

BUSINESS ADMINISTRATION 319
Consumer Behaviour
Fall 2010

Instructor: Dr. Ed Chung
Office: Hoover 205
Hours: MWF 11am - 12:30 pm; 2-2:30 pm
and by appointment

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TURN OFF YOUR CELL PHONES!

COURSE OBJECTIVES

If marketing is chiefly concerned with satisfying consumer wants and needs, a prerequisite for effective marketing must be a good understanding of consumer behaviour. What do we know about consumers and how they make decisions? How do consumers react to market offerings? To help us achieve such an understanding, we borrow theories from economics, psychology, sociology, and anthropology, and integrate them into a comprehensive study of consumption. In this course, students will learn the fundamental theories and concepts affecting consumer behaviour. Through readings, assignments, and projects, students will also learn how these theories and concepts can help marketers develop more effective marketing strategies.

STUDENT OUTCOMES OF LEARNING

With the successful completion of this course, students will have acquired:

1. fundamental concepts of consumer behaviour and their application in marketing;
2. experience working in and running teams in an organized fashion;
3. note-taking, presentation, report-writing, and other similar “soft-skills” which are essential to a success career in business.

TEXTBOOK

Arnould, Price, and Zinkhan (2004), Consumers, 2nd ed. McGraw-Hill Irwin.
ISBN 978-0071247092

GRADING SCHEME

Your grade for the course is based on your performance in each of the course components. The following chart shows the relative weight of each of the components, and also how your final letter grade will be assigned. *Note that I do not bell-curve.*

3	tests	@100	=	<u>300</u>
1	final exam	@200	=	200
1	Group Research Project	@300	=	300
12	pop quizzes (<i>up to 12</i>)		=	<u>200</u>
		TOTAL		1000 points

ONE OF CHUNSKI'S CIVIL CODES

No tardiness. No absenteeism. No sleeping. No chit-chatting. No kidding.

Letter grades are based on the following distribution:

A	941 and above
A-	901 to 940
B+	871 to 900
B	831 to 870
B-	801 to 830
C+	771 to 800
C	731 to 770
C-	701 to 730
D+	671 to 700
D	631 to 670
D-	600 to 630
F	under 600

IN-CLASS TESTS (300 points)

There will be three tests to be administered in class. These will be about 70 minutes in length, and will be closed book. All assigned readings and material covered in class, including text and articles, cases, presentations, videos, and lectures, can be tested. **In short, everything we do in class is fair game.** These tests, however, are non-cumulative, in that each test will only cover material since the previous test and up to and including the previous class. For the first test, of course, topics covered will be from the first class on. **No make-up tests will be given.** Test format will be a combination of multiple choice, short and long essays, and problem solving questions. Each test is worth 100 points of your final grade.

Test #1 is scheduled on September 24, Test#2 is scheduled on October 22, and Test #3 is scheduled on November 19.

FINAL EXAM (200 points)

The final exam is scheduled for December 13, Monday, at 2:30-4:30 pm. **No make-up final will be given.** The final is cumulative, and will cover all material since day 1 of the course. The final exam format is similar to that of the tests. The final is worth 200 points of your final grade. Plan your travels accordingly. This is NOT Chunski's Travel Service.

POP QUIZZES (200 points)

There will be **up to** twelve pop quizzes during the semester. These will generally be short (probably taking no more than 20 minutes) with just a few short questions. They will cover material from one week up to and including the current session (ie the quiz date). As with the in-class tests, everything we do in class is fair game, as are all readings, cases, presentations, lectures, class discussions, etc. The number of points pertaining to each pop quiz will be determined by the actual total number of pop quizzes that take place during the semester. If there are a total of 10, then each is worth 20 points. If there is only one, then that one is worth 200 points. And so on. *You are well-advised to do your readings prior to class.* There will be no makeup for pop quizzes.

