

Consumer Behavior

A. General Background

1. Academic Unit	School of Economics and Business					
2. Race	Commercial Engineering					
3. Code	EELM551					
4. Location in the mesh	Semester 1, Year 2024					
5. Credits	10					
6. Type of subject	Obligatory		Elective X		Optional	
7. Duration	Bimonthly		Semester X		Annual	
8. Weekly modules	Theoretical Classes	X	Practical Classes	X	Assistantship	
9. Academic hours	Tuition		Assistantship			
10. Prerequisite	Marketing II					

B. Contribution to the Graduation Profile

"The Commercial Engineer of the Universidad del Desarrollo is a professional trained in the field of administration, able to understand the evolution of the national and world economy, and capable of successfully performing management and business creation functions. He is characterized by his entrepreneurial capacity, leadership, and teamwork, committed to the development of the country, acting with rectitude in his academic and professional work, and prepared to face the world of work"

Consumer behavior is a subdiscipline related to the consumption activities of individuals rather than markets. It is at the crossroads of marketing, psychology, and economics. This course integrates basic concepts, models and theories that explain the purchasing and consumption behavior of customers. Therefore, the aim of this course is to understand consumer characteristics such as perception, decision processes and attitudes, and how this knowledge can be used to develop marketing strategies to influence consumer consumption.

Course Objectives

The marketing concept is consumer-oriented, integrated and goal-oriented. This course is useful because success as a marketer depends on knowing your customers, their wants, needs, motivations and capabilities, as well as knowing what factors influence people as consumers.

C. Competences and General Learning Outcomes developed by the subject

Generic Competencies	General Learning Results
<i>Analytical Capacity</i>	<ul style="list-style-type: none"> • Understand the relevance of market research as a generator of information sources to understand the consumer. • Identify and recognize the personality of the consumer, and their motivations, related to the brand and product. • Identify the different theories regarding consumer purchase learning. • Understand the relevance of the media and its relationship with the purchase decision process. • It relates the brand and all its components with consumers, and the search to meet their needs. • It explains the influence of groups on consumer buying behavior. • It differentiates lifestyles and cultural variations between different consumers. • Recognize situational influences in the purchase decision process. • Distinguish post-purchase processes related to customer satisfaction.
<i>Ability to relate concepts</i>	
Specific Competencies	
<i>Consumer behavior analysis</i>	
<i>Development of marketing strategies according to consumer behavior and new market trends</i>	

D. Content Units and Learning Outcomes

<u>Date</u>	<u>Units of Content</u>	<u>Competence</u>	<u>Assignments/ Readings</u>	<u>Learning Outcomes</u>
04/03	Understanding the importance of customers and consumer behavior	Analytical Capacity	<u>No readings required</u>	Appreciate the importance of understanding the consumer for the success of a company.
11/03	The consumption process: <u>Stage 1: Problem Recognition</u> The role of consumer motivation Consumer needs, values, and perceived risk	Ability to relate concepts	Required readings: Solomon: Chapter 1 Read and analyze case 1 (RENOVA) INDIVIDUAL REPORT	Introduce cutting-edge knowledge of theory and substantive findings on consumer behavior.
18/03	<u>Stage 1: Identifying needs and motivations</u>	Consumer behavior analysis. Development of marketing strategies according to consumer behavior and new market trends.	<u>Required readings</u> Solomon: Chapters 4 and 5	Provide concepts to understand consumers' reactions to marketing stimuli. Learn to apply consumer behavior concepts when analyzing marketing problems and developing successful marketing strategies Show that with understanding comes the possibility of influence

<u>Date</u>	<u>Units of Content</u>	<u>Competence</u>	<u>Assignments/ Readings</u>	<u>Learning Outcomes</u>
25/03	NO FACE-TO-FACE CLASS Group meetings <u>DELIVERY OF GROUP WORK (VIDEO) UP TO 23H</u> <u>(VIDEO EQUALS CONTEST 1)</u>			
01/04	<u>Stage 2: Information Search – Exposure, Attention and Recall</u>	Consumer behavior analysis.	<u>Required readings</u> Solomon: Chapters 2 and 3	Provide concepts to understand consumers' reactions to marketing stimuli.
08/04	<u>Stage 2: Knowledge, categorization and understanding</u>	Development of marketing strategies according to consumer behavior and new market trends.	<u>Required readings</u> Solomon: Chapter 8 Read and analyze case 2 Unilever Brazil	Learn to apply consumer behavior concepts when analyzing marketing problems and developing successful marketing strategies. Show that with understanding comes the possibility of influence.
15/04	INSIGHT DAY (GROUP PRESENTATIONS)			
22/04	<u>Stage 3: Evaluation of Alternatives – Attitudes, Beliefs, and Intentions</u>	Consumer behavior analysis.	<u>Required Readings</u> Solomon: Chapter 7 (SAME AS THE PREVIOUS WEEK)	Provide concepts to understand consumers' reactions to marketing stimuli.
29/05	<u>Stage 3: Evaluation of Alternatives - Continuation</u>		<u>No readings required</u> Read and analyze case 3 Harley Davidson	Learn to apply consumer behavior concepts when analyzing marketing problems and developing successful marketing strategies. Show that with understanding comes the possibility of influence.
06/05	<u>Stage 4: Election</u>		<u>No readings required</u>	

