

Consumer Behavior
(SECS-P/08)
Laurea Magistrale (MSc) in Marketing
8 ECTS

Prof. Luca Petruzzellis

Department of Economics, Management and Business Law

luca.petruzzellis@uniba.it

Prerequisites/Requirements

The course requires advanced knowledge of marketing and quantitative analysis. Students should also have knowledge of Managerial accounting and Quantitative methods, in addition to basic Marketing, Industrial Economics and Statistics.

Expected learning outcomes

The course aims to provide the tools essential to understand consumer behavior, the variables that influence buying decisions and consumption processes. Virtually all decisions involved in developing an effective marketing mix for a product or service rely on thorough knowledge of the consumers who comprise the target market. Understanding the behavior of the consumer can help marketers anticipate reactions to changes in the marketing mix, or determine whether new products are likely to be adopted. In practical terms, we will address the following questions:

- What kinds of marketing stimuli do consumers notice?
- How can we get them to notice our marketing messages? What motivates consumers? What do consumers value?
- What elements can we include in our marketing mix to motivate consumers to learn more about our product or to buy it? What kinds of information are consumers good at remembering? How can we aid consumer memory for our brand name and product features?
- What makes consumers evaluate products as good or bad, and how can we persuade them that our product is good? How can we get consumers to choose our product over competitors? What features do consumers care about, and how does this influence their decision?
- What are the main things that determine whether consumers are satisfied with a product or not?

The objectives of this class are: (1) to learn about and use consumer behavior theories; (2) to acquire a framework for analyzing consumer behavior problems; (3) to apply these concepts to marketing strategies; (4) to develop a set of skills important to successful performance in managerial positions such as working in groups and honing your oral and written presentation skills.

Class meetings will revolve around lectures and in-class activities, such as case discussions, experiential exercises and workshops. In order to get the most from this course, it is extremely important that you read the required chapters for each class and participate effectively.

The achievement of the objectives depends on the student; therefore, it is encouraged an “intelligent” and active participation to lectures and cases’ discussions. Students are encouraged to ask questions, share their views and comments on the topics of the lectures and make examples of their experience as consumers. All this considering the needs and the harmony of the classroom.

To give you a chance to see how marketers apply the concepts that we will be discussing in class we will have guest speakers during the semester. Their talks usually focus on how they have managed challenging marketing problems.

A substantial component of this course will be a team-based project that involves a real brand at a real company. This project will run throughout the whole semester.

At a more personal level, this course will help you become a “better” and more “responsible” consumer. Understanding basic marketing theories and practices, you will be able to make more informed purchasing decisions. You will be able to identify unethical marketing practices and know how to discourage such acts in the market place.

Students will have the necessary written and oral communication skills to convey ideas and information effectively and persuasively.

In order to succeed in this course:

- 1) Read assigned material and submit the assignments the day of the class in which it will be discussed.
- 2) Attend class regularly. Class discussions will give you opportunity to apply concepts discussed in the text. Class activities will give you a deeper understanding of the material and sharpen your analytical, problem solving, and reasoning skills. Download the handouts from my personal page on the UniBa website.
- 3) Ask questions and participate in class discussions and activities.
- 4) Apply the concepts we discuss in your everyday life. For example, think about the reasons you buy certain brands and not others, or you behave as a consumer in some ways and not others. Think about which stimuli do you respond to. Think about whom the product is intended for and why, when you watch commercials.

Assessment methods

Attending students:

Exams (25% x 2)	50%
Project work (Group)	25%
Assignments	15%
Class participation	10%

Exams

Two closed-book tests are noted on the syllabus. The tests will consist of both multiple choice and short answer questions on materials drawn from the textbook, class handouts, cases, and guest speakers’ lectures. These questions will be application oriented and will not typically test your recall of facts but will assess your understanding of marketing concepts and their applications.

Exam 2 is not cumulative – it covers topics discussed after exam 1.

Assignments

The cases are taken from real situations and illustrate the application of marketing concepts to complex situations. Case analysis stimulates the capacity for decision making and problem solving, as well as strengthening the communication skills of the student.

