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PROGRAM: Exchange / Double Degree UCP  
SUBJECT: Advanced Consumer Behavior  
LANGUAGE: English  
PROFESSOR: Eduardo B. Andrade  
TEACHING ASSISTANT: Lucia Barros (PhD student)  
WORKLOAD: 30 hours  
REQUIREMENTS: not applicable  
OFFICE HOURS: Eduardo B. Andrade (Tuesdays: 9-12pm) / eduardo.b.andrade@fgv.br

## TEACHING PLAN

### 1. Description

*Advanced Consumer Behavior* relies on psychological research to better understand and modify consumer behavior and promote consumer welfare.

### 2. Scope & objectives

Advanced Consumer Behavior has two main objectives: understand (a) how to extract insightful information about customers' underlying motives and (b) how to change customer behavior.

To achieve the first goal, students will be presented with non-conventional qualitative and quantitative research techniques (ethnography and experimentation) and will be asked to conduct a research project using one of these techniques.

To achieve the second goal, students will be presented with key insights about customer perception, memory, motives and feelings and how these core psychological constructs shape the decision making process. Then, specific approaches on how to change consumer behavior will be discussed.

### 3. Learning outcomes

Advanced Consumer Behavior will provide students with the necessary tools to help firms and policy makers (a) understand how customers think, feel and make decisions, (b) extract insightful information about their underlying motives, and (c) adopt successful marketing tactics in order to modify customer behavior.

### 4. Course methodology

Class sessions on Advanced Consumer Behavior will be devoted to the discussion of selected cases, concepts, relevant findings from research studies, and applications. Short games, experiments, in-class assignments, and discussions will be used to assess students' understanding and ability to apply the concepts to marketing problems as well as to foster interaction among students and professor. Students will be involved in one research project. They will have enough flexibility to choose among the topics discussed in class. Creative research questions, careful data analysis, and clear marketing

implications are the key ingredients of a successful research project. Moreover, the quality of learning from this course is also dependent on consistent attendance and involvement, and spirited participation (in class and in the group project). A final exam and a group presentation will be conducted on the last day of class.

## 5. Detailed course content

<b>Dates</b>	<b>Topic</b>	<b>Required Readings*</b>
Class 01	Course Overview and Customer Motives	
Class 02	Method – Experiments	1, 2
Class 03	Methods – Experiments and Ethnography	
Class 04	Customer Perception	3
Class 05	Customer Memory & Feelings	4
Class 06	Method - Design, Procedure & Statistical Analysis	
Class 07	Customer Conduct	5, 6
Class 08	Method - Design, Procedure & Statistical Analysis	
Class 09	Presentations	
Class 10	Exam	

*\*See list of required readings on page 6*

**NOTE: The instructor reserves the right to modify, add, and/or delete any material in the course syllabus or make any changes in the course schedule.**

## 6. Assessment procedures

Course grades will be determined based on the following scheme: Class Participation (30%), Group Project (30%), Final Exam (40%).

Class Participation: Class participation and discussion are considered integral components of the learning experience. Students should be prepared with the readings assigned for each class. Students will **NOT** be able to make up for an assignment that they may have missed due to a particular absence. Therefore, attendance and participation are simple and good strategies for students who want to excel in this course.

Final exam: The final exam will cover the main topics discussed in class and described in the required reading material. It is a closed book exam comprised of a series of open-ended questions.

Group Project: The purpose of the project is to provide students with direct experience about unique research tools used in consumer research. The project will involve data collection, data analysis and development of marketing implications. For the project, students will have to (a) submit a **written report** and (b) make an **oral presentation** in class. The written reports and the oral presentations of the projects will be summaries of the group's analysis and recommendations. All groups must submit a hard copy of the written report and of the slides to be used in the presentation before the first group presentation starts. Since each group's interest is expected to be completely different, students will be exposed to a variety of topics and approaches.

There are two possible group projects:

### 1. Ethnography

Conduct an observational research with a sample of at least 10 consumers in order to understand and/or obtain insights on how consumers purchase, use, and/or dispose products or services in a given situation. The research should be broad but clearly defined. It should also be conducted in consumers' natural environment (in store, at home, etc.) and most of the information should be obtained without direct interaction with the consumer—although informal chats or interviews could also be conducted afterwards. Finally, the data could be videotaped and carefully analyzed by the group. The group should NOT identify the consumers (names) and should destroy the tapes after the group project's due date.

For example, you can decide to explore how certain groups buy, use or dispose/recycle products. You can visit drugstores/supermarkets or some public spaces, and observe their behavior.

Be creative!!! The lecture on ethnography should serve as guiding tool.

### 2. Experiment

Assess the impact of one variable of the marketing mix on consumer behavior. To conduct this test, your group must:

- 1) decide on the context
- 2) decide on the main independent variable(s) – IV, (i.e., what element(s) of the marketing mix you are going to manipulate)
- 3) decide on the main dependent variable(s) – DV (i.e., where you expect the independent variable(s) to have an impact on – e.g., perceived quality, perceived number of calories, willingness to pay, amount of food consumed, etc.)
- 4) select the sample size (minimum of 20 subjects) and decide on who is going to be exposed to which condition of the independent variable(s) (e.g., 50% will see treatment A and 50% will see treatment B – between subjects design, or all participants will see both treatments – within subjects design)

5) conduct the test

For example, you can plan to test the impact of package color—Independent Variable— on consumer perception of coffee quality—Dependent Variable. You then expose 50% of the sample to the “sky blue package” and 50% to the “red package”—the two conditions of the independent variable that you decided to use— and test whether package color influences participants’ perception of coffee quality.

This example cannot be used in your project. Be creative!!! The lecture on experiments should serve as guiding tool.

***ADDITIONAL INFORMATION about the Group Projects (Ethnography and Experiment)***

**DEADLINE:** ALL written reports and presentation slides (printed on a 2 slide per page format) are due on **the first day of presentations.**

**STRUCTURE:**

Written reports

- 1) Research Question
- 2) Sample size and basic characteristics of the sample
- 3) Procedure (used for data collection)
- 3) Results (data analysis)
- 4) Marketing Implications
- 5) Limitations of the research

**FORMAT:** Pages=3; Font=Times New Roman; Size=12; Line Spacing= 1.5; Margins=1’. Appendices allowed (e.g., graphs, tables, and figures).

**ORAL PRESENTATIONS:** Oral presentations should last between 20-25 min and will be evaluated based on:

- a) Involvement:
  - a. Presenters’ motivational level
  - b. Audience’s level of interest/boredom
- b) Clarity:
  - a. Structure
  - b. Simplicity
  - c. Completeness without overload
- c) Learning:
  - a. Audience’s level of understanding
  - b. Informational value

**7. General guidelines for the graduate programs**

As a general rule relating to the ethical principles and the code of conduct which steer its academic environment, EBAPE sets down the following:

- Autonomy and responsibility correspond to values which, when transformed into action, highlight the importance of EBAPE's mission of producing and disseminating knowledge of Administration. Consequently, it is the professor's responsibility to conduct roll call at every class, and absences will only be justified if they comply with the applicable legislation (see details in the Student Manual).
- We recommend that the use of communication equipment such as cell phones, radios and similar equipment should not be permitted in the classroom, so as to avoid interfering with the teaching and learning processes, but professors can use their discretion on this ruling, where applicable.
- Resorting to fraudulent measures of any kind on the part of students during any of the evaluation phases will lead to a zero grade being awarded and the immediate referral of the case to the program department for examination of the facts.<sup>i</sup>
- Student attendance and participation in classroom lectures are critical to maintaining a productive environment. Students must be present and prepared when the faculty member begins the class and staying engaged throughout the entire course. Arriving late, leaving during or early from class, or being unprepared or distracted by non-course related matters diminishes not only your experience but that of your colleagues. It is each individual student's responsibility to maintain the quality of the classroom environment.

## 8. Required Readings

1. Anderson, Eric T. & Simester, Duncan (2011), A Step-by-Step Guide to Smart Business Experiments, *Harvard Business Review*, 1-9  
Ask the Monitor (Lucia Barros)
2. How to Use Ethnography for In-depth Consumer Insight, *Marketing Week*, May 21, 2014  
<http://www.marketingweek.co.uk/analysis/marketing-tactics/market-research/how-to-use-ethnography-for-in-depth-consumer-insight/4010502.article>
3. Martin, Andrew & Rosenthal, Elisabeth (2011), Cold-Water Detergents Get a Cold Shoulder, *New York Times*, Sep 16.  
[http://www.nytimes.com/2011/09/17/business/cold-water-detergents-get-a-chilly-reception.html?pagewanted=all&\\_r=0](http://www.nytimes.com/2011/09/17/business/cold-water-detergents-get-a-chilly-reception.html?pagewanted=all&_r=0)
4. Andrade, Eduardo B. and Mario Capizzani (2011). Emotional Cues That Work Magic on Customers, *IESE Insight*, 2<sup>nd</sup> Quarter, Issue 9 58-65.  
Ask the Monitor (Lucia Barros)
5. McGray, Douglas (2011). How Carrots Became the New Junk Food. *Fast Company*, March 22.  
<http://www.fastcompany.com/1739774/how-carrots-became-new-junk-food>
6. Associated Press (2009). Paying Smokers to Quit May Boost Success Rate.  
<http://www.nbcnews.com/id/29141604/ns/health-addictions/t/paying-smokers-quit-may-boost-success-rate/>

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## 9. Additional Readings

O’Conor, Ryan, Lerman, C. Dorothea, and Jennifer N. Fritz (2010). Effects of Number and Location of Bins on Plastic Recycling at a University. *Journal of Applied Behavior Analysis*, 43, 711-715.

Keizer, Kees, Lindenberg, Siegwart, & Steg, Linda (2008). The Spreading of Disorder. *Science*, 322, 12, 1681-1685.

Ariely, Dan (2008). *Predictably Irrational: The hidden forces that shape our decisions*. New York, NY: HarperCollins.

Ayres, Ian (2010). *Carrots and Sticks*. New York: Bantam Books

Cialdini, Robert B. (2001). *Influence: Science and Practice*. 4<sup>th</sup> ed. Needham Heights, MA: Allyn and Bacon.

Schacter, Daniel (2001). *The Seven Sins of Memory*. Boston, MA: Houghton Mifflin.

Thaler, Richard H. and Cass R. Sunstein (2009), *Nudge: Improving Decision about Health, Wealth, and Happiness*, London: Penguin.

Underhill, Paco (2000), *Why We Buy: The Science of Shopping*, New York: Simon & Schuster.

Wansink, Brian (2006), *Mindless Eating: Why We Eat More than We Think*. New York: Bantam Books.

## 10. Professor’s mini-résumé

Eduardo B. Andrade is professor of marketing at FGV-EBAPE since 2012. Previously, he was at the University of California, Berkeley, where he served as Assistant Professor from 2004-2010 and as Associate Professor (with tenure) from 2010–2012 at the Haas School of Business. His articles have appeared in leading journals in marketing (*Journal of Consumer Research* e *Journal of Marketing Research*), psychology (*Psychological Science*), and organizational behavior (*Organizational Behavior and Human Decision Processes*). Eduardo is Associate Editor for the *Journal of Consumer Research*. He is also on the editorial board of the *Journal of Marketing Research* and *Journal of Consumer Psychology*. He is the winner of the Early Career Award 2011 offered by the Association for Consumer Research, and one of winners of the Outstanding Reviewer Award for the *Journal of Consumer Research* (2011). Eduardo is also a Marketing Science Institute (MIS) Young Scholar (2007), and a Center for Advanced Studies in Behavioral Sciences (CASBS) Scholar (2004). His main research interest focuses on the role of emotions on consumer judgment and decision-making.

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