13/05	<u>Stage 5: Purchase</u>	Consumer behavior analysis. Development of marketing strategies according to consumer behavior and new market trends.	Read and analyze case 4 Planters Peanuts	Provide concepts to understand consumers' reactions to marketing stimuli. Learn to apply consumer behavior concepts when analyzing marketing problems and developing successful marketing strategies. Show that with understanding comes the possibility of influence.
20/05 NATIONAL HOLIDAY – NO CLASS				
27/05	<u>Stage 6: Post-purchase</u>		Delivery of Individual PROJECT	
03/06	Consulting Day: No in-person class (online meetings)			
10/06	SHARK TANK DAY : FINAL GROUP PRESENTATIONS			
17/06	DEADLINE TO DELIVER WRITTEN REPORT ON GROUP PROJECT. NO FACE-TO-FACE CLASS			
24/06	Optional consultation class (online)			
From 01/07 to 13/07	<u>EXAMS</u>			

E. Teaching Strategies

Each class will have a space for the adoption of knowledge and theoretical models, which will be complemented by exercises, group workshops and debates, for students to participate and learn also in an interactive way, expressing their positions on certain topics, and tell their experiences and feelings in front of certain cases that will be presented in each class.

Session by session there will be an evaluation control of the previous class (which includes the chapters associated with the base book), and that of the same day of the control, and group workshops with a note will also be held every fifteen days, with the aim of evaluating if the skills sought are being achieved.

At the beginning of the semester, they will be asked to form groups of 5 or 6 students, who must work during all periods. The groups will work preparing the group workshops in classes (with and without note), essays, Contest 2.

Individual student participation in each session will also be required, which will be evaluated at the end of the semester. In this subject you must be "present-present".

Therefore, the course is structured around the following methodologies:

1. Reading of bibliographic material.
2. Exhibition methodology: work of conceptual contents with the participation of the students.
3. Case analysis.
4. Class work
5. Teamwork.

F. Evaluation Strategies

Class attendance and participation:

Much of the learning of this course will take place in the classroom. To help ensure a positive learning experience for everyone in the course, students are expected to prepare properly and participate fully in class discussions. Class discussions will be based on assigned readings, which must be completed prior to class. The key is to spend time after reading the material to think about the problems raised. Students should think especially about how professionals can apply/can apply the ideas presented in the readings.

There are 14 face-to-face classes with required attendance. Each unjustified fault reduces the attendance score by 0.5 points. In this way, if a student misses:

- 1 class, your attendance grade will be 6.5*
- 2 classes, your attendance grade will be 6.0*
- 3 classes your attendance grade will be 5.5*
- 4 classes your attendance grade will be 5.0*
- 5 classes your attendance grade will be 4.5*
- 6 classes your attendance grade will be 4.0*
- 7 classes your attendance grade will be 3.5*
- 8 classes your attendance grade will be 3.0*
- 9 classes your attendance grade will be 2.5*
- 10 classes your attendance grade will be 2.0*
- 11 classes your attendance grade will be 1.5*
- 12 classes or more your attendance grade will be 1.0*

A class participation bonus (0.2 points added to the average of the cases) will be given to those students who actively participate with relevant comments and who add value to both the live classes (INCLUDING THOSE ON INSIGHT DAY & SHARK TANK DAY) and the forum discussions (asynchronous)

Grading

Course grades will be based on five individual case analyses and a group project (see below for details). The weights allocated for each of these are as follows:

CLASS ATTENDANCE	8%
Case analysis	8%
Case analysis 2	8%
Case analysis 3	8%
Case analysis 4	8%
Individual final work	8%
Team project video	5%
Team project report	17%
Final exam	30%

Case analysis

Case analyses are useful in providing you with hands-on experience in dealing with strategic problems faced in the "real world." A maximum analysis of two pages in Word or PPT (12-point font, following the required format) of each assigned case will be delivered at the beginning of that class (unless specified differently). No delivery can exceed two pages. Each case analysis should be written individually (not with other students). It will be considered a copy if the analysis of the case is prepared with other students or with any material that comes from other external sources. Receiving help from outsiders is also considered cheating. Any copying or collaboration with other students will result in the failure (1.0) of the course.

