

CONSUMER BEHAVIOR
MARK3420
Spring 2021

L1: Tuesdays and Thursdays 10:30-11:50am
L2: Tuesdays and Thursdays 9:00am-10:20am

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*Students are expected to read this course outline very carefully. Please consult this note before raising any questions about the course.

COURSE DESCRIPTION

The purpose of this course is to study the process of consumer decision making, its determinants, and the resulting implications for marketing strategy. Concepts and theories covered in this course are essential for consumer analysis and the development of effective marketing strategies. A strategic orientation will permeate most facets of this course. At the same time, knowledge of consumer behavior requires an understanding of important theoretical concepts borrowed from fields such as psychology, sociology, economics etc. Accordingly, while marketing applications will be stressed throughout, you may expect this course to be a little heavier on theory than other marketing courses.

LEARNING OBJECTIVES

A student who has taken this course should be able to:

- 1) Attain a thorough understanding of the mental processes that guide consumer perceptions, attitudes, memory and choices
- 2) Analyze how these processes might differ as a consequence of social, cultural and group influences
- 3) Apply this knowledge to generate integrated and effective marketing strategies and tactics
- 4) Provide recommendations if needed for public policy to protect consumer rights

TEXTBOOK

Wayne Hoyer, Deborah MacInnis, and Rik Pieters, "Consumer Behavior", 7th edition, CENGAGE Learning, 2018.

The textbook is now available in campus bookstore. You can also buy the E-book. An email with the link to purchase the E-book will be sent to you.

I will not lecture on every topic included in the textbook. However, you are expected to read all the assigned chapters. Please let me know in case you have any problems or questions while reading the assigned chapters.

COURSE MAILING LIST AND WEB PAGE

I use e-mail extensively to disseminate information and make early announcements. For this purpose, I have set up a class mailing list. All students that have enrolled in this course are automatically included in this list.

The course webpage is on CANVAS. Lecture slides (for downloading), announcements and other material will be regularly posted to this page. Students are advised to check the page from time to time. Please contact the TA if you have trouble logging in or accessing the materials.

COURSE REQUIREMENTS AND GRADING

| Course Components | Weighting | Individual/Group |
|----------------------|-----------|------------------|
| Assignments | 10% | Individual |
| Class Participation | 8% | Individual |
| Research Credit | 2% | Individual |
| Exam | 30% | Individual |
| Group Exercises | 5% | Group |
| Project Presentation | 20% | Group |
| Project Report | 20% | Group |
| Peer Evaluation | 5% | Individual |
| TOTAL | 100 % | |

Scores on each of the above components will be summed to arrive at an overall score for each student. Based on this overall score, letter grades will be assigned.

ASSIGNMENTS

There will be a few take home assignments based on the content in assigned chapters and course lectures. This is an individual component and should be completed on your own without discussing with other classmates. Assignments should be submitted to Canvas before the deadline. No late submissions would be accepted. Details regarding the assignments will be announced later.

CLASS PARTICIPATION

Regular and punctual class attendance is a necessary but not a sufficient criterion for good class participation grades. There will be marks given for answering questions asked in class,

making comments, offering your perspectives etc. The assessment will take into account both the quantity and quality of comments.

RESEARCH CREDIT

HKUST is a research institution. We, therefore, encourage students to earn research credit. Students enrolled in marketing classes are expected to earn 2 research credits (worth 2% of the grade). This can be done through participation in 2 marketing experiments (of 1 hour each) OR by completing 2 research assignments.

Marketing experiments will be conducted online and will be scheduled throughout the semester. Instructions on how to sign up will be posted on the course website. (It is your responsibility to familiarize yourself with the procedures so you are notified of experiments when they are posted). Questions about this component of the grade should be sent to markexpt@ust.hk.

EXAM

The exam will primarily consist of multiple-choice, fill in the blanks, and short essay questions. All the questions will be based on assigned chapter readings and class lectures. The exam will be held simultaneously for all sections on April 27. There will be no lectures on that day.

In case you are not able to take the exam on the scheduled time due to serious illness or circumstances, the school policy on “Illness or Other Circumstances Affecting Assessment” will be followed (see below). Only students with approved exceptions will be allowed to take a make-up examination on an alternative date during the Finals Week, and the exam will be based on the content of the full course (that is, all materials covered in class). Students with denied exceptions will not earn any points for missing the exam.

