

# **CONSUMER BEHAVIOR**

**IE University**

Professor: **LAURA ZIMMERMANN**

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Academic year: 22-23

Degree course: SECOND

Semester: 2<sup>o</sup>

Category: BASIC

Number of credits: 3.0

Language: English

## **PREREQUISITES**

No prerequisites required

## **SUBJECT DESCRIPTION**

Consumer behavior is about understanding and shaping the decisions we make as consumers of products, services and ideas. Understanding consumers is not only relevant for companies trying to sell products, it is also essential for non-profit organisations, political figures and policy-makers.

For example, advertisers strive to understand how advertisements 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 need to understand why consumers sometimes make bad choices, and how they can support better decision making (e.g. consume less plastic). Success in all of those domains requires an understanding of what consumers really want and how they arrive at their decisions.

In this course, we will dig deep into the fundamental psychological theories that explain the cognitive, affective, and social patterns of consumer behavior. We will cover research findings relating to different stages of the consumer journey - from information search and acquisition, to attitude formation, and decision making. This introduction to consumer behavior will equip students with the knowledge that companies need to create successful marketing campaigns, and which we need ourselves, as consumers, to make optimal decisions.

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

## **OBJECTIVES AND SKILLS**

By the end of the course, students will:

- Be able to analyze consumer behavior from a psychological perspective
- Understand the key frameworks, concepts and theories of consumer behavior that enable effective analysis for managerial decision making
- Understand the processes by which effective marketing strategies can be developed and implemented

## **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 sessions will be part of their assessment.

Teaching methodology	Weighting	Estimated time a student should dedicate to prepare for and participate in
Lectures	33.33 %	25 hours
Discussions	20.0 %	15 hours
Exercises	13.33 %	10 hours
Group work	20.0 %	15 hours
Other individual studying	13.33 %	10 hours
TOTAL	100.0 %	75 hours

## PROGRAM

### SESSIONS 1 - 2 (LIVE IN-PERSON)

#### Part 1: Introduction to Consumer Behavior

What to expect from this course. Assessment, expectations and ground rules.

What is consumer behavior? Why do we study it, and how is it studied?

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#### Part 2: The Consumer Decision Making Journey Part 1

An overview of traditional decision-making frameworks

Problem recognition, information search, alternative evaluation, purchase and post-purchase behavior

Multi-Attribute Decision Models

*Book Chapters: Consumer Behavior Science and Practice, Chapter 1: The Study of Consumer Behavior (See Bibliography)*

*Book Chapters: Consumer Behavior, Chapter 3: Overview of Consumer Decision Making (See Bibliography)*

### SESSION 3 (ASYNCHRONOUS)

#### Consumer Behavior Exercise

Learning objective: Generating awareness and knowledge of a range of important consumer behavior concepts and frameworks

You will receive instructions for a Consumer Behavior Exercise to complete. In the exercise, you will interview a recent purchaser of a specific type of product or service in depth about their buying decision. Briefly and concisely report your key insights.

More information to be delivered in due course.

*Practical Case: Consumer Behavior Exercise (A) (HBS 596039-PDF-ENG)*

*Practical Case: Consumer Behavior Exercise (B) (HBS 596040-PDF-ENG)*

## **SESSIONS 4 - 5 (LIVE IN-PERSON)**

### **Part 1: Case Discussion of the Consumer Behavior Exercise**

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### **Part 2: The Consumer Decision Making Journey Part 2**

How do people really decide? Thin Slices, Prospect Theory, Heuristics and Biases in Consumer Decisions

*Book Chapters: Consumer Behavior, Chapter 4: Consumer Evaluation and Choice (See Bibliography)*

*Video: Are we in control of our own decisions? (TED) (Optional)*

*Article: Hal Conick: How Behavioral Economics Can Improve Marketing (American Marketing Association, 1.12.2018) (Optional)*

## **SESSION 6 (ASYNCHRONOUS)**

### **Assessed Quiz 1 (Multiple Choice, Open Book, Online)**

About the previous sessions' reading material (sessions 1-5). More information provided in due course.