The details of the analyses will be explained in class. Adequate preparation is expected for all cases, including individually prepared two-page analysis and willingness to discuss all aspects of the case in class. Backlogs will not be accepted, as it makes little sense to read your case analysis after our discussion of the case! Do not request extensions in cases. All late cases will receive a rating of 1.0

Individual Final Project

One of the most difficult tasks for a marketer is to convey a simple and consistent message to their target consumers. To do this, marketers must think as if they are those target consumers and make life as easy as possible for the target market. Of course, this depends on the level of engagement of target consumers with your product category, which is a guiding factor in their willingness and ability to spend time understanding your message. And, of course, this all depends on your knowledge of the product category and your previous experiences. In this exercise, you will need to choose a concept that we cover in this course and develop an image, a slide, that will convey this concept to your target market in a simple way.

Your target market is a 10-year-old. He lives in Santiago and attends fourth grade. You should be able to observe the characteristics of your consumer in the picture. You will need to explain your selected concept to him in a way that he understands.

Team project

Each team (6 people per team) must be chosen by the students. The group will identify or create a consumer product or service that is new to the Chilean market. It can be a product or service that does not yet exist. It can be a product or service that is available in a market that is not in Chile, or it can be a brand extension.

Each team must upload a video of up to 30" (yes, 30 seconds maximum !!!!!) to CANVAS BY AUGUST 30TH until 23h, detailing and explaining the product/service, the needs it addresses, its target segment and positioning. This video is worth 5% of its total rating. No late work will be accepted.

The last project report must be delivered in the last class, on your assigned class schedule. Students should provide a brief description of the product or service. In addition, students must provide a market analysis (segments) to justify their choice of the product or service they plan to introduce into the Chilean market.

In the group's report, you will provide explanations and descriptions of the product/service, an analysis of the competition, detailing positioning and pricing and strategies and distribution. In addition, groups must create a promotional campaign for the product/service. You will be evaluated in terms of campaign fit with the SEGM consumer n t(s) you chose n for your product/service.

The report should include the following information related to theories, principles, and empirical findings of consumer behavior (see below):

- *Introduction: A brief description of the new product or service and why it is different from offerings in the current Chilean market; including the name of the brand.*
- *Market analysis: Based on segmentation variables (e.g., Age, benefits sought, values, lifestyle, etc.) your team should choose a market segment or segments to target for this new product or service. Describe your target market and explain why you chose it based on consumer behavior theories and concepts.*

The group must interview at least 10 members of the segment (indicate number, age, gender, etc.) to help identify and discuss the problems that the product or service solves, the consumer's motivation to buy the product, the needs met, the roles of the self-concept, values, perceived risk, participation, level of knowledge that the segment members have about the product/service (including familiarity, if they are looking for information for the type of product/service (type of information, where, source, etc.)), etc. Include interview questions and answers.

In addition, to help with Part 2 through consumer interviews, the group should also evaluate which product/service attributes are important, knowledge of competing products and brands (who the main competitors are), how consumers evaluate and choose alternatives, etc.

- *Product Description: Explain why the new product or service fits the chosen market.*

Describe and justify in detail the product concept, brand, product/service attributes, packaging, benefits, uses, varieties, etc. Be sure to use the information gleaned from consumer interviews to support your choices and relate to theories and concepts of consumer behavior.

