

# Indian Institute of Management, Udaipur: PGP 2 Term 4

## Consumer Behavior

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**Course: Consumer Behavior (CB)**  
**Sessions: 20**

**Credits: 4**

**Instructor:** Prantosh Banerjee  
**Email:** [prantoshb@iima.ac.in](mailto:prantoshb@iima.ac.in)

**Mobile contact:** 9225537629

### Course Objectives

Consumption being the focal theme for any marketing activity, an understanding of consumer behaviour and its marketing applications becomes essential. This course aims to provide participants a conceptual understanding of consumer behavior that will help them in developing marketing strategies for making marketing decisions. This course also aims to provide participants an exposure to few tools and techniques useful in understanding the consumer mind and choice related behaviour.

### Course Content

The course will examine the consumption decision process of consumers and how such decisions are affected by psychological and cultural factors. The participants will be encouraged to integrate these concepts to analyze consumer behavior related cases, and recommend appropriate marketing strategies to managers. The course also provides an exposure to select recent advances in this field.

**Pedagogy:** Case study, in-class discussion and activity.

### Evaluation

Element	Weightage (%)
Class participation	10
Class Case Analysis (Group)	20
Group Project	30
End-term examination	40
<b>Total</b>	<b>100</b>

The class would be divided into groups; each group of 4 – 6 members. For each class session, each group is required to submit a two-page (one sheet back-to-back) summary of each reading for the class and a two-page case report. Additionally, two groups are required to present the class case; each presentation should be of a maximum of 8 minutes plus time for 2 questions; a maximum of 5 PowerPoint slides may be used for each presentation. The presentations are graded.

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Each group is also required to do a Group Project. Details of the Group Project will be provided at the beginning of Session 9.

### **Text Book**

David L Loudon & Albert J Della Bitta, Consumer Behavior, 4<sup>th</sup> Edition Tata McGraw Hill

### **Schedule of Sessions**

#### **Session 1 & 2:**

##### **Topic: Introduction to Consumer Behavior: Customer Value Creation**

##### **Case**

Showrooming at Best Buy (HBS # 9-515-019)

##### **Readings**

- a) George Katona (1974) Psychology & Consumer Economics, Journal of Consumer Research, Vol. 1, June, pp. 1-9.
- b) “Companies and Customers who Hate Them” McGovern and Moon, HBR, June 2007.

#### **Session 3 & 4:**

##### **Topic: Consumer Decision Making Process**

##### **Case**

Making stickK Stick: The Business of Behavioral Economics (HBS # 9-514-019)

##### **Readings**

- a) Michael G Mulhern (2009), The psychology of buying, Marketing Research, Fall, pp. 1-18.
- b) David Court (2009), The consumer decision journey, McKinsey Quarterly Number 3, pp. 1-11

#### **Session 5 & 6:**

##### **Topic: Consumer Information Processing**

##### **Case**

XYLYS: Exploring Consumer Perception about Premium watches in the Indian Context (IIMB Case 349)

##### **Readings**

- a) Evans, J. S. B. (2008). Dual-processing accounts of reasoning, judgment, and social cognition. Annual Review of Psychology., 59, 255-278.
- b) Shiv, B., & Fedorikhin, A. (1999). Heart and mind in conflict: The interplay of affect and cognition in consumer decision making. Journal of Consumer Research, 26(3), 278-292.

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### **Session 7 & 8:**

#### **Topic: Culture, Subculture & Cross Culture**

Group Assignment Review

In Class Discussion based on Readings

#### **Readings**

- a) Saikat Banerjee (2008) Dimensions of Indian culture, core cultural values and marketing implications An analysis, Cross Cultural Management: An International Journal, Vol. 15 No. 4, pp. 367-378.
- b) "Inside the Minds of the Chinese Consumer." McEwen et al.; HBR, March 2006.
- c) <http://www.martinroll.com/resources/articles/asia/transforming-view-asian-consumer-psychology/>
- d) "Understanding the Arab Consumer"; Mahajan; HBR May 2013.

### **Session 9 & 10:**

#### **Topic: Personality, Self Concept and Lifestyle**

Group Assignment Briefing

In Class Discussion based on Readings

#### **Reading**

- a) Personality: Chapter 9 from reference book David L Loudan & Albert J Della Bitta, Consumer Behavior, 4th Edition Tata McGraw Hill.

### **Session 11 & 12:**

#### **Topic: Perception: Listening to Voice of Consumer**

**In Class Exercise:** Zaltman Metaphor Elicitation Technique (ZMET)

#### **Readings**

- a) Discovering what has already been discovered: why did your customer hire your product? (HBS-9-699-029)
- b) Tuning into the voice of your customer (HBP U510C).
- c) Subliminal Perception: <http://www.youtube.com/watch?v=LMzbwa6PvEE>

### **Session 13 & 14:**

#### **Topic: Learning and Memory**

**Case**

L'Oreal: Global Brand, Local Knowledge (HBS # 9-311-118)

#### **Readings**

- a) Frances Frei (2003) Beyond the Carrot and the Stick: New Alternatives for Influencing Customer Behavior, Harvard Management Updates, March, pp. 3-4
- b) Managing Branding Strategy: Global Brands into Local Markets
- c) Defeating Feature fatigue, Rust et al, HBR, February 2006.

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### **Session 15 & 16:**

#### **Topic: Attitude Formation & Change**

##### **Case**

Himalaya Shampoo (IIMB W13341)

##### **Readings**

- a) Evmorfia Argyriou (2011) Consumer Attitudes Revisited: A Review of Attitude Theory in Marketing Research, International Journal of Management Reviews, Vol. 13, pp. 431-451.
- b) MIT Sloan Management Review- Eisingerich and Bell; Fall 2008; "Customer Education Increases Trust"
- c) "Why Consumers Rebel Against Slogans", Laran et al. HBR, November 2011.

### **Session 17 & 18:**

#### **Topic: Consumers' Approach to Innovation**

##### **Case**

TiVo (HBS- 9-501-038)

##### **Readings**

- a) Rosanna Garcia (2007).Over coming consumer resistance to innovation, MIT Sloan Management review, Summer, Vol-48, No.4, pp. 82-88.
- b) Eager Sellers and Stony Buyers: Understanding the Psychology of New-Product Adoption R0606F

### **Session 19 & 20: Understanding Consumer Behavior using Neuroscience**

#### **In Class discussion based on Readings**

##### **Course wrap-up**

##### **Readings:**

- a) Reimann, M., Schilke, O., Weber, B., Neuhaus, C., & Zaichkowsky, J. (2011). Functional magnetic resonance imaging in consumer research: A review and application. Psychology & Marketing, 28(6), 608-637.
  - b) Knutson, B., Rick, S., Wimmer, G. E., Prelec, D., and Loewenstein, G., (2007), "Neural Predictors of Purchases," Neuron, 53, 147-156.
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