

CHAPTER 1

An Introduction to Consumer Behaviour

CHAPTER OBJECTIVES

When students finish this chapter they should understand why:

- Consumer behaviour is a process
- Marketers need to understand the wants and needs of different consumer segments
- Popular culture is a product of, and information for, marketers
- The Internet has changed consumer behaviour patterns
- There are many ethical issues that should be considered in marketing and consumer behaviour
- Various behaviours can have negative impacts on consumers and society in general (the “dark side” of consumer behaviour)
- Many different research methodologies are used to understand consumer behaviour

CHAPTER SUMMARY

- Consumer behaviour is the study of the processes involved when individuals or groups select, purchase, and use or dispose of products, services, ideas, or experiences to satisfy needs and desires.
- A consumer may purchase, use, and dispose of a product, but these functions may also be performed by different people.
- Market segmentation is an important aspect of consumer behaviour. Consumers can be segmented along many dimensions, including product usage, demographics (the objective aspects of a population, such as age and gender), and psychographics (psychological and lifestyle characteristics). The importance of relationship marketing means that marketers are much more attuned to the wants and needs of different consumer groups over the long term. This is especially important as people are empowered to construct their own consumer space—accessing product information where and when they want it and initiating contact with companies online instead of passively receiving marketing communications. In addition, consumers may be thought of as role players who need different products to help them play their various parts.

- Marketing activities exert an enormous impact on individuals. Consumer behaviour is relevant to our understanding of both public policy issues (e.g., ethical marketing practices) and the dynamics of popular culture.
- The Web is transforming the way consumers interact with companies and with each other. Online commerce allows us to locate obscure products from around the world, and consumption communities provide forums for people to share opinions and product recommendations. The benefits are accompanied by potential problems, including the loss of privacy and the deterioration of traditional social interactions as people spend more time online.
- Consumer behaviour can also have a “dark side,” which includes outcomes such as addictive consumption, compulsive consumption, and illegal activities.
- Secondary research refers to research that has been conducted by another party that can be applied to the research question at hand. Primary research is research that is conducted specifically to address the research question at hand.
- While the majority of consumer research has traditionally been conducted using surveys, a number of other research methodologies are being used by marketers that seek consumer insight. Focus groups, in-depth interviews, observation, qualitative methods, and experimental approaches represent additional research methods that can be utilized to understand consumer behaviour.

Lecture Suggestions:

- (a) The outline below closely follows the outline in the text.
- (b) Marked with ☺ you will find additional **Real World Applications** of the principles and concepts of consumer behaviour not included in your text. You may want to include some of these in your lecture.
- (c) In italics, you will find suggestions for ***Class Interaction Opportunities*** that should help get a discussion started. It is virtually impossible to do everything that is included here in your course. One way to use *the Lecture/Discussion Ideas* is to highlight with a the portions of the outline you would like to use in class, the questions you would like to pose, and the slides you will need to help a class flow more smoothly.

LECTURE/DISCUSSION IDEAS

I. INTRODUCTION

- A. **Consumer Behaviour: People in the Marketplace** -- covers topics such as demographics, psychographics, reference groups, consumption communities, brand loyalty, market segmentation strategies

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- B. What Is Consumer Behaviour?** – The process involved when people want to satisfy needs

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- C. Consumer Behaviour is a Process** – Ongoing, not a static situation

- D. Consumer Behaviour Involves Many Different Actors** – Influencer, decision maker, purchaser, user

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- II. CONSUMERS' IMPACT ON MARKETING STRATEGY** – Consumer research is useful in defining and redefining a market

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- A. Segmenting Consumers** – Often begins with observing demographics and psychographics

- Demographics:
 - Age
 - Gender
 - Family structure and life stage
 - Social class and income
- Ethnicity
- Geography
- Psychographics

***Class Interaction Opportunity:** What are some products that are primarily segmented by demographics? What are some products (brands) that use psychographics? Why?*

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- B. Relationship Marketing: Building Bonds with Consumers** – Can be supported with database marketing through tracking customers' buying habits so that messages can be tailored

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***Class Interaction Opportunity:** How can database marketing help an organization improve its relationship marketing? What databases are you in? How did you get there?*

- III. MARKETING'S IMPACT ON CONSUMERS** – We are "at the mercy" of marketers to inform us

- A. Marketing and Culture** – Popular culture - music, movies, sports, books, celebrities, and other entertainment, such as the Stanley Cup, Barbie, recycling, smoking, and the Pillsbury Doughboy are a product of, and inspiration for, marketers. The era of Web 2.0 shows consumers as producers of culture and not just consumers of culture.

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Class Interaction Opportunity: Give some examples of products that might be consumed strictly for image. Have students offer some examples of products that they purchase for this reason. How does the image of the product enhance your sense of self when you use or consume the product?

- B. The Meaning of Consumption** – People often buy products not for what they do, but for what they *mean*. The emergence of the global consumer and virtual consumption speak to the ever-changing meanings that consumers attach to their purchases and the decision processes they employ.

