

MKT 525: Consumer Behavior
Fall 2019
Tu/Th 12:30 – 1:50 pm
ACC 201

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Course web page: <https://blackboard.usc.edu/>
Access to readings <https://reserves.usc.edu/ares/>

Marketing Department Hoffman Hall, Room 331
Monday to Friday 9 am – 5 pm
(213) 740-5033

Course Description

Today we have vast amounts of data about customers and their past actions; this class will help you predict and guide consumers' next steps more precisely, because you will develop a better appreciation of the customer behind this data. We will use validated frameworks developed in consumer psychology, marketing, and other behavioral sciences to understand and project how consumers may act, change, and respond to different marketing activities.

Course Objective

In this class you will gain a deeper knowledge of consumers, their implicit and explicit reactions, and their actions based on validated theories and insights. You will also develop a greater understanding on how to guide consumers along the decision journey. You will be exposed to and will use a variety of tools that allow you to better analyze the mind of the consumer. The combination of this know-how and these skills will help you identify viable, new ideas and opportunities for businesses and non-profits in a complex and ever changing marketplace.

Course Materials

Required Materials

Required materials are listed in the syllabus (starting p. 7) and are accessible online and/or through the USC Library reserves: <https://reserves.usc.edu/ares/>

The easiest way to find items on this user unfriendly system is to use Ctrl+F / Command +F to find the title of the reading.

You are not required to read these before class, but you should stay on top of the readings throughout the semester.

Optional Materials

Optional readings, videos, and audio clips provide greater detail on material discussed in class or expand on the topic. These materials allow students to clarify concepts that were discussed in class at their own time and pace and/or to dive deeper into a topic.

Lecture notes

I make lecture notes available by 10 pm the night before our class via Blackboard. These slides comprise a subset of the slides I will use in class and merely serve as an outline for our class discussion. They are there to allow you to take more effective notes but do not substitute for note taking and will not include everything we saw and discussed in class.

If you have any questions or need assistance with the Blackboard Course Pages, please contact the Marshall HelpDesk at 213-740-3000 (option 2) or HelpDesk@marshall.usc.edu. Alternatively, (213) 740-5555 will get you the USC ITS Help Desk.

Course Conduct

It is our joint goal to create an exciting and professional learning environment. Please help all of us to achieve that goal by being on time, keep classroom exits and entrances quiet and to a minimum, and do not text, etc.

Prior research shows that using laptops in the classroom is distracting to you and your classmates and reduces conceptually learning because it facilitates verbatim note taking. For these reasons it is detrimental to academic performance and satisfaction with students' learning experience. Hence I will not allow laptop usage in class.

Academic Conduct:

Students are expected to make themselves aware of and abide by the University community's standards of behavior as articulated in the [Student Conduct Code](#). Plagiarism – presenting

someone else's ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in *SCampus* in Part B, Section 11, "Behavior Violating University Standards" policy.usc.edu/scampus-part-b. Other forms of academic dishonesty are equally unacceptable. See additional information in *SCampus* and university policies on scientific misconduct at <http://policy.usc.edu/scientific-misconduct>.

Grading

In-class contribution	10%
Individual assignments	20%
Exam 1	20%
Exam 2	20%
Consumer Behavior Field Project (Team)	30%

If you join the class after the first class, you are responsible for all content and deliverables that have already been assigned or covered.

Your grades will be posted on our course page on Blackboard. Please check there from time to time to make sure all your grades are recorded properly.

In-class contribution

Your ability to benefit from the course and to contribute to class is largely dependent upon your presence (physically and mentally) during class meetings. Attendance is expected but not per se part of in-class contribution. However, it is impossible to contribute if you are not here. If you cannot attend class, you will be responsible for everything covered or announced in class.

During days when we are visited by a guest speaker I expect full attendance.

While some students are far more comfortable than others with class participation, *all* students should make an effort to contribute meaningfully.

I use a scale of (2) for strong, relevant, and meaningful participation, (1) for average, relevant, and meaningful participation, and (0) for negative participation (e.g., checking your phone), or absence.

When we have guest speakers I will use a similar scale to encourage you to engage with the speakers during and after their presentations.

