

INTRODUCTION

Chapter 1 Consumer behaviour and marketing strategy

Questions to accompany links to AdForum clips on the Online Learning Centre for Quester 7th edition

Visit <http://quester.adforum.com> for the adverts referred to in the questions. You need to be logged into the Online Learning Centre to access the site.

Peace Day (community based message)

<http://quester.adforum.com/creative-work/ad/player/34481385>

1. What is the core message within this ad apart from recognising Peace Day?
2. Why do you think this ad is pertinent to the study of consumer behaviour?

Suggested answers

1. Apart from raising awareness of Peace Day (21 September) the ad is encouraging people to spread the message and to acknowledge the importance of taking this stance. It uses simplistic images to inform the community about a complex but important issue.
2. The ad contains many aspects of CB even though it is not selling a product/service, including consumer attitudes, reference groups, message communication, situational influences, emotions and learning.

Vigorsol Chewing Gum (Fantasy Situation to solve a problem)

<http://quester.adforum.com/creative-work/ad/player/34484145>

1. Why do you think this ad uses a fanciful situation to inform the benefits of the product?
2. This ad exemplifies several consumer behaviour topics. Which ones can you think of?
3. Why do you think the agency took the 'super hero' perspective?

Suggested answers

1. The fanciful situation portrayed in this ad attempts to catch consumers' attention from other gum ads that tend to focus on the clinical aspects of the product (eg fresh breath, positive social feedback etc). In making it a 'mini movie', this should stand out from other ads being aired and encouraging viewers to see it to the end.
2. Topics could include situational influences, personification, perception, motivation, lifestyle.
3. The super hero character is popular in social culture at the moment – think Iron Man, Spiderman, The Avengers (movies), Arrow (TV), so it could be said that this ad is simply a reflection of this phenomenon.

Diet Pepsi (Consumers' responses to different stimuli)

<http://www.adforum.com/creative-work/ad/player/6697956/sxi:1393187>

1. Which traditional advertising techniques are revealed in this ad?
2. Do you believe those are effective? Why or why not?
3. Is it a good idea to use comparative ads? Why or why not?

Suggested answers

1. The advertisement uses a catchy jingle and repetitive message with reference to 'research' providing pseudo reliability. It takes a humorous approach to show that it has applied the 'theoretical requirements' of a successful ad.
2. While this ad employs these tools to aid in consumer learning, comprehension and memory, the tongue-in-cheek perspective ensures that it does not take them seriously. Ads with humour often have higher recall than others.
3. Comparative ads can work well as a source of information for consumers to make a decision. Care needs to be taken that all facts are true and relevant to minimise any ethical or legal issues.

Summary

Successful marketing decisions by both commercial firms and non-profit organisations, as well as sound rules by regulatory agencies, require a thorough understanding of consumer behaviour. Numerous examples of actual practices make it clear that successful firms can—and do—apply theories and information about consumer behaviour on a daily basis.

A knowledge of consumer behaviour provides the basis for many marketing strategies such as product positioning, market segmentation, new product development, new market applications, global marketing, marketing mix decisions, and marketing activities and regulations by non-profit organisations and government agencies. Each of these major marketing activities is more effective when based on a knowledge of consumer behaviour.

The purpose of the consumer behaviour model presented in this chapter is to outline the major conceptual areas of consumer behaviour and illustrate their relationships to one another. The model also shows the major sources of influence that marketing managers should understand when they are developing marketing strategy to solve consumer problems.

At the centre of the consumer behaviour model presented in this chapter is the element of consumer lifestyle. In the broadest sense, our culture, by way of its values, norms and traditions, is the major influence on our style of life. Also, within a culture, social-class distinctions create differing consumer lifestyles. And the lifestyles of specific groups within social classes also vary, due to the influences of the household and of various reference groups. Each of these influencing factors—

culture, social class, reference groups and the household—contributes to a particular consumer lifestyle. They are all external factors.

Internal factors also play a part in influencing consumer lifestyle. These are the factors unique to the individual consumer and include the development of the individual and his or her unique characteristics. Individual development takes place through perception, learning and memory, which contribute to both lifestyle and patterns of behaviour. Individual characteristics are those motivations, personality features and emotions that make each individual unique.

The combination of these external and internal influences is manifest in consumer lifestyles and the products and services individuals consume to maintain and/or change that lifestyle.

Because of his or her lifestyle and, indirectly, all those factors that influence lifestyle, the consumer establishes certain attitudes toward the consumption of products in various situations. The combination of a particular lifestyle, attitudes and situational influences activates the consumer's decision process.

This model of consumer behaviour may appear static, since it is difficult to portray graphically the dynamic nature of consumer behaviour. However, consumers are continually evolving and changing as they process new information related to their lifestyle and the outcomes of past purchase decisions. Hence, underlying the entire consumer behaviour process shown in the model is the assumption that information processing is a never-ceasing activity.

