CONSUMER BEHAVIOR

GRADO EN COMUNICACIÓN Y MEDIOS DIGITALES

Professor: LAURA ZIMMERMANN
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Academic year: 18-19
Degree course: SECOND
Semester: 2º
Category: COMPULSORY
Number of credits: 3.0
Language: English

PREREQUISITES
No prerequisites required

SUBJECT DESCRIPTION
Consumer behavior is about understanding and shaping the decisions people make. Understanding the consumer is not only relevant for companies which are trying to sell products, it is also essential for non-profit organisations, politicians and media figures as well as for policy-makers. For example, advertisers strive to understand how a particular advertisement may change consumers’ brand perception and their attitude towards a product. Retailers want to know how to best convince consumers to switch from a competitor to their brand. Policy-makers also need to understand how consumers arrive at their decisions. Why do consumers sometimes make bad choices, and how can policy-makers help them make better ones? Success in all of those domains requires understanding what consumers really want and how they arrive at their decisions.

This course will introduce students to the basic theories for understanding consumer behavior. We will dig deep into the fundamental psychological theories that aim to explain the cognitive, affective, and social patterns of consumer behavior. We will cover findings from fundamental consumer research relating to different stages of the consumer experience - from information search and acquisition to attitude formation and decision making, to post-purchase behavior. This introduction to the principles of consumer behavior will give students the knowledge that companies need for successfully marketing their products and services, and which consumers need themselves to make optimal decisions.

(Please be advised that specific elements of the course might be subject to change).

OBJECTIVES AND SKILLS
By the end of the course, students will:
- Have a strong foundation for critical thinking in the area of consumer behavior
- Understand the key frameworks, concepts and theories of consumer behavior that enable effective analysis as a basis for managerial decision making
- Understand consumers from both an economic and psychological perspective
- Understand the process by which effective marketing strategies could be developed and implemented from a consumer behavior perspective

**METHODOLOGY**

By using a wide range of quantitative as well as qualitative methods, interactive lectures, videos, hands-on exercises, and case studies, students will learn about fundamental theories, key analytical frameworks and tools that are essential understanding consumer behavior. The sessions will be interactive. Students have to be prepared to participate. This means contributing thoughtful comments that are likely to enhance other students' understanding, as well as listening respectfully to what other students have to say. Students participation in the session will be part of their assessment.

<table>
<thead>
<tr>
<th>Teaching methodology</th>
<th>Weighting</th>
<th>Estimated time a student should dedicate to prepare for and participate in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lectures</td>
<td>33.33 %</td>
<td>25 hours</td>
</tr>
<tr>
<td>Discussions</td>
<td>20.0 %</td>
<td>15 hours</td>
</tr>
<tr>
<td>Exercises</td>
<td>13.33 %</td>
<td>10 hours</td>
</tr>
<tr>
<td>Group work</td>
<td>20.0 %</td>
<td>15 hours</td>
</tr>
<tr>
<td>Other individual studying</td>
<td>13.33 %</td>
<td>10 hours</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100.0 %</td>
<td>75 hours</td>
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PROGRAM

SESSION 1
Introduction
What to expect from this course.
What is consumer behavior? Why do we study it, and how is it studied?
B.C.: Consumer Behavior Science and Practice, Chapter 1: The Study of Consumer Behavior
At the end of the session you will receive a handout with a Consumer Behavior Exercise to prepare for the next session. You will be instructed to interview a recent purchaser of a specific type of product or service in depth about his/her buying decision. Be prepared to report briefly and concisely to the class on your key insights during the next session. There is no reading required for the next session.

SESSION 2
Case Discussion of the Consumer Behavior Exercise.
Generating awareness and knowledge of a range of important consumer behavior concepts and frameworks.