Individual Assignments

There are four individual assignments for you to complete. Individual assignments are created to apply some of the concepts and tools you learned about in class and in your readings to new topics and areas.

Assignments will be graded using the following scale: 2 = did your job / 1 = 'mailed it in' / 0 = did not submit or submission was unacceptable.

The details of the "Zmat/Laddering" and the "Perceptual map" assignments will be discussed in class. These assignments allow you to use and explore tools that can help you understand the consumer better. The other two assignments are explained in greater detail below.

You can choose when you want to complete the CB Minute assignment (see more below). The other assignment dates are set.

- CB Minute assignment (*choose a due date on Google doc*)
- Zmat/Laddering assignment (due 9/19)
- Perceptual map assignment (due 10/8)
- Top Ten assignment (due 12/5)

CB Minute assignment

Each person will pick a date during the semester (list of available dates will be posted on Google docs) to submit a real-world example that hit the news within the last three months and that relates to consumer behavior or consumer experiences. The topic of the example should cover one of the previous two *content* classes (i.e., not guest speakers).

Please make sure you connect your example to how a concept, idea, or theory discussed in class or in our readings applies to things you see in the marketplace. Please make sure you focus your discussion on the consumer behavior aspects (not marketing in general) and that you clearly explain how the concept you picked is reflected in your example. Examples presented/learned in other classes are not eligible.

If you read this: please email me a picture that represents your most enjoyable or most special or most meaningful consumption experience with a one sentence explanation. Thanks for reading.

Note, assignments are due the night before the class/date! (i.e., either Monday or Wednesday at 8 pm). Assignments should not be more than one page of writing (12 point font), plus any pictures, graphs, links, etc. as an appendix. Please email me your assignments with the subject MKT 525.

Top Ten Lessons Every Marketer should know (

The final, integrative individual assignment for this course will be for you to prepare a list of the top 10 lessons you as a marketer have taken away from this course. What are

the top 10 things you believe all marketers need to understand about consumer behavior? You will have to pick specific concepts and ideas. Just going by class headlines will not suffice!! The "lesson" needs to be a unique point from the class discussion or readings. However, it is not required that all class topics are covered in your Top 10 list.

Be sure to specify why you think each point you list deserves to be in the Top 10. What are the implications for marketers of each point? Explain why and how knowing this theory/fact concept, etc. will benefit marketers. Your write-up should not exceed two pages single-spaced pages. More details will be announced in class.

Exams

Exams are closed book and will cover the topics covered in class and in the readings.

Exam 2 is not cumulative, but rather covers topics covered since exam 1.

Exams consist of (a few) multiple choice questions and short answer questions in responses to short vignettes/cases. All information necessary to answer these vignettes will be provided in the exam. More details will be announced in class.

In case of a declared emergency if travel to campus is not feasible, the USC Emergency Information web site (<https://emergency.usc.edu/>) will provide safety and other information, including electronic means by which instructors will conduct class using a combination of USC's Blackboard learning management system (blackboard.usc.edu), teleconferencing, and other technologies.

Field Project

The goal of the field project will be to apply your learning to a new context.

You will be able to choose your own team and topic. Your topic can relate to something concrete and 'real' (such as a real client or a club you are involved with) or can be for something more abstract or 'hypothetical' (such as a cause or a product that does not yet exist in the market place). For example you could work for the local chapter of a nonprofit such as "Heal the Bay" or you could work for 'cleaning the oceans' in general.

In line with the structure of the class, the project also has two parts.

- 1) Understand the consumer
 - 2) Guide the consumer
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- 1) In order to understand the consumer your task is to gather both secondary research (i.e., read articles, use the data bases available at the business school library) as well as primary research and draw some novel insights from your research. The primary

research could involve tools that you encountered during your individual assignments or could involve other techniques (e.g. observational research, etc.). You should choose what is the most appropriate given your topic. As we discuss in class, not one size fits all when it comes to research approaches.