ATTENDANCE

Attendance is not an option. It's a requirement. And I don't mean only that you are physically there. Sleeping in class, balancing your checkbook, making entries into your PDA, studying for another class, reading love letters from your dog, writing love letters to your dog, chit-chatting, texting with your buddy, reading the horoscopes, and all that juvenile stuff each constitutes an absence. So if I catch you doing any of that, it's an absence.

There are times when you really need to be absent. Catching a flight is not one of them. Scheduling a routine medical appointment is not one of them. Having to go to work is not one of them. A real emergency may be one of them. Consult with me ahead of time. We can try to work things out. But absences are not entitled.

The class lasts only 70 minutes each session. Empty your bladders before class. Unless you have a medical condition, you do not leave the room during class to go to the bathroom or to take a walk. If you do, do not return. Your departure will be counted as an absence. Your return will be equally disruptive, and will be counted as a second absence.

For each class you miss, without proper approval (see above), you lose 25 points. If you are absent three times or more during the semester, **YOU FAIL THE COURSE.**

For each class that you're late (as in I've started but you're not there yet), you lose 15 points. If you are late five times or more during the semester, **YOU FAIL THE COURSE.** Being late in excess of 5 minutes constitutes an absence (see above).

MISSING TESTS AND QUIZZES

You are told about the test dates in the beginning of the semester. Plan accordingly. Having other tests and exams on the same day is not reason enough to ask for a makeup. Out of town trips that can be planned ahead of time constitute inadequate excuse for missing a test. You are of course free to choose whether you want to take the test or not. The consequences, however, come with your decision. A grade of ZERO will be assigned to any test that you miss, unless it is a result of exogenous factors totally beyond anticipation and/or your control. If for some (adequate) reason you have to miss a test, come see me ahead of time and we can come up with a plan B. If the absence is a result of unexpected circumstances, come see me right afterwards.

I know sports is important. But I don't grade you on your sports activities. If you can't miss practice or a game, what makes you think it's okay to miss class or a test? There is no entitlement in my classes.

Because of the nature of the pop quiz (ie *unannounced*), it is not possible for you to plan ahead of time. On the other hand, the pop quizzes happen in class time, and I expect you to be available at quiz time. If some unexpected event has taken place to make you miss a quiz, come see me right afterwards. If the absence is due to a reasonable excuse, I am prepared to drop that from calculating your final grade. Otherwise, a grade of ZERO stands. So what constitutes a reasonable excuse in this case? Verifiable emergencies. Note that in the context of the course, **you are a student first**. The choice, however, is yours, as are the consequences.

GROUP RESEARCH PROJECT (300 points)

Each group chooses one research topic (see appendix) and conducts a research project on the topic. Information is provided in the appendix. Groups are encouraged to come talk to me to further refine (and define) the parameters of their project. Topics are chosen first-come, first-serve, and no later than September 17.

Presentation (100 points)

On the scheduled date, each group will make a 40-minute presentation to the class. The presentation should clearly (and in an interesting fashion) articulate the group's research and findings. The following indicates the things you will be graded on and the number of points assigned. You should make sure that your presentation covers the prescribed components.

Time Management	10
Introduction/Agenda	5
Research Question and Importance	10
Theoretical/conceptual work	20
Empirical/factual work	20
Lessons learned	20
Use of A/V	5
Keeps interest/enthusiasm	10
TOTAL	100 points

Report (150 points)

You should check your paper for grammatical and spelling errors. I will make major point deductions if you submit work that is sloppy and shows lack of professionalism. Serious point deductions will occur if there are more than five errors in your paper. **ALL WRITTEN REPORTS ARE DUE IN CLASS ON NOVEMBER 24.**

I expect your report to be about 10 pages long, excluding attachments and appendices.

See separate heading for writing requirements and formats.

Your paper will be graded based on the following:

Explanation of Research Topic/Importance	20
Theoretical/Conceptual Discussion	40
Empirical/Data Discussion	40
Conclusion and Findings	30
Clarity of writing/error-free	20
TOTAL	150

Activity Grades, maximum 50 points.

Each group is to function as a formal organization.