SESSION 3
The Consumer Decision Making Journey I
An overview of traditional decision-making frameworks
- Problem recognition, information search, alternative evaluation, purchase and post-purchase behavior
- Multi-Attribute Decision Models
B.C.: Consumer Behavior, Chapter 3: Overview of Consumer Decision Making

SESSION 4
The Consumer Decision Making Journey II
How do people really decide? Thin Slices, Prospect Theory, Heuristics and Biases in Consumer Decisions
Assessed Quiz Number 1
Video: Are we in control of our own decisions?
R.A.: Read This Story to Learn How Behavioral Economics Can Improve Marketing
B.C.: Consumer Behavior, Chapter 4: Consumer Evaluation and Choice

SESSION 5
The Role of Attention I
The surprising science of attention: how our ‘attention mindware’ works and how it affects consumer behavior.
No reading required for this session.
Exercise on ‘Attention and Digital Design’ to prepare for the next session.

22th November 2018
SESSION 6

The Role of Attention II
What techniques are companies using to grab our attention and make us hooked, and how does it work?
Discussion of exercise on 'Attention and Digital Design'.
B.C.: Consumer Behavior, Chapter 6: Consumer Perception and Attention
Podcast: HIDDEN BRAIN: Buying Attention

SESSION 7

Investigating Consumer Behavior I
A toolkit for conducting market research.
In this session you will learn about qualitative and quantitative research methods to uncover what consumers feel, think and do. We will cover interviews, focus groups and well as survey and experimental research methods among others.
You will also receive information about the Field Research Project.
B.C.: Consumer Behavior, Chapter 1: Consumer Behavior Research

SESSION 8

Investigating Consumer Behavior II
A toolkit for conducting market research.
We will dig deeper into questionnaire design for correlational and experimental purposes.
Questionnaire design exercise.
Assessed Quiz Number 2.
R.A.: Self-Reports: How the Questions Shape the Answers
R.A.: Importance of question sequence in MR questionnaire design

SESSION 9

Attitude Formation and Persuasion
How do consumers form attitudes and how to design persuasive advertising campaigns. We will cover a number of social psychology theories including the theory of planned behavior and reasoned action, the elaboration likelihood model, self-perception theory.
B.C.: Consumer Behavior, Chapter 7: Persuasion: Attitudes and Judgement
R.A.: What Marketers Should Know About Personality-Based Marketing

SESSION 10

Automatic behavior and unconscious influences on consumer choice I
How are non-conscious processes, like priming, influencing consumer decision making? How do consumer form habits? And what social influences affect consumer behavior?
R.A.: The habitual consumer
B.C.: Consumer Behavior, Chapter 13: Persuasion through social influence

SESSION 11
Automatic behavior and unconscious influences on consumer choice II
How are non-conscious processes, like priming, influencing consumer decision making? How do consumer form habits? And what social influences affect consumer behavior?
We will also cover aspects of sensory marketing.
Assessed Quiz Number 3.
R.A.: The Science of Sensory Marketing

SESSION 12
Post-Purchase Behavior
What happens after a consumer has purchased a product or service? We will cover how consumers evaluate their decisions and actions (post-decision processes, cognitive dissonance, self-perception theory and attribution theory etc.).
B.C.: Consumer Behavior, Chapter 3: Post-Purchase Evaluation

SESSIONS 13 - 14
Group presentation of field research project on shopping behavior
No reading required.

SESSION 15
Final Exam
Recap of the key learnings of the course; Information about the individual essay.
No reading required.
BIBLIOGRAPHY
BUY YOUR BOOK HERE

All readings and media indicated in the syllabus are COMPULSORY. Links to additional optional readings will be posted through Campus Online throughout the course of the sessions.

We will be using different compulsory chapters from the following textbook throughout the course:


The IE library in Segovia has 5 copies of this book and there are 3 copies in Madrid.

In addition there will be a mix of compulsory videos, podcasts, online articles and scientific research papers.

Other recommended (but not required) books:


EVALUATION CRITERIA

Evaluation is based on:

- Students attendance and informed participation in the sessions;
- In-class quizzes (3 in total; the two highest grades will be counted - no make-up quizzes will be offered so please plan your attendance accordingly);
- A group project: presentation of field research on shopping behavior
- A final exam

Evaluation for each component will be discussed in greater detail in class prior to each assignment.

