Contemporary approaches to business emphasize the importance of adopting a consumer focus. Marketing, in particular, is a customer-driven function that begins and ends with the consumer—from recognizing his or her needs to ensuring post-purchase satisfaction and loyalty. This is the first of two courses designed to enhance your understanding of how and why people choose, use, and evaluate goods and services the way they do.

While all of us are consumers, our intuitions about our own behavior as well as that of others are often inaccurate. In this class we will use theories developed in marketing, psychology, and other behavioral sciences to better predict how consumers will respond to different marketing activities.

This course will primarily focus on the process of consumer decision making and the outcomes associated with those decisions. The follow-up course, “Consumer Psychology,” will delve deeper into core psychological processes (e.g., perception, categorization, inference making, attitudes, learning and memory) as they relate to consumer behavior.

Course Format

We will use several different kinds of materials and approaches in this course to illustrate consumer behavior phenomena and to get us thinking about the managerial implications of those findings. Material will be presented in lectures, discussions, articles, videos, by guest speakers, etc. We will apply relevant theories and research to real-world consumer behavior problems.

Learning Objectives

The primary objective of this course is to provide key tools and frameworks for analyzing consumer behavior in order to solve marketing problems and define effective marketing strategies. Specifically, you will:

- Appreciate the importance of consumer analyses to the design, implementation, and evaluation of successful marketing strategies and programs.
- Learn about relevant theories and research from the behavioral sciences (e.g., psychology, sociology, and economics) that can help marketers understand and influence consumer behavior.
• Apply consumer behavior research when developing and evaluating marketing strategies.
• Understand the strengths and limitations of specific, often competing theories for interpreting particular consumer issues.
• Improve your abilities to discover original consumer insights that go beyond surface-level intuitions.

Course Policies

• **Attendance is expected.** Your ability to benefit from the course and contribute to the class is largely dependent upon your attendance during class meetings. If you cannot attend class, you will be responsible for everything covered or announced in class.
• The classroom is a professional learning environment, and students’ in-class behaviors should reflect this. Intrusive classroom exits and entrances, systematic tardiness, use of laptop computers for email correspondence, and text messaging are rude, disruptive, and discouraged.
• We should all try to make the classroom atmosphere as congenial as possible to allow everybody to contribute to the class. This does not, however, mean that you must agree with every comment offered by your classmates (i.e., it’s ok to disagree with me and your classmates as long as it’s done in a civil and constructive manner).
• You should come to class ready to discuss the assignment for the day, be it a reading, an assignment you are turning in, a case, etc.
• You should display your name card in class. This will help me remember your contributions in class.
• **Late assignments will not be accepted.** The only exceptions are for documented emergencies.

Communication

The best way to reach me outside class is via email. I will use Carmen’s email system to contact you individually or as a group about the class (e.g., changes in the syllabus, assignments, etc.). It is your responsibility to make sure that emails sent via Carmen reach you at an email address you check on a regular basis.

Course Materials

*Course Pack (Required)*
You can purchase the course pack at the OSU Bookstore/ B&N. See Syllabus Supplement for a list of all readings and accompanying discussion questions.

*Additional Readings (Recommended based on interest)*
There are many text books and popular press book titles that cover issues related to our class discussions. My first recommendation is a comprehensive consumer behavior text book that you may wish to purchase as a supplement to your course pack:

I also highly recommend these books that we will be reading excerpts from during the term or that touch on topics we will cover during the term (you are not required to purchase these, but you may wish to for your own, independent reading):

- Underhill, Paco (2009), *Why We Buy: The Science of Shopping: Updated and Revised for the Internet, the Global Consumer, and Beyond*, Simon & Schuster.

**Assessment**

As required by Fisher policy, grading will be based on relative rather than absolute standards. The average grade in this course will be a 3.6 or lower. A “B” (3.00) average in core courses and overall is required to earn a Fisher MBA degree from The Ohio State University.

