Required Readings:

- Course packet (Chapters). Will be available at the bookstores at beginning of semester.
- Influence, fifth edition, Robert Cialdini
- Nudge, revised and expanded edition, Richard Thaler and Cass Sunstein
  You will only be assigned particular chapters from Influence and Nudge, but I would encourage you to read both books in their entirety over the course of the semester. Each book costs around $10 at Amazon.
- Additional required readings and slides will be posted on Sakai

Course Description:

Contemporary approaches to business emphasize the importance of adopting a customer focus. Marketing, in particular, begins and ends with the consumer – from determining consumer needs to ensuring customer satisfaction. Product life cycles are shorter, market segments are smaller, and the competition is more intense than ever. The marketing manager who possesses an in-depth, scientific understanding of consumer judgment and decision-making will succeed where others fail.

The primary goal of this course is to enhance your understanding of consumer behavior. The psychology of the consumer includes some intuitive and some non-intuitive ideas about behavior. In this course, we will train your intuition, so that you think more like a psychologist about how consumers perceive and respond to marketers. Many of the psychological insights are particularly useful for strategy, brand positioning, and marketing communication decisions. We will discuss some of these applications in class. Not only do we want to better understand consumers’ behavior, but want to develop and evaluate marketing strategies intended to influence their behavior. In addition, we will focus on the methodology of research to build the tools you will need to interpret research. You are very likely to be customers of market research. The ability to correctly interpret market research will make this research much more actionable in managerial contexts.

Course Format:

This class will employ a variety of instructional methods, including lecture, individual and group exercises, videos, discussion, etc. The class will be more enjoyable and educational if you participate in discussions. Please do not hesitate to express your opinion, to offer your thoughts, or to provide a relevant example to the class.

A special note: There is a significant amount of reading in this course. It is critical that you READ and THINK ABOUT the assigned material BEFORE coming to class. Class begins with the assumption that you have at least a rudimentary understanding of assigned reading material. To the extent that this assumption holds, we should all have an interesting learning experience at each meeting.
Grading:

There will be an in-class exam given during the semester, which will consist of short answer questions. Beyond that, you will have a short individual interview assignment, and 2 group papers, one of which will result in a short presentation to the class and the other with a poster presented to the class. Class attendance and participation will also be recorded, as discussion is vital to this course. The points assigned to these activities are summarized below:

- Exam: 100
- Individual Interview Assignment: 30
- Perception Project Paper: 70
- Perception Project Presentation: 30
- Final (Nudge) Project Paper: 100
- Final (Nudge) Project Presentation: 30
- Class Attendance and Participation: 40

TOTAL: 400

All assignments must be turned in on the assigned due date. Failure to do so without PRIOR authorization from the professor will result in a zero for that component of the course.

A student’s final grade will be determined by summing the points earned on the items listed above. The weighted percentage will be translated into a letter grade. The range of weighted percentages and the letter grade representing each range are as follows:

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Class Participation

The quality of your participation in class is reflective of your interest in the class and of the amount of your preparedness for it. A good participation grade is possible only through consistent attendance and quality participation. To facilitate accurate grading of class participation, please choose a seat on the first day of class and keep this seat throughout the semester. Also, please display your name cards during class, at least for the first few weeks until I learn all of the names.

I will grade class participation during each class using the following grading scheme:

10 Contributions in class reflect exceptional preparation. Comments and analysis offered are substantive, provide major insights, and move the class discussion forward. Arguments are robust, well defended, and presented with persuasion.

9 Contributions in class reflect thorough preparation. Comments and analysis offered are substantive and insightful. Arguments are generally well substantiated and persuasive.

8 Contributions in class reflect some preparation. Ideas offered generally reflect facts, but little is offered in terms of analysis or argument.
7 Student is present in class, but does not contribute.

0 The student is absent from class.

The total points across all the sessions will be aggregated to arrive at the final class participation score.

From time to time, life events (e.g., an interview) may prevent you from attending class; when this happens, you will receive a zero for class participation for that day. However, when computing your final class participation score, I will drop your two lowest scores.

**Consumer Interview**

To prepare for our class discussion on October 30\textsuperscript{th}, please conduct an in-depth interview with someone (a member of the class or someone not in the class) about a recent purchase.

If your last name starts with A – K, please ask this person to describe a recent purchase for a product that cost under $5.

If your last name starts with L – Z, please ask this person to describe a recent purchase for a product that cost over $100.

Your goal in the interview will be to discover the decision-making process that led up to this purchase decision (including both external and internal factors that motivated this decision). Please be sure to find out the following:

- What led this consumer to realize that he or she needed or wanted to buy in this product category?
- How many alternatives (if any) did the consumer consider?
- How did the person decide to buy the alternative that he or she chose?
- Which product attributes were important to this consumer? Why was it important to him or her that the product have these attributes? Important: please use the laddering technique to prompt the consumer to tell you the key benefits/values that they associate with product attributes. First, ask them to name an important attribute of the product, and then ask them why it is important to them that product have that attribute. After they answer, ask them why it is important to them that they get that benefit, and so on, until you’ve found out a higher-level, more-abstract motivation (e.g., self-esteem, peace of mind, safety) underlying their preference for the attribute.
- Are there other key associations (e.g., beliefs, feelings, memories, etc.) that come to mind for the consumer when thinking about this product that have not already described?
- Will the person buy this same product (and brand) again? Why or why not?

