1. SUBJECT DESCRIPTION

Contemporary approaches to business emphasize the importance of adopting a consumer focus. Marketing, in particular, is a consumer-driven function that begins and ends with the consumer—from recognizing his or her needs to ensuring post-purchase satisfaction. In this course you will enhance your understanding of consumer behaviour, that is how and why people choose, use, and evaluate goods and services. To gain a comprehensive understanding of consumer behaviour we will study different consumption objects (e.g., consumer goods, retailing services) and different consumption situations (e.g., individual consumption, group consumption).

2. OBJECTIVES AND SKILLS

The objective of the course is to provide key tools and frameworks for analyzing consumer behavior in order to solve marketing problems and define effective marketing strategy. Specifically, you will:

- Learn about relevant theories and research in behavioral sciences (e.g., psychology, sociology, economics) to study consumer behavior

- Apply consumer behavior research for developing and evaluating marketing strategies

We will use reading materials, case discussions, in-class examples and practical exercises as means to apply the principles learned during the lectures to real-world consumer behavior problems. In addition, you will be part of a team and conduct a consumer research project of your choice. For this purpose, you will choose a product category and design a strategy to get some insight into the relationship between customers and products and improve this relationship.

This course is intended for those interested in careers in brand management, advertising management, marketing management, and consulting. However, most of the issues we will cover are of further interest because in trying to understand consumers we ultimately seek to understand ourselves.
3. METHODOLOGY AND WEIGHTING

Following methodology will be used for the learning objectives of this course. You should roughly allocate and invest time/effort according to the outlined weight.

<table>
<thead>
<tr>
<th>TEACHING METHODOLOGY</th>
<th>WEIGHTING</th>
<th>ESTIMATED TIME A STUDENT SHOULD DEDICATE TO PREPARE FOR:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lectures</td>
<td>30%</td>
<td>23 hours</td>
</tr>
<tr>
<td>Group work (Research Project)</td>
<td>40%</td>
<td>30 hours</td>
</tr>
<tr>
<td>Other Individual Studying</td>
<td>30%</td>
<td>22 hours</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100%</strong></td>
<td><strong>75 hours</strong></td>
</tr>
</tbody>
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4. CONTENT

I. INTRODUCTION: WHAT IS CONSUMER BEHAVIOR?

II. CONSUMER DECISION MAKING PROCESS

- Stages of decision making
- Consumer evaluation and choice
- Risk and consumer decision making

III. CONSUMER AS INDIVIDUAL

- Perception and attention
- Persuasion: attitudes and judgment
- Affect and motivation
- Learning and memory
- Automatic information processing
- Personality and self-concept

IV. SOCIAL PERSUASION AND MANAGERIAL DECISION MAKING

- Persuasion through social influence
- Biases in managerial decision making

V. MARKET RESEARCH PROJECT (FORUM)
<table>
<thead>
<tr>
<th>SESSION</th>
<th>TOPIC</th>
</tr>
</thead>
</table>
| 1       | Course Overview  
The study of consumer behavior |
| 2       | Consumer decision making process |
| 3       | Decision making under uncertainty |
| 4       | Perception / attention and persuasion |
| 5       | Attitude and judgment |
| 6       | Opinion formation |
| 7       | Presentation of research topics |
| 8       | Memory and Learning |
| 9       | Social persuasion/ managerial decision making |
| 10      | Final exam |
| A       | Forum I – Implementing research 1 |
| B       | Forum II – Implementing research 2 |
| C       | Forum III – Interpretation of data and write up |
5. EVALUATION SYSTEM (ORDINARY AND EXTRAORDINARY)

Your final grade in the course will be based on both individual and group work. The evaluation is based on:

A. Class participation (individual) 20%
B. Field Project (team) 40%
C. Final exam (individual) 40%

A. CLASS PARTICIPATION (20%)

This part of the evaluation includes your attendance, how much you participate in the discussion in class, and assignment completion. If you do not attend, for whatever reason, you are forfeiting the opportunity to obtain the participation credit allotted to that session.

