

**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: 2017-2018  
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.

**Learning Outcomes:** The following are the learning outcomes of the course:

1. To enhance awareness of various psychological factors influencing the behavior of the consumer.
2. To enhance awareness of various social factors influencing the behavior of the consumer.
3. To understand the buying decision-making process of consumers.
4. 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:**

**Reference books**

1. Schiffman, L.G., Wisenblit, J., and Kumar, R. (2015) *Consumer Behavior*. 11<sup>th</sup> edition, Pearson Education (ISBN: 9789332537644) [SWK]
2. Hawkins, D.I., Motherbaugh, D. L. and Mookerjee, A. (2014) *Consumer Behavior – Building Marketing Strategy*. 12<sup>th</sup> edition, TMH Ltd (9789351344797) [HMM].

**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. HBR & MITSMR reading material will be provided in hard copy. All other reading material mentioned in the Course Outline will be provided in soft copy format. All material provided are copyrighted and therefore, not to be shared outside the IMI Bhubaneswar academic community.

### **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 assignments will be notified during the course. The mid-term and end-term examinations will be case based.

### **Session Plan:**

Session	Topic	Learning Outcomes	Reading
1.	Introduction: Consumer behaviour and marketing strategy ➤ What is consumer behavior? ➤ Why study consumer behavior? ➤ Legal aspects of consumer behavior	LO – 1 LO – 2 LO – 3 LO - 4	SWK: Ch. 1. HMM: Ch. 1 & 20. Reading Material (RM): The new Indian consumer.
2.	Consumer motivation ➤ The motivation process. ➤ Nature of motivation. ➤ Classifying motives. ➤ Motive arousal. ➤ Needs and theories of needs.	LO – 1 LO - 4	SWK: Ch. 4. HMM: Ch. 10. Case: <i>Big Bazaar: Serving the masses</i> . RM: The marketing myths and consumers' fear of marketing.
3-4.	Consumer learning and memory ➤ The learning process. ➤ Classifying learning theories. ➤ Implications of consumer learning. ➤ Memory and consumer behavior.	LO – 1 LO - 4	SWK: Ch. 5. HMM: Ch. 9. Case: <i>Film-based merchandising in India</i> . RM: Look after me and I will look after you!

5.	<p>Consumer perception</p> <ul style="list-style-type: none"> <li>➤ Information acquisition.</li> <li>➤ Perceptual encoding.</li> <li>➤ Marketing implications.</li> </ul>	<p>LO – 1 LO - 4</p>	<p>SWK: Ch. 4. HMM: Ch. 8. Case: <i>Golden rendezvous – The personality of Gold Flake Filter Kings.</i></p>
6.	<p>Consumer personality and self-concept</p> <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>	<p>LO – 1 LO - 4</p>	<p>SWK: Ch. 3. HMM: Ch. 12. Case: <i>Golden rendezvous – The personality of Gold Flake Filter Kings.</i> RM: A blueprint for consumer behavior research on personality.</p>
7.	<p>Formation of consumer attitudes</p> <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>	<p>LO – 1 LO - 4</p>	<p>SWK: Ch. 6. HMM: Ch. 11. Case: <i>McDonalds in India.</i> RM: There are many reasons to drive a BMW.</p>
8.	<p>Changing of consumer attitudes</p> <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>	<p>LO – 1 LO - 4</p>	<p>SWK: Ch. 6. HMM: Ch. 11. Case: <i>Burnol: The burns specialist.</i> RM: Comparative and non-comparative advertising; Attitudinal effects under cognitive and affective involvement conditions.</p>
9.	<p>Reference groups and family</p> <ul style="list-style-type: none"> <li>➤ Classification and properties of groups</li> <li>➤ Factors influencing groups</li> <li>➤ The concept of family and its influence on consumer behavior</li> <li>➤ The family life cycle.</li> <li>➤ Dynamics of family decision making.</li> </ul>	<p>LO – 2 LO - 4</p>	<p>SWK: Ch. 9 – 10. HMM: Ch. 6-7. Case: <i>Disney consumer products: Marketing nutrition to children.</i></p>
10.	<p>Individual &amp; Group presentations – Project/ Assignment</p>	<p>LO – 1 LO – 2 LO – 3 LO - 4</p>	
11.	<p>Social class</p> <ul style="list-style-type: none"> <li>➤ Social structure and social class.</li> <li>➤ Measurement of social class.</li> </ul>	<p>LO – 2 LO - 4</p>	<p>SWK: Ch. 10. HMM: Ch. 4. Case: <i>INOX Multiplexes.</i> RM: Social class and consumer behavior: The relevance of class and status.</p>

	<ul style="list-style-type: none"> <li>➤ Profiling of social class.</li> <li>➤ Consumer behavior applications of social class.</li> </ul>		
12.	<p>Effect of culture and sub-culture on consumer behavior</p> <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>	<p>LO – 2 LO - 4</p>	<p>SWK: Ch. 11 HMM: Ch. 2-3 &amp; 5. Case: <i>Burger King, Philippines</i>. RM: A test of validity of Hofstede's cultural framework.</p>
13.	<p>Cross-cultural consumer behavior</p> <ul style="list-style-type: none"> <li>➤ Consumer analysis</li> <li>➤ Segmentation</li> <li>➤ Strategies for reaching out to the global customer.</li> </ul>	<p>LO – 2 LO - 4</p>	<p>SWK: Ch. 12 HMM: Ch. 2-3. Case: <i>Burger King, Philippines</i>. RM: Cross-cultural consumer behavior: A review of research findings.</p>
14.	<p>Communication and opinion leadership</p> <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>	<p>LO – 2 LO - 4</p>	<p>SWK: Ch. 7-8 Case: <i>Burger King, Philippines</i>. Exercise: <i>Study the culture of Philippines and prepare a communication strategy for cross-cultural communication by Burger King</i>. RM: Word of mouth and viral marketing: Taking the temperature of the hottest trends in marketing.</p>
15.	<p>Diffusion of innovation</p> <ul style="list-style-type: none"> <li>➤ The diffusion and adoption process</li> <li>➤ Implications on marketing strategies</li> </ul>	<p>LO - 1 LO – 2 LO - 4</p>	<p>SWK: Ch. 13 Case: <i>Café Coffee Day</i> RM: The age of consumer innovator.</p>
16.	<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>LO – 1 LO – 2 LO – 3 LO - 4</p>	<p>SWK: Ch. 2 Case: <i>The Fashion Channel</i>. RM: The concept and application of lifestyle segmentation.</p>
17.	<p>Customer Lifetime Value (CLV)</p>	<p>LO – 3 LO - 4</p>	<p>Case: <i>Rosewood hotels and resorts: Branding to increase customer profitability and lifetime value</i>. RM: Making customer relationship management work: The measurement and profitable management of customer relationships.</p>

18.	Consumer decision making ➤ Levels of decision making. ➤ Models of consumers. ➤ Decision making process.	LO – 3 LO - 4	SWK: Ch.13. HMM: Ch. 14-18. Case: <i>Mr. Rambir Singh and his family: Buying insurance</i> RM: The customer has escaped.
19-20.	Individual & Group presentations – Projects/Assignments.	LO – 1 LO – 2 LO – 3 LO - 4	