# Consumer Behavior

| Class Times: 9:10-12:10, Wednesday | Lecturer: HSIEH, Ming-huei |
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| Office: R913, Building II, College of Management | Office Hour: 3:00-5:00PM, Wednesday |

## Course Description
Consumer behavior is more than *buying* things, it also embraces the study of how *having* things affects our lives and how our possessions influence the way we feel about ourselves and about each other – our state of *being* (Solomon 2003). This course is designed to help the students learn the basic concepts of modern consumer research in a managerial orientation way. It focuses on the major decisions that marketing managers faced in their efforts to understand consumer behavior. It covers the four parts related to consumer behavior including consumer as individuals, consumers as decision makers, consumers and subcultures, and consumer and culture.

## Teaching and Learning Strategy
The objective of this course is to expose you to the consumer behavior discipline from a conceptual, analytical and pragmatic perspective. As such, the course will be conducted using a combination of course lectures and in-class discussions over assignments/exercises. While the lecturer introduces marketing disciplines and its latest development, the assignments/exercises offer all participants an opportunity to demonstrate their abilities in capitalizing on what has been learned from this course.

Three themes in every lecture (week) will be (1) to introduce the students with the basic concepts and ideas from the textbook, and (2) to study the advertising strategies and relevant issues in real cases. All students are encouraged to contribute to the discussions such that everyone can participate the discussion and benefit from the pool of valuable, personal resources. To stimulate maximum responses from the audience, ALL students must complete the assignment by the date noted on the class schedule.

The lecture note as well as other supplement materials will be uploaded to the website a week before the class. Students are able to access to those materials by logging into ftp://ftp.ib.ntu.edu.tw (ID:CB972 PW:279BC)

## Major Categories of Assessment
The grade will be based on two exams (25% *2), one titanic term paper of which is composed of a series of assignments (30%) and group discussion (20%).

A. **Group Discussion: 20%**
   Students are expected to work in groups of **FIVE to SEVEN** for discussing issues prior to attending to the class. Working as a group, students should collect data and offer insights in response to the questions assigned. Nevertheless, students are free to address issues beyond the ones attached. The lecturer will evaluate groups' performance based on the quality of content of the submitted discussion outline (1-2 page per week).

B. **Midterm and Final exam: 50%**
   The exams will be designed to measure how well the students have absorbed the lecture material and assignments/exercises. Midterm and Final will mainly consist of multiple choice questions and short assays.

C. **Term Paper: 30%**
   Every each one of you is required to hand in a term paper based on the assignments of each week. By week 2, each student should choose a firm or brand as the research target. Student should constantly observe and research the development of the firm/brand/product under investigation. *Late paper will NOT be accepted.*

D. **Class Participation: 5%**
   Throughout the semester, students will be evaluated based on (1) attendance in case discussion; (2) preparation for case studies/papers; and (3) contributions to the discussions. Performance of class participation will be considered as extra points (10%) and to be added to the final grade.

**Core textbook**

Solomon, Michael R. (2007), <u>Consumer Behavior: Buying, Having, and Being</u>, 7<sup>th</sup> edition, Prentice Hall, New Jersey. (華泰書局)

**Course Outline**

| Week | | |
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| Week 1 | 02/18 | Introduction: reviewing the syllabus |
| 2 | 02/25 | Lecture: Consumer in the Marketplace (chapter 1) |
| | | Assignments:<br>1. Decide a topic (a brand/product/service/industry) for the term paper.<br>2. List the three stages in the consumption process (Figure 1-1 on page 8). Describe the issues that you considered in each of these stages when you made a recent important purchase. (Section 1 of the term Paper)<br>3. Preview Chapter 2. |
| 3 | 03/04 | Lecture: Perception (chapter 2) |
| | | Assignments:<br>1. Based on the perceptual process as shown in the Figure 2-1(p29), what recommendations would you make to your project company in terms of package elements, such as color, symbolism and graphic design? Give the reasons for your suggestions. (Sec. 2 of the term paper)<br>2. Find ads that utilize the techniques of contrast and novelty. Give your opinion of the effectiveness of each ad and whether the technique is likely to be appropriate for the consumers targeted by the ad. (Group case study #1: prepare for class discussion).<br>3. Preview Chapter 3. |
| 4 | 03/11 | Lecture: Learning and Memory (Chapter 3) |
| | | Panel discussion: Group case study #1 |
| | | Assignments:<br>1. Applying the classical conditioning theory to develop an ad copy strategy for your project. (Sec. 3 of the term paper)<br>2. Collect some pictures of "classic" products that have high nostalgia value. Show these pictures to consumers and allow them to free associate. Analyze the types of memories that are evoked, and think about how these associations might be employed in a product's promotional strategy. (Group case study #2)<br>3. Preview Chapter 4. |
| 5 | 03/18 | Lecture: Motivation and Values (Chapter 4) |
| | | Panel discussion: Group case study #2 |
| | | Assignments:<br>1. Make a High/Low Involvement Strategy analysis (Figure 4-3), including yours and competitors. (Sec. 4 of the term paper)<br>2. Collect several ads that seem to appeal to consumers' values. What value is being communicated in each, and how is this done? Is this an effective approach to designing a marketing communication? (Group case study #3)<br>3. Preview Chapter 5. |
| 6 | 03/25 | Lecture: The Self (Chapter 5) |
| | | Panel discussion: Group case study #3 |
| | | Assignments:<br>1. How might the creation of a self-conscious state be related to consumers who are trying to use your product/service? (Sec. 5 of the term paper)<br>2. Locate additional examples of self-esteem advertising. Evaluate the probable effectiveness of these appeals – is it true that "flattery gets you everywhere"? (Group case study #4)<br>3. Preview Chapter 6. |