You will be asked to analyze the problem and apply concepts and frameworks to recommend a course of action. There is no “right” answer to a case, but some answers are better than others. The strength of your reasoning and analysis is as important as your recommendations. The purpose is not to determine correct or incorrect responses but to develop a strategy applicable according to the key elements and the information available.

You are required to turn in at the beginning of the class a two-page case analysis (please print it) on the day each case is due.

Requirements:

- 12-point font and one-inch margins. You may use bullet-points.
- Please proof read the assignments before turning in. Excessive grammatical and spelling errors will affect your grade.
- late or handwritten profiles will not be accepted.
- Divide your case in 3 sections: (1) statement of problem or decision, (2) your analysis, and (3) your recommended solution, which follows from your analysis.
- Please include your last and first name on the top of each page.

Each case profile will be evaluated on a 0 (= not turned in or exceeded 2 pages) to 5 (= significant amount of effort, analytical and creative thinking) scale.

Class participation

Some cases (assignments marked with R from the assignments and readings list) will be discussed in class. The time is strictly limited so it is necessary to use it in order to be effective. The quality and frequency of comments are more important than the duration of each note. The capacity and the ability to speak and not just in front of a group is a critical business skill. The criticisms to the ideas of others, if constructive and made in a polite and respectful, are encouraged. Respect is a prerequisite for sharing and learning correctly.

Do not be upset if I challenge something you say, as we learn most when we have to defend our positions. Also, sometimes we will have to stop discussion and move on to the next topic before hearing from everyone, as there is limited time in each session and we want to use it wisely. Please don't take it personally if there isn't time to call on you.

There are ten points associated with class participation. I will monitor your participation over the semester and assign points accordingly. To get all ten points you need to participate actively, frequently, and meaningfully.

To help me know you as quickly as possible, you have to turn in a completed Personal Profile sheet (last page of syllabus) by the second day of class (February, 5). You could attach a recent, clear, color photo of yourself to this sheet to help me learn your name, or add a name card on your desk.

Group Project

A substantial component of this course will be a team-based project that involves a real brand at a real company. This project will run throughout the whole semester, and will conclude with your presentation of the project.

You will have a chance to apply the material discussed in class to a real world project, thus experiencing what it actually means to work as a marketing manager. By the end of the semester, you will be fully proficient in the "language" of marketing, and will have developed a unique portfolio of marketing skills. The project you develop during this course will also serve as a tremendous asset to reference during your job interviews, to demonstrate analytical, organizational and creative skills, as well as the ability to work in a team.

Groups will be formed on the first day of class. Try to choose your group not on a relational or geographic proximity but on competences and abilities as it would happen in a company. Each group will receive a brief from a company detailing their marketing challenge. Throughout the semester, as the course progresses covering different topics, you and your team will work on building your project. You and your team are expected to work on different components of the project weekly. This project will conclude a presentation that should include the following:

- 1) *Company and Product Description*, in which you have to describe (a) the company briefly making reference to the industries that it operates in, its products, its market share(s), trends in sales etc. and (b) the product idea/concept highlighting benefits and value for customers. Also state marketing objectives with respect to market share, sales, or profits. Debate whether these goals are realistic, etc...

- 2) *Market analysis*, in which you have to analyze the environment and above all the consumers. This part will be evaluated based on the breadth and depth of the data collected, as well as the relevance and soundness of the insights derived.
- 3) *Target market and positioning of the product*, in which you profile the intended target market for the product. Make sure that you use relevant psychographic variables to describe your target market so that one can assess the potential size of the segment. Explain your rationale underlying your target market selection. Explain how you will position the product to the target market: identify the most important product attribute(s) and where you want your product to be perceived by your target market with respect to these attributes.
- 4) *Marketing Mix Strategy*, in which you will describe your strategy in terms of product (if possible), Price, Distribution, Promotion) and justify the chosen strategies. This part will be evaluated based on its consistency with the marketing strategy, comprehensiveness, creativity and out-of-the-box thinking, and thoroughness of its budgeting and financial aspects.