- 2) Based on what you learned, you will design an approach to change consumers' beliefs, attitudes, or actions. The objective is to actually test the effectiveness of that approach either online or offline using an experiment. That means you will have to have some form of control group or a pre-treatment period to compare your results to. One way to do an online experiment is to conduct an advertising experiment on Facebook. If you choose that route, I will provide you with a (small) budget to run your ads (i.e., your influence tools) on Facebook.

By the time of your final presentations you will have to have conducted, analyzed, and digested your results.

Whether your approach worked or did not will not affect your grade (though it will likely affect your happiness). What you will be graded on is whether the approach was grounded in and arrived from your primary and secondary research and is novel (i.e., you cannot just replicate what a company is already doing in that industry though you can transfer approaches from one industry to another industry where it has not been used).

I will ask you to form groups by the end of the second week of classes and to pitch a topic. Teams should have between 3 and 5 members. With fewer members the work load gets too high, with more members the coordination load gets too high. You will provide me with a short proposal to make sure your team will be able to successfully complete the project (sometimes teams bite off either too much or too little – the goal here is to find the right serving size).

Peer evaluations will be considered within the grading process. Peer evaluations will ask team members to allocate 100 points among all team members (including themselves) for a) performing their agreed upon role and b) facilitating the progress of the team.

Support Systems:

Counseling and Mental Health - (213) 740-9355 – 24/7 on call
studenthealth.usc.edu/counseling

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

National Suicide Prevention Lifeline - 1 (800) 273-8255 – 24/7 on call
suicidepreventionlifeline.org

Free and confidential emotional support to people in suicidal crisis or emotional distress
24 hours a day, 7 days a week.

Relationship and Sexual Violence Prevention and Services (RSVP) - (213) 740-9355(WELL), press "0" after hours – 24/7 on call
studenthealth.usc.edu/sexual-assault

Free and confidential therapy services, workshops, and training for situations related to
gender-based harm.

Office of Equity and Diversity (OED)- (213) 740-5086 | Title IX – (213) 821-8298
equity.usc.edu, titleix.usc.edu

Information about how to get help or help someone affected by harassment or
discrimination, rights of protected classes, reporting options, and additional resources
for students, faculty, staff, visitors, and applicants. The university prohibits discrimination
or harassment based on the following *protected characteristics*: race, color, national
origin, ancestry, religion, sex, gender, gender identity, gender expression, sexual
orientation, age, physical disability, medical condition, mental disability, marital status,
pregnancy, veteran status, genetic information, and any other characteristic which may
be specified in applicable laws and governmental regulations. The university also
prohibits sexual assault, non-consensual sexual contact, sexual misconduct, intimate
partner violence, stalking, malicious dissuasion, retaliation, and violation of interim
measures.

Reporting Incidents of Bias or Harassment - (213) 740-5086 or (213) 821-8298
usc-advocate.symplcity.com/care_report

Avenue to report incidents of bias, hate crimes, and microaggressions to the Office of
Equity and Diversity |Title IX for appropriate investigation, supportive measures, and
response.

The Office of Disability Services and Programs - (213) 740-0776
dsp.usc.edu

Support and accommodations for students with disabilities. Services include assistance
in providing readers/notetakers/interpreters, special accommodations for test taking
needs, assistance with architectural barriers, assistive technology, and support for
individual needs.

USC Support and Advocacy - (213) 821-4710
uscsa.usc.edu

Assists students and families in resolving complex personal, financial, and academic issues adversely affecting their success as a student.

Diversity at USC - (213) 740-2101

diversity.usc.edu

Information on events, programs and training, the Provost's Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students.

USC Emergency - UPC: (213) 740-4321, HSC: (323) 442-1000 – 24/7 on call

dps.usc.edu, emergency.usc.edu

Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible.

USC Department of Public Safety - UPC: (213) 740-6000, HSC: (323) 442-120 – 24/7 on call

dps.usc.edu

Non-emergency assistance or information.

Course Materials

Note, readings are available online and/or from ARES (USC's electronic reserve system). Where they are available online, the references below provide hyperlinks. Materials that require a subscription (e.g., Harvard Business Review, but also Wall Street Journal or New York Times if you are not a subscriber) are available on ARES, however, sometimes (where noted) the online version is preferred because it has more details.

Chapters are in pdf format. Click "View" → "Rotate View" for an easier reading experience (less neck pain).

Understanding consumer behavior in the here and now and in the future

- 1) Elisabeth Seagran (2019) "See Ikea's 6 visions for how we'll live in the future," [Fast Company](#),
- 2) Niraj Dawar and Neil Bendle (2018), "Marketing in the Age of Alexa." *Harvard Business Review* 96 (3): 80–86.
- 3) Ellen Byron (2019), "More Americans Are Living Solo, and Companies Want Their Business," [Wall Street Journal](#),
- 4) Rina Raphael (2019), "Will robots ever be better caretakers than humans?" [Fast Company](#).

Optional listening

Christopher Joyce (2019), "Plastics Or People? At Least 1 Of Them Has To Change To Clean Up Our Mess," [NPR](#).

What do consumers want? Motivation and Needs

- 1) Eric Almquist, John Senior, Nicolas Bloch (2016), The Elements of Value, Harvard Business Review, Vol. 94, Issue 9
- 2) Jonathan Sachs (2017) "What Designing For The Homeless Can Teach Us About Designing For Anyone", [Fast Company](#).
- 3) Aaron Back (2018), Food Companies Can't Figure Out What Americans Want to Eat, [Wall Street Journal](#).
- 4) Owen Guo (2018), "Aiming at China's Armpits: When Foreign Brands Misfire", [New York Times](#), February 2.

Optional listening

Greater LA: Effective cure for loneliness? Pay a monthly fee to rent a friend, [KCRW](#) -

Tools: How to know what consumers want?

- 1) Daniel Pink "Metaphor Marketing" (2007) Fast Company, December 18
- 2) Gwendolyn Catchings-Castello (2000) "The ZMET alternative", Marketing Research, July
- 3) Thomas J.Reynolds, and Jonathan Gutman (1988), "Laddering Theory, Method, Analysis and Interpretation", Journal of Advertising Research, Feb/Mar 1988

Optional reading (examples of translating insights to solutions)

- Elizabeth Segran (2017), "Three Weird Customer Insights That Led To Kick-Ass Products," [Fast Company](#).
- Elizabeth Segran (2016), "Goodbye, Sweaty, Wrinkly Silk Blouses: Ministry Launches Womenswear," [Fast Company](#)

Attention and search

- 1) Chip Heath and Dan Heath, (2007), Made to stick: Why some ideas survive and others die, Random House, Chapter 2: "Unexpected"
- 2) Helen Lin (2017), "Three Consumer Attention Myths Holding Back Marketers", December 12, [Mediavillage](#).
- 3) Justin de Graaf (2019), "How consumer needs shape search behavior and drive intent," May, [Think with Google](#).

Perception is Reality

- 1) Amos Tversky and Daniel Kahneman (1981), "The Framing of Decisions and the Psychology of Choice," Science, January 30, 1981
- 2) Danielly Wiender-Bronner (2018) "How companies change packaging without alienating customers, [CNN Business](#).(includes a short video)
- 3) Ken Wheaton (2018), "Ask a researcher: What does 'best' really mean?," [Think with Google](#).

Optional readings (expands on what we discuss in class)

- Ralph I. Allison and Kenneth P. Uhl. "Influence of beer brand identification on taste perception." *Journal of Marketing Research* 1, no. 3 (1964): 36-39.
- Spiller, Stephen A., and Lena Belogolova (2017)"On consumer beliefs about quality and taste." *Journal of Consumer Research* Apr2017, Vol. 43 Issue 6, 970-991.

Tools: How to know what consumers perceive?

Optional (expands on what we discuss in class)

Netzer, Oded, Ronen Feldman, Jacob Goldenberg, and Moshe Fresko. (2012) "Mine your own business: Market-structure surveillance through text mining." *Marketing Science* 31, no. 3: 521-543.

Attitudes

- 1) Werner Reinartz and Rajkumar Venkatesan (2014), Track Customer Attitudes to Predict Their Behaviors, Harvard Business Review.
- 2) Zakary L. Tormala, and Derek D. Rucker (2015), "How Certainty Transforms Persuasion," Harvard Business Review, Vol. 93, Issue 9.
- 3) Bernd Wittenbrink and Norbert Schwarz (2007), Implicit measures of attitudes, Guilford Press, Introduction.

Optional (for those who want to learn more about attitude measurement)

Schwarz, N. (2008). Attitude measurement. In W. Crano & R. Prislin (eds.), *Attitudes and persuasion* (pp. 41-60). Philadelphia: Psychology Press.

Learning and memory

- 1) Tom Vanderbilt (2018), "The Angel Who Keeps Citi Bike Working for New York," [Outside](#) Magazine,
- 2) Megan Ward (2018) "The Problem with Feedback," The [Atlantic](#), Nov 11.
- 3) Gregory Carpenter and Ashlee Humphreys (2019), "What the wine industry understands about connecting with consumers," Harvard Business Review Digital Articles, 3/5/2019.

Tools: Intro to experimentation

- 1) Leslie John, Daniel L. Mochon, Oliver Emrich, and Janet Schwartz (2017). "What's the Value of a Like." Harvard Business Review 95, no. 2.
- 2) Kristen Shipley (2019) "Stop guessing and start testing: 3 marketing experiments you can apply to your next campaign", [Think with Google](#).
- 3) ESADE Knowledge (2018), "Why do people hate corporate experiments? (They don't)", [ESADE](#).

Optional (expands on what we discuss in class)

- Eric T. Anderson and Duncan Simester (2011), "A step-by-step guide to smart business experiments," Harvard Business Review, March, Vol. 89 Issue .

- Daniel Mochon, Karen Johnson, Janet Schwartz, and Dan Ariely. "What are likes worth? A Facebook page field experiment." *Journal of Marketing Research* 54, no. 2 (2017).

Consumer Decision Making

- 1) Dan Ariely (2009), *Predictably Irrational*, Harper, Chapter 1: "The truth about relativity".
- 2) Katherin White, David Hardisty and Rishad Habib (2019), "The Elusive Green Consumer," *Harvard Business Review*, Vol. 97, Issue 4. Jul/Aug 2019
- 3) Keith Chrzan (2009), "Decisions, Decisions," *Marketing Research*, Summer

Nudges and Influence

- 1) Robert Cialdini (2003), "The Science of Persuasion", *Scientific American Mind*
- 2) Daniel Goldstein, Eric Johnson, Andreas Herrmann, and Mark Heitmann (2008) "Nudge your customers toward better choices." *Harvard Business Review* 86, no. 12, 99-105
- 3) Jennifer Valentino-DeVries (2019), "How E-Commerce Sites Manipulate You Into Buying Things You May Not Want," [New York Times](#)
- 4) Yoree Koh and Jessica Kuronen (2019), "How Tech Giants Get You to Click This (and Not That)", *Wall Street Journal*, B.3. (follow [this link](#) if possible because the text version from the library does not have the illustrative pictures).

Optional (more on how to implement nudges)

Ly, Kim and Mazar, Nina and Zhao, Min and Soman, Dilip, *A Practitioner's Guide to Nudging* (March 15, 2013). Rotman School of Management Working Paper No. 2609347. Available at [SSRN](#):

Good Habit, Bad Habits, No Habits yet?

- 1) Wendy Wood (2019), *Good habits, bad habits: the science of making positive changes that stick*, Farrar, Straus and Giroux, Chapter 6 (Context)
- 2) A.G. Lafley and Roger L. Martin, (2017), *Customer loyalty is Overrated*, *Harvard Business Review*, Jan/Feb, Vol. 95,
- 3) David Champion (2017), "A conversation with intuit chairman and cofounder Scott Cook," *Harvard Business Review*, Jan/Feb, Vol. 95, Issue 1

Consumption

- 1) Chip Heath and Dan Heath *The Power of Moments: Why Certain Experiences Have Extraordinary Impact*. Chapter 3. Build Peaks.
- 2) John Gourville and Dilip Soman, (2002) "Pricing and the Psychology of Consumption, *Harvard Business Review*, Vol. 80 Issue 9
- 3) Ben Guarino (2016) "Annoyed by people who Instagram at brunch? Well, a new study suggests they're happier than you," *Washington Post*, June 10 2016

