

THEORY OF NEEDS AND CONSUMPTION

CONTENTS OF THE COURSE:

I Introduction to study of theory of needs and consumption

1. Course objectives and characteristics
2. The sphere of consumption – its concept, structure, determinants and relations with environment
3. Possible concepts of consumption category and their features
4. Consumption versus other terms related to consumption - living conditions, level of living, wellbeing, way of living and lifestyle, quality of life

II Consumer needs – notion, scopes, characteristics

1. Criteria of classifications and sources of consumer needs
2. Hierarchy of needs
3. Features and characteristics of needs
4. Rules of needs' arousal and evolution
5. Consumption preferences and aspirations - their relationship with other elements of consumption sphere

III Problems of identification of basic terms in the field of consumption

1. Identification in micro and macro scale
2. Identifiers of different types of consumption
3. Identifiers of different types of needs

IV Subjects of consumption – notion, scopes, characteristics

1. Subjects of consumption – types and classifications
2. Consumers – classifications, characteristics
3. Household – types, characteristics, household functions and activity

V Objects of consumption – notion, scopes, characteristics

1. Objects of consumption – types of goods and services
2. Complementary and competitive (substitute) goods, relations between demand for different products and their prices; income and substitution effects of price changes
3. Income and price elasticity of demand, cross price elasticity of demand, the Engel curve

VI Consumer behavior as the element of consumption processes

1. Consumer behavior – notion, scope, fields
2. Market consumer behavior vs. consumer behavior in the household
3. Types of consumers' market behavior and consumers' decisions
4. Consumers' decision process – stages, types of decision

VII Economic determinants of consumption and consumer behavior

1. Types of economic determinants of consumption
2. Characteristics of economic determinants - money (nominal) income and real income, cost of living and cost-of-living index, prices, supply, commercial infrastructure and services

VIII Non-economic determinants of consumption and consumer behavior

1. Types of non-economic determinants of consumption
2. Characteristics of objective determinants
3. Characteristics of subjective factors
4. Informal and formal communication

IX Forms and functions of consumption in the contemporary economy

1. Forms of consumption – types, characteristics
2. Functions of consumption – notion and characteristics

X Economic rules and regularities of consumption evolution in the market economy

1. Engel's Law - classical and contemporary version
2. Income management rules - absolute, relative and permanent income hypotheses
3. Regularities observed in relationships between price level and the demand/consumption – Marshall's Law of Demand, Giffen paradox, Veblen effect
4. Propensity to consume and to save in different market conditions – Keynes's conditions of natural propensity to save, Modigliani's life – cycle hypothesis

XI Non-economic rules and effects in consumption and consumer behavior

1. Non-economic rules of consumption – scope, characteristics
2. Sociologic rules and effects of consumption and consumer behavior
3. Psychological rules and effects of consumption and consumer behavior
4. Consumer rationality and consumer economic calculus

XII Characteristics of consumer typology

1. Consumer typology – notion, scopes, process and criteria of consumer typology
2. Consumer typology vs. market segmentation

TERMS OF ASSESSMENT:

⇒ Classes are obligatory except in cases of real (e.g. health) problems.

- Students should be present **especially on classes during which the exercises and cases will be done** (marked with X on the schedule presented in separate file).
- During the other classes, even if a lecture is planned, Students will also be able to get points for their individual activity and participation in discussions.

⇒ The grade **for the classes** will depend on the total sum of points gathered by you during the semester:

- **class work** (group and individual, cases, participation in discussions) – max. 60 pts
- **presentation** (group work, the list of suggested subjects will be presented during the semester) – max. 10 pts
- **3 short control tests** (the possible dates of the tests and the material covered are indicated on the detailed schedule) – max. 30 pts (3 x 10 p.)

→ **Altogether you may gather 100 points and you need to obtain min. 51 points to pass the course.**

Grades:

51 – 60 pts – E

71 – 80 pts – C

91 – 100 pts – A

61 – 70 pts – D

81 – 90 pts – B

- In case of absence on the marked classes and missing of any cases or tests, you have opportunity to pass the omitted case/test **BUT ONLY WITHIN THE PERIOD OF THE NEXT 2 WEEKS** from the classes you missed. So in such a case please contact me as soon as possible to settle the term of passing this part of material.
- **NOTE!** The positive grade for the classes is the precondition of taking part in the final EXAM, which will take place during the examination session in June and cover the whole material from lectures and classes.

LITERATURE:

Since this course is an interdisciplinary one, being a mixture of microeconomics, consumer behavior and consumption analysis, there is no one book adequate for the whole course and all topics covered here. So the most important basis for the classes will make lectures, but you may/should use textbooks for studying specific topics.

Any freely chosen book on consumer behavior, e.g.:

- Solomon M., Bamossy G., Askegaard S., Hogg M., Consumer Behaviour: A European Perspective, Pearson Education 2009
- Evans M., Moutinho L., Van Raaij W.F.: Applied consumer behaviour, Addison – Wesley Publ. Co., Harlow 1996.
- Engel J., Blackwell R., Miniard P.: Consumer Behavior, International Edition, The Dryden Press, New York 1995.

Any freely chosen textbook on microeconomics – chapters referring to consumer choice and analysis of demand, e.g.:

- Pindyck R.S., Rubinfeld D.L., Microeconomics, Prentice-Hall, New York 2003
- Salvatore D., Microeconomics Theory and Applications, Oxford University Press 2003
- Frank R.H., Microeconomics and Behavior, Mc Graw Hill 2003

Any freely chosen textbook on marketing – chapters referring to consumer behavior, e.g.:

- Kotler Ph. (et al.), Principles of Marketing: A Global Perspective, Pearson 2008
- Harrell G.D., Marketing Foundations, Chicago Education Press 2010

Also in Polish:

- Konsument i jego zachowania na rynku europejskim, red. E. Kieźel, PWE, Warszawa 2010.
- Bywalec Cz., Konsumpcja w teorii i praktyce gospodarowania, WN PWN, Warszawa 2007.
- Bywalec Cz., Rudnicki L.: Konsumpcja, PWE, Warszawa 2002.

Other: Materials obtained via Internet and from our library databases (e.g. ProQuest, Elsevier).

HOW TO CONTACT ME?:

⇒ You are encouraged to contact me if you need some help or advice on whatever problem. You may:

- send me an e-mail → my address is: **aleksandra.burgiel@ue.katowice.pl**
- see me during my office hours → office in Katowice: **building D, room 231:**

Wednesdays A (starting from 20.02) – 15.30 – 17.00

Wednesdays B (starting from 27.02) – 10.00 – 11.30

Also some weekends terms during the semester – the particular dates will be given here:

<http://www.ue.katowice.pl/pracownik/a.php/pracownik/id/302/>

If you need to discuss/consult some major problem or pass any case/test, it will be best if you send me an e-mail 2 days before your visit so I can settle an appointment for you.