ILLNESS OR OTHER CIRCUMSTANCES AFFECTING ASSESSMENT (UG Academic Regulation:7.5)

If students wish the University to take into account illness or some other extenuating circumstances that have affected their performance in an examination, or ability to attend an examination, or to complete other assessment activities, they must report the circumstances of the case in writing and provide appropriate documentation to ARRO within one week of the scheduled date of the assessment activity. The Director of ARRO will review the case and make a recommendation to the relevant Dean, the Dean’s designate or the Director of IPO. (http://arr.ust.hk/reg/em/em_std_reg/reg_makeup.html).

Please go to <http://arr.ust.hk/reg/forms/EX-16.pdf> to download the Report on Illness or Other Circumstances Affecting Assessment Form.

GROUP EXERCISES

In addition to lectures, time will be allocated to in-class group exercises. These exercises will be in the form of small caselets (written or video), or discussion questions that will be handed

out in class. Each group of students will get some time (10-15 minutes) to discuss the assignment with one another and then submit the solution prior to the class discussion. Following that, I will ask one or two group(s) to talk about their solution to questions. The other groups will be expected to add their comments and join in the discussion. All members of the same group will receive the same marks for the in-class exercises.

GROUP PROJECT

Students are required to form groups consisting of **either six or seven members each**. Each group needs to send a list of its members (names, student ID's and email addresses) to CANVAS by **5 pm of Feb. 19**, upon which each group will be assigned a number.

The project is briefly described below. More detailed instructions will be provided later.

Project Details. Select a product category that is likely to be relevant to a group of consumers that you have easy access to. For example, if it is easy for you to interview students, you could select jeans, fast food restaurants, cell phones, etc. If it is easier for you to interview housewives, you could select detergent, shampoo, vacuum cleaners etc. Assume that your group has been hired as a consultant to the marketer of a particular brand within this product category, to evaluate the strengths and weaknesses of the brand relative to the competition. In order to do so, you decide to utilize the **Fishbein model of attitudes**. Spend a few hours observing (if situation allows) the behavior of consumers who are or may potentially be in your target segment. Then conduct depth interviews with five different consumers in order to identify five different attributes that consumers use to evaluate brands in that product category. Next, construct a questionnaire containing scales to measure: a) beliefs about the brand under study and one other competitive brand (which should have a good market position); and b) the importance of each attribute. While questions relating to the Fishbein model form the core of this assignment, your questionnaire should also contain other questions, such as product involvement measures, as well as demographic questions relating to age, marital status, occupation, etc. Administer the questionnaire to two distinct segments of 20 people each (total number of questionnaires = 40). How you choose the segments is up to you – you can use classifications such as gender; age; education; lifestyle etc. What is important is that you have a good prior reason for believing that these two segments differ in some important respect in terms of their preferences or opinions about the product category you have chosen. Analyze the responses to the questionnaire using simple software such as Excel or SPSS. Analysis will primarily consist of getting average scores for the various responses in your questionnaire (e.g., average attitudes towards a brand). Based on your analysis, prepare a report for the brand manager of your brand. The report should cover the following two major questions:

- 1) What are your brand's strengths and weaknesses based on a comparison of your brand with the competing brand, for each of the two segments? (Criteria you can use: overall attitude scores; ratings on each individual attribute; recall scores, etc.)
- 2) Based on your answer to the above question, what recommendations can you make to the brand manager?

Page Limit for Report: 12 double spaced typed pages in Times Roman (12 Point), with 1 inch border on all sides. This limit is to be strictly followed.

Due Date: May 7, 5 pm. No late report will be accepted.

Project Presentation. Each group will be required to make an oral presentation of the project in class. It is up to the group members to decide who will present—the same grade will be given to all members. Each presentation should take about 15 minutes and a further 5 minutes for a question-answer session. Attendance is mandatory at all presentations.

PEER EVALUATION

Group work is an important component of the course. The purpose is to expose you to the real business environment where teamwork skills such as dividing workload, communicating effectively, resolving conflicts, and leveraging each person's strength are very valuable. As in the real world, teamwork can sometimes be a frustrating experience. It might be difficult to pick times to meet, you may not see eye to eye with another group member on some issues, or the division of workload may not seem equitable to all group members. As frustrating as it might be, it is important for you to learn how to manage teamwork. *Disputes between group members should be resolved internally.*

Having said that, to ensure equal participation in and contribution to group work, a peer evaluation system will be in place. You will be asked to evaluate your team members' (excluding your own) performance /contribution to the team at the end of the semester.