Three main criteria will be used in reaching our judgment about your class participation:

• Depth and Quality of Contribution: The most important dimension of participation concerns what it is that you are saying. A high quality comment reveals depth of insight, rigorous use of case evidence, consistency of argument, and realism.

• Moving Your Peers’ Understanding Forward: Great ideas can be lost through poor presentation. A high quality presentation of ideas must consider the relevance and timing of comments, and the flow and content of the ensuing class discussion. It demands comments that are concise and clear, and that are conveyed with a spirit of involvement in the discussion at hand.

• Frequency: Frequency refers to the attainment of a threshold quantity of contributions that is sufficient for making a reliable assessment of comment quality. The logic is simple: if contributions are too few, one cannot reliably assess the quality of your remarks. However, once threshold quantity has been achieved, simply increasing the number of times you talk does not automatically improve your evaluation. Beyond the threshold, it is the quality of your comments that must improve. In particular, one must be especially careful that in claiming more than a fair share of “airtime”, quality is not sacrificed for quantity. Finally, your attempts at participation should not be such that the instructor has to “go looking for you”. You should be attempting to get into the debate on a regular basis.

B. FIELD PROJECT (40%)

This project provides a hand-on opportunity to practice consumer research. You will work in a group of about five, choose a product category (e.g., movie theaters, detergents, financial/health services, furniture stores…), carry out a study to analyze consumer behavior with respect to one or more competitors in this category, and discuss your findings. How do consumers engage in the pre-purchase, purchase, and post-purchase processes? What are the most relevant external influences on these processes? What can the companies learn from these processes and how can they influence them? How should the companies change their marketing strategies to improve product positioning, enhance consumer experience with the product, and influence their satisfaction? You will summarize your recommendations in a report and present it in class. (More on this project will be provided.)
C. FINAL EXAM (40%)

The exam will be based on all the materials discussed during the semester (lectures, class discussions, assigned readings, guest speakers, and class assignments). Re-grade requests have to be submitted in writing explaining why you believe that your answer, as written, was incorrectly graded. The re-grade will consider again the whole exam, so the final grade may be increased as well as decreased.

RETAKE POLICY

- Each student has 4 chances to pass any given course distributed in two consecutive academic years (regular period and July period).
- Students who do not comply with the 70% attendance rule will lose their 1st and 2nd chance, and go directly to the 3rd one (they will need to enrol again in this course next academic year).
- Grading for retakes will be subject to the following rules:
  - Students failing the course in the first regular period will have to do a retake in July (except those not complying with the attendance rules, which are banned from this possibility).
  - Dates and location of the July retakes will be posted in advance and will not be changed. Please take this into consideration when planning your summer.
  - The retake will be very similar in format to what you have seen on midterm and final exam.
  - Retake in the ordinary period: Contact the professor in the first week of 2nd semester to arrange a retake plan designed for you.
  - The maximum grade that a student may obtain in the retake will be 8 out of 10.

6. FIELD PROJECT OVERVIEW

A significant part of your course grade (40%) will be determined by a field project. In this project, you will choose one or more competitors belonging to the same product category and carry out a study to analyze consumer behavior with respect to each competitor. You will summarize your hypotheses, research method, findings, and recommendations in a report and present it in online class.

The topic should meet a number of requirements:

- **Consumer behavior phenomenon.** It should be related to the purchase or consumption of products or services. It can be a pre-purchase, purchase, or post-purchase phenomenon, or a combination of these.

- **Managerial or public policy relevance.** It should increase our understanding of an aspect of consumer behavior in ways that can benefit firms and/or consumers.
Feasible. You should be able to examine the issue in a reasonable period of time and using a methodology that you are familiar with.