Optional

Amit Sharma (2016), "Online retailers should care more about the post-purchase experience," *Harvard Business Review Digital Articles*, 5/24/2016

Sharing experiences with others

- 1) Barasch, Alixandra (2020). *The Consequences of Sharing*. *Current Opinion in Psychology*. In press.
- 2) Hilary Potkewitz (2019), "The Trendiest Fitness Class Now: Working Out Alone at Home," [Wall Street Journal](#), Aug. 13.
- 3) Jillian Berman (2017), "There's Something About Breath Mints and Sharing," [Wall Street Journal](#), 12 Sep 2017: A.11.
- 4) Joe Gebbia, "How Airbnb designs for trust," [Ted Talks](#)

Optional viewing (Reiterates some of our class discussion)

[REI Presents: In Our Nature // Is #Photography Ruining the Outdoors?](#)

Consuming future and past experiences

- 1) Stephanie Rosenbloom (2014), "What a Great Trip! And I'm Not Even There Yet", [New York Times](#), May 7, 2014,
- 2) Nicole LaPorte (2016), "Netflix Launches Video Previews: How The Company Landed On Its Biggest Redesign Ever," [Fast Company](#)
- 3) Gal, Zauberman, Kristin Diehl, and Alixandra Barasch (in press). Memory Pointers and Identity. In Americus Reed and Mark Forehand, Eds., *The Handbook of Identity Research in Marketing*.

Optional

Think with Google, "How online video empowers people to take action," [Think with Google](#).

Projected Class Schedule Fall 2019

You are responsible for any changes announced in class or posted on Blackboard

Date	Day	Topic	Assignment
8/27	Tuesday	Introduction to the class	
8/29	Thursday	Understanding consumer behavior in the here and now and in the future	
9/3	Tuesday	What do consumers want? Motivation and needs	
9/5	Thursday	<u>Tools</u> : How to know what consumers want?	
9/10	Tuesday	Attention and search	
9/12	Thursday	Guest speaker: Konrad Ribeiro, Head of Industry, Media & Entertainment, YouTube	
9/17	Tuesday	Perception is reality	
9/19	Thursday	Guest speaker: Karin Kricorian, Director, Management Science and Integration, The Walt Disney Company	Zmat/Laddering assignment due
9/24	Tuesday	<u>Tools</u> : How to know what consumers perceive?	
9/26	Thursday	Attitudes	
10/1	Tuesday	Guest speaker: Eileen Mahdi, Brand & Market Analytics Manager, Karma Automotive & Gregory Skinner, VP Strategic Insights, Escalent	
10/3	Thursday	Learning and memory	
10/8	Tuesday	Guest speaker: Jerry Power, Executive Director of The Institute for Communications Technology Management (CTM) at USC	Perceptual map assignment due
10/10	Thursday	Exam 1	

	Day	Topic	
10/15	Tuesday	<u>Tools</u> : Intro to experimentation	
10/17	Thursday	No Class - Fall Recess	
10/22	Tuesday	Consumer decision making	
10/24	Thursday	Nudges and influence	
10/29	Tuesday	Guest speaker: Lilly Zhong, Senior Product Manager, Within	
10/31	Thursday	Good Habit, Bad Habits, No Habits yet?	
11/5	Tuesday	Consumption	
11/7	Thursday	Guest speaker Martin Gaiss, Founder MG LABS Content and Global Marketing	
11/12	Tuesday	Sharing experiences with others	
11/14	Thursday	Consuming future and past experiences	
11/19	Tuesday	Exam 2	
11/21	Thursday	Guest speaker: Maarten Bos, Lead Scientist, Snap Inc.	
11/26	Tuesday	Group consultations – No class.	
11/28	Thursday	No Class - Thanksgiving	
12/3	Tuesday	Guest speaker: Ben Lewis, CEO, Limbix	
12/5	Thursday	Class Wrap up	<i>"Top Ten List" Due</i>
12/17	Tuesday, 11am – 1 PM	Final Presentations	