

**Peter F. Drucker Graduate School of Management
Claremont Graduate University**

**Consumer Behavior
MGT 323
Fall 2009**

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Overview and Objectives

Why does Black Jack gum achieve higher sales when availability is limited to several months per year than when it is offered all year round? Why do consumers who are otherwise efficient decision-makers find it so difficult to choose furniture? Why are individual investors--- even those who are smart and well-educated--- more likely to hold onto poorly performing stocks and sell those that perform well? Why are you more likely to work out at the gym if you pay for your annual membership in installments rather than in one lump sum?

Within a marketing management or strategy context, we often talk so as to suggest that if we position and price the product/service appropriately, advertise it in the right places with the right message, and distribute it where people will be able to find it, then the target market will buy. However, marketers who understand consumer behavior know that consumer decision-making is a more complex process than many marketing plans would make it seem. These marketers know that there is a psychology and a sociology that underlies every consumer action and decision.

This course will introduce you to the field of consumer behavior and its role in designing and implementing successful marketing programs. Given the availability of vast amounts of information, the appearance of new modes of purchase and consumption, and the technological capability to target very precisely, marketers need more than ever to understand how and why consumers behave as they do. We will apply the latest research and theories from social science—on topics as diverse as motivation, perception, memory, attitude formation and change, learning, and decision-making—to a host of marketing problems including positioning, communicating with customers, and developing relationships between consumers and brands. The overall goal is to provide you with a set of approaches, concepts, and tools that will help you in developing, revising, and refining marketing programs.

The combination of readings, lectures, assignments, and other pedagogical tools used throughout the course is geared toward helping you to:

1. Appreciate the nature and scope of consumer behavior and its role in designing and implementing successful marketing programs,

2. Understand theories of consumer behavior and their applications in the marketplace,
3. Learn to develop and implement programs for studying consumer behavior and draw appropriate conclusions from collected data, and
4. Evaluate and consider appropriate aspects of consumer behavior when developing and revising marketing programs.

Required Materials/Resources

- *Consumers*, 2nd edition by Arnould, Price, and Zinkhan, (McGraw-Hill Irwin)
- Reading Packet
- An email address

In addition to the assigned readings, you are strongly encouraged to keep abreast of consumer trends and current developments in marketing by reading one of a variety of newspapers or magazines such as *The Wall Street Journal*, *Business Week*, *Fortune*, or *Forbes*.

Course Format

This course makes use of lecture, discussion, current events, video cases, readings, online exercises and case analysis in order to achieve the course objectives. The textbook readings are intended to provide a basis for lectures, discussions, and other in-class activities. We will not cover the textbook material in class. Rather, we will cover material that is more advanced than that covered in the textbook. I expect that you will have read the textbook prior to our class sessions so that you will be able to keep up in class.

Course Requirements

In-Class Exercises (2)	20%
Group Case Analyses (2)	30%
Class Participation	20%
Final Exam	30%

In-Class Exercises

We complete a number of in-class exercises, two of which will be graded. Details for each will be provided in class.

Group Case Analyses

Imagine that the members of your team are all employed as behavioral analysts for each of the companies profiled in the cases. Your boss has asked you to analyze consumer behavior within the relevant product category and explain the implications of these behaviors for marketing strategy in a presentation.

Grades will be based on your ability to 1) pinpoint the range and scope of consumer behavior-based managerial issues, 2) identify and apply appropriate behavioral concepts and theories, 3) make appropriate recommendations based on your analysis, and 4) communicate your analysis and recommendations persuasively.

Class Participation

Your participation grade will be based on intelligent, timely, and consistent contribution to class discussions and other in-class activities. Please bear in mind that such a contribution is not possible without regular class attendance.

Final Exam

A comprehensive exam will test your ability to integrate the various aspects of consumer behavior covered in the course and to apply them to the modern marketplace.

Grading

Final grades will be assigned according to the following scale:

<u>Grade</u>	<u>Total points</u>
A	93.0 – 100.0
A-	90.0 – 92.9
B+	87.0 – 89.9
B	83.0 – 86.9
B-	80.0 – 82.9
C+	77.0 – 79.9
C	73.0 – 76.9
C-	70.0 – 72.9
D	60.0 – 69.9
F	00.0 - 59.9

My adherence to the above scale is firm. Please note that extra assignments will not be given for the purpose of raising a grade.

Policies

Late Policy: Students are expected to hand in assignments on or before their due dates. With the exception of the final exam, no assignments will be accepted via e-mail.

Teamwork: My hope is that your team— as well as the class at large— will set high standards and approach learning with a positive attitude. Each and every student is expected to play an active role in the group case assignments. Active contribution includes but is not limited to attending team meetings, sharing knowledge, insights, and ideas, completing work assigned by the team on a timely basis, and contributing to the overall team effort.

Cheating and Plagiarism: Cheating and plagiarism will not be tolerated. Anyone caught engaging in such activities will receive an 'F' for the assignment in question and may fail the course.

Mobile Phones and Beepers: As a matter of common courtesy, please turn off all cell phones, digital phones, and beepers prior to entering the classroom.

Instructor Biography

Dawn Lerman is Associate Professor of Marketing and Chair of the Marketing Area at Fordham University. She has a Ph.D. from Baruch College, The City University of New York. She also holds a Master's of Philosophy from Baruch College, an M.B.A. in Marketing and International Business from New York University, and a B.A. in French and International Studies from Brandeis University.

Prior to pursuing her doctoral education, Dr. Lerman served as press attaché in the public relations department of a major political lobby in Paris and as a marketing and business development analyst at The Ferolie Group, a leading New York area food broker. While at Ferolie, Dr. Lerman managed a number of major brands manufactured by corporations such as Van Den Bergh Foods, Kraft, Apple & Eve, McCormick, and the James River Corporation and played a key role in a variety of new product introductions. More recently, Dr. Lerman has consulted for new and established companies in a variety of industries including pharmaceuticals, software, food, and tourism. She specializes in marketing research, new product introductions, and marketing strategy development.

Dr. Lerman conducts research primarily in the areas of linguistic and cross-cultural aspects of consumer behavior, branding, and marketing communications. She has presented her research at conferences in both the United States and abroad and has had her work published in a variety of academic journals.

Tentative Course Calendar

DATE	TOPIC	APPROXIMATE TIME
Oct 16	Course introduction and overview	2:00 – 3:00
	Motivation	3:00 – 3:45
	Learning	3:45 – 6:00
	Dinner	6:00 – 7:00
	Exercise: Implicit Biases	7:00 – 8:00
	Memory	8:00 – 10:00
Oct 17	Exercise and Discussion: Learning Styles	9:00 – 10:00
	Personality and the Self	10:00 – 12:00
	Lunch	12:00 – 1:00
	Perception	1:00 – 3:00
	Break	3:00 – 3:15
	Case: Sorzel	3:15 – 5:00

Oct 18	Involvement and Persuasion	9:00 – 10:00
	Attitude Formation and Change	10:00 – 11:30
	Case: Got Milk	11:30 – 12:00
	Lunch	12:00 – 1:00
	Problem Solving and Consumer Decision Processes	1:00 – 2:00
	Case: Carrington Furniture	2:00 – 3:15
	Break	3:15 – 3:30
	Consuming, Possessing, and Disposing	3:30 – 4:30
	Conclusions and Insights	4:30 – 5:00
Oct 25	Written Exam Due – send via email to lerman@fordham.edu	5:00 pm PST