



TOPIC

Quarter: **Second**

Professor(s): Vladimir Melnyk

Office Hours: Tuesdays, from 11:00 until 14:00 (upon appointment)

SHORT COURSE DESCRIPTION

Consumers and their needs are at the core of marketing. The past decades have witnessed a shift from a mere sales- and product-oriented approach (whereby marketing was a matter of pushing already existing product lines and creating awareness for those products) to a consumer-oriented approach (whereby products fit identified needs of well-delineated consumer segments, i.e. products need to be “positioned”). In order to be able to anticipate today’s rapid changes in consumers’ motives and needs, a decent understanding of the underlying mechanisms is a sine qua non. The objective of this course is to introduce the student to the principles of consumer behaviour. We start from formal theories and concepts and discuss their usefulness in developing effective marketing strategies. Most sessions will be organised around the consumer’s purchase decision process, consisting of Need Arousal, Information Search and Processing, Brand Evaluation and Attitude Development, Purchase, Consumption and Postpurchase Evaluation. Other sessions address specific consumer-specific or environmental variables that affect this decision process.

OBJECTIVES

Consumer Behaviour aims at providing students with a better understanding of basic consumer buying behaviour in order to be able to describe, explain, and predict how consumers will behave under various marketing conditions and actions.

KNOWLEDGE:

1. Define consumer behavior and describe the contents of consumer behavior considered as a field of study.
2. Learn the influence of factors, which influence consumer decision making at different stages of its process.
3. Learn the process of perception and how it translates into marketing communication strategies.
4. Understand how self-concept influences consumer behavior.
5. Understand different time of learning and how each can be used in marketing communication.
6. Understand the process of attitude formation and factors, which influence attitude on each of the stages.
7. Understand the process of individual decision-making.
8. Understand the power of social and groups influence as well as its types and forms. Learning six “weapons” of social influence, and how these can be used in marketing.
9. Understand the importance of culture in consumer behavior.
10. Understand the role of ethics and sustainability in consumer behavior.
11. Understand the role of digitalization in business decision making

SKILLS:

12. Develop the ability to critically read academic papers in consumer behavior, reflect on them and apply to real marketing situations.



13. Develop the ability to come up with own ideas based on leading academic papers and being able to support them with rigorous arguments.
14. Develop teamwork skills and learn to use techniques that optimize group decision-making.
15. Develop the ability to lead and motivate others.

OBJECTIVES

COURSE OBJECTIVES	PROGRAM LEARNING OUTCOMES (see Appendix)										Evaluation Methods/instruments
	1.1	1.2	1.3	1.4	2.1.a	2.1.b	2.2.a	2.2.b	2.3.a	2.3.b	
1.	X	X	X	X	X	X	X	X	X	X	Exam, Readings and Case Studies
2.	X	X	X	X	X	X	X	X	X	X	Exam, Readings and Case Studies
3.	X	X	X	X	X	X	X	X	X	X	Exam, Readings and Case Studies
4.	X	X	X	X	X	X	X	X	X	X	Exam, Readings and Case Studies
5.	X	X	X	X	X	X	X	X	X	X	Exam, Readings and Case Studies
6.	X	X	X	X	X	X	X	X	X	X	Exam, Readings and Case Studies
7.	X	X	X	X	X	X	X	X	X	X	Exam, Readings and Case Studies
8.	X	X	X	X	X	X	X	X	X	X	Exam, Readings and Case Studies
9.	X	X	X	X	X	X	X	X	X	X	Exam, Readings and Case Studies
10.	X	X	X	X	X	X	X	X	X	X	Exam, Preparing project proposal.
11.	X	X	X	X	X	X	X	X	X	X	Exam, Preparing project proposal.
12.	X	X	X	X	X	X	X	X	X	X	Exam, Preparing project proposal.
13.	X	X	X	X	X	X	X	X	X	X	Exam, Preparing project proposal.
14.	X	X	X		X	X					Preparing project proposal and presentations
15.			X			X					Presentations

EVALUATION CRITERIA

50% Final Exam

25% Class participation, including:

- Mandatory Cases presented by teams and discussed in the classroom.
- Presentation and discussion of the papers from academic journals



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25% Project proposals

EXAM DATES (Final exam and make-up exam)

REFERENCE BOOKS

1. **Textbook.** Solomon, Michael R., Gary Bamossy, and Margaret K. Hogg (2013). "*Consumer Behavior: A European Perspective*", 5th edition. Pearson Higher Education, Boston.
2. **Papers from academic journals** mentioned in the readings of the sessions.
3. All **other documents** distributed either in-class or through Aula Global.

OFFICE HOURS

Tuesdays, from 11:00 until 14:00 (upon appointment)



DETAILED PROGRAM OF THE COURSE

Class 1: Introduction to Consumer Behavior & Consumer Perception

Lecture part (1.5 h)

Practical part (1.5 h)

We will discuss and learn why:

- Many factors at the time of purchase dramatically influence the consumer's decision making process.
- Marketers need to be concerned about a consumer's evaluations of a product after he or she buys it as well as before.
- Perception is a three-stage process that translates raw stimuli into meaning.
- The design of a product today is a key driver of its success or failure.
- Products and commercial messages often appeal to our senses, but because of the profusion of these messages most of them won't influence us.
- The concept of a sensory threshold is important for marketing communication.
- Subliminal advertising is a controversial – but largely ineffective – way to talk to consumers.
- We interpret the stimuli to which we do pay attention according to learned patterns and expectations.
- The field of semiotics helps us to understand how marketers use symbols to create meaning.

Readings for lecture part:

- Solomon (2010), Chapter 1: "Introduction to Consumer Behavior"
- Solomon (2010), Chapter 3: "Shopping, Buying and Evaluating"
- Solomon (2010), Chapter 4: "Perception"

Readings for practical part:

- Zeelenberg, M., & Pieters, R. (2004). Beyond valence in customer dissatisfaction: A review and new findings on behavioral responses to regret and disappointment in failed services. *Journal of Business Research*, 57, 445– 455.
- Kahn, B. E., & Wansink, B. (2004). The influence of assortment structure on perceived variety and consumption quantities. *Journal of Consumer Research*, 30(4), 519-533.
- Berger, J., & Fitzsimons, G. (2008). Dogs on the street, pumas on your feet: How cues in the environment influence product evaluation and choice. *Journal of Marketing Research*, 45(1), 1-14.

Class 2: The Self, Personality and Motivation

Lecture part (1.5 h)

Practical part (1.5 h)

We will discuss and learn why:



- The self-concept strongly influences consumer behavior.
- Products often play a key role in defining the self-concept.
- It is important for marketers to recognize that products can satisfy a range of consumer needs.
- A consumer's personality influences the way he responds to marketing stimuli, but efforts to use this information in marketing contexts meet with mixed results.
- The way we evaluate and choose a product depends on our degree of involvement with the product, the marketing message and/or the purchase situation.
- Our deeply held cultural values dictate the types of products and services we seek out or avoid.
- Consumers vary in the importance they attach to worldly possessions, and this orientation in turn influences their priorities and behaviors.

Readings for lecture part:

- Solomon (2010), Chapter 5: "The Self"
- Solomon (2010), Chapter 6: "Motivation, Values and Lifestyle"

Readings for practical part:

- Gao, L., Wheeler, S. C., & Shiv, B. (2009). The "Shaken Self": Product Choices as a Means of Restoring Self-View Confidence. *Journal of Consumer Research*, 36(1), 29-38.
- Werth, L., Foerster, J. (2006). How regulatory focus influences consumer behavior. *European Journal of Social Psychology*, 37 (1), 33-51.
- Dhar, R., Wertenbroch, K. (2000). Consumer Choice between Hedonic and Utilitarian Goods. *Journal of Marketing Research*, 37, 29-44.

Class 3: Attitude Formation and Persuasion

Lecture part (1.5 h)

Practical part (1.5 h)

We will discuss and learn why:

- Understanding attitudes is important to consumer researchers.
- Attitudes are more complex than they appear.
- Attitudes are formed in several ways.
- Consistency is important in attitude formation.
- Attitude models are used to identify specific components of an attitude towards a brand, a product or an advertisement.
- Persuasion can change attitudes.
- Likelihood of persuasion depends on the source's credibility and attractiveness.
- A buzz can be a very effective marketing tool.
- The appeal of a message often depends on fear, sex and humor.

Readings for lecture part:

- Solomon (2010), Chapter 8: "Attitudes"

Readings for practical part:

- Spangenberg, E. R., Sprott, D. E., Grohmann, B., & Smith, R. J. (2003). Mass-communicated prediction requests: Practical application and a cognitive dissonance explanation for self-prophecy. *Journal of Marketing*, 67(3), 47-62.



- Wänke, M., Bohner, G., & Jurkowitsch, A. (1997). There are many reasons to drive a BMW: Does imagined ease of argument generation influence attitudes? *Journal of Consumer Research*, 24(2), 170-177.
- Shiv, B., & Fedorikhin, A. (1999). Heart and mind in conflict: The interplay of affect and cognition in consumer decision making. *Journal of Consumer Research*, 26(3), 278-292.

Class 4: Social and Group Influences

Lecture part (1.5 h)

Practical part (1.5 h)

We will discuss and learn why:

- Others, especially those who possess some kind of social power, often influence us.
- We seek out others who share our interests in products or services.
- We are motivated to buy or use products in order to be consistent with what other people do.
- The things that other consumers tell us about products (good and bad) are often more influential than the advertising we see.
- Online technologies are accelerating the impact of word-of-mouth communication.
- Social networking is changing the way companies and consumers interact.
- Certain people are particularly likely to influence others' product choices.

Readings for lecture part:

- Solomon (2010), Chapter 10: "Group Influence and Opinion Leadership"

Readings for practical part:

- Tybout, A. M., Calder, B. J., & Sternthal, B. (1981). Using information processing theory to design marketing strategies. *Journal of Marketing Research*, 18(1), 73-79.
- Griskevicius, V. Goldstein, N. et al (2009). Fear and Loving in Las Vegas: Fear and Loving in Las Vegas: Evolution, Emotion, and Persuasion. *Journal of Marketing Research*, 46, 384-395.
- Briley, D. A., & Aaker, J. L. (2006). When does culture matter? Effects of personal knowledge on the correction of culture-based judgments. *Journal of Marketing Research*, 43(3), 395-408.

Class 5: Project proposal presentation

Practical part (2.5 h)

Each team will have to (a) come up with their own research idea, (b) write a small project proposal for this idea applying their knowledge of academic papers and (c) present this proposal.

Lecture part (30 min)

Conclusions, Question and Answer session for the Exam.



ADVANCING YOUR KNOWLEDGE

- Pieters, R., Warlop, L. (1999). Visual attention during brand choice: The impact of time pressure and task motivation. *International Journal of Research in Marketing*, 16, 1-16.
- Zeelenberg, M., & Pieters, R. (2004). Beyond valence in customer dissatisfaction: A review and new findings on behavioral responses to regret and disappointment in failed services. *Journal of Business Research*, 57, 445– 455.
- Kahn, B. E., & Wansink, B. (2004). The influence of assortment structure on perceived variety and consumption quantities. *Journal of Consumer Research*, 30(4), 519-533.
- Berger, J., & Fitzsimons, G. (2008). Dogs on the street, pumas on your feet: How cues in the environment influence product evaluation and choice. *Journal of Marketing Research*, 45(1), 1-14.
- Gao, L., Wheeler, S. C., & Shiv, B. (2009). The "Shaken Self": Product Choices as a Means of Restoring Self-View Confidence. *Journal of Consumer Research*, 36(1), 29-38.
- Sujan, M., Bettman, J. R. & Baumgartner, H. (1993). Influencing Consumer judgments using autobiographical memories: A self-referencing perspective. *Journal*
- Werth, L., Foerster, J. (2006). How regulatory focus influences consumer behavior. *European Journal of Social Psychology*, 37 (1), 33-51.
- Dhar, R., Wertenbroch, K. (2000), "Consumer Choice between Hedonic and Utilitarian Goods," *Journal of Marketing Research*, 37, 29–44.
- Van Osselaar, S., Alba, J. (2000). Consumer learning and brand equity. *Journal of Consumer Research*, 27, 1-16.
- Schacter, D. (1999). The Seven sins of memory - Insights from Psychology and Cognitive Neuroscience. *American Psychologist*, 54, 182-203.
- Spangenberg, E. R., Sprott, D. E., Grohmann, B., & Smith, R. J. (2003). Mass-communicated prediction requests: Practical application and a cognitive dissonance explanation for self-prophecy. *Journal of Marketing*, 67(3), 47-62.
- Wänke, M., Bohner, G., & Jurkowitsch, A. (1997). There are many reasons to drive a BMW: Does imagined ease of argument generation influence attitudes? *Journal of Consumer Research*, 24(2), 170-177.
- McFadden, D. (1999). Rationality for economists? *Journal of Risk and Uncertainty*, 19(1-3), 73-105.
- Shiv, B., & Fedorikhin, A. (1999). Heart and mind in conflict: The interplay of affect and cognition in consumer decision making. *Journal of Consumer Research*, 26(3), 278-292.
- Tybout, A. M., Calder, B. J., & Sternthal, B. (1981). Using information processing theory to design marketing strategies. *Journal of Marketing Research*, 18(1), 73-79.
- Griskevicius, V. Goldstein, N. et al (2009). Fear and Loving in Las Vegas: Fear and Loving in Las Vegas: Evolution, Emotion, and Persuasion. *Journal of Marketing Research*, 46, 384–395.
- Ashton-James, C. E., Maddux, W. W., Galinsky, A. D., & Chartrand, T. L. (2009). Who I am depends on how I feel: The role of affect in the expression of culture. *Psychological Science*, 20(3), 340-346.
- Briley, D. A., & Aaker, J. L. (2006). When does culture matter? Effects of personal knowledge on the correction of culture-based judgments. *Journal of Marketing Research*, 43(3), 395-408.



Appendix: PROGRAM LEARNING OUTCOMES

1. BUSINESS KNOWLEDGE AND SKILLS

1.1. Students should gain a thorough understanding of the problems relevant to the different functional areas.

Students should have a complete understanding of the most important Finance, Accounting, Management, Marketing and Operations problems. They should understand the most relevant aspects of the problems as well as the potential solutions to them. Regular course work is designed to meet this objective.

1.2. Students should be able to diagnose potentially complex real-world problems.

For this purpose, they should be able to gather and analyze the relevant data. Regular course work, electives, case studies and the Business plan are designed to meet this objective.

1.3. Students should be able to relate theory and practice.

Students should be prepared to tailor general concepts and solutions to specific organizational settings. Case studies, simulation games and the Business Plan are designed to meet this objective.

1.4. Students should be able to understand the role of ethics and sustainability in business decision making

Students should have a complete understanding of the causes and consequences of ethic behavior and sustainability issues. Students should be able to provide potential solutions to them. Regular course work, electives, case studies and the Business plan are designed to meet this objective.

1.5 Students should be able to understand the role of digitalization in business decision making

Students should have a full understanding of how digitalization affects the business world. They should be able to understand the problems and create potential solutions to them. Regular course work, electives, case studies and the Business plan are designed to meet this objective.

2. ORGANIZATION TEAM AND PERSONAL SKILLS

2.1. Students should be able to explain their diagnosis and the solutions they propose in a clear and convincing way.

(a) Students should be able to effectively communicate verbally in both English and Spanish languages with different types of people, particularly senior managers, teammates, subordinates, clients and suppliers. The team work that is being carried out throughout the year, electives and the Business Plan are designed to meet this objective.

(b) Students should be able to effectively communicate in writing ideas and arguments in both English and Spanish languages with different types of people, particularly senior managers, teammates, subordinates, clients and suppliers. Case studies, projects and the Business Plan are designed to meet this objective.

2.2. Students should be able to work effectively in teams and to demonstrate their capacity in managing diversity

(a) Students should demonstrate their capacity to listen, manage and influence others and facilitate their development.

(b) Students should demonstrate their capacity to perceive commonalities and differences in other's values, styles and perspectives. To this purpose they will intensively work in teams throughout the program.



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2.3. Students should be able to demonstrate their capacity to lead others and their own professional life

- (a) Each graduate will use team building and high performance management behaviors to lead a team task that results in effective team performance
- (b) Students should be able to assess their own strengths and weaknesses and manage risk in the design of their professional careers