1. Role Theory - Consumers have different roles like characters in a play.

Class Interaction Opportunity: What are some of the roles you play in life? What kinds of "costumes" do you have in your closet? What products do you purchase for each of your roles?

2. Consumers can have the following relationships with products:
 - Self-concept attachment
 - Nostalgic attachment
 - Interdependence
 - Love

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- C. The Global Consumer** – Movement toward people around the world being united by common devotion to brands, movie stars, and celebrities. Technological improvements encourage linkages with companies and between individuals/groups.

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1. Virtual Consumption – Electronic marketing; business-to-consumer and consumer-to-consumer

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Class Interaction Opportunity: *What are the pros and cons of the virtual world? How has this virtual world altered your lifestyle? What will the future bring with respect to this topic?*

D. Blurred Boundaries: Marketing and Reality – To what degree is popular culture and consumers' perceptions of reality shaped by marketing activities? Consider, for example, the impact of television programs, such as *Game of Thrones*, *The Bachelor* and *The Biggest Loser*.

E. Marketing Ethics and Public Policy – Conduct business honestly and maximizing consumer well-being

1. Business Ethics – Rules of conduct that guide actions in the marketplace; socially responsible behaviour

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Class Interaction Opportunity: *Name an organization that shows social responsibility in the actions it takes. Do you think most companies are socially responsible? Name an organization or a person that you think has been socially irresponsible. Why do you say so? Do you think this stance is important to consumers?*

2. Prescribing Ethical Standards of Conduct -- AMA's Code of Ethics
 - Disclose all substantial risk with product
 - Identify optional features that add to price
 - Avoid false and misleading advertising
 - Reject high-pressure and misleading sales tactics
 - Prohibit selling under the guise of market research

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- ☹ Coke pulled back on its launch of Dasani bottled water in France and Germany after a health scare in the UK. The water was found to contain illegal levels of bromate, which is believed to increase the risk of cancer and was ridiculed for being sourced from processed tap water in southeast London. Although the continental Europe product would be sourced from a spring in Belgium, the adverse publicity was thought to make it hard to compete with established European brands.ⁱ

IV. NEEDS AND WANTS: DO MARKETERS MANIPULATE CONSUMERS?

A. Do Marketers Create Artificial Needs? – Moral breakdown? Pursuit of secular humanism? Buy off revolutionaries? *Response:* Needs are biologically based motives; marketers create awareness of how these needs might be satisfied.

- B. Are Advertising and Marketing Necessary?** – Mass reach of advertising? Arbitrary links to desirable social attributes? *Response:* Advertising communicates product availability; it is an information source.
- C. Welcome To Consumer Space** – Consumers are shaping their own marketing landscape.

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- D. Public Policy and Consumerism** – Laws, regulations, study of consumer behaviour

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- E. Consumer Activism and Its Impact on Marketing** – Culture jamming, corporate social responsibility (CSR), social marketing, transformative consumer research

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- ☉ The food industry, especially fast food outlets, have been blamed – even sued – for causing obesity in the US. As fast food outlets change their menus (e.g., many, like McDonald's and Wendy's, now have salad and 'healthy alternative' options), the US Congress has twice passed a bill preventing consumers from suing the food industry for making them fat (although the bill subsequently failed to be approved by the Senate both times). Many states however have successfully implemented similar bills.ⁱⁱ

V. THE DARK SIDE OF CONSUMER BEHAVIOUR – Negative behaviour due to excesses or immorality

- A. Addictive Consumption** – Physiological and/or psychological dependency on products, e.g., drugs, tobacco, alcohol, chocolate, shopping, technology

- ☉ Gamblers can be segmented by lifestyle and demographic variables. Statistics Canada shows that wealthier people, on average, spend more money on wagering. But gamblers who have less money spend a larger percentage of their income on gaming activities.ⁱⁱⁱ Research in the US shows that slot and keno players are more likely to be Protestants who go to church regularly, while the craps table has a better chance of being patronized by non-practicing Catholics (the religious group with the highest gambling frequency). Fundamentalists and atheists are the two religious groups least likely to gamble at all. Gambling is more popular in urban areas than rural ones and more widespread in the northern United States than in the South.^{iv}

- ☹ It is not uncommon for people to be addicted to more than one thing at a time. Cross-addition is found, for example, among sexaholics, who are often also addicted to drugs or alcohol. These people do not consume sex for recreation, but rather to manage pain or anxiety, much as a chemical may be taken to relieve depression.^v

- B. **Compulsive Consumption** – “Born to shop”, “repetitive and excessive shopping”; gambling - gamblers have a “high” followed by depression, e.g. lottery, slot machines, etc.