Each student’s grade will be determined as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exam</td>
<td>45%</td>
</tr>
<tr>
<td>Field Project Report I: Depth Interviews</td>
<td>15%</td>
</tr>
<tr>
<td>Field Project Report II: Customer Journey Map and Presentation</td>
<td>25%</td>
</tr>
<tr>
<td>Individual Participation</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td><strong>100%</strong></td>
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</tbody>
</table>
Exam (45% of total grade)

One exam will be held at the end of the term (see course calendar for date). It will be an essay-based cumulative exam over all material covered during the term. The exam will be open book/open notes, but you may not access the Internet during the exam, other than the Carmen website for this course. An exam review sheet will be posted on Carmen (including sample questions). There will be no makeup exams, unless there’s an emergency. Plan your schedule accordingly.

Consumer Behavior Field Project (40% of total grade; more details will be provided in class)

This project will provide a hands-on opportunity to understand consumer behavior. In teams comprised of 4-6 members, students will investigate a consumer issue using a two-step process involving: (1) qualitative depth interviews and (2) designing and fielding a survey to develop a “customer journey map” that provides recommendations for addressing identified “pain points” and capitalizing on “moments of truth” that directly impact engagement, experience, satisfaction, etc. You will form your own teams. In part I of the field project, you will conduct depth interviews about three different types of purchases and then use these interviews to analyze how the decision process differs for high and low involvement purchases, as well as for hedonic versus utilitarian purchases. To complete part II, you will select a brand from one of the product categories you explored in part I for which to develop your customer journey map. This brand is the “client” for whom you are developing recommendations. The scope and sample size for part II make it similar to typical, exploratory consumer research projects that marketing departments regularly commission and field. You will summarize your interview insights in a first report and your survey results, customer journey map, and client recommendations in a second report. All teams will present their customer journey map and recommendations in class.

Individual Participation (15% of total grade)

Your participation grade will be determined by two components: (1) in-class contribution and attendance (since you must be here to contribute) and (2) contribution to your team’s field project.

In-Class Contribution (10% of total grade). In-class contribution will be assessed based on the quality and consistency of your contributions to the in-class discussions. You are neither expected to have all the right answers in every class, nor to dominate every in-class discussion. However, you are required to be prepared and contribute regularly. The quality of our class discussions depends on how well prepared you are and your willingness to share the results of your preparation with the class. This means that the quality of your contributions is a lot more important than the quantity. It is entirely possible that you can talk a lot and receive a low grade for in-class contribution. When evaluating your contribution to the class discussions, factors such as the following are considered:

- Does the participant attend class regularly and come to class on time? Is the participant prepared?
- Do comments add insight to our understanding of the marketing concept, the problem, or situation or are others left with a “so what” feeling?
- Do comments generate discussion by yielding a new perspective?
• Is the participant a good listener? Are comments timely and do they advance the comments recently made by others? Are they linked to the comments of others? Is there a willingness to interact with other class members?

If you do not participate in class, you will (obviously) not receive a high participation grade.

**Field Project Contributions (5% of total grade).** Your contributions with respect to your team’s field project reports and presentation will also be a factor in assessing participation. To assess contribution, I will ask you to upload a peer evaluation from to Carmen’s Dropbox assessing your own contribution and that of your team members. These forms are confidential and will not be shared with your team members.

Please note that I will also ask you to evaluate all of the other team’s presentations. Turning in evaluations of all field project presentations (i.e., your ratings of other teams’ presentations) also represents an important part of your contribution to the overall field project experience. You can view the “Audience Feedback” form on Carmen, but you are not required to print these out – I will bring enough for everyone to fill out and turn in on the presentation days.

**Honor Code**

Academic integrity is essential to maintaining an environment that fosters excellence in teaching, research, and other educational and scholarly activities. Thus, The Ohio State University and the Committee on Academic Misconduct (COAM) expect that all students have read and understand the University’s *Code of Student Conduct* and that all students will complete all academic and scholarly assignments with fairness and honesty. Students must recognize that failure to follow the rules and guidelines established in the University’s *Code of Student Conduct* and this syllabus may constitute “Academic Misconduct.”

The Ohio State University’s *Code of Student Conduct* (Section 3335-23-04) defines academic misconduct as: “Any activity that tends to compromise the academic integrity of the University, or subvert the educational process.” Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, and possession of unauthorized materials during an examination. Ignorance of the University’s *Code of Student Conduct* is never considered an “excuse” for academic misconduct, so I recommend that you review the *Code of Student Conduct*, specifically, the sections dealing with academic misconduct.

