

CONSUMER PSYCHOLOGY

International Fall Semester: October 17, 2023 – December 19, 2023

Professor: Prof. Dr. Shashi Matta
Chair of Innovation and Creativity
Office: NB 321
E-mail: shashi.matta@ku.de

Classes on: Tuesday, 08:15-11:45
and 14:15-15:45
Office hours:
by prior appointment

Required Course Materials

The required readings for this course include the textbook “Consumer Behavior” by Hoyer, MacInnis, & Pieters (2018). Students will be informed of the assigned readings in advance, prior to every class session. The readings combine theoretical and managerial thinking on the topic of consumer psychology. Additional materials will be available for students to download on ILIAS. The textbook, “Consumer Behavior,” is accessible through the KU library.

Course Objectives

Consumer psychology is the study of the cognitive and social psychological principles that help us understand and predict how we behave as consumers. This course is designed to not only provide you knowledge of consumer psychology, but to also enhance your understanding of how you, as consumers, can make smarter choices in the marketplace, and how you, as marketers, can design and execute successful marketplace strategies.

The main objectives of this course are:

- Understand the concepts of consumer behavior and consumer psychology
- Understand how marketing stimuli affect consumer attention and perception of products
- Discuss low- and high-effort cognitive processes and understand how they can influence consumer attitudes
- Learn the sequential steps in a consumer decision-making process
- Understand the personal, social, and situational factors that influence consumer decision-making and post-decision processes
- Explore the most common heuristics and biases that affect consumer decision making
- Learn how companies can apply principles of consumer behavior to successfully design, market and communicate products and services
- Understand how policy makers and consumers themselves can benefit from the understanding the psychological principles underlying consumer behavior

Evaluation: Graded Components, Grading Scale

Grade Structure

Seminar Paper 100%

Grading Scale

1.0	93-100	Excellent Performance
1.3	88-92	Excellent Performance
1.7	83-87	Good Performance
2.0	78-82	Good Performance
2.3	73-77	Good Performance
2.7	68-72	Adequate Performance
3.0	63-67	Adequate Performance
3.3	58-62	Poor Performance
3.7	53-57	Poor Performance
4.0	50-53	Poor Performance

Guidelines for Graded Components

Seminar Paper 100%

Submission of the Seminar Paper by **January 16th, 2024, by 23:55 on ILIAS**

There is only one submission date (i.e., only one exam period) for this course.

The topic of the seminar paper will be connected to the material discussed during the lectures and tutorials. Students are required to write an individual paper and apply all course learnings to it. The seminar paper consists of the analysis of case studies related to the Consumer Psychology concepts learned in class. The tasks will be published on ILIAS on Tuesday, **January 9th, 2024**. Students will be given one week to complete their seminar papers, and submit by Tuesday, **January 16th, 2024 by 23:55** on ILIAS. Students will be required to upload their answers (Microsoft Word / PDF) on **ILIAS and send a copy to anette.kring@ku.de by 23:55 on Tuesday, January 16th, to avoid any technical failures.**

Please adhere to the following formatting instructions for your answer document:

- Margins of 2.5 cm on all four sides of the document
- All written content (except for tables, figures, images if any) should be typed in Times New Roman font, size 12 point, 1.5 spacing interval
- The maximum page limit (including title page, tables, references, images everything) is 10 pages.

More detailed formatting instructions will be published together with the case studies.

Tuesday, October 17

Lecture 1

October 17 **Lecture 1** 14:15 – 15:45 NB-301

What is Consumer Behavior?

Lecture: Syllabus Discussion, and Course Expectations
 Consumer behavior definition
 Reasons to study consumer behavior
 Methods to study consumer behavior

Tuesday, October 24

Lecture 2 and 3, Tutorial 2

October 24 **Lecture 2** 08:15 – 10:00 NB-301

Consumer Decision Making Process

Lecture: How do Consumers Make Decisions
 The Marketing Framework of Consumer Decision Making

October 24 **Lecture 3** 10:00 – 11:45 NB-301

The Psychological Processes Involved in Decision Making

Lecture: The Parallel Psychological Process
 The Customer Decision Journey

October 24 **Tutorial 1** 14:15 – 15:45 NB-301

Applying Insights from the Consumer Decision Making Process

Tutorial: Exercise on Applying Insights on Consumer Decision Making and the Customer Journey