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***Class Interaction Opportunity:** What are some of the major compulsive behaviours in people your age? Why is it so hard for people to break these habits?*

- C. **Illegal Activities** – Consumer crimes against business, e.g., shoplifting, arson, fraud

1. **Consumer Theft** – Losses caused by scams, shoplifting, employee theft, and the abuse of exchange and return policies

- ☹ Napster is a rare example of how a “business” based on consumer theft turned into a legitimate business. Ironically, it was the “illegal” format that made Napster a household name. When Napster launched its *a la carte* subscription model, comprised of prepaid download cards, access to a catalogue of 500,000 songs, pre-programmed radio stations, and the ability to e-mail songs to fellow subscribers, within six months it had sold more than 5 million downloads.^{vi}

2. **Anticonsumption** – Products and services deliberately defaced or mutilated, e.g., product tampering, graffiti, billboard destruction. **Culture resistance-subculture** modifies an object of value to the dominant class, e.g., peace symbols on military uniforms, body piercing, dress codes

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***Class Interaction Opportunity:** How important do you think the virtue of honesty is in a democratic society? Can democracy survive if the citizens can't be trusted?*

VI. HOW DO WE FIND OUT ABOUT CONSUMERS? THE ROLE OF CONSUMER RESEARCH

***Class Interaction Opportunity:** Why do you suppose most business programs require marketing majors to take a course in consumer behaviour?*

- A. Primary Research** -- in all types of organizations working on many types of topics.

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1. Survey Research
2. Focus groups
3. Interviews
4. Observational research
5. Qualitative research
6. Experimental research

VII. TAKING IT FROM HERE: THE PLAN OF THE BOOK

- ☪ The wheel of consumer behaviour presented in the text is a simple, integrated perspective that encompasses the major issues considered in the text and emphasizes their interrelatedness. Instructors who are interested in a more traditional perspective may prefer to introduce the field by referring to one of the more elaborate models of consumer decision-making, such as the well-known Engel-Kollat-Blackwell Model, that attempts to organize relevant variables pertaining to information processing and decision-making.

- Broadly speaking, the text considers:

- Consumers as Individuals
- Consumers as Decision Makers
- Consumers and Social Settings
- Consumers and Culture

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END-OF-CHAPTER SUPPORT MATERIAL

Summary of Special Feature Boxes

1. Marketing Insight I – How Much Should Marketers Know?

This box discusses ethical issues surrounding how much marketers know about consumers, drawing on examples of personal information drawn from smart phones, social network sites, and privacy policies. Concern from consumers is contrasted with popular applications that are based on the premise that people want others to know what they are doing.

2. Consumers in Focus I – Negative Effects of Marketing: Body Image

This box addresses the distorted views of body image that exist among young girls, and demonstrates the role that marketing and advertising play in this issue. A web example is presented that ‘calls out’ offending companies deemed to be perpetuating the problem and provides an example of positive messages in marketing.

3. CB As I See It

Adjunct Professor Anne M. Lavack, Simon Fraser University conducts research in the domain of social marketing to address issues in the *dark side* of consumer behaviour, referring to addictive or compulsive behaviours that generally result in more misery than pleasure for the consumer and that they feel unable to change. Her research often uses fear appeals to heighten awareness and encourage behavioural change, and finds that fear tends to be fairly effective at convincing consumers that the behaviour is harmful. Such appeals are less effective however at promoting self-efficacy – an important predictor in successful behaviour change.

Review Questions

1. Provide a definition of consumer behaviour. *It is the study of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires.*
2. What are demographics? Give three examples of demographic characteristics. *Demographics are statistics that measure observable aspects of a population, such as gender, birthrate, age distribution, and income.*
3. Define market segmentation. *The use of market segmentation strategies means targeting a brand only to specific groups of consumers rather than to everybody—even if it means that other consumers who don't belong to this target market aren't attracted to that product.*
4. What do we mean by an exchange? *A transaction in which two or more organizations or people give and receive something of value.*
5. What is popular culture and how does this concept relate to marketing and consumer behaviour? *Popular culture, consisting of music, movies, sports, books, celebrities, and other forms of entertainment consumed by the mass market, is both a product of and an inspiration for marketers. Our lives are also affected in more far-reaching ways, ranging from how we acknowledge cultural events such as marriage, death, or holidays to how we view social issues such as air pollution, gambling, and addictions.*

