!?" Due on 4/19/2019 at 11 pm.
4/22	Memory and Learning	Readings: Objects in store are smaller than they appear. Please Touch the Merchandise. HBS Case 1: Starbucks: Delivering Customer Service
4/29	Consumer Attitudes	Reading: A hint of hype, a taste of Illusion.
5/6	Consumer Decision Making	Readings: Not on the List? The truth about impulsive purchases. HBS Case 2: Renova Toilet Paper: Escaping the Commoditization Trap- Abridged
5/13	Consumer Decision Making and Post Decision Processes	Reading: Don't Buy This Jacket, Black Friday and the New York Times
5/20	Social Influence	Readings: You remind me of me. Is Justin Timberlake a Product of Cumulative Advantage? HBS Case 3: Behavioral Drivers of Brand Equity-Head and Shoulders in India.
5/27	Vulnerable Consumers	Reading: If it says McDonald's, then it must be good. Assignment 2 Submission: Due on 5/31/2019 at 11 pm.
6/3	Pricing and the Psychology of Consumption	Readings: Mind Your Pricing Cues. Sometimes, We Want Prices to Fool Us. The psychology of discounting: Something does not add up. HBS Case 4: Rewarding Consumers for Recycling Packaging; Kimberly Clark Seeks Shared Values
6/10	Final EXAM	Online exam opens at 9 am on June 5 th and closes on June 10 th at 11 pm.

Harvard Business School Cases on Harvard Business Publishing

1. Starbucks: Delivering Customer Service, (504016-PDF-ENG)
2. Renova Toilet Paper: Escaping the Commoditization Trap- Abridged (INS900-PDF-ENG)
3. Behavioral Drivers of Brand Equity-Head and Shoulders in India (IMB645-PDF-ENG)
4. Rewarding Consumers for Recycling Packaging; Kimberly Clark Seeks Shared Values (B5884-PDF-ENG)

List of popular readings accessible through our library (You may need UC Davis library VPN (<https://www.library.ucdavis.edu/service/connect-from-off-campus/>) to access the following links) and/or internet

1. [A step-by-step guide to smart business experiments](#) (R1103H-PDF-ENG) [Needs VPN]
This item will need to be searched for directly. This link takes you to the HBR page of the library. Click on "Search within this publication" and then search for "AN 58558644" in the second field.
2. [Mind Your Pricing Cues](#) (R0309G-PDF-ENG) [Needs VPN]
This item will need to be searched for directly. This link takes you to the HBR page of the library. Click on "Search within this publication" and then search for "AN 10687939" in the second field.
3. ["Consuming Rituals of the Suburban Tribe,"](#) Lawrence Osborne
4. ["How Emotions Influence What We Buy,,"](#) Peter N. Murray
5. ["Using laddering to understand and leverage a brand's equity,"](#) Wansink, 2003, Qualitative Marketing Research: An International Journal. [Needs VPN]
(click on the small green lock at the right side of the page)
6. ["TV commercials shrink to match attention spans"](#) AP
7. ["Anywhere the Eye Can See, it's Likely to See an Ad,"](#) Louise Story
8. ["Objects in store are smaller than they appear,"](#) Los Angeles Times
9. ["Please Touch the Merchandise,"](#) Williams and Ackerman, Bloomberg
10. ["A hint of hype, a taste of Illusion,"](#) Wall Street Journal [Needs VPN]
11. ["Not on the list? The truth about Impulse Purchases,"](#) Knowledge@Wharton
12. ["Don't Buy This Jacket, Black Friday and the New York Times,"](#) Patagonia
13. ["You remind Me of Me,"](#) Benedict Carey
14. ["Is Justin Timberlake a Product of Cumulative Advantage?"](#) Duncan J. Watts
15. ["If it says McDonald's, then It must be good,"](#) Aug 14, 2007, New York Times
16. ["Sometimes, We Want Prices to Fool Us,"](#) Stephanie Clifford and Catherine Rampell
17. ["The Psychology of discounting Something doesn't add up,"](#) The Economist [Needs VPN]

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