Class activities and discussion

1. It is important to get the student to believe that a knowledge of consumer behaviour can help managers understand *why* people behave as they do and that this understanding can help managers *predict* behaviour. One rather simple method to help get this point across is as follows:

Before the start of class, pin up a card with the number 3 printed on it, making sure that none of the students can see the number. Then, during the lecture, when you are pointing out that some behaviours can be predicted, ask the students to pick a number between 1 and 4 inclusive and record how many pick each number. A substantial majority should pick 3. You can then point to the card and indicate that your prediction resulted from past experience and/or knowledge that in situations such as this, when a person has no other clues to go on, he or she tends to pick a 'safe' middle number. (This is particularly true in multiple-choice tests!) The fact that not everyone in the class picked 3 allows you to explain that marketers will probably never be able to predict with 100 per cent accuracy because human beings are unique. (Should the situation arise that a number other than 3 is chosen by a majority of students you could use the example of imperfect prediction as well as the fact that sometimes even the best predictions are wrong!)

2. Other good illustrations of the need to understand consumer behaviour include talking about great products such as the Sinclair C5 electric car. Sell the product and get the students to agree that it is a great product. Then ask: why then did it fail? In many ways the failure can be associated with not understanding consumer behaviour, that is, what consumers really want!
3. It should be pointed out that the model presented in the text is explanatory in nature and that its purpose is to give the student an overall 'picture' of how the parts of behaviour that they will study fit together. An analogy could be given of the graphical model of an internal combustion engine. It should also be pointed out that there are a number of consumer behaviour models that we can use. Showing a few alternative models could help make this point clear. However, it could also be noted that the models vary little in terms of real substantive issues and that none are really predictive in the managerial decision-making sense.
4. Have students use various components of the model to discuss how these components could aid the development of marketing strategies.

Review questions—from the text

1. Does the internet present a particular challenge to marketers? Why or why not?

The internet represents a major shift in consumer behaviour. Recent statistics show that an increasing number of Australian consumers use the internet for purchasing products such as Christmas gifts. While some categories of products are more readily traded over the internet, it can also affect the way marketing is undertaken in the firm. For example, segmentation may be less vital in that consumers volunteer to visit the site. Price may be customised. Promotion can involve only information that is needed. Hence, the internet provides a new context in which to aim to deliver satisfaction. The principle is the same but the method is different.

2. What is customer value and why is it important to marketers?

Customer value is the difference between all the benefits derived from the total product and all the costs of acquiring those benefits. Marketers who can ensure that their mix delivers superior value are building a competitive advantage in the marketplace.

3. What is required to deliver superior customer value?

Delivering superior customer value requires that the firm anticipate and respond to customer needs better and faster than its competitors.

4. Describe the process of market segmentation.

Segmentation involves developing specific marketing programs targeted at consumer groups with unique needs and/or purchasing processes.

5. How can the study of consumer behaviour be used to develop new products and discover new market applications?

If we uncover unfulfilled needs, this leads to new products and the discovery of alternative uses of products, which leads in turn to new market applications.

6. What potential benefits does the study of consumer behaviour provide in designing global marketing strategies?

Understanding cross-cultural differences and how they impact on consumer behaviour is an essential part of developing an effective global marketing strategy.

7. How should marketing managers view the consumer, and how will this view of the consumer help them to understand consumer purchasing behaviour?

The consumer should be viewed as a problem solver—a decision-making unit that takes in information, processes it in light of the existing situation and takes the action that will, it is hoped, achieve satisfaction and enhance lifestyle. Managers can thus see that purchase is the means consumers have of solving (or trying to solve) many problems, both actual and potential.

8. What are the internal (personal) variables affecting consumer behaviour?

The internal variables affecting consumer behaviour are:

- perception—the way we see things
- learning and memory—how we acquire information and knowledge
- motives, personality and emotion—our drive and how we react to things around us
- attitudes—basic orientation toward an object.

9. What are the external (social) variables affecting consumer behaviour?

The external (social) variables affecting consumer behaviour are:

- society—demographics and lifestyle
- household
- reference groups
- social class
- culture and cultural values.

10. How relevant is the study of the consumer decision-making process?

As consumers make purchase decisions in order to enhance their present or desired lifestyles, managers interested in influencing these consumers must have a thorough understanding of this decision-making process.

Discussion questions—from the text

1. Consider a recent relatively major purchase you have made:
 - (a) Why did you buy it?
 - (b) Would someone else make the same purchase?
 - (c) Why did you choose that particular brand?
 - (d) To what extent can your decision to purchase be described by the consumer decision-making process outlined in this chapter? If there are deviations, how would you explain them?

The key here is that students reflect on their behaviour. They need to critically evaluate their purchase behaviour—this helps them start to appreciate the subject of consumer behaviour. Get students to work through the consumer behaviour model in relation to the purchase and the influences it may have had on them. Ask them to look at each dimension and how it relate to their purchase.

2. Of what use to practising marketing managers are models such as the consumer behaviour model?

Even though the model does not allow for prediction, it provides a valuable understanding of how all the aspects of consumer behaviour fit together. The practising marketing manager needs to be aware of the interrelationships of the concepts of consumer behaviour in order to develop effective marketing strategy.

