

CONSUMER BEHAVIOR

MBA SPRING 2025

Dr. Hyunjung Crystal Lee
hylee@emp.uc3m.es
(+34) 91 624 9572

COURSE DESCRIPTION

Just as dearest friends grow and evolve with you, businesses grow and evolve with their customers. To build such lasting friendships with customers, businesses need to proactively seek ways to get to know and care for their customers at a personal level. Throughout the course, you will have opportunities to think through how you could get to know various aspects of a person – and adapt that point of view to creatively find ways to get to know your customers.

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”). 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 behavior. We start with formal theories and concepts and discuss their usefulness in developing effective marketing strategies. Most sessions will be organized around the consumer’s purchase decision process, consisting of Need Arousal, Information Search and Processing, Brand Evaluation and Attitude Development, Purchase, Consumption and Post-purchase Evaluation. Other sessions address specific consumer-specific or environmental variables that affect this decision process.

COURSE OBJECTIVES

To understand consumers’ behaviors, we need to understand how they perceive the world, how they perceive themselves, what sways their judgment and decisions, how their emotions and thoughts become formalized, how they interact with their surroundings, etc. By understanding the various makeups of our customers, we can get to know their true desires and values, so that we can creatively provide for their needs. The objective of the course is to get one step (hopefully many steps) closer to our customers by getting to know them and cater to their needs better.

KNOWLEDGE & SKILLS:

- Define consumer behavior and describe the contents considered as a field of study.
- Learn the influences of consumer decision-making at different stages of its process.
- Learn the process of perception and how it translates into marketing communication strategies.
- Understand how self-concept influences consumer behavior.
- Understand the theories of learning and how each can be used in marketing communication.

- Understand the process of attitude formation influencing attitude in each of the stages.
- Understand the process of individual decision-making.
- Understand the power of social and group influence as well as its types and forms.
- Learn key social influences and how they can be used in marketing.
- Understand the importance of culture in consumer behavior.
- Understand the role of ethics and sustainability in consumer behavior.
- Understand the role of digitalization in business decision-making.
- Develop the ability to critically read academic papers and apply them to real marketing situations.
- Develop the ability to develop your ideas and be able to support them with rigorous arguments.
- Develop teamwork skills and learn to use techniques that optimize group decision-making.
- Develop the ability to lead and motivate others.

COURSE REQUIREMENTS

Lectures & Feedback: Class lectures will provide elaborate discussion on the main concepts of the subject, accompanying relevant examples, case studies, and bibliographies to complement students' learning, with the support of technologies and audiovisuals. Students are expected to interact proactively during lectures. The professor will provide feedback on homework and activities done during practical classes, individually or in groups throughout the course.

Homework & Practical Class Activities: Critical reading of texts recommended by the professor of the subject will include press articles, reports, and academic research papers, to aid discussion in class and to expand and consolidate the knowledge of the subject. Students will present how their prior work experience could be done differently, knowing the content of the course as well as research articles each week. Each group of students will also be required to come up with an idea for a project relevant to consumer behavior and present it throughout the course.

Evaluation Criteria:

30% Class participation including cases presented by teams, presentation of papers from academic journals, and other in-class activities and discussions

20% Project proposal

50% Final exam

Textbook: Wayne D. Hoyer, Deborah J. MacInnis, & Rik Pieters (2023) Consumer Behavior (8th edition, Cengage)

EXAM DATES (Final exam and make-up exam)

OFFICE HOURS

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

COURSE TOPICS

1: Introduction to Consumer Behavior & Consumer Perception

Key concepts: Subjectivity in perception, perceived value, perceived need, judgment & choice

Activity: Integrating understanding of consumer perception in improving 4Ps

De Vries, E. L., & Lee, H. C. (2022). Friend-shield protection from the crowd: How friendship makes people feel invulnerable to COVID-19. *Journal of Experimental Psychology: Applied*, 28(4), 794.

Lee, H. C., Chugani, S., & Namkoong, J. E. (2022). The role of entitlement and perceived resources in gratitude's effect on materialism: Longitudinal and situational effects. *Journal of Business Research*, 139, 993-1003.

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.

2: The Self, Personality and Motivation

Key concepts: A sense of self, identity, brand identity, brand image

Activity: Helping consumers tap into greater understanding of themselves via brand offerings

Bellezza, S., Gino, F., & Keinan, A. (2014). The red sneakers effect: Inferring status and competence from signals of nonconformity. *Journal of Consumer Research*, 41(1), 35-54.

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.

Reed II, A., Kay, A., Finnel, S., Aquino, K., & Levy, E. (2016). I don't want the money, I just want your time: How moral identity overcomes the aversion to giving time to prosocial causes. *Journal of Personality and Social Psychology*, 110(3), 435.

3: Attitude Formation and Persuasion

Key concepts: Consistency in marketing activities & persuasive techniques for attitude change

Activity: Reformulating 4Ps + 3Ps to get customers on your side & become a trustworthy brand

Goldstein, N. J., Cialdini, R. B., & Griskevicius, V. (2008). A room with a viewpoint: Using social norms to motivate environmental conservation in hotels. *Journal of Consumer Research*, 35(3), 472-482.

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.

Song, H., & Schwarz, N. (2009). If it's difficult to pronounce, it must be risky: Fluency, familiarity, and risk perception. *Psychological Science*, 20(2), 135-138.

4: Social and Group Influences

Key concepts: Norms, social closeness, power distance, networks, virtual presence, shared reality

Activity: Balancing consumers' need for belonging, autonomy, and competence in product offerings

Griskevicius, V., Tybur, J. M., & Van den Bergh, B. (2010). Going green to be seen: status, reputation, and conspicuous conservation. *Journal of personality and social psychology*, 98(3), 392.

Xu, Q., Zhou, Y., Ye, M., & Zhou, X. (2015). Perceived social support reduces the pain of spending money. *Journal of Consumer Psychology*, 25(2), 219-230.

Garcia-Rada, X., Norton, M. I., & Ratner, R. K. (2024). A desire to create shared memories increases consumers' willingness to sacrifice experience quality for togetherness. *Journal of Consumer Psychology*. 34:247–263.

5: Emotion, Mindset, and Behavioral Change

Key concepts: Basic emotions, moral emotions, and mindsets that form enduring behavioral change

Activity: Devising business strategies to spur social change and grow with consumers

Williams, P. (2014). Emotions and consumer behavior. *Journal of Consumer Research*, 40(5), viii-xi.

Price, L. L., Coulter, R. A., Strizhakova, Y., & Schultz, A. E. (2018). The fresh start mindset: Transforming consumers' lives. *Journal of Consumer Research*, 45(1), 21-48.

Dweck, C. S. (2017). From needs to goals and representations: Foundations for a unified theory of motivation, personality, and development. *Psychological Review*, 124(6), 689–719.

Note regarding the use of Artificial Intelligence (AI): The use of AI is allowed but not compulsory. Please be aware that, while AI tools can be useful to enhance your access to information and learning, you should try to take advantage of them to enhance your independent research skills, develop your critical thinking, and make your own assessment of the issues researched. Please also be aware of the reduction in the originality of your arguments and the risk of plagiarism that exists when you over rely on AI tools to generate content.

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.

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

(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