The following are examples of topics that have been explored:

- The influence of choice heuristics on purchase of cookies. In-store observations, on-line survey, and a taste test to study if consumers use taste or heuristics when choosing cookies.
- Effect of celebrity endorsement on brand image and purchase intention. Focus groups and an experiment to study the differential influence of a match versus a mismatch between celebrity and brand image on purchase intentions.
- Men and Spas. Focus groups and survey to understand how to encourage men’s consumption of daily Spas.
- The influence of product packaging on product perceptions and preferences. Two experiments to investigate the role of different types of packaging in shaping consumers’ product preferences for hi-tech products.
- Menu engineering. Focus groups, observations, and an experiment in order to study whether the presence of pictures on menus influences consumers’ perception of the restaurant’s quality.

7. OVERVIEW OF RESEARCH METHODS

Research methods can be divided into qualitative and quantitative. The method you decide to use should be compatible with the topic of your project and the questions you are trying to address.

A. QUALITATIVE METHODS

These methods require only a limited number of participants, but the data is often hard to interpret.

(1) IN-DEPTH INTERVIEWS—TALK TO PEOPLE

- Construct interview questions based on the literature review and your own insight
- Conduct detailed interviews with a limited number of representative consumers. Ask predetermined questions, but allow participants to bring up new issues themselves (remain open to perspectives that have not been considered earlier)
- Interpret results using relevant literature as well as your own common sense
- Summarize findings, draw conclusion

(2) FOCUS GROUPS—HAVE PEOPLE TALK TO EACH OTHER

- Select discussion points based on the literature review and your own insight
- Bring together 5 to 10 representative and relevant consumers
- Moderate the discussion: make sure that the discussion points you have identified earlier are all covered, but stay open to alternative perspectives that you had not considered
• Interpret results using relevant literature as well as your own common sense
• Summarize findings, draw conclusion

(3) OBSERVATION—OBSERVE CONSUMERS IN THE MARKETPLACE

• Select observation locations, observation times, and relevant consumer behaviors based on the literature review and your own insight
• Observe as many consumers as you judge necessary to be able to generalize your findings. Watch out for reactivity and memory distortion
• Make sure you carefully note the behaviors you had judged relevant in advance, but stay open to other relevant behaviors that you hadn’t considered
• Interpret results using relevant literature as well as your own common sense
• Summarize findings, draw conclusion

B. QUANTITATIVE METHODS

They are more objective, require a larger number of participants but they are easier to interpret.

(1) Survey – Administer a questionnaire. Most popular analysis methods: Correlations, Linear regressions, Logistic regressions, Factor analysis

• Identify relevant concepts based on the literature review and your own insight Construct a questionnaire in which you measure these concepts
• Administer the questionnaire to a representative and relevant group of consumers
• Analyze your findings
• Interpret results using relevant literature as well as your own common sense. Use statistical techniques
• Summarize findings, draw conclusion

(2) Experimental Research – Manipulate X and see if it influences Y. Most popular analysis methods: Analysis of Variance, Linear Regressions, Logistic Regressions

• Identify relevant relationships that you want to study, based on the literature review and your own insight
• Identify independent and dependent variables
• Operationalize the independent variable: Find a way of manipulating the independent variable in your experiment
• Choose a way of measuring the dependent variable (e.g., using a questionnaire)
• Recruit participants
• Carry out the experiment
• Analyze your findings
• Interpret results using relevant literature as well as your own common sense. Use statistical techniques
• Summarize findings, draw conclusion
(3) Data mining – examine a database. Most popular analysis methods: Correlations, Linear Regressions, Logistic Regressions, Factor Analysis, Multi-Dimensional Scaling

- Identify relevant consumer behaviors based on the literature review and your own insight
- Identify existing databases that may contain information about these behaviors
- Obtain database
- Analyze the database using statistical techniques
- Interpret results using relevant literature as well as your own common sense
- Summarize findings, draw conclusion

8. USE OF ELECTRONIC DEVICES IN CLASS

This subject does not require the use of a laptop in class unless the professor explicitly asks you to bring it.

Use of mobile devices, including tablets, is strictly forbidden.