

**INTERNATIONAL MANAGEMENT INSTITUTE, BHUBANESWAR**  
**PROGRAMME NAME: POST GRADUATE DIPLOMA IN MANAGEMENT (PGDM)**  
**CONSUMER BEHAVIOUR (MK601)**  
**CREDIT: Full (3 Credits)**  
**SESSION DURATION: 90 Minutes**

TERM: IV  
YEAR: 2014-2015  
BATCH: II

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**Course Introduction:**

Consumer occupies the coveted position of being at the center of the business environment. She is the reason why organizations exist and function. Therefore, it is but natural that an organization's resources are directed at keeping the consumer delighted. It is easier said than done. Deciphering the mind of the consumer to understand not just 'what' but also 'why' and 'how' requires understanding of a cross-disciplinary area of study called Consumer Behaviour. The subject considers an individual as the primary object of study and delineates the various psychological (e.g. attitude, personality) and social (e.g. culture, social-class) factors influencing the consumer. This sets the stage for understanding how and why consumers take consumption decisions. An in-depth understanding of the various facets of consumer forms the basis for developing the knowledge and skill to positively influence the target market's consumption choices resulting in a win-win situation for the consumer and the organization.

**Course Objectives:**

The specific objectives of the course are:

- To enhance awareness of various psychological and social factors influencing the behavior of the consumer.
- To understand the buying decision-making process of consumers.
- To equip the student with skills to extract and analyze information about consumers.
- To comprehend the nuances of behavioural modification.
- To enable the student to create customer-centric marketing strategies.

**Course Pedagogy:**

The teaching methodology will be an optimum amalgamation of class-room teaching and case discussions. Additional reading material will be provided for broadening the horizons of knowledge. Students are also advised to read articles and research papers from the various sources mentioned herein. This will enable students to draw in references from diverse range of sources and actively participate in class room discussions. Students are also expected to observe others' consumption behavior and do a self-introspection of their own consumption behavior. A greater sensitivity towards advertisements and other marketing activities by companies is also desired from the students.

**Course Readings:**

**Text book**

1. Schiffman, L.G. and Kanuk, L.L. (2010) *Consumer Behavior*. 10<sup>th</sup> edition, Pearson Education.

**Reference books**

1. Hawkins, D.I., Best, R.J., Coney, K.A. and Mookerjee, A. (2010) *Consumer Behavior – Building Marketing Strategy*. 11<sup>th</sup> edition, TMH Ltd.
2. Blackwell, R.D., Miniard, P.W. and Engel, J.F. (2008) *Consumer Behavior*. Cengage Learning.

### Suggested readings

1. Bijapurkar, R. (2009). *We Are Like That Only: Understanding the Logic of Consumer India*. Penguin.
2. Lindstrom, M. (2009). *Buyology: How Everything We Believe About Why We Buy Is Wrong*. Random House.
3. Cialdini, R. B. (2007). *Influence: The Psychology of Persuasion*. Harper Collins.

A course packet of readings and cases would be circulated at the commencement of the course.

### Course Evaluation criteria:

Class participation	20%
Projects/Assignments	20%
Mid-term	30%
End-term	30%
Total	100%

Class participation is based upon your contribution during discussions in the class. You would be given marks on the basis of your performance in each session (2 marks for each session). You are expected to come prepared to answer the case problems. You may be called upon to speak on the case or the assigned reading material. The choice of speaker will be completely random.

The mid-term and end-term examinations will be case based.

### Session Plan:

Session	Topic	Reading
1.	Introduction: Consumer behaviour and marketing strategy <ul style="list-style-type: none"><li>➤ What is consumer behavior?</li><li>➤ Why study consumer behavior?</li><li>➤ Consumer research.</li><li>➤ Consumer research process.</li><li>➤ Legal aspects of consumer behavior</li></ul>	Text book: Ch. 1-2. Reading Material (RM): The new Indian consumer.
2.	Consumer motivation <ul style="list-style-type: none"><li>➤ The motivation process.</li><li>➤ Nature of motivation.</li><li>➤ Classifying motives.</li><li>➤ Motive arousal.</li><li>➤ Needs and theories of needs.</li></ul>	Text book: Ch. 4. Case: <i>Big Bazaar: Serving the masses</i> . RM: The marketing myths and consumers' fear of marketing.
3.	Consumer learning and memory <ul style="list-style-type: none"><li>➤ The learning process.</li><li>➤ Classifying learning theories.</li><li>➤ Implications of consumer learning.</li><li>➤ Memory and consumer behavior.</li></ul>	Text book: Ch. 7. Case: <i>Film-based merchandising in India</i> . RM: Look after me and I will look after you!
4.	Consumer perception <ul style="list-style-type: none"><li>➤ Information acquisition.</li><li>➤ Perceptual encoding.</li><li>➤ Marketing implications.</li></ul>	Text book: Ch. 6. Case: <i>Golden rendezvous – The personality of Gold Flake Filter Kings</i> .

