

## CONSUMER BEHAVIOR IN THE COMMUNITY – APPLYING THEORY FOR IMPACT

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### Abstract

At most Universities, the Consumer Behavior (CB) class in the marketing curriculum is designed as an introduction to the theoretical concepts underlying CB principles. Application is often limited to in-class activities and case studies, despite the demonstrated benefits of client-based projects (Lopez and Lee, 2005). Although there are countless studies on the use of client-based projects in marketing classes (Jaskari, 2013), there are none on its application in a consumer behavior course. In fact, there are almost no published applications of experiential learning in a CB course (see Titus and Petroschius for an exception). This paper describes a “Business Consulting Project,” where teams of students work with regional small businesses to analyze the business and develop concrete and actionable recommendations along with clear justifications (using Consumer Behavior principles) for specific changes to be made by the business. Groups devote 40 total hours actually observing consumers in the business environment in order to better identify opportunities for improvement using specific concepts they have learned. They also are required to conduct surveys or depth interviews with the business owner(s) and customers. The goal of the project is to force students to go through the difficult process of applying specific CB concepts in a real business context.

### The Uniqueness

While business-related projects are not particularly new or innovative, there are several elements of this project that make it unique and impactful. First, it is unusual to have a comprehensive business consulting project in a Consumer Behavior class. Business projects are normally limited to broad-based Principles or Strategic classes (Haas and Wotruba, 1990; Klink and Athaide, 2004). It is much harder (and more valuable) for students to struggle with applying concepts such as learning theory, principles governing human attention, or information processing to real business situations. The class requirement that they spend at least 40 hours actually observing customers in the business environment also requires them to focus on the consumer-business interaction and its implications for operations. Second, students are not only expected to observe, analyze the business, and demonstrate their understanding of course concepts, but also the ability to use the theory to develop concrete and actionable recommendations for the business. Third, the students, course professor, business owners, and local economic development professionals all work closely together to ensure that every one of these groups experiences significant added value from the experience. Fourth, students develop strong teamwork skills during the course of the project. At the start of the course, students explicitly define their team expectations in Assignment 1. At the end of the course, they openly assign points (as a team) to all team members as part of their peer evaluation. Students are told that except for exceptional cases (which they will have to justify), all students cannot get equal points in the course. Finally, the project establishes a clear business consulting relationship between the students and regional businesses. Students learn to deal professionally with business owners in a consulting relationship.

### The Benefits

*To Students:* Because they are working with real businesses and interacting closely with the business owners, students are motivated to put in a huge amount of effort (McEachern, 2001). Additionally, they get a deeper understanding of the application of a largely theoretical field to business situations, they develop a concrete product that they can use in their interviews as evidence of their learning, they are forced to go beyond simple analysis by developing concrete and specific recommendations, and they go through the professionally valuable process of gathering information, maintaining business confidentiality, building and maintaining professional relationships with business professionals during the

course of the project. Finally, they get to present the results in both written and oral form to a group of business owners or Board members. It is not uncommon for students to be offered internships and even job offers from the small businesses with which they work closely over the year.

*To Businesses:* Small businesses are helped by having high-level concrete analyses of their business situation, their target markets, their physical location, and their business practices done by professional business students as well as a clear and specific set of recommendations that can be implemented in the short run. At the end of a recent semester, all business owners were contacted as part of an evaluation of the program. 100% of the businesses participated in a survey seeking feedback on their program experience. Their ratings of the experience included: Professionalism of students: 4.62/5, Quality of target consumer analysis: 4.48/5, Value of the SBI experience for the business: 4.38/5, and Likelihood of actually implementing any recommendations: 6.52/7

*To The Center for Economic Development (CED):* The CED is helped by being able to have a huge increase in their ability to serve the business development needs of the community using the resources afforded to them by partnering with the Business School. They serve more businesses with more professional consulting to significantly enhance their regional economic development initiatives.

*To The School:* The School benefits by building strong relationships with the regional business community. The businesses are often grateful for the assistance they receive and this helps the reputation of the School within the business community. They also express enthusiasm and delight at the quality of education received by the students attending the School. By working with the CED, the active economic development role of the School within the business community is also effectively communicated.

### **Insights and Lessons**

- Expect concrete and actionable recommendations to be part of the project. I emphasize that while careful analysis is essential for the project, analysis without actionable recommendations is not so useful. Students are forced to develop at least 6 concrete recommendations on what they should change. I also insist that all the analysis they do ties in to their recommendations.
- Provide clear and specific timelines for students to self-monitor their progress throughout the semester. Since class time is mostly used to cover the essential theoretical content of the course, I provide them with a week-by-week benchmark timeline that helps them quickly know when they are falling behind. This prevents the experience from becoming overwhelming (Parsons and Lepkowska-White, 2009)
- Link all class assignments to a progress timeline. Students are continuously working on their project while also preparing for exams. Ensuring that assignments are directly linked to the project forces students to make progress on elements of their project as they complete the assignments, and allows the professor to track student progress and intervene when necessary.
- Provide extensive feedback early. Instructors need to be prepared to provide a huge amount of detailed feedback to students early in the semester as they turn in their assignments (Lopez and Lee, 2005). This helps students realize the amount of work they need to complete and ensures they stay on track before it gets too late to recover. Detailed feedback on typically superficial analyses in early assignments helps them understand that greater depth is needed for their final projects.
- Set clear expectations for the businesses. Given the high expectations of students participating in the project, it is essential to be very clear with the participating businesses in terms of their expected level of involvement, acceptable response times, an explanation of your expectations of the students (so they know when student assignments are due), etc. I meet with the business owners and impress upon them the heavy workload I expect from the students and the need to respond quickly to any requests made by the students.

References Available upon Request