Tuesday, October 31
Lecture 4 and 5, Tutorial 2

October 31 **Lecture 4** 08:15 – 10:00 NB-301

Motivation, Ability and Opportunity: Part 1

Lecture: Consumer motivation and its effects
 Consumer needs, goals and values

October 31 **Lecture 5** 10:00 – 11:45 NB-301

Motivation, Ability and Opportunity: Part 2

Lecture: The Three sources of motivation
 The M-A-O Framework

October 31 **Tutorial 2** 14:15 – 15:45 NB-301

Applying Insights from Motivation to Design Marketing Communication

Tutorial: Exercise on Applying Insights on Motivation Research

Tuesday, November 7
Lecture 6 and 7, Tutorial 3

November 7 **Lecture 6** 8:15 – 10:00 NB-301

From Exposure to Comprehension

Lecture: The role of attention in consumer behavior
 Perceptual process in consumer behavior
 Comprehension and inference making

November 7 **Lecture 7** 10:00 – 11:45 NB-301

Memory and Knowledge

Lecture: What is memory and how it can be enhanced
 Knowledge structure: categorization

November 7 **Tutorial 3** 14:15 – 15:45 NB-301

Studying Consumer Behavior: Qualitative Research

Tutorial: Designing Qualitative Research to Gain Consumer Insights

Tuesday, November 14
Lecture 8 and 9, Tutorial 4

November 14 **Lecture 8** 8:15 – 10:00 NB-301

Consumer Attitudes and Learning: Part 1

Lecture: Attitude Formation and Alternative Evaluation
What do Attitudes Consist of?

November 14 **Lecture 9** 10:00 – 11:45 NB-301

Consumer Attitudes and Learning: Part 2

Lecture: Attitudes based on high and low effort
Conditioning in consumer behavior

November 14 **Tutorial 4** 14:15 – 15:45 NB-301

Attitude Formation and Market Research Exercise

Tutorial: Attitude Formation Process: Exercise

Tuesday, November 21
Lecture 10 and 11, Tutorial 5

November 21 **Lecture 10** 8:50 – 10:00 NB-301

Decision-Making: Problem Recognition and Information Search

Lecture: Types of problem recognition and information search
Evaluative criteria and purchase decision

November 21 **Lecture 11** 10:00 – 11:45 NB-301

Decision-Making Based on Low and High Effort

Lecture: Decision processes: compensatory, non-compensatory processes

November 21 **Tutorial 5** 14:15 – 15:45 NB-301

Studying Consumer Behavior: Quantitative Research - Surveys

Tutorial: Designing Surveys to Gain Consumer Insights

Tuesday, November 28
Observation Techniques in Consumer Behavior

November 28 **Tutorial 6** 8:15 – 11:45

Studying Consumer Behavior: Observational Techniques

Group exercise: Designing Surveys to Gain Consumer Insights (please refer to briefing document on ILIAS)

November 28 **Tutorial 7** 14:15 – 15:45 NB-301

Developing a Presentation on Observing Consumer Behavior

Group exercise: Prepare a 10 Slide PowerPoint Presentation on the Observation Technique Exercise

Tuesday, December 5
Lecture 12 and 13, Tutorial 8

December 5 **Lecture 12** 8:15 – 10:00 NB-301

Heuristics and Biases: Part 1

Lecture: What are heuristics and biases and how do they affect consumer behavior?
Types of heuristics: Part 1

December 5 **Lecture 13** 10:00 – 11:45 NB-301

Heuristics and Biases: Part 2

Lecture: Types of Heuristics: Part 1
Types of heuristics: Part 3

December 5 **Tutorial 8** 14:15 – 15:45 NB-301

Studying Consumer Behavior: Experimental research

Tutorial: Designing Consumer Experiments

Tuesday, December 12
Lecture 14 and 15, Tutorial 9

December 12 **Lecture 14** 8:15 – 10:00 NB-301

Social Influence: Part 1

Lecture: Sources of influence
Reference groups, Normative influence, and conformity

December 12 **Lecture 15** 10:00 – 11:45 NB-301

Types of Social Influence

Lecture: Utilitarian influence
Value expressive influence
Informational influence

December 12 **Tutorial 9** 14:15 – 15:45 NB-301

Applying Insights from Social Influence

Tutorial: Application Case Exercise on Social Influence

Tuesday, December 19
Lecture 16 and 17, Tutorial 10

December 19 **Lecture 16** 8:15 – 10:00 NB-301

Impact of Consumer Behavior: Nudging Positive Consumer Behavior

Lecture: What is nudging?
Types of nudges

December 19 **Lecture 17** 10:00 – 11:45 NB-301

Impact of Consumer Behavior: Encouraging Sustainable Consumer Behavior

Lecture: Sustainable consumer behavior
Ethical consumer behavior

December 19 **Tutorial 10** 14:15 – 15:45 NB-301

Preparation for the Seminar Paper

Tutorial: Seminar paper preparation tips
Review of material for the seminar paper

Recommended Resources for the Keen and the Curious

My Favorite Books Related to Consumer Psychology and Behavior

- 1. The Undoing Project: A Friendship that Changed Our Minds**
Michael Lewis, 2016
- 2. Thinking Fast and Slow**
Daniel Kahneman, 2011
- 3. Nudge**
Richard Thaler and Cass Sunstein, 2009
- 4. Influence: The Psychology of Persuasion, and, Pre-Suasion: A Revolutionary Way to Influence and Persuade**
Robert Cialdini (5th Edition 2008, and 2018 respectively)
- 5. Mindset: The New Psychology of Success**
Carol Dweck, 2007
- 6. How to Change: The Science of Getting from Where You Are to Where You Want to Be**
Katy Milkman, 2021
- 7. The Power of Habit: Why We Do What We Do in Life and Business**
Charles Duhigg, 2014
- 8. The Cambridge Handbook of Consumer Psychology**
Edited by Michael Norton, Derek Rucker and Cait Lamberton, 2017
- 9. Misbehaving: The Making of Behavioral Economics**
Richard Thaler, 2016
- 10. Hooked: How to Build Habit Forming Products**
Nir Ayal, 2014

Course Instructor Biography: Prof. Dr. Shashi Matta

Professor Dr. Shashi Matta

Professor and Chairholder, Innovation and Creativity
Vice Dean for Internationalization
WFI Ingolstadt School of Management
Catholic University of Eichstätt-Ingolstadt



Contact Information

E-mail: shashi.matta@ku.de

Biography

Shashi Matta is Professor and Chairholder of Innovation and Creativity, and Vice Dean of Internationalization, at WFI Ingolstadt School of Management at the Catholic University of Eichstätt Ingolstadt (KU). He is a Founding Director of the KU Research Institute for Business and Economics in Service of Humanity (BESH), and also serves as Academic Director of the MBA program, and Faculty Head of Marketing at WFI. Professor Matta joined KU in June 2018. His prior academic career includes positions as the Faculty Director of MBA Programs, and Professor of Marketing, at The Ohio State University Fisher College of Business, USA. He has been a visiting professor at business schools internationally, including at Toulouse Business School (TBS) in France, Bologna Business School (BBS) at the University of Bologna in Italy, and International University of Monaco.

Professor Matta is an award-winning researcher, teacher and mentor, and is dedicated to building strong bridges between academia, industry, and community. He engages extensively with industry through consulting, coaching, and keynote speaking engagements at several companies internationally in the areas of consumer psychology, growth strategies, innovation, marketing strategy, branding & positioning, customer experience, happiness and well-being. He has served as an expert in these subject areas, for media stories nationally in the United States.

Professor Matta's industry experience, prior to academia, includes positions in brand management, advertising, and marketing operations. He has taught at all levels, including in Bachelor's, Master's, MBA, and Executive Education programs, and has won multiple teaching awards internationally.

Professor Matta's research is in the areas of consumer behavior, innovation, and branding. His research has been published in top ranked academic journals including the *Journal of Marketing*, *Journal of Consumer Research*, *Journal of Consumer Psychology*, *Journal of the Academy of Marketing Science*, *Journal of Retailing*, *AMS Review*, *Psychology & Marketing*, *Review of Marketing Research*, and, *Emotion*.