Everyone in the group needs to participate in the presentation. Each group will have 15 minutes MAXIMUM for presentation. Criteria that I will use to assess the project are:

- Depth and accuracy of analysis,
- Creativity,
- Depth of justification for the analytical, strategic and marketing choices.

Groups are required to provide me with a 3 to 5 page executive summary of the project, including details on the 4 major points of the presentation. Groups should also provide as an attachment to the executive summary all the presentation material such as slides, references, commercial videos etc.

Important:

- * Go over the evaluation criteria listed above while you prepare for your project!
- * Practice as a group till you get the timing right.
- * Do not spend more than 5 minutes to discuss Parts 1 and 2. The bulk of the presentation should be on Parts 3 and 4.
- * Try to make the presentation to the point.

Peer Evaluation: Each group member will complete a peer evaluation form at the end of the semester. The evaluation form can be found at the end of the syllabus. Team members receiving low scores from their team mates will be penalized accordingly, so their project grade will be reduced proportionally to the scores they receive.

Non-attending students

Written exam	50%
Oral exam	50%

The written exam will consist of both multiple choice and short answer questions on materials drawn from the textbook. These questions will be application oriented and will not typically test your recall of facts but will assess your understanding of marketing concepts and their applications.

Reading material

Solomon M.R. (2015), *Consumer behavior. Buying, having, and being*, Pearson.
 Course pack (lecture notes and cases) on <http://elearning.uniba.it/moodle/>

COURSE SCHEDULE*

Session	Class	Content	Assignments and Readings [#]
1	25/9	Course overview Chapter: 1 Topics: a) What is Consumer behavior; b) Consumer analysis Products' briefs for the project work	Make teams
	26/9	Chapter: 2 Topics: a) Decision making; b) Habitual & Affective decisions	R - Brain
2	2/10	Chapter: 3	A - SA
	3/10	Topics: a) Cultural influences; b) Values	
INTERNAL INFLUENCES ON CB			
3	9/10	Chapters: 5	R - Music
	10/10	Topics: a) Sensation; b) Perception	
4	16/10	Chapters: 6	A - AI
	17/10	Topics: a) Learning; b) Memory	
5	23/10	Chapters: 7	R – Brain bis
	24/10	Topics: a) The Self; b) Personality	
6	30/10	Midterm exam	
	31/10	Review for the project	
7	6/11	Chapters: 8	A – Coca Cola
	7/11	Topics: a) Attitudes; b) How to change attitudes	
EXTERNAL INFLUENCES ON CB			
8	13/11	Chapters: 9	A - Influencer
	14/11	Topics: a) Situational factors; b) Reference groups	
9	20/11	Chapters: 10-11	R -Airbnb
	21/11	Topics: a) Identity; b) Subcultures; c) Socio-economic factors; d) Lifestyle	
10	27/11	Chapters: 12	R – Selfie
	28/11	Topics: a) WOM; b) Social media	
11	4/12	Review for the project	
	5/12		
12	12/12	Presentations and feedback	Group Project ^o

* The schedule could vary to accommodate guest speakers' schedule. Any significant variation will be notified on the website

^o Complete Project deck to be handed in as a hard copy at the beginning of class.

#List of assignments

R(eadings) - *will be discussed in class*

26/9: Brain <https://www.psychologytoday.com/blog/inside-the-consumer-mind/201406/why-we-really-shop>

17/10: Music <http://www.economist.com/news/business/21613347-what-you-hear-affects-what-you-buy-online-beware-beethoven>
<https://www.psychologytoday.com/blog/sideways-view/201601/music-in-shops>

23/10 Brain bis: <https://www.entrepreneur.com/article/251823>

23/11: Airbnb: https://www.brandchannel.com/2018/08/01/airbnb-great-wall-of-china_contest/

27/11: Selfie <https://www.psychologytoday.com/blog/inside-the-consumer-mind/201410/are-selfies-and-smartphones-the-new-comfort-food>