6. The chapter states that “people often buy products not for what they do, but for what they mean.” Explain the meaning of this statement and provide an example. *The core functional benefits provided by products are only the bare minimum. Because most brand options provide similar basic features, consumers consider what the product offers them beyond the basics. All things being equal, people will choose the brand that has an image (or even a personality!) consistent with their underlying needs. Almost any product can be used as an example. Focus on the clothing brands that students wear.*
7. Describe two types of relationships a consumer can have with a product.
 - *Self-concept attachment: The product helps to establish the user's identity.*
 - *Nostalgic attachment: The product serves as a link with a past self.*
 - *Interdependence: The product is a part of the user's daily routine.*
 - *Love: The product elicits emotional bonds of warmth, passion, or other strong emotion.*
8. What is meant by the term “global consumer culture”? *A culture in which people around the world are united by their common devotion to brand name consumer goods, movie stars, celebrities, and leisure activities.*
9. The economics of information perspective argues that advertising is important. Why, or why not? *This view emphasizes the economic cost of the time spent searching for products. Accordingly, advertising is a service for which consumers are willing to pay, because the information it provides reduces search time.*
10. Provide two examples of important legislation that relate to Canadian consumers. *The National Trademark and True Labeling Act, and the Food and Drugs Act are two of the examples given in the text, though there are many relevant examples.*
11. Define social marketing and give an example of this technique. *Social marketing uses marketing techniques normally employed to sell beer or detergent to encourage positive behaviours such as increased literacy and to discourage negative activities such as drunk driving.*
12. Define consumer addiction and give two examples. *Consumer addiction is a physiological or psychological dependency on products or services. These problems might include alcoholism, drug addiction, and cigarettes—and many companies profit from addictive products or by selling solutions.*
13. What is shrinkage, and why is it a problem? *Shrinkage is the industry term for inventory and cash losses from shoplifting and employee theft. This is a massive problem for businesses that is passed on to consumers in the form of higher prices (about 40 percent of the losses can be attributed to employees rather than shoppers). A family of four spends about \$300 extra per year because of markups to cover shrinkage.*

14. Define anticonsumption, and provide two examples of it. *Anticonsumption is defined by events in which products and services are deliberately defaced or mutilated. Anticonsumption can range from relatively mild acts like spray-painting graffiti on buildings and subways to serious incidences of product tampering or even the release of computer viruses.*
15. What is the difference between primary and secondary research approaches? *Primary research uses data collected by the researcher specifically for the question at hand, while secondary research uses information already collected for another purpose to then address the current research question.*
16. Describe the different types of observational approaches used by consumer behaviour researchers. *Consumers are directly observed (either natural or controlled setting) through ethnographic techniques (in real-world contexts) to understand the meanings consumers place on consumption experiences; technical forms (scanners and clickstream data) track actual consumer behaviours to gather databases of useful information.*
17. When would you want to use experimental research methods? *When you want to make cause-and-effect claims.*

CONSUMER BEHAVIOUR CHALLENGE

Discussion Questions

1. ***This chapter states that people play different roles and that their consumption behaviours may differ depending on the particular role they are playing. State whether you agree or disagree with this perspective, giving examples from your personal life. Try to construct a “stage set” for a role you play – specify the props, costumes and script that you use to play a role (e.g., job interviewee, conscientious student, party animal).***

Most students will be able to identify the different roles that individuals play at different times, so agreement should be almost universal. After agreeing with this notion, the students will be more likely to accept the idea that consumption behaviour is intimately tied with the role itself. The goal of this exercise is to make the student aware that consumption helps to define the roles consumers play and is a central part of those roles. For example, many family social occasions are accompanied by food and drink, and the consumption of these goods act as a shared bond that the group uses to define membership in that group. Another example is the styles of clothing worn by young people to define their group membership. A recent example of research uses different student groups to examine the relationship between how what a student wears is an indication of their social identity and the extent of their desire for individual uniqueness.^{vii}

2. ***A company (Vermont Teddy Bear Co.) introduced a teddy bear for Valentine's Day called "Crazy for You." This toy aroused the ire of mental health advocates because a straitjacket restrains the cuddly bear's paws and the stuffed animal comes with institutional commitment papers. Supporters of the company's decision to keep selling the bear say opponents are too "politically correct." What do you think?***

Because this is an ethics-oriented question, responses illustrating both sides of this issue are likely to emerge. Instructors should focus on the definition of business ethics given in the text (rules of conduct that guide actions in the marketplace – the standards against which most people in a culture judge what is right and what is wrong, good or bad) as a means of guiding the discussion. This will force students to take a stand on whether the product in question is morally right or wrong.

3. ***Not-for-profit organizations routinely rely on generous corporate donations, and it's common to name facilities after benefactors. The Nationwide Children's Hospital in Ohio is no exception; its name recognizes the Nationwide insurance company's \$50 million donation. In 2008 the hospital announced plans to add the Abercrombie & Fitch Emergency Department and Trauma Center. Abercrombie & Fitch is notorious for alluring young people with its provocative advertising, and the Campaign for a Commercial-Free Childhood, along with many other organizations, opposed this partnership. The group's director commented that "Abercrombie & Fitch is really among the worst of corporate predators. A company with such cynical disregard for children's well-being shouldn't be able to claim the mantle of healing. ... And, personally, I find it very concerning that they named their hospital after an insurance company." What do you think? Does this cross an ethical line, or does it matter where the money comes from so long as the end result is beneficial?***

There is no right or wrong answer to the question, and the class should explore both sides of the argument. Arguments for accepting corporate donations in return for naming a facility for the corporate donor may include (1) the donated money originally came from consumers through sales revenue, (2) a company's profits generate a wider benefit than just being dispersed to shareholders or management/employees, (3) if recipients did not accept donations they would have to take dollars away from another worthwhile project, and (4) it does not matter where the money comes from as long as it is used beneficially. Arguments against the use of corporate donations may include (1) the end does not justify the means, (2) you should not reward possible bad corporate citizens with positive PR (3) corporate donors may influence the receiving institution's policy (4) governments may rely on corporate donors to finance public institutions and cut funding as a result, increasing the pressure on these institutions to raise funds, and (5) donations may act to deflect justifiable criticism for a company's negative activities.

It is not unreasonable for a substantial donor to expect a quid pro quo in return for its largesse; if a recipient can't abide by the request to grace a facility with donor's name, it should not accept the donation and should instead decline the offer and provide an

explanation for that decision to the donor. Perhaps the question should turn on whether the recipient would find the proposal acceptable for a different, more socially/ morally acceptable donor?

4. ***Name some products or services that are widely used by your social group. State whether you agree or disagree with the notion that these products help to form group bonds, supporting your argument with examples from your list of products used by the group.***

Discussion of this question is similar to that pertaining to the first question. In both cases, the focus is on whether consumption behaviour has a wider meaning—that of group bonding or identification. The actual products used are not the most important aspect of this discussion. Instead, the focus should be on consumption behaviour as more than the satisfying of primary (basic/physiological) needs. It is assumed that most students will agree that consumption has meaning beyond satisfying primary needs. However, differences will be found in (1) the situations in which consumption takes on this additional meaning, (2) the products that do so, and (3) the form of the broadened meaning. Encourage students to examine the products that bring forth meaning, as well as their consideration as to why this phenomenon occurs.

5. ***Although demographic information on large numbers of consumers is used in many marketing contexts, some people believe that the sale of data on customers' incomes, buying habits, and so on, constitutes an invasion of privacy and should be stopped. Comment on the issue from both a consumer's and a marketer's point of view.***

The goal is, of course, to make the student think about the issues and to be able to critically examine the arguments on both sides. Regardless of the student's specific comments on this issue, the discussion should acknowledge the legitimate interest of both parties and the possibility of a compromise suitable to both groups. This discussion could draw upon the student's personal experiences with receiving mail that obviously came as a result of information about the student being sold to a company that compiles lists. Ask the student about his or her reactions to it and encourage the student to make a special attempt to discuss the advantages and disadvantages to both the direct marketer and potential buyer.

6. ***List the three stages in the consumption process. Describe the issues that you consider in each of these stages when you made a recent important purchase.***

Students can use the material presented in Figure 1-1. (“Catch: Figure 1-1”). The three stages in the consumption process shown are (1) prepurchase, (2) purchase, and (3) post purchase. Students should develop fairly unique sets of issues related to each of these phases based on the different products and purchases situation. Figure 1-1 provides a list of issues for each stage from both the consumer's and marketer's perspectives.

7. ***What aspects of consumer behaviour are likely to be of interest to a financial planner? To a university administrator? To a graphic arts designer? To a social worker in a government agency? To a nursing instructor?***

The listing of the aspects of consumer behaviour corresponding to these positions should reflect the particular aspects of each position. For example, a financial planner depends on consumers' willingness to postpone consumption in order to save and invest money to have more later. A social worker must be concerned about people's attitudes towards government, social work in general, the role of government in people's lives. What each of these positions share, and what should underlie the discussion, is their connection to the consumption process, and the fact that consumers will themselves have different needs and wants associated with their consumption. Each of the listed parties would attempt to influence consumers by using a different aspect of consumption, and these differences need to be discussed and analyzed.

8. ***Do marketers have the ability to control our desires or the power to create needs? Is this situation changing as the Internet creates new ways to interact with companies? If so, how?***

The following points need to be articulated: needs are biologically based motives; marketers create awareness of how these needs might be satisfied; advertising communicates product availability; it is an information source; advertisers do not know enough about people to manipulate them.

9. ***An entrepreneur made international news when he set up a website to auction the egg cells of fashion models to the highest bidder (minimum bid: \$15,000). He wrote, "Just watch television and you will see that we are only interested in looking at beautiful people. This site simply mirrors our current society, in that beauty usually goes to the highest bidder . . . Any gift such as beauty, intelligence, or social skills will help your children in their quest for happiness and success. If you could increase the chance of reproducing beautiful children, and thus giving them an advantage in society, would you?" Is the buying and selling of humans just another example of consumer behavior at work? Do you agree that this service is simply a more efficient way to maximize the chance of having happy, successful children? Should this kind of marketing activity be allowed? Would you sell your eggs or sperm on a website?***

This question should spark discussion revolving around various ethical issues. One issue is that of the consumed consumer. Is the selling of all or part of a human being an acceptable practice if that person has given their consent? In such a case, is the person truly being exploited for commercial gain? Both sides of this issue will emerge as some students will adamantly profess that such practices are morally wrong while others will view this as a perfectly acceptable way for consumers to become suppliers, thereby exercising their rights as participants in the free enterprise system.

Another issue that should emerge is that of the emphasis that society places on physical beauty. Again, some will contend that this is simply a cultural value that has come about

naturally and that there is nothing wrong with it. Others will focus more on the role that marketing has played in “artificially” increasing the importance of physical characteristics as a value. A third issue that students may identify is somewhat related to the previous. Does marketing foster incorrect perceptions of how to achieve happiness? Numerous examples might arise such as owning products with a high-status image, engaging in leisure activities, or even consuming various food and beverage items. Although numerous promotions may imply that purchasing such products leads to happiness, the example given in this question is much more blatant.

Experiential Exercises

- 10. *To what degree will consumers trade lower prices for less privacy? Car owners now can let insurance companies monitor their driving using a new technology in exchange for lower rates. Customers who sign up for Progressive’s TripSense program get a device the size of a Tic Tac box to plug into their cars. The device will track speed and how many miles are driven at what times of day. Every few months, customers unplug the device from the car, plug it into a computer, download the data and send it to the company. Depending on results, discounts will range from 5 percent to 25 percent. In Great Britain, a major insurer is testing a program called Pay as You Drive. Volunteers will get a device the size of a Palm computer installed in their cars. The gadget will use global positioning satellite technology to track where the car goes, constantly sending information back to the insurance company. Cars that spend more time in safer areas will qualify for bigger discounts. Of course, the potential downside to these efforts is that the insurance companies may be able to collect data on where you have driven, how long you stayed in one location, and so on. Conduct a poll of 10 drivers of various ages where you describe these programs and ask respondents if they would participate in order to receive a discount on their insurance premiums. What reasons do they give pro and con? Do you find any differences in attitudes based on demographic characteristics such as age or gender?***

This question of exchanging privacy for lower prices (or convenience, or any of a number of other benefits) can be applied in many contexts these days, particularly in e-commerce. The instructor can relate this issue to various topics including value (what benefits are people gaining and what cost are they “paying”?), ethics (what are the implications of companies having such a depth of information on consumers?), public policy (should there be attempts to regulate such business activities?), and demographic segmentation. Probe students as to what types of trade-offs they have made (providing personal, credit card, bank account, and other information in order to conduct business online).

11. *While you're talking to car owners, probe to see what relationships (if any) they have with their vehicles. Do these feelings correspond to the types of consumer/product attachments we discussed in the chapter? How are these relationships manifested (Hint: See if any of the respondents have nicknames for their cars or if they "decorate" them with personal items).*

The types of relationships referred to in the text are the following:

Self-concept attachment: The product helps to establish the user's identity.

Nostalgic attachment: The product serves as a link with a past self.

Interdependence: The product is a part of the user's daily routine.

Love: The product elicits emotional bonds of warmth, passion, or other strong emotion.

Students should attempt to classify their findings based on these relationships. They should also attempt to show how the consumption patterns that they engage in with their cars reflect such relationships.

Suggestions for Use of Field Project Ideas:

For each class you might want to assign two or three students or a team of students one or more of the following Field Project Ideas and ask them to be ready to give a short **oral** presentation on their topic at the beginning of class. This gets students more deeply involved in the class and gives them opportunities to work on their oral skills. You might ask them to turn in a short paper (one or two pages) so they can also practice their writing skills. By having a few students bring in fresh ideas each class, you can enliven and personalize the class by referring to their projects during your lecture or class discussions.

Alternative Use of Field Project Ideas: Copy or rewrite some of the Field Projects listed below and give them to a few students who have been assigned to present Field Projects for a particular chapter. Have them choose a topic for presentation on their assigned day. When assignments are made with plenty of lead-time, students tend to do a better job. You could hand out assignments for the entire semester on the first or second day of class.

CBC VIDEO USERS' GUIDE

CASE STUDY TEACHING NOTES

FIELD PROJECT IDEAS

Individual Assignments

1. Ask students to think of a brand that is used frequently, and make a list of the brand's determinant attributes. Without sharing what was on the list, have the student ask a friend, of the same gender and approximate age, to make a similar list for the same product (although the brand may be different.) Then have the

student ask someone of the opposite gender to perform the same task. Have the student compare and contrast the identified attributes and report their findings to the class.