5.	Consumer personality and self concept <ul style="list-style-type: none"> <li>➤ Theories of personality.</li> <li>➤ The implications of consumer personality on marketing.</li> <li>➤ The concept of self and different images.</li> <li>➤ Self concept and consumer behavior.</li> </ul>	Text book: Ch. 5. Case: <i>Golden rendezvous – The personality of Gold Flake Filter Kings.</i> RM: A blueprint for consumer behavior research on personality.
6.	Formation of consumer attitudes <ul style="list-style-type: none"> <li>➤ Consumer attitudes.</li> <li>➤ Characteristics of attitudes.</li> <li>➤ Functions of attitudes.</li> <li>➤ Sources of attitude development.</li> </ul>	Text book: Ch. 8. Case: <i>McDonalds in India.</i> RM: There are many reasons to drive a BMW.
7.	Changing of consumer attitudes <ul style="list-style-type: none"> <li>➤ Attitude theories and models.</li> <li>➤ The need for attitude change.</li> <li>➤ Strategies of attitude change.</li> <li>➤ Process of attitude change.</li> </ul>	Text book: Ch. 8. Case: <i>Burnol: The burns specialist.</i> RM: Comparative and non-comparative advertising: Attitudinal effects under cognitive and affective involvement conditions.
8.	Reference groups and diffusion of innovation <ul style="list-style-type: none"> <li>➤ Classification and properties of groups.</li> <li>➤ Factors influencing group formation.</li> <li>➤ The diffusion and adoption process.</li> <li>➤ Implications for marketing strategies.</li> </ul>	Text book: Ch. 10 & 15. Case: <i>Café Coffee Day: Brewing a brand in a different way</i> RM: The age of consumer-innovator.
9.	Family structures and family influences <ul style="list-style-type: none"> <li>➤ The concept of family and its influence on consumer behavior</li> <li>➤ Roles and functions of the family.</li> <li>➤ The family life cycle.</li> <li>➤ Dynamics of family decision making.</li> </ul>	Text book: Ch. 10. Case: <i>Disney consumer products: Marketing nutrition to children.</i>
10.	Individual & Group presentations – Project/ Assignment	
11.	Social class <ul style="list-style-type: none"> <li>➤ Social structure and social class.</li> <li>➤ Measurement of social class.</li> <li>➤ Profiling of social class.</li> <li>➤ Consumer behavior applications of social class.</li> </ul>	Text book: Ch. 11. Case: <i>INOX Multiplexes.</i> RM: Social class and consumer behavior: The relevance of class and status.
12.	Effect of culture and sub-culture on consumer behavior <ul style="list-style-type: none"> <li>➤ Meaning and characteristics of culture.</li> <li>➤ Cultural values.</li> <li>➤ Cultural change and counter cultures.</li> <li>➤ Sub-culture and its typologies.</li> </ul>	Text book: Ch. 12-13. Case: <i>Burger King, Philippines.</i> RM: A test of validity of Hofstede's cultural framework.
13.	Cross-cultural consumer behavior <ul style="list-style-type: none"> <li>➤ Consumer analysis</li> <li>➤ Segmentation</li> <li>➤ Strategies for reaching out to the global customer.</li> </ul>	Text book: Ch. 14. Case: RM: Cross-cultural consumer behavior: A review of research findings.
14.	Communication and opinion leadership <ul style="list-style-type: none"> <li>➤ Components and process.</li> <li>➤ Designing persuasive communication.</li> <li>➤ Dynamics of opinion leadership process.</li> <li>➤ Implications for marketing strategies.</li> </ul>	Text book: Ch. 9 & 15. Case: <i>Coca Cola India's thirst for the rural market.</i> RM: Word of mouth and viral marketing: Taking the temperature of the hottest trends in marketing.

15.	<p>Market segmentation</p> <ul style="list-style-type: none"> <li>➤ Consumer routed segmentation.</li> <li>➤ Consumption routed segmentation.</li> <li>➤ Implementing segmentation specific strategies.</li> </ul>	<p>Text book: Ch. 3.</p> <p>Case: <i>The Fashion Channel</i>.</p> <p>RM:</p> <p>The quest for the fortune at the bottom of the pyramid: Potential and challenges.</p> <p>The concept and application of lifestyle segmentation.</p>
16.	Customer Lifetime Value (CLV)	<p>Text book:</p> <p>Case: <i>Rosewood hotels and resorts: Branding to increase customer profitability and lifetime value</i>.</p> <p>RM: Making customer relationship management work: The measurement and profitable management of customer relationships.</p>
17.	<p>Consumer decision making – I</p> <ul style="list-style-type: none"> <li>➤ Levels of decision making.</li> <li>➤ Models of consumers.</li> <li>➤ Inputs to decision making process.</li> </ul>	<p>Text book: Ch. 16.</p> <p>Activity: Consumer decision-making exercise.</p> <p>RM: Understanding the post-recession consumer.</p>
18.	<p>Consumer decision making – II</p> <ul style="list-style-type: none"> <li>➤ Problem recognition.</li> <li>➤ Information search.</li> <li>➤ Evaluation of alternatives.</li> <li>➤ Heuristics.</li> <li>➤ Purchase behavior.</li> <li>➤ Post-purchase evaluation.</li> <li>➤ Store choice.</li> <li>➤ In-store and non-store purchase behavior.</li> </ul>	<p>Text book: Ch. 16.</p> <p>Case: <i>Mr. Rambir Singh and his family: Buying insurance</i></p> <p>RM:</p> <p>Ten tips to winning at consumer centricity: For retailers and manufacturers.</p> <p>The customer has escaped.</p>
19.	<p>Consumer decision making – III</p> <ul style="list-style-type: none"> <li>➤ Models of consumer decision making.</li> <li>➤ Howard-Sheth model.</li> <li>➤ Engel-Kollat-Blackwell model.</li> </ul>	<p>Study material.</p> <p>Case: <i>Reed supermarkets: A new wave of competitors</i>.</p> <p>RM: A plan to invent the marketing we need today.</p>
20.	Individual & Group presentations – Projects/Assignments.	