

# Consumer Behavior

Professor Seunghee Han

# Agenda

- Introductions
- What is Consumer Behavior?
- Syllabus

# What is consumer behavior?

- Encompasses decisions and experiences of consumers with respect to goods, services, time, and ideas.
- Emphasis on understanding consumers



# Consumer behavior is not just about buying...

- How do consumers process information?
  - How are products, services, prices, and experiences perceived and remembered?
- What do consumers like and dislike and how can marketers change their attitudes?
  - How are preferences formed?
  - How are they changed?
- How do consumers make decisions?
  - How much?
  - Now or later?
  - Continue, switch, or quit?
  - Do we choose what makes us happy?

# Behavior (B)

- $B = f(P \times S)$
- Person (P)=individual characteristics
  - Human characteristics
  - Characteristics of population segments
- Situation(S) = Environment/Context

# Can you answer these questions?

- Which sounds like a better deal: “By 2, get one free!” Or “33% off”?
- Why does candy in a movie theater come in unusual sizes?
- If you sell snow shovels, should you raise prices during a snow storm?
- Which vacation experience is better: one with a peak pleasurable event followed by less and less enjoyment over time or one with just a burst of pleasure at the very end?

# The dark side..



“You are part of humanity.”

Use your judgment when applying what you learn!

# Course Goals

Understand the  
psychology  
of consumers

Challenge common  
intuition about how  
consumers behave

Be a critical  
“research consumer”

**Apply your knowledge of consumers  
to business situations!**



# Course Format & Material

- Lecture with discussion
- Student Presentation
- Textbook: *Consumer Behavior: Buying, Having, and Being*, 9th Edition, by Solomon, Pearson Prentice Hall.
- e-class: lecture notes, supplementary material

# Evaluation

- Midterm Exam      30% (individual)
- Final Exam        30% (individual)
- Assignment        10% (individual)
- Participation       10% (individual)
  
- Final Project       20% (group)

# Exams

- Will cover all of the assigned readings, lecture, and class discussion material
- Will consist of true/false, multiple choice, short answer, and short essay questions

# Case Preparation Write-ups

- To facilitate good case discussions, each of you is responsible for submitting a case write-up due at the start of class on the day we discuss each of the following 2 cases.
  - Week 7                      A Case for Brand Loyalty
- Case preparation questions for this assignment will be posted on eclass.
- No more than 3 pages double-spaced maximum.
- Will be graded on a 1-5 grading scheme.

# Class Participation

- High quality contributions in class on a Consistent Basis (3 points)
- High or medium quality contributions on a Consistent or Semi-Consistent Basis (2-1 points)
- Showed-up (0 point)

# Group Project

- Work in groups of 7 students
  - You may select your own team for this project. Be prepared to form a group on March 11th (next week Monday)
- Design and implement a consumer research project, make a PowerPoint presentations of your findings & submit a written report
- A single grade, reflecting the quality of the project, will be given to all members of a group
  - There will be Peer Evaluation; Please be fair in rating others
- More specific instructions and grading criteria will be given at a later point in time.
  - Detailed guidelines will be given at a later point in time.

# Course Policies

- Class attendance is required.
  - After **2 absences**, the penalty for any day you miss will be 1 point from your participation score.
  - **Two late comings** are counted as **one absence**
- No cell phones, no texting! Can use laptops **only** to take lecture notes
- If you cannot take an exam or hand in an assignment at the scheduled time, arrangements should be made with me at least 1 WEEK before the scheduled date.
  - Failure to do so will result in the reduction of 20% of the total score for that particular assignment or exam.

# Contact Information

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  - **Office Hour: by appointment**



# Looking Ahead

- Next Class: Introduction to consumer behavior & research method
- Think about your Project Group

**Any questions?**