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<thead>
<tr>
<th>Criteria</th>
<th>Percentage</th>
<th>Comments</th>
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<tbody>
<tr>
<td>Class Participation</td>
<td>20 %</td>
<td>Attendance and active participation</td>
</tr>
<tr>
<td>Group Presentation</td>
<td>30 %</td>
<td>Group presentation of Field Research Project</td>
</tr>
<tr>
<td>Final Exam</td>
<td>30 %</td>
<td>Final Exam</td>
</tr>
<tr>
<td>Intermediate Tests</td>
<td>20 %</td>
<td>In-class quizzes</td>
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Attendance, Informed Participation, and Contribution to the Learning Atmosphere (20%)

You are expected to come to class. It is mandatory to attend 70% of the classes.

Beyond simply showing up, participation in class discussions and activities is an important component of this course. Listening carefully is as important a component of participation as speaking. Please be aware of your own style of participation: if you find it difficult to speak up in class, push yourself to do so. If you realize you tend to dominate discussions, make a point of listening to others.

22th November 2018
Your participation grade at the end of the semester will be based cumulatively on your contributions over the course of the semester. Participation is graded using the criteria below. It looks complicated, but in practice it comes down to this:

You should expect to receive below a 7 if you miss more than 4 sessions; come to class consistently unprepared; are disruptive (this includes having to be repeatedly asked to put away devices or pay attention); do not participate at all or do not do so in a positive, thoughtful, and considerate way; or in any other way do not contribute positively to the learning atmosphere.

To receive a 7 or above you must come to class consistently prepared and contribute thoughtfully and positively to class activities and discussions. The difference between a 7 and a 10 is based on the level of analysis, thoughtfulness, responsiveness, and originality in your contributions, as well as your respect for the contributions of others. The average level of participation usually satisfies the criteria for a “7”, which would correspond to a “B”.

**Grade Criteria for Participation**

0 - 4.9:
When present, not disruptive. Tries to respond when called on, but does not offer much. Demonstrates very infrequent involvement in discussion.

5.0 - 6.9:
Demonstrates adequate preparation: knows basic reading facts, but does not show evidence of trying to interpret or analyze them. Offers straightforward information (e.g., straight from the reading), without elaboration or very infrequently (perhaps once a class). Does not offer to contribute to discussion, but contributes to a moderate degree when called on. Demonstrates sporadic involvement.

7.0 - 8.9:
Demonstrates good preparation: knows reading facts well, has thought through implications of them. Offers interpretations and analysis of reading material (more than just facts) to class. Contributes well to discussion in an ongoing way: responds thoughtfully to other students’ points, thinks through own points, questions others in a constructive way, offers and supports suggestions that may be counter to the majority opinion. Demonstrates consistent ongoing involvement.

9.0 - 10:
Demonstrates excellent preparation: has analyzed readings exceptionally well, relating it to other material (e.g., other readings, course material, discussions, experiences, etc.). Offers analysis, synthesis, and evaluation of class material (e.g., puts together pieces of the discussion to develop new approaches that take the class further). Contributes in a very significant way to ongoing discussion: keeps analysis focused, responds very thoughtfully to other students’ comments, contributes to cooperative argument-building, suggests alternative ways of approaching material and helps class analyze which approaches are appropriate, etc. Demonstrates ongoing very active involvement.

**Group Presentation (30%)**

From session 7 onwards, students will work on a team assignment which they will present during sessions 13 and 14. Each group will go out to the ‘field’ to investigate consumer behavior live in action. They will conduct a research project with the choice of their methodology (observation, interview, focus group, survey etc.) to investigate a consumer behavior. More detailed instructions and evaluation criteria for this will be handed out and discussed in class.