RE-EVALUATION

In case you are not satisfied with your scores on a particular segment of the evaluation (an examination, an assignment or a group project), you will need to submit a request to be reevaluated **within one week** of receiving your scores. You will need to attach a sheet of paper to your exam or assignment with your name, student I.D. number and a short note explaining why you feel you deserve more points. Explanations should be precise and specific and should pertain to the content only. Thus explanations like "I worked really hard and deserve more points" or "My answer on this question is better than XYZ's" will **not** be acceptable.

Please note that a reevaluation request for a particular segment of the course will entail a complete reevaluation of the entire exam, assignment or project. Thus, your score on that segment may go up, stay the same or move down depending on the new evaluation. I will return your reevaluation requests with the necessary changes (if any) within two weeks of receiving your requests.

HINTS, DO'S AND DON'TS

- Come to class prepared to participate. Don't be afraid to express opinions; there are often no right or wrong answers in marketing classroom discussions.
- Contribute to all group work.
- The things we learn in class will help you in a number of situations. Keep your eyes and

ears open for applications of the concepts that you can bring to the classroom.

Professional behavior will be expected when you are in class:

- a) No private conversations should be conducted in class.
- b) **Come to class on time.** Punctuality is especially important when your group is scheduled for a presentation. If a presenting group is not on time, they may lose their turn and forfeit points.
- c) Please ensure that your **mobile phones** are switched off /set in silent mode during class.
- d) **All deadlines will be strictly enforced.** Late submissions will not be graded and no make-up will be allowed.

TENTATIVE COURSE SCHEDULE *

| <u>Class</u> | <u>Date</u> | <u>Topic</u> | <u>Readings</u> |
|--------------|-------------|--|-----------------|
| 1 | 2 Feb | Course Introduction | |
| 2 | 4 Feb | Consumer Behavior: An Overview | Chapter 1 |
| 3 | 9 Feb | Motivation, Ability and Opportunity | Chapter 2 |
| 4 | 11 Feb | Problem Recognition and Information Search | Chapter 7 |
| 5 | 16 Feb | High-and Low-Effort Judgment and Decision Making | Chapter 8 and 9 |
| 6 | 18 Feb | High-and Low-Effort Judgment and Decision Making | Chapter 8 and 9 |
| 7 | 23 Feb | High-and Low-Effort Judgment and Decision Making | Chapter 8 and 9 |
| 8 | 25 Feb | Post-Decision Processes | Chapter 10 |
| 9 | 2 Mar | Exposure, Attention and Perception | Chapter 3 |
| 10 | 4 Mar | Memory and Knowledge I | Chapter 4 |
| 11 | 9 Mar | Memory and Knowledge II | Chapter 4 |
| 12 | 11 Mar | Attitudes based on High Effort I | Chapter 5 |
| 13 | 16 Mar | Attitudes Based on High Effort II Attitudes Based on Low Effort I | Chapter 5, 6 |
| 14 | 18 Mar | Attitudes Based on Low Effort II | Chapter 6 |
| 15 | 23 Mar | Social Influence I | Chapters 11-14 |
| 16 | 25 Mar | Social Influence II | Chapters 11-14 |
| 17 | 30 Mar | Social Influence III | Chapters 11-14 |
| 18 | 8 Apr | Innovations | Chapter 15 |
| 19 | 13 Apr | Symbolic Consumer Behavior | Chapter 16 |
| 20 | 15 Apr | <i>Project Consultations</i> | |

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|----|--------|--|------------|
| 21 | 20 Apr | The Dark Side of Consumer Behavior: Ethics and Social Responsibility | Chapter 17 |
| 22 | 22 Apr | <i>Exam consultation</i> | |
| 23 | 27 Apr | <i>Exam</i> | |
| 24 | 29 Apr | Group Presentations | |
| 25 | 4 May | Group Presentations | |
| 26 | 6 May | Group Presentations | |

*Any revisions to the schedule will be announced either in class or through email/course website.