## **SESSIONS 7 - 8 (LIVE IN-PERSON)**

### **Part 1: Attention and Perception**

The surprising science of attention: how our 'attention mindware' works and how it affects consumer behavior.

Attention in the digital age: What techniques are companies using to grab our attention and make us hooked?

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### **Part 2: Investigating Consumer Behavior**

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 Project.

*Book Chapters: Consumer Behavior, Chapter 6: Consumer Perception and Attention (See Bibliography)*

*Podcast: SHANKAR VEDANTAM: HIDDEN BRAIN: Buying Attention (npr) (Optional)*

*Article: Norbert Schwartz: Self-Reports: How the Questions Shape the Answers (American Psychological Association, Vo.. 44, No. 2, 93-105) (ced)*

## **SESSION 9 (ASYNCHRONOUS)**

### **Sensory Marketing Exercise**

Which sensory influence impact consumer choices, and how? Design your own sensory marketing campaign.

*Article: An integrative review of sensory marketing: Engaging the senses to affect perception, judgment and behavior (Journal of Consumer Psychology 22 (2012) 332 – 351) (ced)*

## SESSIONS 10 - 11 (LIVE IN-PERSON)

### 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, and briefly discuss the elaboration likelihood model.

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### Social Influences and Priming

How are non-conscious processes, like priming, influencing consumer decision making? What social influences affect consumer behavior?

*Book Chapters: Consumer Behavior, Chapter 7: Persuasion: Attitudes and Judgement (See Bibliography)*

*Book Chapters: Consumer Behavior: Chapter 13: Persuasion through Social Influence (See Bibliography)*

## SESSIONS 12 - 13 (LIVE IN-PERSON)

### Course Recap, Q&A and Field Project Feedback Session

In this session, we will recap the learnings from the course and answer potential questions. In addition, each team will briefly summarize their project idea and give feedback to other teams.

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### Final Exam

In the second part of this session, we will have a multiple choice exam about the course content.

## SESSIONS 14 - 15 (LIVE IN-PERSON)

### Team presentation of field project on consumer behavior

No reading required.

## BIBLIOGRAPHY

### Compulsory

- Frank R Kardes, Maria L Cronley, Thomas W Cline. (2010). *Consumer behavior : science and practice*. Cengage Learning. ISBN 0538746866 (Printed)

## EVALUATION CRITERIA

Evaluation is based on:

- Active Participation
- Intermediate Quiz and Final Exam: multiple choice quizzes about the reading (2 in total)
- Group Project: presentation of a field project on consumer behavior

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

Criteria	Percentage	Comments
Active Participation	15 %	Active participation
Group Presentation	40 %	Group presentation of Project
Intermediate Test	15 %	Multiple choice quiz

Final Exam	30 %	Multiple choice quiz
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### **Active Participation and Contribution to the Learning Atmosphere (15%)**

Active 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.

Your participation grade at the end of the semester will be based cumulatively on your contributions over the course of the semester.

You should expect to receive below a 7 if you 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".

### **Group Presentation (40%)**

Students will work on a team assignment which they will present during sessions 14 and 15. Each group will conduct a 'field project' to investigate consumer behavior in action. They will conduct a research project with the choice of their methodology (case study, 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 test (15%)**

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. You will be asked to complete a short multiple choice quiz answering questions about the reading. No make-up quizzes will be offered so you should plan your attendance accordingly.

### **Final Exam (30%)**

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. You will be asked to complete a multiple choice quiz answering questions about the reading. No make-up exam will be offered so you should plan your attendance accordingly.

### **RE-SIT / RE-TAKE POLICY**

Each student has four (4) chances to pass any given course distributed over two (2) consecutive academic years. Each academic year consists of two calls: one (1) ordinary call (during the semester when the course is taking place); and one (1) extraordinary call (or "re-sit") in June/July.

Students who do not comply with the 70% attendance requirement in each subject during the semester will automatically fail both calls (ordinary and extraordinary) for that Academic Year and have to re-take the course (i.e., re-enroll) during the next Academic Year.