1. Meetings

I expect that each group will meet at least 5 times during the course of the semester. I expect that substantive issues will be discussed at each meeting, and members will contribute to discussions at each meeting.

Each member will take turns being the secretary and take minutes of the meeting. The minutes should detail date of meeting, start and finish time, who came in left, who left early, who was absent (and by default, who was present).

The minutes should summarize each issue that was raised, and what the discussions entailed. Outcomes of any decisions should be detailed in the minutes.

The meeting cannot take place unless there is a quorum. Quorum requires at least 60% of members present THROUGHOUT the meeting. Decisions made at the meeting are official, and affect each and every member whether or not they were present.

The minutes must be signed by the secretary. Copies of each should be distributed to each team member. A copy of the official minutes will be submitted to Chunski no later than 2 business days after the meeting. Hard copy is required. All writing formats adhere to the specs for this course.

There will be at least 1 meeting in each month of September, October, and November, plus at least an additional meeting in each of October and November.

Unless documented in the minutes, no team decision is official.

2. Attendance and Participation

Any member who, for whatever reason, misses more than 1 meeting will need to come see Chunski and explain her/his lack of participation. If the explanation is unsatisfactory, or if no remedial action is taken, the person will receive ZERO for all team work.

If minutes reveal that a particular team member is not fully participating in teamwork, Chunski will call the person for a meeting. At that time, the person will explain why apathy was warranted, and what remedial actions would be taken. If such is unsatisfactory to Chunski, the person will receive ZERO for all team work.

3. Self-evaluation

At the end of the semester, each student will submit a write-up detailing

- 3.1 her/his role in the team project;
- 3.2 how her/his work contributes to the project's performance; and
- 3.3 a self assessment of her/his calibre of work.

Each of the above components carries a grading element, distributed as follows:

1. Secretarial duties, judged based on quality of minutes. 20 points
2. Attendance/Participation in meetings, based on minutes. 10 points
3. Self assessment process, based on quality of submitted document. 20 points

Consequently, a maximum of 50 points can be awarded for group process activities. Note, however, the earlier discussion pertaining to deductions and abandonment of group points under certain conditions.

FORMATION AND GOVERNANCE OF GROUPS

By the end of week 2, you are expected to have formed your groups. By September 10, you should give a list of your group members to me for endorsement. Once formed, these groups will last the entire semester for this course. Depending on the size of the class, I expect the groups to comprise no more than five individuals, though this will be confirmed as actual class size is known. **Anyone who is NOT in an approved group by class time on September 10 will not participate in any group grades, thus automatically losing 300 points.**

A WORD ABOUT PARTICIPATION

I shall honour my responsibility to you by coming to class on time and prepared. I expect the same commitment from you. In business, being punctual and prepared are good attributes to have. Practice them now. You may also find that active contribution in class will be beneficial to your final grade when it entails

rounding up and down to the next grade level.

A WORD ABOUT TEACHING

You can read the text as well as I can. I will only discuss very important or complicated topics in class. I expect you to do the readings prior to class, and be able to contribute to the class discussions. In addition, I will from time to time introduce concepts in my lectures that are not covered in your text. So, be aware that the text will only cover part of the course.

If you want to seek clarifications about the course material, and it is not possible or appropriate to do so in class, *feel free* to visit me at my office, email, or call me. I am more than happy to meet with you and to help if I can. My responsibility to you does not end at the end of class.

Many of your fellow students have found it beneficial to continually consult with me outside of class regarding their cases, projects, studies, etc. I **strongly** encourage you to come talk to me about your various course components, and I am **not** against giving suggestions to students so that their final output warrants a better grade.

ACADEMIC INTEGRITY

All students are expected to adhere to the Pledge of Integrity, as outlined in the College catalog.

CAVEAT

This syllabus is tentative and may be changed depending on progress and development and as circumstances require.

Special Note:

If you have a documented disability and need reasonable accommodations to fully participate in course activities or to meet course requirements, you must:

- 1.) Contact the Director of Disability Services, Dr. Kristin Sagun, in the Center for Student Success, BSC room 228 by calling 361-1227.
- 2.) Meet with me (the instructor) within two weeks of receiving a copy of the accommodation letter from Disability Services to discuss your accommodation needs and their implementation.

DETAILED COURSE SCHEDULE*

DATE		TOPIC	ASSIGNMENT
M	8/30	Introduction & Consumption	Ch 1/2
W	9/1	Culture	Ch 3
F	9/3	cont'd culture	
M	9/6	<i>Labour Day - Class cancelled</i>	
W	9/8	Meanings	Ch 4
F	9/10	cont'd Meanings	<i>Group Lists Due</i>
M	9/13	cont'd Meanings	
W	9/15	Consumer research	Ch 6
F	9/17	Motivation	Ch 7
M	9/20	Perception	Ch 8
W	9/22	cont'd perception	
F	9/24	TEST 1	
M	9/27	Experience, Learning, Knowledge	Ch 9
W	9/29	Self Concept	Ch 10
F	10/1	cont'd self concept	
M	10/4	Subcultures	Ch 11
W	10/6	cont'd subcultures	
F	10/8	<i>Fall Break - Class canceled</i>	
M	10/11	cont'd subcultures	
W	10/13	Econ & Social Systems	Ch 12
F	10/15	cont'd econ & social	
M	10/18	Interpersonal	Ch 14
W	10/20	cont'd interpersonal	
F	10/22	TEST 2	
M	10/25	Attitudes	Ch 15
W	10/27	cont'd attitudes	
F	10/29	Acquisition	Ch 16
M	11/1	cont'd acquisition	
W	11/4	<i>Conference Engagement - class canceled</i>	
F	11/6	<i>Conference Engagement - class canceled</i>	

DETAILED COURSE SCHEDULE* (cont'd)

DATE	TOPIC	ASSIGNMENT
M 11/8	Innovation	Ch 17
W 11/10	cont'd Innovation	
F 11/12	Satisfaction	Ch 18
M 11/15	cont'd satisfaction	
W 11/17	Disposition	Ch 19
F 11/19	TEST 3	
M 11/22	Organizational	Ch 13
W 11/24	Additional Topics	ALL PAPERS DUE
F 11/26	<i>Thanksgiving Break - class canceled</i>	
M 11/29	Project Presentation 1	
W 12/1	Project Presentation 2	
F 12/3	Project Presentation 3	
M 12/6	Project Presentation 4	
W 12/8	Project Presentation 5	
F 12/10	Project Presentation 6	

FINAL EXAM: Monday, December 13, 2:30-4:30 pm

**This is a tentative class schedule and is subject to change.*

APPENDIX
Consumer Behaviour Projects
Groups must choose topic by September 17

1. Social Media – Hotel Marketing

Major hotel brands are fully aware of the power of word-of-mouth, especially among opinion leaders. Specifically, very frequent consumers of each brand represent a small but knowledgeable and powerful group. Various social media sites exist, but one stand-out is a forum called Flyer Talk. This can be accessed at www.flyertalk.com

Take three classes of hotel brands – budget, business class, and near luxury. Assuming the role of the brand's marketing guru, observe posts to these brands' respective forums. What patterns do you discern? Are there differences among the three classes in terms of consumer behaviour and expectations? What insights can the marketing manager derive from this knowledge and how will this help shape marketing strategy? Apply CB concepts to your analysis.

Budget Class – choose one of the following brands: Choice or Best Western.

Business Class - choose one of: Starwood, Hilton, Marriott.

Near Luxury - choose Fairmont.

You should observe and read the posts in each of the selected forum for an extended period of time. Spread out your observations over at least a two-month period for each brand. Make notes as you go. Remember, you have to do all three classes. Record a chronology of who and when did what observation. Make your observation notes readable and organized.

2. MBA schools and their web presence

Find The Economist's 2009 ranking of full time MBA programs. Take 5 out of the top 20, but only choose those from outside the US. Visit the business schools' websites.

For each of the selected schools, identify who their target audience appears to be. Analyze and describe their web communication strategy. What is their message? What is the USP being communicated? How are they presenting their message? Discuss how their web presence relate to (we hope) the ultimate goal of getting people interested to apply.

Compare and contrast the five schools and what they do. What patterns do you find? What differences? Who does a "better" job? What can we learn from them?

You should also assess, in a separate area of your report, how a potential user of the websites (as a potential applicant) would navigate the sites, find the right information, and so on, and make an evaluation as to how these schools fare in this regard.

3. Running a small hotel – customer service lessons

Locate and watch three episodes of Fawlty Towers. Make notes. Identify consumer behaviour concepts exhibited in these episodes. Observe how the management of Fawlty Towers deal with customer service. Analyze and evaluate their performance. Having watched three episodes, what CB and marketing lessons can you draw from your observations?

You will need to take detailed notes, since I and the class will have no idea what you watched. It will be your job to show us what you actually observed. Notes, clips, etc. will become necessary. In presenting your findings to the class, you will need to ensure that the audience share the same field of experience as you do.

Fawlty Towers is all about what not to do. It's a comedy show, but that should not make us lose sight of the fact that laughing at what not to do also implies we can identify what to do. So, yes, we want to have a good laugh, but we also want to learn something in the process.

4. Running a restaurant – making it work

Kitchen nightmares. Find and watch two episodes of Gordon Ramsay's Kitchen Nightmares.

In each episode, a failing restaurant is described, and then Ramsay comes in and saves the day.

Why did the restaurants fail? What marketing mistakes did they make? What CB concepts illustrate the failures? What did Ramsay do? How did he save the day? Identify and describe his "rescue" in terms of CB and marketing concepts. Compare and contrast the two episodes. What lessons can we learn?

Like the project above, you will need to make detailed notes. Find a way to show the audience what you have observed, since we would not have watched the show. It will be your job to show us what you actually observed. Notes, clips, etc. will become necessary. In presenting your findings to the class, you will need to ensure that the audience share the same field of experience as you do.

5. What goes on in Hotels

Find and watch "Four Rooms." Identify the CB and marketing concepts that are illustrated in the movie. Like the project above, you will need to make detailed notes. Find a way to show the audience what you have observed, since we would not have watched the show. It will be your job to show us what you actually observed. Notes, clips, etc. will become necessary. In presenting your findings to the class, you will need to ensure that the audience share the same field of experience as you do. What lessons can we take away to help us do better customer service in a hotel setting?

6. Consumer grocery shopping behaviour

What do people actually do when they shop groceries? The only way to know is to watch and learn. You need to go visit two different supermarkets, on at least three different occasions each (preferably on three different days). This is in secrecy, so you will have to pretend you are actually shopping. You do not have permission from the stores to shoot videos or take pictures, so be careful what you do in there. Take notes, though. Pics/vids are fine, but make sure you don't show people's faces.

Each observation period should be at least 30 minutes long (you know, as though you were shopping). What do people buy? How do they choose? What patterns do you observe? Can you draw any kind of generalizations? Apply CB and marketing concepts to your dataset. Show us lessons learned from the exercise.

7. "The Body Shop" and the socially aware consumer

The Body Shop is one of the best-known companies in the world for corporate social responsibility. The brand and its various social messages however is not without controversy. What is socially desirable to you may be seen as reprehensible by me. Complicating matters further is the fact that The Body Shop is commonly a franchise operation, and at the country level, there usually is a master franchisee. Sometimes, as in the US, the master franchisee may not see eye-to-eye with the corporate parent, and this may lead to confused positioning and mixed messages. Despite all this, The Body Shop continues to be an international success. Your research needs to take all of this into account. Provide a background of the company and its social agenda at the corporate level. Research media data about its US operations. Discuss the target marketing strategy of the company, with particular consideration paid to the kind of customers it appeals to, and how well it is doing. Your research should include a discussion of the brand's marketing in the US and in its parent country – the UK.