After conducting this interview, please write up a concise summary and analysis of your findings. **Important:** Be sure to include key marketing implications in your discussion of your findings. Your write-up should not exceed one page. Please be prepared to talk about your depth-interviews and your observations regarding marketing implications in class on October 30\textsuperscript{th}. 
Consumer Perception Project

Written Report
Five pages maximum, typed double-spaced. Use bullet form to communicate the main ideas from your project. This should make you think about the essence of your project. You may break it down by what you did (method), what you found (results), and why it is important (implications). Use charts, graphs, exhibits, tables, etc., as appropriate; these will not be counted in the page limit and are extremely important as support material (reports with multiple exhibits are particularly effective in communicating your ideas).

Presentation
No reading or use of note cards. Relate to the audience, focus on scanning the room, and maintain eye contact. Generate enthusiasm about your topic. Remember the students are your audience since they will evaluate your presentation. The information is important but also use visuals, ads, etc. as appropriate to make the topic interesting to the class. You can have access to PowerPoint if you choose to use it. Please submit your presentation materials to me right after the presentation - maximum of 10 minutes for each presentation. Use creative ways of keeping the audience involved.

Guidelines
First, focus on the approach you took to examine the particular topic and describe what you actually did. Second, outline what you have learned about consumer behavior in the form of summary statements or generalizations. Third, discuss the implications of these insights for the relevant marketing manager (e.g., product manager, retailer, ad account executive, etc.). Fourth, if you conducted an experiment, focus group, survey, or any other such research method, suggest possible ways you could have improved your methods to have even more accurate results. Be creative! The topics below are not set in stone - adjust them to your interests or come up with new ones, but please talk to me if you will be making changes.

Please select one of the following two options:

Blind Taste Test
Assignment: Conduct a blind taste test for various brands and/or types of any 1 product where taste is an apparently important consideration (e.g., cookies, ice cream, soft drink). You can do this with a small sample (8-12) of your friends. Without informing them of the identity of the brands (hence “blind” taste test), ask them for their impressions of each brand (e.g., do they like the taste, can they identify the brands, what do they normally buy, do they think there are differences between the brands, etc.).
Analysis: Basically, you are trying to determine for this product whether consumers can tell taste differences. If not, how do they choose between brands? What implications do these results hold for the marketing mix of the brands you tested? Also discuss the validity of taste tests in terms of uncovering differences in taste perception (you can describe how your taste test can be improved to provide a more accurate picture of actual taste perceptions).

Dining Experience
Assignment: As a group, go to 5 local restaurants and find menu items that you would never eat. It is your choice whether or not you actually order those items, or even sit down at the restaurant (versus take a copy of the menu). Describe these items (such as fried squid).
Analysis: Demonstrate how perception might alter these biases. Provide recommendations to the restaurant owner as to what can be done to make these “taboo” foods more acceptable. Consider such areas as presentation of dish, name changes, peer pressure, health benefits, informational ads, etc.
Final Project: Helping Consumers Make Better Choices

In recent years, the field of consumer research has undertaken a new mission: transformative consumer research. The mission suggests that the field should strive to make a beneficial difference in the lives of consumers, both present and future generations, through the chosen focus and conduct of specific research, and in the communicating of its implications and usefulness. The key word “transformative” signifies important and constructive influence, including the potential for uplifting change.

This project begins by defining the behavior you wish to tackle. Some possible examples include tobacco consumption, excessive alcohol consumption or street drugs consumption (by themselves or coupled with machine operations, including vehicular driving), overeating (and particularly obesity), exercising, unprotected sexual behavior (that may lead to AIDS or other sexually transmitted diseases, or undesired pregnancies), gambling, saving (for retirement or otherwise), charitable donations (of money and/or time and to any cause, not a particular one), recycling. You can certainly choose a different behavior, just please be sure it is an important one for consumers.

The next step is to define population you wish to help. It could be the general population, segments (or one segment) – such as children, adolescents, elderly, illiterate, disabled, etc.

For the purposes of this project, after you chose the population and behavior, please assume that you are a consultant and were hired by an organization that aims to help consumers with that behavior. Your goal in this project is to advise the organization how to nudge consumers to make better choices in that particular area.

Your project should include the following sections:

- The current situation related to the behavior. For example, if the behavior you chose is saving and the population is Americans, track the saving rate in the US, read about the causes for the trends you see in the data and present this. In other words, lay the ground for the problem (is there really a problem? What seem to be the causes for the problem? Etc.). Your data sources for this part can come from a variety of sources, such as governmental or other NGO’s data, newspapers (such as the NYT or WSJ), etc. Please make sure your data come from a respectable source, and NOT from obscure websites.