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| 7 | 04/01 | Lecture: Personality and Lifestyles (chapter 6) |
| | | Panel discussion: Group case study #4 |
| | | Assignments:<br>1. Construct a brand personality inventory for three different brands within your project company. Ask a small number of consumers to rate each brand on about 10 different personality dimensions. What differences can you locate? Do these "personalities" relate to the advertising and packaging strategies used to differentiate these brands? (Sec. 6 of your term paper)<br>2. Compile a set of recent ads that attempt to link consumption of a product with a specific lifestyle. How this goal is usually accomplished? (Group case study #5)<br>3. Preview Chapter 7. |
| 8 | 04/08 | Lecture: Attitudes (Chapter 7) |
| | | Panel discussion: Group case study #5 |
| | | Assignments:<br>1. Contrast the hierarchies of effects outlined in the Figure 7-1. How will marketing mix decision be influenced by which hierarchy is operative among your target consumers? (Sec. 7)<br>2. Identify some examples from retailers that are trying to employ the self-perception theory in their sales promotion tactics. (Group case study #6)<br>3. Preview Chapter 8. |
| 9 | 04/15 | Attitude Change and Interactive Communications (Chapter 8) |
| | | Panel discussion: Group case study #6 |
| | | Assignments:<br>1. A marketer must decide whether to incorporate rational or emotional appeals in its communications strategy. What factors would favor choosing one approach over the other in your project? (Sec. 8)<br>2. Collect examples of ads that rely on the use of metaphors or resonance. Do you feel ads are effective? If you were working with the products, would you feel more comfortable with ads that use a more straightforward, "hard-sell" approach? Why or why not? (Group case study #7)<br>3. Preview Chapter 9 and 10. |
| 10 | 04/22 | **Mid-term** |
| 11 | 05/29 | Lecture: Individual Decision Making (Chapter 9) and Buying and Disposing (Chapter 10) |
| | | Panel discussion: Group case study #7 |
| | | Assignments:<br>1. Using Table 10-1 as a model, construct a person/situation segmentation matrix for your project. (Sec. 9)<br>2. Ask two members of your group to "talk through" the process they used to choose one brand over others during a recent purchase. Based on this description, can you identify the decision rules that were most likely employed? (Group case study #8)<br>3. Preview Chapter 11 and 12. |
| 12 | 05/06 | Lecture: Group Influence and Opinion Leadership (Chapter 11) |
| | | Panel discussion: Group case study #8 |
| | | Assignments:<br>1. In your opinion, who would be the best/least opinion leader of your product in Taiwan? (Sec. 10)<br>2. Compile two set of ads that is endorsed by two celebrities. Give your opinion of the consistent image/inconsistent image delivered by them. (Group case study #9)<br>3. Review Chapter 12 |
| 13 | 05/13 | Lecture: Organization and Household Decision Making (Chapter 12) |
| | | Panel discussion: Group case study #9 |
| | | Assignments:<br>1. If your product a household product, explain how the household decision making process influence your product's marketing mix strategy. If your product doesn't involve decision, you may pass this section. (Sec. 11)<br>2. Collect ads for three product categories in which the family is targeted. Find another set of ads for different brands of the same items in which the family is not featured. Prepare a discussion about the |

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| | | effectiveness of the approaches. (Group case study #10)<br>3. Review Chapter 13 |
| 14 | 05/20 | Lecture: Income and Social Class (Chapter 13) |
| | | Panel discussion: Group case study #10 |
| | | Assignments:<br>1. Does the consumer confidence impact on your product category? When is consumer confidence likely to be a better predictor of consumer behavior than mere knowledge of a person's income (purchasing ability)? (Sec. 12)<br>2. Compile a collection of ads that depict consumers of different social classes. What generalizations can you make about the reality of these ads and about the media in which they appear? (Group case study #11) |
| 15 | 05/27 | Lecture: Ethnic Subcultures (Chapter 14) and Age Subcultures (Chapter 15) |
| | | Panel discussion: Group case study #11 |
| | | Assignments:<br>1. Do you observe any sub-cultural consumption practices around? How the subculture of consumption is observed different from the mainstream consumption and why is that? (Group case study #12)<br>2. Evaluate the effectiveness of a segmentation strategy based on subculture for your project. Is it feasible for your product/brand to target a certain subculture? (Sec. 13)<br>3. Preview Chapter 16. |
| 16 | 06/03 | Lecture: Cultural influences on Consumer Behavior (Chapter 16) |
| | | Panel discussion: Group case study #12 |
| | | Assignments:<br>1. Describe and discuss a myth/legend of a company's. How is this myth/legend mean to you?<br>2. Review Chapter 17<br>3. Hand in the final Term Paper with a one page of "Executive Summary" |
| 17 | 06/10 | **Lecture: The Creation and Diffusion of Culture (Chapter 17)** |
| | | Panel discussion: Group case study #13 |
| 18 | 06/17 | **Final exam** |

**\*The contents of course outline are subject to change.**