

Consumer Behavior



Professor Brian Wansink
AEM 3440/6440
Fall 2014

Office Hours: Monday 4:15-6:45
or by appointment
Class Previews: MW 7:30-8:00
Phone: 254-6302; email: bcw28@cornell.edu
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Teaching Assistants

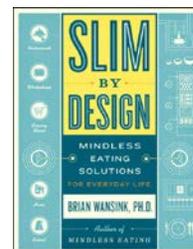
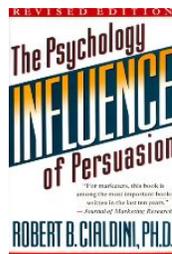
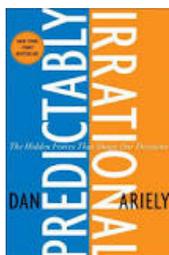
Mary Kate; mkw87@cornell.edu; Tu 11:30AM- 1PM at Warren 130
Kai Wu; kw445@cornell.edu; Wed 2:00 PM- 3:30PM at Warren 130

The first objective of this course is to develop a useful, conceptual understanding of the problems and strategies associated with the psychology behind consumer behavior. The second objective is to help provide frameworks that will enable you to responsibly, systematically, and creatively address these issues. As a result, the focus of this course will be as much on planning and implementation as on conceptual analysis. Because of this, the more theoretical readings from the packet are supplemented with handouts dealing with more practical issues. During the semester, our class sessions will primarily entail demonstrations, lecture-discussions, and in-class exercises.

Most of the assignments are tool-based. You will read about how to use the tool – on your own – in order to do the assignment (it will not be explained in prior class). We will then discuss the tool and your assignment the day you turn it in.

Required Reading

- 1) Journal articles and cases in the course folder on the web or handed out in class
- 2) *Influence: The Psychology of Persuasion*, Robert Cialdini, (any edition).
- 3) *Why We Buy: The Science of Shopping*, Paco Underhill
- 4) *Slim by Design: Mindless Eating Solutions to Everyday Life*, Brian Wansink



AEM 3440 Course Requirements and Evaluations

By this point in your education, it should be evident that what you get out of a course is largely determined by what you put into it. If you put forth your best effort, it should be a rewarding experience. There are four course requirements. Further detail will be provided in class.



1. Assignments. Assignments are 1-2 pages and focus on original insights, observations, and applications. They can be either typed or handwritten, but they must be on time. Hard copies (not e-mails) of all of the assignments and exams will be due immediately before the beginning of the assigned class. This is the way top business school programs operate: Assignments not turned in before the beginning of the class period will not be graded. Before you do each assignment, you will need to read the methodology article explaining the technique. These are not easy articles, and we will not go over the techniques until the day the assignments are due. If you cannot make it to class, send your assignment in with a friend. At the beginning of class, these assignments are given to graders and then returned to you at the next class session.

2. Reading Quiz and Application. There are three books for this course. They can be bought, downloaded, or borrowed. For two of the books, *Predictably Irrational* and *Slim by Design*, there will be a 10 question in-class, open-note (but not open-book) reading quiz. The third book, *Influence* will be the focus of one of the assignments.

3. Integrative Final Project. This integrative assignment will involve pulling together the various elements of this course (most notably Laddering, Prototyping, and Behavioral Event Modeling) and directing them toward helping a person or segment of people to modify their behavior in a constructive manner. The project will be fully described in class. Two copies will be turned in.

4. Take-Home Exam. A take-home exam will be handed out the Monday before Thanksgiving. This exam will be a mixture of short essay and mini-case analyses and will focus on building theories of how consumers behave in different situations. The students who will do the best on this exam are those who know the consumer behavior principles that are operating in a given situation and are creative in thinking how they, as a manager, would respond to the scenarios presented. Two copies will be turned in.

5. Class Contribution This is a screen-down, no-laptop course. Adequate preparation and full participation is assumed. In addition, I view *prompt* attendance as a signal of how involved you wish to be in the discussion. If you are unprepared for a class, or if you think you might miss a class or be late for one, please let me know prior to that class. Occasionally, we will conduct exercises in class which will count for that day's participation. If you let me know about your absence ahead of time, you will have the opportunity to make that day up with a short write-up about that day's readings. Class contribution is 15% of your grade and can be the difference between an A- and a C+.

To help with your contribution, and to reward those who attend class, you will be asked to complete In-class Insight Cards (5-10 times during the semester). These could be relevant to a reading for the day, they could be the application of a principle, or they could involve an unusual behavioral observation. These will be worth 0, ½, or 1 point of contribution. The majority of insights (about 60%) will receive ½ point, but the most remarkable Insight Cards will receive 1 point and the least will receive 0 points.

6. Extra Credit Workshop Studies. Up to five optional extra credit studies will be offered at different points in the course. These will each be 45 minutes long and will be held at different announced times throughout the semester and are optional. A student receives 1 extra credit point per study. If a student still wants to receive extra credit but does not wish to be involved in the studies, he or she has the option of writing a two-page research paper (within a week of that study) which exhibits a commensurate level of understanding of that topic under examination.