- In analyzing the secondary data, identify the weapons of influence that may have helped in causing the problem. Discuss them and the companies that may have used them and how (for example, if your behavior is overeating and obesity, you can find data on how the fast food industry contributed to this problem). In addition to the weapons of influence, you should discuss cultural (and sub-cultural), socio-demographic, and peer factors that play key roles in shaping the problem. The depth of the analysis in this section is very important.

- Now that you laid the ground for the problem, suggest a way to solve it. I realize that the problems I listed are difficult to solve, so start small. How can you make a difference in the lives of a segment of consumers? Or by helping some charities or some organizations? Think about becoming a choice architect, what options would you present to people and how would you present them, in order to lead them to choose what is best for them. Use the relevant chapters from Nudge to come up with ideas (however, the behavior or problem you chose and your solution cannot be one that was discussed in the book. You must come up with your own ideas on how to improve consumers’ lives and choices). You must explain your rationale regarding why your solution is good and how it will operate.

- After formulating your solution, test it. Since your sample will be small (aim to interview or survey at least 15-20 people from your target population, but do not include anyone from this course) I do not expect you to perform any statistical analyses. Use simple measures to test whether your solution is better than the status quo, for example, % who said they will increase/decrease the behavior following your solution. Note that at this point, you should not tell people directly what you are doing, but simply put them in the situation and see how they react. For example, show them ads that you designed to change behavior, give them scenarios to evaluate etc. You can (and should) be creative at this point. For example, interview party participants (probably toward the end of the party) to learn about effects of alcohol. When you report this part in your writeup, discuss your sample, and clearly explain how you
obtained the data and what data was obtained.

- Based on the data you gathered, make adjustments to your solution, and present the final recommendation to tackling the problem.
- While the cost of your solution is not part of this project, try to think about a solution that will not be excessively expensive. Clearly with infinite money we can do almost anything, but when the money is finite, we need to allocate it smartly.

**Written Report:**
Please limit the report up to 15 pages including title page, charts, tables, appendices, and reference list. Please make sure the reference list includes all the work you cited. This project should include an executive summary of your report (1-2 paragraphs of key findings).

**Presentation:**
On the last day of class, you will set up a poster describing your findings, research and recommended Nudges. The entire class and I will walk around to view the posters, ask questions, give recommendations and evaluate them.

**Plagiarism.** Unless explicitly noted by me in writing, all work submitted to fulfill course requirements must be original work prepared solely for this course. Any quotations or ideas that are taken from material that you have not created or authored must be properly cited. Failure to cite the creator/author of a quotation/idea constitutes plagiarism and is punishable under the University of Delaware's Code of Conduct.

**Writing.** All writing completed for the course should be carefully proofread and free of grammatical and typographical errors. I reserve the right to penalize any and all instances of poor writing even if writing quality is not explicitly listed as grading criterion. Please accept/reject all changes before submission and turn “track changes” off.

**Cell phones and iPods.** Please turn off all cell phones and iPods upon entering the classroom.

**A Note on Academic Honesty**
We, at the Lerner College, take academic honesty very seriously. I am required by the University to report any student or team that engages in activity contrary to those acceptable under the University guidelines. I will assume that you have read and agreed with the “Code of Conduct” detailed in [http://www.udel.edu/stuguide/12-13/code.html#honesty](http://www.udel.edu/stuguide/12-13/code.html#honesty)
TENTATIVE SCHEDULE (additional readings will be added prior to start of semester)

August 28th – Introduction to Buyer Behavior
September 4th – Research in Consumer Behavior
  ➜ Chapter “Consumer Research Process”
September 11th – Perception, Exposure, and Attention
  ➜ Chapter “Perception”
September 18th – Memory and Learning
  ➜ Chapter “Learning and Memory”
September 25th – Personality and Psychographics
  ➜ Consumer Perception Projects due and Presentations

September 25th – Personality and Psychographics

October 2nd and 9th – Attitudes and Persuasion/ Influence (Contrast effect, Liking, Reciprocity, Consistency, Scarcity)
  ➜ Influence: Chapters 1-3, 5-7
October 16th – Authority and Consumer Behavior in Groups/ Social Proof
  ➜ Influence: Chapter 4 “Social Proof: Truths Are Us”
October 23rd – In-Class Exam
October 30th – Consumer Decision Making
  ➜ Chapter “Decision Making”
  ➜ Consumer Interview Write-Up Due

November 13th – Biases in Consumer Decision Making
  ➜ Nudge: Chapters 1-5
November 20th – Cultures and Subcultures in Consumer Behavior
  ➜ Chapter “Subcultures and Consumer Behavior”
  ➜ Chapter “Cross-Cultural Consumer Behavior: An International Perspective”
November 27th – Dark Side of Consumer Behavior and Ethics
  ➜ Chapter “Marketing Ethics and Social Responsibility”

December 4th – Class overview
  ➜ Final Projects Due and Poster Presentation