2. Have students wear or bring to class a recent clothes purchase. Have them explain how his or her purchase decision was influenced by different economic, social, cultural, and/or psychological variables.
3. Have students conduct a recognition or recall test by first collecting images of product icons depicted in advertisements. Ask students to have a few friends or the class identify the products and companies represented by the icons.
4. Have students observe a consumer shopping and attempt to infer the variables involved in the situation. Ask students to report to the class the observed behaviour and the inferences drawn.
5. Ask students to collect a few icons such as Betty Crocker, Charley the Tuna, the Jolly Green Giant, Aunt Jemima, etc. Students should show how the icons have changed over time. If the icons have been modified, was this the result of the social environment or was it just time for a change?
6. Have the students interview a business person and ask this person to define consumer behaviour. Encourage students to ask how the business person believes greater knowledge of consumer behaviour could help in job performance. See if students can relate the responses given to the marketing concept and/or relationship marketing. If so, how?
7. Have students describe to the class about a buying experience where post-purchase outcomes had a significant influence on his or her future purchase behaviour. The purchase experience can either be in the purchase of a good or service or the experience with a particular organization.
8. Ask students to interview a peer about the variables thought to be important influences on consumer behaviour in the purchase of a specific product (e.g., car, stereo, house, vacation, camera, etc.). Ask them to do the same for an older person and compare and contrast the responses.
9. Ask students to find three ads that contain symbolism. Examine the symbols and discuss the meaning they convey. Then encourage students to identify the different types of signs used in the ads and the product qualities being communicated by each.

Team Assignments

10. Select a product of interest to your students (e.g., a car, entertainment centre, vacation spot, movie, sporting event) and have them make a list of what they consider to be the product's determinant attributes. Compare and contrast the attributes listed by the women and by the men to see how they vary.
11. Have a team of students write a brief description of a system they would design for facilitating an effective response to students' complaints about university services, (i.e., food services, students' accounts, student activities, parking, student fees, tuition, scheduling of classes, book store, class size...).

Individual or Team Assignments

12. Many student organizations and activities, even varsity teams, seem to have a hard time attracting interest in or support for their activity. Have a student or a team select an organization and explain to the class how it could achieve its goals with an understanding of consumer behaviour. Ask for specific recommendations.
13. Have a student or team of students obtain political campaign literature, particularly samples that were professionally prepared, for discussion in the context of consumer behaviour. Encourage students to look at all aspects of the marketing mix and discuss the appeal that the literature has to specific target markets.
14. Ask two or three students to bring several product or service advertisements and comment on how the advertiser is appealing to wants and needs. See if other students can identify additional wants and needs that could be of interest to the advertiser.
15. Ask two students to bring in a number of consumer goods or pictures of them to discuss the different roles that are played by family members in the purchase process of these goods. Suggest that students discuss whether the components of the marketing mix are directed at the individuals playing these roles.
16. Have a student or team of students collect ads for three different brands in an identical product category (e.g., detergent, cars, toothpaste, etc.). Then have them report on the segmentation variables, target markets, and product attributes emphasized in each ad.
17. Have a team of students write down a list of products or services that are purchased frequently by their friends or colleagues. See if they think that the use of these products helps to create bonding. Discuss whether the rest of the class agrees with the conclusions of the presenters.

18. Assign a student or a team to find an example of a recent product, service, or program that was a failure. *Canadian Business*, *Maclean's*, *The Globe and Mail* or marketing publications are excellent sources. Have students explain to the class how knowledge of consumer behaviour, or the lack of it, could have contributed to the success or failure of the effort.
19. Instead, you could have the students take the positive approach and have them identify an example of a recent product, service, or program that has been successful. The same marketing publications are great sources. Ask students to suggest how knowledge of consumer behaviour more than likely contributed to the successful effort.
20. Have a student or a team bring to class three advertisements that they feel are misleading. How could the ads be improved to avoid misrepresentation? Do they think the companies intended to mislead? Do they think these are ethical or legal issues? Have them give specific reasons why they reacted the way that they did.

eLAB Individual Assignments

1. Go to <http://www.rockstargames.com> and select 'games.' Select three different video games marketed by this company. Consider both sides of the ethical debate for each – what are the positive and negative implications of the games for the users and society as a whole?
2. Go to **www.carp.ca**. The Canadian Association of Retired Persons is one of the largest lobbying and citizen action groups going today. Projections indicate that, as our nation ages, this organization will only get larger and more influential. After visiting this website, list five ways the organization is trying to influence corporate attitudes toward the older consuming public. What type of networks is the organization trying to build? How would database information from this group be useful to a marketer?
3. Go to **www.zilo.com**. This recent addition to a growing list of youth marketing websites takes an MTV spin to presenting issues and potential products to teens and early twentysomethings. If you were the marketing manager for a new bottled water product that was seeking a national youth audience, plan a strategy for your new product introduction using this website as one of your primary promotional springboards. List what you would do, why you would do it, and what results you might expect. What does a website such as this teach you about consumer behaviour?
4. Go to **www.moveon.org**. What is the main variable that this site uses to segment the American public? What is the resulting segment that this site is attempting to appeal to? Extensively, describe this segment in terms of demographic and

psychographic variables. What issues seem to be raised on this site? If you were an advertiser, would it be a good idea to sponsor a message on this site? Explain.

eLAB Team Assignment

1. Go to **www.casino.com**. Take some time as a group to become familiar with the various sections of this site. What are the ways that this site has been designed to encourage new users to sign up, and existing users to increase their level of online gambling? Is this website encouraging addictive consumption? Is this unethical?

PROFESSORS ON THE GO!

Chapter Objectives

When students finish this chapter they should understand why:

- Consumer behaviour is a process.

List the three stages in the consumption process. Describe the issues that you consider in each of these stages when you made a recent important purchase.

Name some products or services that are widely used by your social group. State whether you agree or disagree with the notion that these products help to form group bonds, supporting your argument with examples from your list of products used by the group.

- Marketers need to understand the wants and needs of different consumer segments.

Have students think of a product brand that is used frequently and make a list of the brand's determinant attributes. Without sharing what was on the list, have the student ask a friend, of the same gender and approximate age, to make a similar list for the same product (although the brand may be different). Then have the student ask someone of the opposite sex to perform the same task. Have the student compare and contrast the identified attributes and report their findings to the class. Why did differences or similarities occur?

Have groups select a product of interest (e.g., a car, mp3 player, vacation spot, movie, sporting event, etc.). Have each person in the group make a list of what he or she considers the product's main attributes (both physical and psychological). Compare and contrast the attributes listed by the women and by the men to see how they may vary. Next, if there are any age or ethnic differences within the group, see if differences appear. Based on these differences formulate strategies for appealing to the various subgroups within your group.

- Popular culture is a product of, and information for, marketers

Ask students to collect a few icons such as Betty Crocker, Charley the Tuna, the Jolly Green Giant, Aunt Jemima, etc. Students should show how the icons changed over time. If the icons have been modified, was this the result of the social environment or was it just time for a change?

- The Internet has changed consumer behaviour patterns

Have students make a list of products and service that they now purchase online that they previously could not (i.e., banking), has the availability changed other behaviours as a result? What can they still not do online that they wish they could?

- There are many ethical issues that should be considered in marketing and consumer behaviour

A company recently introduced a teddy bear for Valentine's Day called "Crazy for You." This toy aroused the ire of mental health advocates because the cuddly bear's cuddly paws are restrained by a straitjacket and accompanied by commitment papers. Supporters of the company's decision to keep selling the bear say opponents are too politically correct. What do you think?

Have groups of students locate an example of a company that is heavily involved in social or green marketing. Make a report on the activities of the company. Compare this company to a direct competitor that is not so extensively involved in such activities. What are the advantages/disadvantages that the social/green approach has over the other approach?

Have each group discuss what the members feel is the most unethical practice now being employed on the internet by marketers. Have them reach a consensus on this matter. Each group should comment on how to remedy the situation and be prepared to share their findings with others.

- Various behaviours can have negative impacts on consumers and society in general (the "dark side" of consumer behaviour)

Have each student describe a situation in which he (or someone he knows) has exhibited compulsive consumption or consumer addiction. Was this consumption or addiction harmful? Discuss.

Have students identify a time when they or someone they know defrauded a company. Examples could include employee theft, shoplifting, abusing return/exchange policies, or

otherwise taking advantage of the company. What was the reasoning behind the activity? Was the activity justified?

- Many different research methodologies are used to understand consumer behaviour

Some researchers believe that the field of consumer behaviour should be a pure, rather than an applied, science. That is, research issues should be framed in terms of their scientific interest rather than their applicability to immediate marketing problems. Give your views on this issue.

There are two major perspectives on understanding and studying consumer behaviour. What aspects of consumer behaviour is likely to be of interest to a financial planner? To an university administrator? To a graphic arts designer? To a social worker in a government agency? To a nursing instructor?

ENDNOTES

ⁱ Jo Johnson & Adam Jones, "Coke shelves mineral water launch in Europe," *Financial Times*, "March 25, 2004: 1.

ⁱⁱ Jennifer Pomeranz and Lainie Rutkow, "Efforts to immunize food manufacturers from obesity-related lawsuits: A challenge for public health," *Corporations and Health Watch*, August 17, 2011, available at <http://corporationsandhealth.org/2011/08/17/efforts-to-immunize-food-manufacturers-from-obesity-related-lawsuits-a-challenge-for-public-health/>

ⁱⁱⁱ CBC News Online, "Betting the farm: An overview of gambling addiction," November 18, 2003, available at <http://www.cbc.ca/news/background/gambling/addiction.html>

^{iv} Brad Edmondson, "The Demographics of Gambling," *American Demographics* (July, 1986): 38.

^v Jean Seligmann, "Taking Life One Night at a Time; Sex Addicts Seek Help," *Newsweek* (July 20, 1987): 48.

^{vi} Paul Sexton, "Napster returns for another bite of the apple," *Financial Times*, March 3, 2004: 7.

^{vii} Cindy Chan, Jonah Berger, and Leaf Van Boven, "Identifiable but not identical: Combining social identity and uniqueness motives in choice," *Journal of Consumer Research*, Vol. 39, No. 3, pp. 561-573.

Instructor's Notes: