



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

MKTG815 CONSUMER BEHAVIOUR

Unit Outline Semester 2, 2007

Lecture: Tuesdays 6pm - 9pm, W6B 325

Unit Convenor: Cynthia Webster

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

MKTG815 is a 4 credit point 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. In addition the unit aims to impart an understanding of demographic dynamics in consumer behaviour, providing Global and Australian perspectives of the demographic factors that have determined the current size of markets and the demographic dynamics that will affect their likely future make up; differences in market size and per capita purchasing power in terms of exchange rates and purchasing power parities, and; the demographic structure of the Australian market and its likely future make up.

TEACHING STAFF

Convenor: Cynthia Webster Email: cynthia.webster@mq.edu.au
Office: E4A 640 Ph: 9850 7472
Consultation: Tuesdays 3pm to 5pm

CLASSES

Lecture Time: Tuesday 6pm to 9pm in W6B 325

REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

Prescribed Text

Soloman, M.R., Dann, S., Dann, S., Russell-Bennett, R. 2007. Consumer Behaviour: Buying, Having, Being. Pearson Prentice Hall: Australia

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

There is a web page for this unit. Details forthcoming.

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: Consumers in the marketplace

Consumers as individuals

- ◆ Perception, learning and memory, motivation and values, the self, personality and lifestyles, attitudes, attitude change

Consumers as decision makers

- ◆ Individual decision making, buying and disposing, group influence and opinion leadership, household decision making

Consumers and subcultures

- ◆ Social class, ethnic racial and religious subcultures, age subcultures

Consumers and culture

- ◆ Cultural influences, diffusion of global consumer culture

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 “applications lectures” (whole-of –class tutorials). Students are expected to read in advance of lectures, and participate in applications lectures.

LECTURE PROGRAM

Week	Date	Topic	Activity
1	31/7	Consumers in the marketplace Ch 1	Introduction & group formation
2	7/8	Personality, lifestyles and age Chs 6 & 15	1: PERCEPTUAL MAP
3	14/8	The Self Perception Ch 5 Ch 2	Group presentation & assignment
4	21/8	Learning & memory Ch 3	2: PSYCHOGRAPHIC ANALYSIS
5	28/8	Motivation & Values Attitudes Ch 4 Ch 7	Group presentation & assignment
6	4/9	Attitudes Ch 8	3: HIERARCHICAL VALUE MAP
7	11/9	Individual decision making Ch 9	Group presentation & assignment
<i>Mid-semester Break</i>			
8	2/10	Buying and disposing Ch 10	4: ATTITUDES
9	9/10	Groups & opinion leadership Household d'making Ch 11 Ch 12	Group presentation & assignment
10	16/10	Income & social class Ch 13	CASE ANALYSIS 1
11	23/10	Subcultures Ch 14	CASE ANALYSIS 2 Major assignment due
12	30/10	Consumers and culture Chs 16 & 17	Review
13	6/11	Final Exam	

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	20%	Wks 4, 6, 9, 11
Major Assignment	1,2,3,4	30%	Wk 11
Examination: Formal	1,2,3,4	50%	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, two 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 of the Course. You are required to utilise your analytical skills in order to apply theory to consumer decision-making situations. It is expected you will 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 = 1,500 words plus diagrams etc.*

EXERCISES:

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

1: PERCEPTUAL MAP

Group work to be conducted by all students

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:

1. Develop a perceptual map for brands in your allocated product category.
 - ◆ Identify key dimensions that illustrate consumers' perceptions of the brand and justify.
 - ◆ 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: 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.

3: HIERARCHICAL VALUE MAP

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. Refer to pages 81 and 116 in your text.

Group presentation & assignment: allocated groups

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

1. Develop an associative network for your allocated category (see page 81)
 - ◆ Discuss the relationship between the network concepts you identified and consumer memory.
2. Develop a hierarchical value map for two (2) brands within your allocated product category (see page 116). Ensure the two brands are sufficiently differentiated from one another.
 - ◆ Discuss the relationship between product attributes and consumer end-states.
 - ◆ Discuss the hierarchical nature of the value map you have developed.
3. Discuss the utility of associative networks and hierarchical value maps for marketing strategy (relate specifically to you allocated product category)

4: ATTITUDES

Group work to be conducted by all students

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. Based on the findings suggest how organisations can improve their marketing strategy.

CASE STUDY 1:

Group work to be conducted by all students

Prior to attending lecture read Chapter 5 Case Study (page 539). Workshop the questions allocated to this case study.

CASE STUDY 2:

Group work to be conducted by all students

Prior to attending lecture read Chapter 13 Case Study (page 553). Workshop the questions allocated to this case study.

MAJOR ASSIGNMENT (GROUP)

Word limit: 4,000 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:

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

Topic 1: Marketing Alcohol

Australian economic growth is impacting consumer preferences in the alcohol industry. Euromonitor 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, 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 (Euromonitor 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. Euromonitor 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:

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

³ Euromonitor 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.

- 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.

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.

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

EXAM (INDIVIDUAL)

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 exam is a two and a half (2.5) hour exam held in Week 13. Details of the exam will be given closer to the exam date.

The final exam will be held in the last class of semester. 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 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.

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.

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.

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>.