**Intermediate tests (20%)**

Class discussion only works well when the majority of students have done the reading. This component is designed to give you an extra incentive to do it. At the beginning of 3 of the sessions, you will be asked to complete a short quiz answering questions about the reading. These submissions will receive full credit if they respond to the question and give convincing evidence of the student having done the reading. Responses that either do not answer the question posed or do not give convincing evidence of the student having done the reading will receive no credit. Students two highest grades will be counted - no make-up quizzes will be offered so students should plan their attendance accordingly.

22th November 2018
Final Exam (30%)
This final exam will help me evaluate the extent to which you were able to follow the course, and whether you can use this learning to make specific decisions and recommendations. The purpose of the exam will be to test your level of understanding, as well as your ability to take decisions based on the topics covered in the course.

PROFESSOR BIO

Professor: LAURA ZIMMERMANN
E-mail: lzimmermann@faculty.ie.edu

Dr Laura Zimmermann is an Assistant Professor in Behavioral Science at IE University’s School of Human Sciences and Technology. Before earning a PhD in Management from the London School of Economics and Political Science, Laura received an MSc and BSc in Psychology from the University of Regensburg in Germany.

Laura’s research investigates consumer behavior. She is interested in understanding what factors influence consumers’ decision-making processes and how to improve decisions with a specific focus on health-related behaviors and the role of technology. For her research, she is using lab and field experiments as well as large-scale, cross-sectional surveys and RCTs. One of her research streams focuses on exploring the effects of physical activity on information processing and attribute weighting in unrelated consumer decision making. She is also investigating how digital technology can be optimized, based on behavioral science, to improve health-related decisions. More recently, Laura started working on intervention-based studies in developing countries (an RCT on the impact of digital marketing on market expansion and firm growth in Kenya; Deprivation and coping mechanisms to improve resilience in underprivileged children in India).

Previously, Laura has been teaching classes and seminars at LSE and Peking University for Undergraduate, Masters and Executive students as well as Summer School students. Her teaching covers several business and behavioral science modules, including courses in Marketing, Consumer Behavior, Judgment and Decision Making for Management, Decision Analysis and Entrepreneurship.

Email address: laura.zimmermann@ie.edu

OTHER INFORMATION

CODE OF CONDUCT IN CLASS

1. Be on time: Students arriving more than 5 minutes late will be marked as “Absent”.
Only students that notify in advance in writing that they will be late for a specific session may be granted an exception (at the discretion of the professor).

2. If applicable, bring your name card and strictly follow the seating chart. It helps faculty members and fellow students learn your names.

3. Do not leave the room during the lecture: Students are not allowed to leave the room during lectures. If a student leaves the room during lectures, he/she will not be allowed to re-enter and, therefore, will be marked as “Absent”.
Only students that notify that they have a special reason to leave the session early will be granted an exception (at the discretion of the professor).
4. **Do not engage in side conversation.** As a sign of respect toward the person presenting the lecture (the teacher as well as fellow students), side conversations are not allowed. If you have a question, raise your hand and ask it. If you do not want to ask it during the lecture, feel free to approach your teacher after class.

If a student is disrupting the flow of the lecture, he/she will be asked to leave the classroom and, consequently, will be marked as “Absent”.

5. **Use your laptop for course-related purposes only.** The use of laptops during lectures must be authorized by the professor. The use of Social Media or accessing any type of content not related to the lecture is penalized. The student will be asked to leave the room and, consequently, will be marked as “Absent”.

6. **No cellular phones:** IE University implements a “Phone-free Classroom” policy and, therefore, the use of phones, tablets, etc. is forbidden inside the classroom. Failing to abide by this rule entails expulsion from the room and will be counted as one absence.

7. **Escalation policy: 1/3/5.** Items 4, 5, and 6 above entail expulsion from the classroom and the consequent marking of the student as “Absent.” IE University implements an “escalation policy”: The first time a student is asked to leave the room for disciplinary reasons (as per items 4, 5, and 6 above), the student will incur one absence, the second time it will count as three absences, and from the third time onward, any expulsion from the classroom due to disciplinary issues will entail 5 absences.