If I suspect that a student has committed academic misconduct in this course, I am obligated by University Rules to report my suspicions to the Committee on Academic Misconduct. If COAM determines that you have violated the University’s *Code of Student Conduct* (i.e., committed academic misconduct), the sanctions for the misconduct could include a failing grade in this course and suspension or dismissal from the University.

**In this course, it is also expected that each student will behave in a manner that is consistent with the Fisher Honor Statement, which reads as follows:**

“As a member of the Fisher College of Business Community, I am personally committed to the highest standards of behavior. Honesty and integrity are the foundations from which I will measure
my actions. I will hold myself accountable to adhere to these standards. As a future leader in the community and business environment, I pledge to live by these principles and celebrate those who share these ideals.”

If you have any questions about the above policy or what constitutes academic misconduct in this course, please contact me.

**Students with Disabilities**

Students with disabilities or requiring special accommodations should work directly with The Ohio State University Student Life Disability Services (SLDS). SLDS is located in 098 Baker Hall / 113 W. 12th Ave. The phone number is (614) 292–3307. The email is slds@osu.edu.

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**COURSE CALENDAR***

*Calendar is subject to change. All changes will be discussed in advance of the day affected.

<table>
<thead>
<tr>
<th>Session</th>
<th>Date</th>
<th>Topic</th>
<th>Assignment Due</th>
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<tbody>
<tr>
<td>1</td>
<td>8/29</td>
<td>Lecture 1: Introduction to the Course/The Study of Consumer Behavior</td>
<td>Read materials for Lecture 1</td>
</tr>
<tr>
<td>2</td>
<td>9/12</td>
<td>Lecture 2: Motivation, Ability, and Opportunity</td>
<td>Read materials for Lecture 2</td>
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<tr>
<td></td>
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<td></td>
<td><strong>Sign up for Field Project teams in class (4-6 members)</strong></td>
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<tr>
<td>3</td>
<td>9/19</td>
<td>Lecture 3: Consumer Decision Making Case: Lowes Company, Inc.</td>
<td>Read materials for Lecture 3</td>
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<tr>
<td></td>
<td></td>
<td><strong>Go Over Field Project in Class</strong></td>
<td>Read materials for Lowes case</td>
</tr>
<tr>
<td>4</td>
<td>9/26</td>
<td>Lecture 4: Heuristics and Biases in Decision Making</td>
<td>Read materials for Lecture 4</td>
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<td></td>
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<td></td>
<td>Read <strong>Into Thin Air</strong> book summary. If you have time, watch the movie too.</td>
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<td><strong>Turn in hard copies of Field Project Report I (Depth Interviews) at beginning of class (one per team)</strong></td>
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<tr>
<td>5</td>
<td>10/3</td>
<td>Lecture 4 continued Case: <strong>Into Thin Air</strong></td>
<td>Read materials for Lecture 5</td>
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<td><strong>Lecture 5: Post-Decision Processes</strong></td>
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<tr>
<td>6</td>
<td>10/10</td>
<td>Lecture 6: Social and Interpersonal Influences on Decision Making</td>
<td>Read materials for Lecture 6</td>
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<tr>
<td></td>
<td></td>
<td><strong>Field Project Presentations</strong></td>
<td><strong>Turn in hard copies of Field Project Report II (Customer Journey Map) at beginning of class (one per team)</strong></td>
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<td><strong>Turn in audience feedback forms on all presentations at the end of class.</strong></td>
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<td><strong>NOTE:</strong> These forms are not anonymous or confidential, so be constructive in the feedback you give your classmates.</td>
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<td><strong>Upload Field Project Peer Evaluation Forms to Carmen Dropbox by 11:59 PM (one per individual)</strong></td>
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<tr>
<td></td>
<td>10/12</td>
<td><strong>EXAM 6:15 – 9:15 PM</strong></td>
<td><strong>Exam will be emailed to you on 6:15 PM. Your answers must be emailed to me on or before 9:15 PM. You must individually complete the exam and not to discuss it with other students.</strong></td>
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</tbody>
</table>

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6
Syllabus Supplement

Required Readings and Discussion Questions

With the exception of the first lecture, for each lecture you will have two types of readings and two types of discussion questions to prepare. I will not ask you to turn in written answers to these questions, but it is in your best interest to have prepared good answers, as these questions will be used to guide our discussion of the topic for the day. Both types of questions will also assist you in studying for the exam at the end of the term.