Final grades are based on the designations and standards published in the student handbook. Grades are assigned according to how well you have satisfied the course requirements. Final grades are based on my perceptions of your performance on the four main requirements, according to the following weights:

1. Assignments	(35%)
Why We Buy	5%
Laddering Assignment	5%
Prototyping	5%
Inside Sources	5%
The Story Telling Method	5%
Ad/Influence Analysis	5%
Behavioral Event Modeling	5%
2. Reading Quiz & Application	(10%)
Predictably Irrational	5%
Slim by Design	5%
3. Integrative Assignment	(20%)
4. Take-home Exam:	(20%)
5. Class contribution & involvement	(15%)
[6. Extra Credit Workshop Studies 0-5%]	



AEM 6440 Course Requirements and Evaluations

There are a number of graduate students in this course and the code for it is AEM 6440. In addition to the requirements for AEM 3440, people receiving graduate credit for the course are required to write a paper that will help establish them as an expert in their field. To help them accomplish this, we will have three short workshops together as well as brief one-on-one meetings. The article will involve taking your choice of one of four research tools (laddering, prototyping, story telling, or behavioral event modeling) and introducing and explaining this tool – and given relevant examples – to others in your chosen field. This could be marketing, nutrition, food design, textiles, sociology, communication, behavioral economics and so on.

Because one way to begin building a reputation as an expert within your field is to publish, your objective will be to target a applied journal in your chosen field and to write the article in the same style and tone as other articles in that journal (and a similar length). You will then submit it before the end of the course. We will work on this in the workshops on one-on-one, so it is nothing to be nervous or intimidated about. The paper represents 20% of your grade, and the other points will be scaled down accordingly. It should be submitted to the journal and submitted to me by December 15th.

Course Organization and Class Sessions

For each class session there will be required readings in the class folder on Blackboard associated with the topic for the day and about assignments associated with that day. In addition, there will generally be a worksheet associated with each day. Printing the worksheet out before class will provide a useful means to follow the discussion in each class.

Our schedule allows us the flexibility to integrate up to two relevant guest speakers in to the course (“Consumer Behavior Roundtables”). To accommodate these opportunities, the last sessions of the course are flexibly designed to be moved forward and the rest of the scheduled sessions shifted backward to accommodate unique opportunities that can arise during the semester.

COURSE OUTLINE

Part 1: Understanding Customers

- August 27 An Overview of Consumer Behavior:
- Sept 1 No Class – Labor Day Break
- Sept 3 Why Consumers Buy – Assignment Due
Article: Why We Kick the Tires



Part 2: Meaningfully Segmenting Customers

- Sept 8 Why Brands Die
Article: Can My Brand Be Saved?
Why Brands Die
Revitalizing Mature Brands
- Sept 10 Laddering – Assignment Due
Article: Laddering



- Sept 15 Segmentation and Positioning
Article: Segmentation



Laddering Mature Brands

Sept 17 Prototyping Target Customers - Assignment Due
Article: Prototyping Target Customers

Sept 22 Predictably Irrational -- Dr. John Brand
Book: Book Quiz & Application

Sept 24 Qualitative Marketing Research
Article: Convenience Panels
Listening to the Consumer



Sept 29 Quantitative Marketing Research
Articles: Generating Consumer Insights
Locating and leveraging insights from inside sources
Assignment: Complete Inside Sources Assignment (5 points)

Part 3: Predicting Behavior

Oct. 1 Engineering Choice: Guest speaker Gregg Rapp, Menu Engineer

Oct 6 Complex Decision Making

Oct 8 Low Involvement Decision Making
Article: Environmental Cues

Oct 13 No Class – Fall Break

Oct 15 In-class Exercise

Oct 20 The Story Telling Method of Insight Generation -- Assignment Due
Article: The Story Telling Method

Oct 22 Consumer Learning, Habit, and Brand Loyalty



Part 4: Changing Attitudes

Oct 27 Integrative Assignment Due – Two copies

Oct 29 Ad/Influence₂ (Last names M-Z): Authority, Commnt, & Social Proof - Assignment Due
Book: Cialdini: Chapters 6, 3, and 4

Nov 3 Ad/Influence₁ (Last names A-L): Liking, Reciprocity, & Scarcity - Assignment Due
Book: Cialdini: Chapters 2, 5, and 7

Nov 5 Predicting Ad Effectiveness



Part 5: Using Consumer Behavior to Improve Your Life and Others

Nov 10 Behavioral Event Modeling – Assignment Due
Article: Behavioral Event Modeling

Nov 12 Slim By Design
Book: Wansink: Chapters 1-7

Nov 17 Taste Tests and Comfort Foods
Article: Engineering Comfort Foods

Nov 19 Diffusion and World-of-Mouth Marketing

Nov 24 The Myths of Consumer Behavior:
Article: Eat Less From Mindless Eating to Mindlessly Eating Better

Nov 26 Optional – Project Day Q&A

Dec 1 The Power of One

Dec 3 Last day of class
Take-home exam Due: Two copies at the **beginning** of class
The Two Biggest Lessons

