

# CONSUMER BEHAVIOR

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Fall 2003

New York University – Stern School of Business

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Consumer Behavior

Thursday 6:00-9:00

KMC 3-65

\*Note: E-mail is the best way to contact me outside of class. I check and respond to e-mail daily.

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## Course Goals

We are all consumers. We buy groceries, computers, and cars. We purchase services ranging from bank accounts to college educations. However, we also know that consumers are different from one another. We buy different clothes, drive different cars, and eat different foods. Moreover, even the same consumer can make different decisions depending on the situation. So how are we to construct coherent marketing strategies?

In this class we will examine how and why consumers behave the way that they do. We will explore our intuitions about our own behavior. We will learn about theories developed in marketing, psychology, and other behavioral sciences. And we will learn how to use these theories to predict how consumers will respond to different marketing activities.

The goals of this class are:

- to acquire a framework for analyzing consumer behavior problems
  - to learn how consumer behavior can be affected by different marketing strategies
  - to show how behavioral evidence can be used to evaluate alternative marketing strategies
  - to develop a deeper understanding of consumer behavior by learning about relevant psychological and sociological theories
  - to acquire experience in applying these theories to real-world consumer behavior problems
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## Course Resources

### *Textbook (Recommended)*

Consumer Behavior and Managerial Decision Making (2<sup>nd</sup> edition), by Frank R. Kardes, Prentice Hall (available at the NYU Bookstore)

### *HBS Case & Article Packet (Required)*

#### Cases:

- Xerox Corporation: The Customer Satisfaction Program (9-591-055)
- L'Oreal of Paris: Bringing "Class to Mass" with Plenitude (9-598-056)
- Boston Beer Company: Light Beer Decision (9-899-058)
- Claiborne Asks Web Surfers to Name New Line (9-500-055)
- Snapple (9-599-126)

#### Articles:

- Pricing and the Psychology of Consumption (HBR-OnPoint #1814)
- Analyzing Consumer Perceptions (9-599-110)

### *Readings & Assignments*

Additional journal articles, exercises, and recent news from the popular business press will be provided throughout the semester. The journal articles will provide you with a deeper insight into selected topics and methods of consumer behavior research. The business news articles, cases, and exercises will give you the opportunity to apply the textbook's conceptual framework to current real-world marketing problems. The readings and assignments will be handed out in class and/or posted on the class website.

### *Course Website*

This website has many useful things on it, including continuously updated information on assignments, readings, course schedule, etc. Please check regularly.

### *Class Notes*

The PowerPoint slides for each class will be available for downloading from the website. Note, however, that these slides only present a (detailed) outline of the class discussion. You will still need to take additional notes to fully capture the material discussed in class.

### *Additional Literature*

You can find additional relevant literature (e.g., for your team project) using the Bobst Business Databases ( [http://www.nyu.edu/library/bobst/database/d\\_bus.htm](http://www.nyu.edu/library/bobst/database/d_bus.htm) ), as well as links on the class website.

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## Grading

Your evaluation will be based on one exam, case study preparations, a group project, and your class participation:

Case Preparation:	10%
Group Project:	40%
Midterm Exam:	35%
Class Participation:	15%

### *Case Preparation*      10%

You will be asked to prepare 5 Harvard Business School cases for class discussion. To make sure that you have read and thought about the cases in advance, I will ask everyone to submit a 1-2 page preparation sheet at the beginning of class. If you are unable to turn in a case preparation on or before the due date, for whatever reason (e.g., illness), you must contact me prior to the due date. Late assignments will not be accepted.

### *Group Project*      40%

A significant portion of your course grade will be determined by a team project. You will be required to select a particular consumer phenomenon, propose and carry out a study to examine this problem, and discuss your findings. For example, you could examine how people decide which store to shop at, whether a specific advertising campaign has changed consumers' perceptions of a brand (and which factors contributed to the campaign's success or failure), why consumers did or did not accept a recently launched new product, etc...

The grade for the group project (40%) will be determined as follows:

Part I (problem description and literature review)	10%
Part II (research design, results, and discussion)	10%
Presentation	10%
Individual contributions	10%

*Midterm Exam*        35%

The midterm exam will be based on the lectures, class discussions, assigned readings, and class assignments. The exam will include multiple choice, short answer, and essay questions. All students who do not attend the midterm exam and who do not have a prior agreement with me, will receive a zero for the exam grade.

*Class Participation*    15%

I expect that you all realize the importance of attending the classes. Attending the classes will substantially increase your understanding of the assigned readings and provide you with insight into issues beyond those covered in the readings. It will also give you the opportunity to actively participate in class discussions and obtain a high class participation grade. Note, however, that your mere presence is not sufficient to earn points for class participation. What matters is the quantity and, especially, the quality of your contributions to class discussions.

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### **Class Policy**

- Be prepared: Make sure that you have read the readings assigned for each class. This will help you to better understand the material discussed in class and to actively participate in class discussions.
- Attend regularly: Regular attendance will provide you with more opportunities to contribute to class and thus increase your participation grade. Please note that you are responsible for knowing any changes or assignments announced in class. Attendance is mandatory for group project presentations and guest speaker presentations!
- Arrive on time: Late-comers are very disturbing. Systematic tardiness will have a negative impact on your participation grade.
- Respect assignment deadlines: Late assignments will not be accepted without a prior agreement.
- Be honest: Cheating and plagiarism will result in a grade of “F” for the assignment/test for all parties involved.