**Readings to Illustrate Key Concepts for Lecture.** These are readings that will introduce the key topics/concepts for the lecture and that will help you answer the general “Discussion Questions” for the lecture. Please note that while these readings should help guide you in answering the Discussion Questions, I also encourage you to use your own experience, both your past work experience and your experience as a consumer, in answering these questions.

**Focal Readings.** These are readings that we will spend time in class specifically discussing; depending on the reading, these discussions will typically be 5-15 minutes long and will be guided by the “Focal Reading Questions,” which relate directly to the focal article/book chapter. In most cases, these readings deal with a specific company, brand, or marketing decision and can be thought of as “mini-cases.”

When the lecture includes a Case, “Case Study Questions” are provided to help you prepare the case. Like the discussion and focal reading questions, I will not ask you to turn these in, but it is in your best interest to prepare good answers to these questions, as they will help guide the case discussion.

**A note on accessing readings:**

- I have only put readings in the Course Pack that are not available online (via a Google search or through the OSU library website). I have indicated next to each article if it is in the Course Pack or available through the OSU library website. For articles available through the OSU library website, I recommend you go to the “Research and Databases” link ([http://library.ohio-state.edu/screens/databases.html](http://library.ohio-state.edu/screens/databases.html)), then to “Business Source Complete” and search from there.

- For articles that are available online, I have tried to provide you with a working link. If the link does **NOT** work, try Googling the citation or try searching for the article on the library website. If you still cannot access a reading after trying all of these options, please let me know ASAP.
Lecture 1: Introduction to the Course / the Study of Consumer Behavior

Readings to Illustrate Key Concepts for Lecture:

Focus Groups:

  http://www.nytimes.com/2011/05/30/business/media/30focus.html?pagewanted=all

Observational and Ethnographic Research:


Data Mining:

• Stein, Joel (2011), “Data Mining: How Companies Now Know Everything about You,” Time, March 10:
  http://www.time.com/time/magazine/article/0,9171,2058205,00.html

Consumer Behavior Experiments:

Lecture 2: Motivation, Ability, and Opportunity

Discussion Questions for Lecture:

• Why do some consumers find an ad interesting and engaging while others completely ignore the same ad?
• How do marketing managers use an understanding of consumers’ needs in developing marketing strategy?
• Even if consumers are extremely motivated to process information about a product/brand and/or are motivated to buy that product/brand, what factors might prevent them from doing so?

Readings to Illustrate Key Concepts for Lecture:


Focal Reading: Brennan, Bridget (2009), Chapter 4 in Why She Buys, “Pink is Not a Strategy,” pp. 143-159. *In Course Pack.

Focal Reading Questions:

• How does observing consumers in their homes help P&G marketers gain insight into women’s needs? How are the insights obtained different from what could be obtained through survey-based research?
• What needs does the Swiffer fulfill? Are these needs functional or emotional?
• The author proposes that Venus razors fulfill both functional and emotional needs. What are the strategic advantages of fulfilling both types of needs?
Lecture 3: Consumer Decision Making:

Discussion Questions for Lecture:

- Where do consumers search for information about products/brands? What type of information do consumers search for?
- Do you think consumers really use the decision rules you read about? Why or why not? If so, what does it look like in the “real world?”

Readings to Illustrate Key Concepts for Lecture:

  *This is a mini-case that provides exercises for you to work through – please actually work through these exercises. If you have questions about them, we can go over them in class.


Focal Reading Questions:

- What are the key differences between the funnel metaphor for understanding consumer decision making and the circular “journey” the authors propose?
- What is a “touch point”?
- When and why are consumer-driven touch points important in the consumer decision journey described by the authors?
- In what ways does the consumer decision journey model do a good job of “modernizing” the way we think about consumer decision making to reflect the realities of today’s market? Are the authors missing any key points?
Lecture 3 Case: Lowe’s Company, Inc.