A(ssignments) – *should be handed in as hard copy at the beginning of the class*

2/10: SA:

https://www.brandchannel.com/2018/08/01/starbucks_alibaba_china_transform_customer_experience/

16/10: AI <http://www.brandchannel.com/2017/08/08/voice-ai-is-the-latest-brand-battleground/>

7/11: Coca Cola <http://adage.com/article/cmo-strategy/coke-debuts-taste-feeling-campaign-strategic-shift/302184/>

13/11: Influencer <http://brandchannel.com/2017/07/31/influencing-influencers-5-questions-with-executive-branding-coach-and-author-mark-schaefer/>

CLASS ETIQUETTE

Please turn off or silence mobile phones before class. *Students involved in ongoing conversations, texting and/or answering cell phones during class time will be asked to leave without warning!*

CHEATING AND PLAGIARISM

Cheating and plagiarism are serious offenses. *Cheating* is the attempted or unauthorized use of materials, information, notes, study aids, devices or communication during an academic exercise. Examples include but are not limited to:

- Copying from another student during an examination or allowing another to copy your work
- Unauthorized collaborating on a take home assignment or examination
- Using unauthorized notes during a closed book examination
- Using unauthorized electronic devices during an examination
- Taking an examination for another student or asking or allowing another student to take an examination for you
- Submitting substantial portions of the same paper to two classes without consulting the second instructor
- Allowing others to research and write assigned papers including the use of commercial term paper services
- Signing for another student on the attendance sheet

Plagiarism is the act of presenting another person's ideas, research or writing as your own:

- Copying another person's actual words without the use of quotation marks and footnotes (a functional limit is four or more words taken from the work of another).
- Presenting another person's ideas or theories in your own words without acknowledging them.
- Using information that is not considered common knowledge without acknowledging the source.
- Failure to acknowledge collaborators on homework and laboratory assignment

My policy is to give a failing grade to any assignment that has been plagiarized or an exam in which you have cheated. If I catch a person cheating on the attendance sheet my policy is to give a zero to the cheating student for his/her attendance grade.

GUIDELINES FOR GROUP PROJECTS

Business activities involve group effort. Consequently, learning how to work effectively in a group is a critical part of your business education. When working in a group, every member is expected to carry an equal share of the group's workload. Your professor will not supervise the process any more closely than a manager would in similar circumstances. In the infrequent case where you believe that a group member is not carrying out his or her fair share of work, you are urged not to allow or permit problems develop to a point where they become serious. Try to first address these problems among yourselves. It is recommended that your group establish your own problem-solving process for handling conflicts at the beginning of your work together. If you cannot resolve conflicts internally after your best efforts, they should be brought to the attention of your professor who will work with you to find a resolution.

You will be asked to complete a peer evaluation form to evaluate the contribution of each of your group members (including your own contribution) at the conclusion of each project. If there is consensus that a group member did not contribute a fair share of work to the project, the professor will consider this feedback during grading.

Guidelines for Effective Group Work

Research on groups shows that outcomes do not depend on group members liking each other personally, but they do depend on effective group processes. Here are some guidelines:

- Focus on achieving the best results rather than worrying about interpersonal relationships
- Become aware of and respect differences among each other:
 - Demographic (gender, race, ethnicity, national culture)
 - Professional (values, skills, personalities)
- Meet as soon as possible to:
 - Agree on your group's rules (basic assumed rules are provided on the next page)
 - Decide on the process of collaboration: when you will brainstorm ideas/approaches, collect data, analyze data, prepare the group project paper
 - Assign tasks and identify specific deliverables for each meeting and each person
 - Schedule subsequent meeting times
 - Agree on how you will exchange work and by which dates
 - Determine how your group mates will review the combined project and approve it
 - Know the Content of the Project

It is in your interest to be involved in all aspects of the project. Even if you divide the work rather than work on each piece together, you are still responsible for each part. The group project will be graded as a whole: its different components will not be graded separately. Your exams may contain questions that are based on aspects of your group projects.

Assumed Rules for Group Participation

To work well as a group, you need to decide on some ground rules that will facilitate your joint work. Below is a list of common rules related to group work that you should assume are in effect unless your group decides to change them. Discuss each rule and decide whether you want to adopt it as a group. Make sure each member commits to the rules you adopt. You can also add your own rules, such as "add each member of the group to an IM buddy list."

- Each member will perform a fair share of the group's work. Free-riding is not acceptable.
- Telephone numbers and email addresses will be exchanged promptly.
- All members should attend scheduled meetings unless it has been previously arranged that a member cannot make a specific meeting or there are unavoidable circumstances such as illness (hangovers don't normally qualify as a valid form of illness).
- To encourage attendance at all meetings, arranging for a combination of face-to-face and online meetings can help alleviate the strain of scheduling issues.

- All members should be prepared for all meetings (read the assignment in advance and develop some ideas on your own).
- Meetings will commence no later than six minutes after the agreed start time and everyone should arrive by that time.
- Roles such as chair of a meeting and note-taker should be clearly allocated and should rotate around the group so that responsibilities are shared.
- Anyone can initiate and redirect discussion.
- Decisions will be made democratically. In the absence of a clear consensus there will be a vote.
- Aggressive and dominating behavior is not acceptable.
- Sexist and racist remarks are not acceptable.
- Members should try to encourage contributions– to discussions and decisions – from everyone, and to assess the value of all contributions.
- Members should practice active listening: listen to each other's ideas, summarize them, ask questions, and show respect for the other person's opinion before challenging it.
- Tasks that individuals agree to undertake should be completed by the agreed deadline. If it looks as though there will be a problem meeting a deadline that member should seek help from other members of the group in time to avoid a delay.
- If a group mate asks for help, everyone should try to assist him/her.
- If a conflict is emerging, it should be discussed in a group meeting and attempts should be made to resolve it within the group; if this is unsuccessful, it should be brought to the attention of the professor.
- Each person has the right to point out when these rules are being broken.
- All group mates should have responsibility for implementing an effective group process.
- All rules can be changed by consensus.

CONSUMER BEHAVIOR
First semester 2016-2017
PERSONAL PROFILE SHEET

NAME _____

EMAIL (please **print clearly**) _____

MARKETING COURSES TAKEN SO FAR:

Please rate on a scale 1-5 (1 = not interested at all; 5 = very interested) your interest for:

	1	2	3	4	5
Marketing (the discipline)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Consumer behavior (the discipline)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This course	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please tell me what are your expectations about this course (be frank)

Tell me something *interesting* about yourself (to help me remember you better):

Do you have any professional experience in Marketing?

I have read and understood the entire contents of the syllabus and agree to abide by the rules and requirements for this course as detailed in the syllabus.

SIGNATURE: _____ DATE: _____

Team Project Peer Evaluation

Instructions:

The peer evaluation is being done to reward those members of your team who have done more for their team than the rest. The peer evaluation will be **strictly confidential**. Be honest in your appraisal and do give credit where it is due. Please follow the instructions below.

- Write your name and team name (Argentina, etc.) in the appropriate space.
- Identify the person (this could be you) who contributed the most to the team effort. This person should be assigned 100 points, and you will be assigning points to all other team members relative to this top rated person.
- Identify the person who contributed the second most to your team's effort. Award this person a certain number of points (between 0 and 100, both inclusive), such that the number reflects the amount of work done by this person in relation to what the top rated student did. For example if you give the number 2 student 90 points, it means that the 2nd rated student did 90% as much work as the top rated student did.
- Continue in a similar manner with the rest of the team.
- More than one team member can be awarded the same number of points.
- **You have to evaluate all members of your team, and that includes yourself.**
- If you want to explain why you gave certain scores to certain team members, you can use the space provided under 'Comments' to elaborate.
- Sign your name and turn in the completed form to me.

#1 team member Score

#2 team member Score

#3 team member Score

#4 team member Score

#5 team member Score

Comments (optional):

Your name:

Team: