

CONSUMER BEHAVIOR

Fall 2003

New York University – Stern School of Business

Professor Tom Meyvis	Consumer Behavior
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*Note: E-mail is the best way to contact me outside of class. I check and respond to e-mail daily.

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 try to learn 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

Required Text

Consumer Behavior (9th edition), by Roger D. Blackwell, Paul W. Miniard, and James F. Engel, Harcourt College Publishers (available at the NYU Bookstore)

HBS Case Packet

- L'Oreal of Paris
- Boston Beer Company
- TiVo
- TiVo 2002

Readings & Assignments

Additional cases, exercises, journal articles, 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 posted on the class website (if an electronic copy is available).

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 literature (e.g., for your team project) using the Bobst Business Databases (<http://library.nyu.edu/cgi-bin/bobst/databases.pl?query=BUSINESS>), as well as links on both the publisher's website (<http://www.harcourtcollege.com/marketing/blackwell/index.html>) and the class website.

Student Evaluation

Your evaluation will be based on 2 exams, 1 individual assignment, case study preparations, a group project, and your class participation:

Case Preparation:	8%
Assignment:	7%
Group Project:	25%
Midterm Exam:	25%
Final Exam:	25%
Class Participation:	10%

Case Preparation 8%

You will be asked to prepare 4 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.

Assignment 7%

The assignment is designed to help you better understand and remember the issues discussed in class. The assignment should be done *individually* and will require considerable time and effort.

Students are responsible for knowing when the assignment and case preparations are due. If you are unable to turn in an assignment on or before the due date, for whatever reason (e.g., illness), you must contact me prior to the due date. For my late assignment policy, please refer to the website.

Group Project 25%

A significant part of your course grade will be determined by a team project. As professionals interested in marketing, you are all going to be part of teams that work together in finding solutions to common marketing problems. Therefore, as part of this course, you will be required to carry out a team project in which you select a particular marketing phenomenon, propose and carry out a study to examine this problem, and discuss your findings. For example, you could wonder how people decide which store to shop at and run a survey study to examine this. Or, you could examine whether a specific advertising campaign has changed consumers' perceptions of the product – and if it has, which factors contributed to the ad's success.

The grade for the group project (25%) will be determined as follows:

Part I (problem description and literature review)	7%
Part II (research design, results, and discussion)	7%
Presentation	4%
Individual contributions	7%

Midterm Exam 25%

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. There will be no makeup exam. If you don't take the midterm exam, the final exam will be cumulative and count for 50% of your course grade.

Final Exam 25%

The final exam is not cumulative, unless you've not taken the midterm exam (in which case it is cumulative and counts for 50% of your course grade). The exam will consist of multiple choice, short answer, and essay questions. It is unlikely that a request for a make-up exam will be granted. All students who do not attend the final exam and who do not have a prior agreement with me, will receive a zero for the exam grade.

Class Participation 10%

I expect that you all realize the importance of attending the classes, so I am not going to monitor attendance by passing around attendance sheets. 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 more is the quantity and, especially, the quality of your contributions to class discussions.

Grading Policy

Consistent with Stern policy, I will be following the Stern Curve when assigning final grades. This policy requires the following grade distribution:

- A No more than 20% of students
- B No more than 40% of students
- C No fewer than 40% of students

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 the group project presentations and guest speaker presentations!

- Arrive on time: Late-comers are very disturbing. *Systematic tardiness will have a negative impact on your class 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.

CLASS SCHEDULE

Please note that this is a tentative class schedule – it will change in the course of the semester (depending on the length of class discussions and the scheduling of external speakers).

DATE	TOPIC	ASSIGNMENT
09 / 2 Tuesday	Introduction to the Course Overview of the Group Project	
09 / 4 Thursday	Overview of Consumer Behavior	Read Chapter 1 DUE: Personal Profile
09 / 9 Tuesday	Consumer Behavior and Marketing	Read Chapter 2

PART I: The Consumer Decision Making Process

1. Overview

09 / 11 Thursday	The Consumer Decision Making Process	Read Chapter 3
09 / 16 Tuesday	The Consumer Decision Making Process	DUE: Topic of project

2. Pre-Purchase Processes

09 / 18 Thursday	Need Recognition and Search	Read Chapter 4
09 / 23 Tuesday	Case Discussion: TiVo	DUE: TiVo Case
09 / 25 Thursday	Exposure, Attention, & Comprehension	Read Chapter 14
09 / 30 Tuesday	Opinion Formation	Read Chapter 15 & Learning Theories Handout
10 / 2 Thursday	Storage and Retrieval	Read Chapter 16

3. Purchase Processes

10 / 7 Tuesday	Evaluation & Choice	
10 / 9 Thursday	Evaluation & Choice	
10 / 14 Tuesday	Choice: Decision Biases	
10 / 16 Thursday	Course Review	DUE: Assignment 1
10 / 21 Tuesday	MIDTERM EXAM	
10 / 23 Thursday	Discussion of Midterm Exam In-Class Research Workshop	

4. Post-Purchase Processes

10 / 28 Tuesday	Consumption and Evaluation	Read Hoch & Ha (1986) Read Chapter 6 DUE: Part I Group Project
10 / 30 Thursday	Consumption and Evaluation Case Discussion: Boston Beer Company	DUE: Boston Beer Case

PART II: Individual Influences on the Decision Making Process

11 / 4 Tuesday	Demographics, Psychographics & Consumer Motivation	Read Chapters 7 & 8
11 / 6 Thursday	Consumer Beliefs, Attitudes, & Intentions	Read Chapter 10
11 / 11 Tuesday	Case Discussion: L'Oréal of Paris	DUE: L'Oréal Case

PART III: Environmental Influences on the Decision Making Process

11 / 13 Thursday	A Note on Culture & Consumer Behavior Group and Personal Influence	Read Chapters 11 & 13
11 / 18 Tuesday	Group and Personal Influence	
11 / 20 Thursday	<i>No Class – Thanksgiving Break</i>	
11 / 25 Tuesday	Case Discussion: TiVo 2002	DUE: TiVo 2002 Case
11 / 27 Thursday	Course Review	

Project Presentations

12 / 02 Tuesday	Project Presentations	DUE: Part II Group Project
12 / 04 Thursday	Project Presentations	
12 / 09 Tuesday	Project Presentations	

Unless I announce otherwise, the Final Exam will be held on:

Section1:	Tuesday 12/16	10:00 AM - 11:50 AM
Section2:	Tuesday 12/16	12:00 PM - 1:50 PM