Case Study Questions:

• What are some of the key challenges Lowe’s faces in successfully deploying NGIS?
• What are the primary factors that influence customers to pursue a kitchen remodel project? Describe the major steps involved in their buying cycle and identify any relevant “pain points” during the buying cycle.
• How did the customer experience mapping exercise benefit Lowe’s? What additional data would you have collected in order to map the buying process in detail?
• Carefully analyze the effectiveness numbers presented in Exhibit 7. Do they make sense? What do they tell you about the customer buying process? What changes would you recommend in response, and why?
• Do you agree with the relative priority assigned to each stage of consumer decision making in Exhibit 8? If not, why not and what changes would you make? Remember that it is crucial to reach customers at the beginning of the buying cycle and, to a lesser extent, at the end of the cycle.
• How would the marketing plan differ in terms of the relative priority assigned to each stage of customer decision making for Home Depot, whose remodeling program already has customer awareness? Would the marketing strategy be skewed more toward traditional or digital marketing? Why?
• Which marketing tools would you recommend that Lowe’s adopt?


Supplemental Materials:

Richardson, Adam (Fall 2010), Harvard Business School Blogs.

• Understanding Customer Experience:

• Using Customer Journey Maps to Improve a Customer Experience:

• Touchpoints Bring the Customer Experience to Life:
  http://blogs.bbr.org/cs/2010/12/touchpoints Bring_the_customer.html

*These blog posts will serve as a guide in completing the Customer Journey Map portion of your field project. We will discuss details of the project in class.
Lecture 4: Heuristics and Biases in Decision Making

Discussion Questions for Lecture:

• Why do consumers use “rules of thumb” to make decisions?
• Anchoring, which you’ll read about in more than one of today’s readings, is one of the three original heuristics identified in the heuristics and biases approach to studying human decision making. Explain the other two.
• After reading about prospect theory and reading the excerpts from Predictably Irrational, one can easily argue that most consumers don’t always make rational decisions. As a marketer, how do you feel about using this knowledge of how consumers make decisions to sell products? Is it exploitative? Are you “tricking” the consumer? Or is it just good business?

Readings to Illustrate Key Concepts for Lecture:


Focal Reading Questions:

• What does Ariely mean when he says “most people don’t know what they want unless they see it in context”?
• About 10 years ago, when Williams Sonoma first introduced a home “bread bakery” machine for $275, most consumers were not interested. How could you use a decoy option to increase sales of this bread unit? (I will tell you in class what William Sonoma actually did, but try to figure this out without browsing their website).
• How would you use the concept of anchoring when pricing a new product?
Lecture 4 Case: Into Thin Air

Case Study Questions:

- Why did these people climb Mt. Everest? (Who were the “players”? Their motivations?)
- What were they doing up there?
- What was the root cause of the tragedy?
- How could it have been prevented?
- If you had to organize a summit expedition, what are your priorities?
- How would you enforce the turn-around time?
- What kinds of business decisions are like this?
- What are the lessons for business leaders?


Supplemental Materials:

- *Into Thin Air* Character Map. *Available on Carmen*
Lecture 5: Post-Decision Processes

Discussion Questions for Lecture:

• Why do marketers care what happens after the sale?
• Why is customer satisfaction important?

Readings to Illustrate Key Concepts for Lecture:

• Schwartz, Barry (2004), Chapter 4 in *The Paradox of Choice: Why More is Less*, Chapter 4, “When Only the Best Will Do,” pp. 77-96. *In Course Pack


Focal Reading Questions:

• Why are “too many choices” potentially problematic for (1) consumers and (2) marketers?
• What can marketers do to minimize both anticipated and post-purchase regret?
• The author of this article writes “Even though we now have the capacity, via the Internet, to research choices endlessly, it doesn’t mean we should.” Do you agree or disagree? Why?
Lecture 6: Social and Interpersonal Influences on Consumer Decision Making

Discussion Questions for Lecture:

• Why do people “follow the herd”? That is, why do they conform to what others do and/or to society’s expectations?
• How can marketers use the principles of persuasion you read about to persuade consumers to comply with their requests (which are typically to buy their product/service, but you can also think about other requests a retailer or marketing manager might make of current or potential customers)?

Readings to Illustrate Key Concepts for Lecture:


Focal Reading Questions:

• What is word-of-mouth? What forms can it take?
• When (i.e., for what types of purchases and in what types of situations) is word-of-mouth most important to consumers?
• How can marketers encourage the three types of word-of-mouth described in the article: (1) experiential, (2) consequential, and (3) intentional?
• Word-of-mouth is often perceived by consumers as more reliable/trustworthy than traditional marketing. Do you think this is objectively the case?