CONSUMER BEHAVIOR
B70.2347.20
Spring 2009
New York University – Stern School of Business

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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 examine how and why consumers behave the way that they do. We will explore our intuitions about our own behavior. We will use theories developed in marketing, psychology, and other behavioral sciences 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
Course Resources

Case & Article Packet (Required, available at the NYU Professional Bookstore)

Harvard Business School Cases:
- 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)
- TiVo in 2002 (9-502-062)
- Xerox Corporation: The Customer Satisfaction Program (9-591-055)
- Inside Intel Inside (9-502-083)
- Sony AIBO: The World's First Entertainment Robot (9-502-010)
- The Birth of the Swatch (5-505-010)

Harvard Business School Articles:
- Analyzing Consumer Perceptions (9-599-110)
- Companies and the Customers Who Hate Them (Harvard Business Review)
- The Right Way to Manage Unprofitable Customers (Harvard Business Review)

Kellogg Case
- Gillette Fusion: Building a $1 Billion Brand (Case 0841)

IMD Case
- Medi-Cult: Pricing a Radical Innovation (IMD044)

Tuck School of Business Case
- Social Media and the Burger King Brand (Case #6-0025)

Textbook

There is no textbook for this class. I do recommend the following book as interesting background reading: Consumer Behavior and Managerial Decision Making (2nd edition), by Frank R. Kardes, Prentice Hall

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

http://sternnewclasses.nyu.edu

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

Class Notes

The PowerPoint slides for each class will be available for downloading from the website and will be handed out at the start of class. 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 Stern Virtual Business Library (http://www.nyu.edu/library/bobst/vbl/), as well as links on the class website.

Grading

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

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<tbody>
<tr>
<td>Case Preparations</td>
<td>20%</td>
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<tr>
<td>Group Project</td>
<td>25%</td>
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<tr>
<td>Midterm Exam</td>
<td>20%</td>
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<td>Final Exam</td>
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<td>Class Participation</td>
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Case Preparations 20%

You will be asked to prepare 9 cases for class discussion. To make sure that you have read and thought about the cases in advance, I will ask everyone to upload a 2 page preparation sheet on Blackboard by 7 pm the day before we discuss the case in class. Your best 8 case preps will each contribute 2.5% towards your final grade. For more information on the case preparations, please see the separate handout.

Group Project 25%

A significant portion of your course grade will be determined by a team project. You will be required to select a particular marketing phenomenon, propose and carry out a study to examine this problem, and discuss your findings. I will provide more information on the group project in a separate document.
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** 20%

The midterm exam will be based on the lectures, class discussions, and assigned readings and case studies. The exam will include multiple choice, short answer, and essay questions. The midterm exam is optional. There will be no makeup exam. If you don’t take the midterm exam, the final exam will be cumulative and count for 40% of your course grade.

**Final Exam** 20%

The final exam is not cumulative, unless you’ve not taken the midterm exam (in which case it is cumulative and counts for 40% of your course grade). The exam will consist of multiple choice, short answer, and essay questions. 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** 15%

Attending the classes is not optional. Attending class 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 better 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.
Class Policy

- **Be prepared**: Make sure that you have read the case 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 all classes**: I expect everyone to attend all classes. Aside from being an essential part of the learning experience, regular attendance is an obvious prerequisite for contributing to class discussions and receiving a grade for class participation. Please also note that you are responsible for knowing any changes or assignments announced in class.

- **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.

- **Laptops, cell phones, smartphones and other electronic devices are a disturbance to your fellow students as well as the instructor. All electronic devices must be turned off prior to the start of class. This implies:**
  
  o You cannot use your laptop in class.
  o Phones must be turned off – not put on silent or vibrate.