- *Competitor analysis: brief analysis of the main competitors (2-3), their strengths and weaknesses, positioning, target segments, advantages / disadvantages compared to your proposed product / service.*
- *Positioning: choose and explain the positioning of the product. Consider the competition, consumers, and the company (3 Cs) when choosing and explaining your positioning strategy.*
- *Pricing and distribution strategies: Include a brief description and explanation of your pricing and distribution strategies. Consider the competition, consumers, and the business (3Cs) when choosing and explaining your pricing and distribution strategies. Also, relate decisions to concepts and theories of consumer behavior.*
- *Promotional communication: Design a marketing communication (print ad, video, social media campaign, website, etc.) for the product or service. All decisions made by the team regarding the design of the communication, including the purpose of the communication, the communication elements (e.g., Text, font, background, spokesperson, colors, position of all communication elements, etc.) should be guided by theories and principles of consumer behavior (e.g., segmentation, motivation, participation, consumer perception, knowledge, understanding, persuasion, attitudes, values, decision-making, etc.). Be sure to explain all decisions thoroughly, relating them to concepts and theories of consumer behavior, as well as consumer interviews. All pieces of communication must be included in the written report. In the case of digital parts, a link must be provided.*

Also, briefly discuss any other promotional strategies (e.g., sales promotions, advertising, etc.) that you consider important.

The final report should include all the above sections. Remember to include interview questions and answers at the end of the report. All material used from secondary sources should be properly referenced in the text and a bibliography should be included at the end of the document. Include a title page and number pages.

Teamwork Evaluation

- *The report will be evaluated in terms of depth, logic, creativity and thoroughness, analysis and application of consumer behaviour theories and concepts. The report will also be evaluated for its clarity and organization.*

Finally, the deadlines of the team project will be rigorously enforced. One point will be subtracted from the final grade of the project per day of delay in delivery (for example, if the work should receive an evaluation of 6 and is delivered one day late, the grade will be a 5). NO EXCEPTIONS

Tips for team projects

- 1. In the early stages of projects, make sure that team member roles are clearly specified, and that the distribution of workloads is equitable. Determine a strategy to deal with conflicts.*
- 2. When preparing the report, be sure to use titles and subtitles to give them a logical organization.*
- 3. Make sure that statements of fact in the text and tables are supported by footnotes or endnotes showing the source (even if it's an interview with someone).*
- 4. Refer to the figures and tables in the text by number (for example, as shown in Table 1 ... or (see Figure 1)). Do not include tables or figures if you do not reference them in the text.*

DISMISSAL/WAIVER Clause

Students will form groups of 5 students to work on the project. During the project, students will be able to dismiss any member or members of the group who they believe are not fulfilling their obligations. If a group fires someone, they must inform the teacher. The names of the dismissed members should not be included in the final report of the project. When one or more members are fired, those students will receive a grade of 1.0 for the group project or, alternatively, they can complete a different project to receive a higher grade.

Conversely, a member or members of a group also have the right to leave a group if they feel that the other members are not contributing to the project. The teacher must be informed about this decision. Students who leave a group can work on the project alone or with another member to complete the project. Only their names should appear in the final project report. Members of a group cannot submit work completed by any member of their group who has been fired or has left the group.

Group members can fire other members or leave the group up to a week before the project deadline.

Plagiarism Policy

Any form of copy in exams, controls, case analysis, assignments, reports, projects, or any other type of work will automatically result in one (1.0) in THE COURSE. For papers that need to be completed individually, collaboration with other students or outsiders will also result in an automatic (1.0) in the course. Finally, for courses that require attendance, anyone whose name appears on the attendance form but who was not present during that class period will also fail the course (1.0).

AI Policy

In this class, I expect you to use AI (e.g., ChatGPT and image generation tools). Indeed, some assignments will necessarily involve it. Learning to use AI is a developing skill; however, be aware of ChatGPT's limitations:

You will get low-quality results if you provide prompts that require little effort. To get good results, you'll need to fine-tune your prompts. This will require effort.

Don't believe anything it says. If it gives you a number or a fact, assume it's incorrect unless you know the answer or can confirm it with another source. You will be held accountable for any errors or omissions made by the tool. It works best for topics you are familiar with.

AI is a tool, but you must acknowledge its use. Please include a paragraph at the end of any AI-based assignment explaining what you used the AI for and what prompts you used to obtain the results. Failure to do so violates academic integrity policies.

Consider when this tool will be useful. If it isn't appropriate for the situation, don't use it.

(Inspired by Harvard University's Policy)

G. Learning Resources

Required reading:

Readings of articles and cases in this course are required, as well as book chapters (in Spanish or English).

Textbook: Consumer Behavior (Ebook). Michael R. Solomon. Pearson. (2017). In Spanish or English.

Cases to be defined

Complementary:

- WHY WE BUY. THE SCIENCE OF SHOPPING. Paco Underhill

- THE CONSUMER SOCIETY: ITS MYTHS, ITS STRUCTURES. Baudrillard, Jean. XXI Century