Regarding to the newly implemented 'liquid learning' model, all students must still abide by the same IEU attendance policy, including those students who are connecting remotely to class sessions and not physically in the classroom because they are unable to be physically in Spain, on campus. During the sessions, students connecting remotely are required to fully connect their camera and microphone at all times, and must actively participate during the sessions (using all necessary audiovisual equipment), just as their fellow peers who are physically present in the classroom on campus.

The **Extraordinary Call Evaluation** criteria will be subject to the following rules:

ØStudents failing the course in the ordinary call (during the semester) will have to re-sit evaluation for the course in June / July (except those students who do not comply with the attendance rule, and therefore will not have that opportunity, since they will fail both calls and must directly re-enroll in the course during the next Academic Year).

ØIt is not permitted to change the format nor the date of the extraordinary call exams or deadlines under any circumstance. All extraordinary call evaluation dates will be announced in advance and must be taken into consideration before planning the summer (e.g. internships, trips, holidays, etc.)

ØThe June/July re-sit will consist of a comprehensive evaluation of the course. Your final grade for the course will depend on the performance in this exam or evaluation only. I.e., continuous evaluation over the semester (e.g. participation, quizzes, projects and/or other grade components over the semester) will not be taken into consideration on the extraordinary call. Students will have to achieve the minimum passing grade of 5 and the maximum grade will be capped at 8.0 (out of 10.0) – i.e., “notable” in the extraordinary call.

ØRe-takers: Students who failed the subject on a previous Academic Year and are now re-enrolled as re-takers in a course will need to check the syllabus of the assigned professor, as well as contact the professor individually, regarding the specific evaluation criteria for them as re-takers in the course during that semester (ordinary call of that Academic Year). The maximum grade that may be obtained as a retaker during the ordinary call (i.e., the 3rd call) is 10.0 (out of 10.0).

After exams and other assessments are graded by the professor (on either the ordinary or extraordinary call), students will have a possibility to attend a review session (whether it be a final exam, a final project, or the final overall grade in a given course). Please be available to attend the session in order to clarify any concerns you might have regarding your grade. Your professor will inform you about the time and place of the review session.

! Students failing more than 18 ECTS credits after the June/July re-sits will be asked to leave the Program. Please, make sure to prepare yourself well for the exams in order to pass your failed subjects. !

In case you decide to skip the opportunity to re-sit for an exam or evaluation during the June/July extraordinary call, you will need to enroll in that course again for the next Academic Year as a re-taker, and pay the corresponding tuition fees. As you know, students have a total of four (4) allowed calls to pass a given subject or course, in order to remain in the program.

## **PROFESSOR BIO**

Professor: **LAURA ZIMMERMANN**

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### **LAURA ZIMMERMANN**

Dr Laura Zimmermann is an Assistant Professor in Behavioral Science at IE University. 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.

Laura 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.

Previously, Laura has taught classes and seminars at LSE and Peking University for bachelor, masters and executive 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.

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**Office Hour:** There will be an office hour (day and time to be confirmed), or as otherwise arranged via Email. Please note that there might be slight changes for some weeks. You will be informed via Campus Online about any changes.

## **OTHER INFORMATION**

All readings and media indicated in the syllabus are **COMPULSORY** unless stated otherwise. Links to additional **OPTIONAL** readings will be posted via Campus Online throughout the term.

We will be using chapters from the following textbook:

Kardes, F., Cronley, M., & Cline, T. (2011). Consumer behavior : Science and practice. Mason, OH: South-Western, Cengage

**This book is available as an e-book through the IE library.**

Compulsory book chapters are:

Chapter 1: The Study of Consumer Behavior  
Chapter 3: Overview of Consumer Decision Making  
Chapter 4: Consumer Evaluation and Choice  
Chapter 6: Consumer Perception and Attention  
Chapter 7: Persuasion: Attitudes and Judgement  
Chapter 13: Persuasion through social influence

In addition to the book chapters there are two compulsory research articles:

- Schwarz, N. (1999). Self-reports: How the questions shape the answers. *American Psychologist*, 54(2), 93-105.
- Krishna, A. (2012). An integrative review of sensory marketing: engaging the senses to affect perception, judgment and behavior. *Journal of Consumer Psychology*, 22(3), 332–351