



**College of Commerce
Division of Economic and Financial Studies
Department of Business**

MKTG203 CONSUMER BEHAVIOUR

UNIT OUTLINE SEMESTER 1, 2008

Unit Convenor: Associate Professor Cynthia Webster

Lecturer: Dr. Meena Chavan

**Lecture times: Wed 12pm – 2pm, E7B T2
Wed 6pm – 8pm, W5A Price**

**Pre requisites: MKTG101, BCom, BEc, BIntBus, BeBus,
BHRM, BCom-MKTG or BBA**

Students in this unit should read the Unit Outline carefully at the beginning of the semester. It contains important information about the unit. If anything in it is unclear, please consult the Unit Convenor.

ABOUT THIS UNIT

This unit examines the external and internal factors that influence people's behaviour in a purchase situation. It provides a conceptual understanding of consumer behaviour, integrating theories from psychology, sociology, cultural anthropology and economics. Topics covered include: marketer and consumer views of consumer behaviour; market segmentation and product positioning; understanding consumer motivation; consumer personality, values and involvement; consumer perception; consumer learning; habit and brand loyalty; consumer attitudes and attitude change; cultural, class, situational and household influences on the consumer; salesperson's and advertising's influences on the consumer and; pre-purchase, purchase and post-purchase decision processes of the consumer.

TEACHING STAFF

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CLASSES

Lecture Time:

MKTG203 / F / 1 / D Lecture_1 Class_01 Wed 12-14 E7B T2

Tutorial_1 Class_01 Wed 10 C5A 310
Class_02 Wed 11 C5A 310
Class_03 Wed 16 W5C 335
Class_08 Wed 16 E7B 263
Class_04 Wed 17 W5C 335
Class_05 Wed 17 W5A 103

MKTG203 / F / 1 / E Lecture_1 Class_02 Wed 18-20 W5A PRICE

Tutorial_1 Class_06 Wed 20 W5C 232
Class_07 Wed 20 W6B 325

REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

Prescribed Text

Quester, P. & Neal, C. 2008 "Consumer Behaviour: Implications for Marketing Strategy, 5e. McGraw Hill.

Recommended Reading

Psychology & Marketing Journal of Product & Brand Management Australasian Marketing Journal Journal of Economic Psychology Journal of Retailing & Consumer Services Journal of Advertising Journal of Retailing Journal of Consumer Culture Journal of Consumer Behaviour	European Journal of Marketing International Journal of Research in Marketing Journal of Consumer Marketing Journal of Business Research Journal of Consumer Research Journal of the Academy of Marketing Science Journal of Marketing Journal of Advertising Research
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UNIT WEB PAGE

The web page for this unit can be accessed via the "login" button on <http://learn.mq.edu.au>

LEARNING OUTCOMES

On successful completion of this course, you will be able to:

1. Discuss the rationale for studying consumer behaviour
2. Identify and explain factors which influence consumer behaviour
3. Demonstrate how knowledge of consumer behaviour can be applied to marketing
4. Develop communication skills both orally and in writing

COURSE CONTENT:

Consumer Behaviour and Marketing Strategy

- Situational Influences , Problem Recognition , Information Search , Evaluating and Selecting Alternatives, Outlet Selection, and Purchase, Post Purchase Processes, Customer Satisfaction and Consumer Loyalty

Internal Influences

- Perception, Learning and Memory, Motivation, Personality and Emotion, Attitude and Attitude Change

External Influences

- Australasian Society: Demographics and Lifestyles, Household Structure and Consumption Behaviour, Group Influence and Communication, Social Class, Culture and Cross-Cultural Variations in Consumer Behaviour

Contemporary Topics in Consumer Behaviour

➤ Business-to-Business Buying Behaviour, Consumers and Society

In addition to the discipline-based learning objectives, all academic programs at Macquarie seek to develop students' generic skills in a range of areas. One of the aims of this unit is that students develop skills in the following:

- working in teams
- taking responsibility for the students' own learning

TEACHING AND LEARNING STRATEGY

This unit is taught using lectures and application tutorials. Students are expected to read in advance of lectures, and participate in application tutorials.

LECTURE & TUTORIAL PROGRAM

Week	Date	Lecture Topics	Tutorial Activities
1	27/2	Consumer Behaviour & Marketing Strategy Chapter 1	
2	5/3	Situational Influence Chapter 2 Problem Solving Chapter 3	Introduction & group formation SUBJECTIVE PERSONAL INTROSPECTION
3	12/3	Evaluating and Selecting Alternatives Chapter 5	ASSOCIATIVE NETWORKS
4	19/3	Perception Chapter 8 Learning & Memory Chapter 9	PERCEPTUAL MAPPING
5	26/3	Motivation, Personality & Emotion Chapter 10	Group presentation & assignment
6	2/4	Attitude & Attitude Change Chapter 11	ATTITUDES
7	9/4	Australasian Society: Demographics & Lifestyles Chapter 12	Group presentation & assignment
<i>Mid-semester Break</i>			

12th April to 27th April

8	30/4	Household Structure & Consumption Behaviour Chapter 13	HIERARCHICAL VALUE MAPS
9	7/5	Social Stratification Chapter 15	Group presentation & assignment
10	14/5	Culture & Cross-Cultural Variations in Consumer Behaviour Chapter 16	PSYCHOGRAPHIC ANALYSIS
11	21/5	Business-to-Business Buying Behaviour Chapter 17	Group presentation & assignment
12	28/5	Consumers and Society Chapter 18	HUMAN BRANDING Major assignment due
13	4/6	Review	Review

RELATIONSHIP BETWEEN ASSESSMENT AND LEARNING OUTCOMES

The following table shows the proportion of marks for each piece of assessment. **You must pass the final exam to pass the unit.** If you do not pass the final exam your Standardised Numerical Grade will reflect your performance in the final exam and not the whole of the unit.

Assessment Item	Related Learning Outcomes	Weighting (%)	Due Date
Group Presentation and Assignment	2,3,4	15%	Wks 5,7,9 &11
Major Assignment	1,2,3,4	25%	Wk 11
Examination: Formal	1,2,3,4	60%	Wk 13

DETAILS OF ASSESSMENT

ACTIVITIES (GROUP)

Activities involve the practical application of consumer behaviour theory, tools and techniques and will be undertaken by all students in groups. Students are required to work in groups and contribute to the discussion. For each activity, groups will be assigned to apply the task to a specific product category, brand and/or market segment. Groups will orally present and submit a written assignment of their activity. The written assignment is to be submitted at the same time as the presentation.

The *presentation* will develop your ability to analyse a topic of vital importance to consumer decision-making. You are required to marshal your thoughts and ideas, and communicate them via a verbal presentation to other students in the Unit. You are required to utilise your analytical skills in order to apply theory to consumer decision-making situations. It is expected you will do additional journal article searches to analyse the topic. You will be assessed on your presentation style, the theoretical and application content, the structure of your presentation, and your ability to involve the class. *Length = 15 minutes plus discussion.*

The *assignment* is to be conducted in report format. *Length = 1,000 words plus diagrams etc.*

EXERCISES: (Group work to be conducted by all students)

Exercises examine the application of consumer behaviour theory, tools and techniques to developing marketing strategy.

1: PERCEPTUAL MAPS

The purpose of this exercise is to understand and identify the utility of perceptual maps to marketing strategy and consumer behaviour.

Group presentation & assignment: *allocated groups*

You will be allocated a product category. Your task is to:

- ◆ Develop a perceptual map for brands in your allocated product category and Identify key dimensions that illustrate consumers' perceptions of the brand.
- ◆ Discuss the relationship of brands within the perceptual map and implications for consumer behaviour (relate specifically to your product category).
- ◆ Discuss how organisations can incorporate perceptual maps into marketing strategy for specific brands (relate specifically to your product category).

2: ATTITUDES

The purpose of this exercise is to understand and identify the utility of attitudes to marketing strategy and consumer behaviour.

Group presentation & assignment: allocated groups

You will be allocated a behaviour category. Your task is to:

- ◆ Identify key attitudes associated with your allocated behaviour among young adults. Why do people engage or not engage in this behaviour? Identify inconsistencies in an individuals' behaviour.
- ◆ Construct an attitude model of your allocated behaviour and, based on the findings suggest how organisations can improve their marketing strategy.

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3: HIERARCHICAL VALUE MAPS

Group work to be conducted by all students

The purpose of this exercise is to understand and identify the utility of associative networks and hierarchical value maps to marketing strategy and consumer behaviour.

Group presentation & assignment: allocated groups

You will be allocated a product category. Your task is to:

- ◆ Develop a hierarchical value map for two (2) brands within your allocated product category. Ensure the two brands are sufficiently differentiated from one another.
- ◆ Discuss the relationship between product attributes and consumer end-states and the hierarchical nature of the value map you have developed.
- ◆ Discuss the utility of hierarchical value maps for marketing strategy (relate specifically to you allocated product category)

4: PSYCHOGRAPHIC ANALYSIS

Group work to be conducted by all students

The purpose of this exercise is to understand and identify the utility of psychographic analysis to marketing strategy and consumer behaviour.

Group presentation & assignment: allocated groups

You will be allocated a brand. Your task is to:

- ◆ Describe the personality of the brand and compare to other high-image brands within the brand's product category.
- ◆ Describe and categorise the lifestyle/s of the brand user.
- ◆ Discuss the effect of the brand within the broader consumption category.

MAJOR ASSIGNMENT (GROUP)

Word limit: 2,500 words, plus diagrams & illustrations. **Important note: Brand and marketing examples used to explain the consumer behaviour must be current (i.e. 2 years ago or less).**

Commentators point out that today's consumers are sophisticated, well educated and cynical about marketing practice. In response to these consumer changes, controversial marketing tactics are being increasingly used by commercial firms as a means to engage consumer interest and loyalty.

In this assessment you are to **'lower your radar'** and to think about how 'new' marketing tactics are being used to influence consumer behaviour. We all have a marketing 'radar' shield, which has developed overtime in response to marketing exchanges with 'good' and 'bad' organisations. Our 'radar' has developed in response to an age-old situation: *caveat emptor* ("let the buyer beware").¹ Your radar has helped you evaluate if a marketing offer provides *real* value for you, as well as enabling you to screen out the bombardment of messages and commercial offers you are exposed to every day. For some, this market situation has resulted in information overload and maybe even created a healthy dose of cynicism in a broader consumer market!

What are *new* marketing tactics? In this assessment, you are to think about more than *just* traditional advertising. For example, today marketers are creating "buzz" for their products and services without necessarily indicating that their word-of-mouth endorsements have been "paid for" or that their product placements are "bought". Alternatively, companies "stage events" that are perceived to be offensive by the nature of the execution or themes incorporated as part of the marketing activity and not the product itself (e.g. portraying anti-social behaviour, sexist images in advertising, mobilising a "protest" march via an SMS campaign, etc.) or packaging that employs "creative" claims to increase the desirability of a project (e.g. Pascall's advertise Marshmallows as "fat free" treat).

Choose ONE of the following topics to focus your study of consumer behaviour responses to "under the radar" marketing tactics

Topic 1: Marketing Alcohol

Australian economic growth is impacting consumer preferences in the alcohol industry. Euro monitor International research (2006)² reported that increased disposable income has produced a new style of consumer that is constantly on the search for quality premium products with a well-recognised brand name. Australian alcohol beverage consumers also like to be seen with high-priced fancy products

much like a fashion accessory and a status symbol. Combine these consumer trends with volume sales of alcohol products that indicate Australian consumers enjoy regularly consuming premium lager,

¹ Bond, J. and Kirshenbaum, R., (1998). *Under the radar: talking to today's cynical consumer*. John Wiley & Sons, Inc: New York.

² Euro monitor International. (2006). *Country Report: Alcoholic Drinks – Australia*, 22 May 2006. Global Market Information Database: London.

wines and designer label FABs (Flavoured alcoholic beverages) demonstrates that marketing is delivering profits to alcohol manufacturers. Using consumer behaviour theories, students will need to:

- analyse the market behaviour of alcoholic beverage consumer by applying an appropriate consumer behaviour theory;
- provide examples of brands (maximum three brands) that have successfully used under the radar marketing tactics and explain how these brands have been successful in persuading/and or manipulating the market. Students must include details about the marketing tactics used by the various companies (e.g. a personal photograph, detailed explanation of the marketing experience, example of the marketing creative, etc., as an appendix in the final report.)
- identify the emerging consumer trends (e.g. lifestyle choices, values and aspirations, attitudes to brands and marketing) leveraged by organisations.
- based on your analysis discuss if you believe consumers require protection from the under the radar tactics you have identified.

Topic 2: Marketing Cosmetics

Cosmetics and toiletries recorded current value growth of 3%, reaching value sales of almost A\$4 million in Australia during 2005 (Euro monitor International, 2006)³. To continue growth opportunities cosmetics companies in Australia are adapting product ranges and offers to encompass a rapidly ageing population. These products have market potential because consumer attitudes towards aging are changing. ACNielsen⁴ (2006, p. 2) reports that consumers are “happy to turn back the hands of time with 60 percent agreeing that your 40s are the new 30s, and over half consider your 30s the new 20s”. A trend on the other side of the age scale – the teens and tweens – offers new market potential. Euro monitor International (2006) reports the teen cosmetics market is growing at an enormous speed, both internationally and in Australia. Most products previously available were for remedying common teenage problems such as blemishes and acne, but “non-functional” cosmetics and toiletries for teens and tweens are becoming increasingly prevalent. The focus for these products is increasingly younger consumers, with children as young as six being targeted by cosmetics and toiletries companies. To examine the cosmetic industry students will need to use consumer behaviour theory to:

- identify criteria important in perspective on the self.
- identify the emerging consumers trends (e.g. lifestyle choices, values and aspirations, attitudes to brands and marketing) leveraged by organisations.
- provide examples of brands (maximum three brands) that have successfully used under the radar marketing tactics and explain how these brands have been successful in persuading/and or manipulating the market. Students must include details about the marketing tactics used by the various companies (e.g. a personal photograph, detailed explanation of the marketing experience, example of the marketing creative, etc., as an appendix in the final report.)
- discuss whether consumer cosmetic purchases are driven by cognitive, emotional or unconscious processes (give examples).
- based on your analysis discuss if you believe consumers require protection from the under the radar tactics you have identified.

³ Euro monitor International. (2006). *Country Report: Cosmetics and Toiletries – Australia*, 4 May 2006. Global Market Information Database: London.

⁴ ACNielsen. (2006). *Consumer attitudes towards aging: A global ACNielsen Report*. November. ACNielsen: US.

Topic 3: Marketing Food

The food industry is targeting consumer demand for healthier products. Due to various high-profile government policies and warnings about the so-called “obesity epidemic” in Australia, attitudes to healthy eating in the country have changed significantly over the last five years. Few Australians are now unaware of the benefits of a healthy diet, low in fat and salt, and many are on a consistent low-fat diet. Consumers are also actively seeking new ways to maintain and improve their personal health, and manufacturers have been swift to embrace these demands. To be competitive food manufactures and the food service industry are marketing “meal solutions” to an increasingly demanding market. Four principal market drivers have influence packaged food consumption in Australia.⁵ They are: convenience foods (e.g. ready meals, such as prepared salads); health and wellness (i.e. responding to health and food safety concerns); indulgence (e.g. move towards high quality, premium or luxury food, such as frozen pizza that uses “rising crust technology”, which has enabled frozen pizzas to rival their restaurant-delivered counterparts); and ethnicity (e.g. international influences on consumer tastes and a greater consumer willingness to experiment with ethnic dishes). To examine the food industry students will need to use consumer behaviour theory to:

- identify criteria important in buying decision-making.
- discuss the role of individual decision making and group influence on food consumption and attitudes towards categories of food products.
- identify the emerging consumers trends (e.g. lifestyle choices, values and aspirations, attitudes to brands and marketing) leveraged by organisations.
- provide examples of brands (maximum three brands) that have successfully used under the radar marketing tactics and explain how these brands have been successful in persuading/and or manipulating the market. Students must include details about the marketing tactics used by the various companies (e.g. a personal photograph, detailed explanation of the marketing experience, example of the marketing creative, etc., as an appendix in the final report.)
- based on your analysis discuss if you believe consumers require protection from the under the radar tactics you have identified.

EXAMINATIONS

The final exam is comprehensive and will cover materials from the entire course. The exam aims to demonstrate your knowledge complete and comprehensive understanding of the course, as well as your interpretive and analytical ability.

The final exam is a 3 hour exam to be held during the formal examination period. You will be allowed to take one A4 page of your own notes into the final exam. Your name and student number must be printed no smaller than 12 point on both sides of this page of notes. You may write as much or as little as you want, use one or both sides, write in English or any other language. Approved calculators are permitted. No other aids will be allowed into the exam. The exam will contain a multiple-choice section and a written section. The whole of the unit is examinable in the final exam. **You must pass the final exam to pass the unit. If you do not pass the final exam your Standardised Numerical**

⁵ Euro monitor International. (2006). *Global Report: Packaged Food*, 26 June 2006. Global Market Information Database: London.

Grade will reflect your performance in the final exam and not the whole of the unit.

Students who doubt their ability to answer questions in English should seek help early in the semester. See the section on student support at the end of this outline.

The only exception to not sitting an examination at the designated time is because of documented illness or unavoidable disruption. In these circumstances you may wish to consider applying for Special Consideration. Information about unavoidable disruption and the special consideration process is available at <http://www.reg.mq.edu.au/Forms/APSCons.pdf>

If a Supplementary Examination is granted as a result of the Special Consideration process the examination will be scheduled after the conclusion of the official examination period.

You are advised that it is Macquarie University policy not to set early examinations for individuals or groups of students. All students are expected to ensure that they are available until the end of the teaching semester, that is the final day of the official examination period.

PLAGIARISM

The University defines plagiarism in its rules: "Plagiarism involves using the work of another person and presenting it as one's own." Plagiarism is a serious breach of the University's rules and carries significant penalties. You must read the University's practices and procedures on plagiarism. These can be found in the *Handbook of Undergraduate Studies* or on the web at: <http://www.student.mq.edu.au/plagiarism/>

The policies and procedures explain what plagiarism is, how to avoid it, the procedures that will be taken in cases of suspected plagiarism, and the penalties if you are found guilty. Penalties may include a deduction of marks, failure in the unit, and/or referral to the University Discipline Committee.

UNIVERSITY POLICY ON GRADING

Academic Senate has a set of guidelines on the distribution of grades across the range from fail to high distinction. Your final result will include one of these grades plus a standardised numerical grade (SNG).

On occasion your raw mark for a unit (i.e., the total of your marks for each assessment item) may not be the same as the SNG which you receive. Under the Senate guidelines, results may be scaled to ensure that there is a degree of comparability across the university, so that units with the same past performances of their students should achieve similar results. The process of scaling does not change the order of marks among students. A student who receives a higher raw mark than another will also receive a higher final scaled mark.

It is important that you realise that the policy does not require that a minimum number of students are to be failed in any unit. In fact it does something like the opposite, in requiring examiners to explain their actions if more than 20% of students fail in a unit.

For an explanation of the policy see: <http://www.mq.edu.au/senate/issues.html>

STUDENT SUPPORT SERVICES

Macquarie University provides a range of Academic Student Support Services. Details of these services can be accessed at <http://www.student.mq.edu.au>.

CLASSROOM ETIQUETTE

Students are expected to arrive on time, certainly before five minutes past the hour, and not to leave until the class ends. If you have a recurring problem that makes you late, or forces you to leave early, have the courtesy to discuss this with your lecturer/tutor. Students are expected to be quiet during lectures unless, of course, class participation is required. Mobiles should be turned off during classes; not simply set to “silent”.