3. What changes would you recommend to the model? Why?

Students will probably find this a difficult question. Ask them if it would be a better model if it were more specific. Then point out the relative advantages and disadvantages of specificity. (Note that the marketing manager for a product sold to well-defined market segments would make the model specific to his or her marketing situation.)

Discuss whether or not internal and external factors should both be considered as lifestyle determinants. Many models separate the two in the belief that it would be easier to see the relative influence of each. (Note the assumption in the text is that the internal and external factors are so closely intertwined that it would be artificial to separate them.)

You could assign one of the other models of behaviour (e.g. Engel and Blackwell, Howard and Sheth) as outside reading and ask the class to compare it to the one presented in the text.

4. Is it possible to evaluate the ‘total’ or non-verbal meaning of an advertisement? If so, how? (Provide an example to illustrate your point.)

With a variety of market research techniques (see Appendix A) it is possible to determine the non-verbal meaning of an advertisement. For example, a cigarette ad that shows young, healthy, attractive people having fun in a beach setting where the key participants are smoking provides a variety of non-verbal cues that contribute to the total meaning of the ad.

Market researchers could determine the exact perceptions and meaning of the ad by creating a series of focus groups. Some groups could be smokers and others non-smokers. Other differentiations could be between teenagers, young adults, middle-aged adults and senior citizens. Projective techniques could also be used to uncover the total meaning of an ad.

5. Can an understanding of consumer behaviour be used to manipulate consumers?

This question is encouraging students to consider the ethical issues with studying consumer behaviour. This can make a good debate. Split the group in two and have them fight the case of Yes/No. Most will agree that manipulation can technically take place but there are many rules and laws to protect consumers against this.

6. (a) Describe your lifestyle. Does it differ significantly from your parents' lifestyle(s)? If so, what has caused the difference?

As this question will arise early in the semester, it may be difficult to get students to 'volunteer' this kind of information about themselves. It may therefore be a good icebreaker to use yourself as the example. Or, alternatively, refer to a hypothetical 'typical student' such as Bruce Moffit.

Bruce is a second-year commerce student majoring in marketing at a reputable university. He lives in a student residence and sees himself as a middle-class person compared to his fellow residents. He drives a 10-year-old Celica and likes to think of himself as somewhat of a trendy bloke. He drinks Corona beer and lately has begun drinking wine, particularly at restaurants on dates. He likes popular music but has developed a small interest in classical music. He played football in high school but has since learned to play tennis. He plans to also start playing golf.

Bruce is from a small town in New South Wales where his parents have a rather large pig farm. Neither of his parents went to university (in fact, his dad did not graduate from high school), but they are relatively well-off financially. Both parents are fairly conservative and strongly religious.

Now ask the class what differences there might be between Bruce's and his parents' lifestyles and why these could have occurred (school, religion, etc.). Encourage students to be creative. This is an excellent way to develop a good feeling between yourself and the class early in the semester.

- (b) Do you anticipate any major changes in your lifestyle in the next five years? If so, what will be the cause of these changes?

Answers to this question will vary from student to student.

7. Describe several low-involvement purchases you have made recently. How did your decision process differ from that for a recent high-involvement purchase?

Discussion can focus on both the differences in the decision process and the factors that lead to low and high involvement. A recent high-involvement purchase may have involved more time, shopping effort, evaluation and risk.

8. To what extent, if any, are marketers responsible for injurious consumption?

This is an involved question and one that calls upon students' ability to think in terms of ethical behaviour and individual freedom. One way to handle this question in a tutorial setting is to have two teams, one defending the affirmative and the other defending the negative. The core of the discussion will be, 'To what extent are marketers entitled to dictate consumer behaviour?' Clearly, if consumers know the consequences and decide to engage in this behaviour regardless, it must be their responsibility. On the other hand, the negative consequences are often carried by their family, friends and, in the case of drink driving, totally innocent victims. This suggests that these costs are born by society and that therefore society has a right to try and limit them.

It would be a heavy burden on marketers to act as defenders of social good but who else can do it? More to the point, even if they cannot actively prevent people from engaging in such behaviours, shouldn't they at least be expected to not encourage them? The right of the majority of consumers who do behave responsibly must also be protected. Why should they be prevented from gambling if for them it's just one form of entertainment, which they can take or leave? Why should they not be allowed to drink/smoke in moderation?

There are no easy answers to such questions but the ability to see things from a different perspective is what will assist students in future ethical decisions.

Social & mobile CB

Start this exercise by asking students how many of them use internet banking (should be the majority) and then how many have visited a bank branch in the last three to six months. This should reflect the topic of the case study with regard to showing the popularity of online service utilisation.

1. Why would Gen Y Malaysian consumers require different banking products? Explain. Would a similar product be attractive to Australian Gen Y consumers?

The majority of Gen Y are intrinsically connected to the online environment, utilising all the many social media options and tools. Understanding their behaviour in order to develop specific marketing strategies is vital for any business wishing to target this group especially with a product such as banking where long-term relationship marketing is the norm.

This kind of product would be suitable to Australian Gen Y consumers given the high penetration rate of mobile technology, exhibiting similar behaviour among this group to that of their Malaysian counterparts.

2. The bank plans to spend money investing in branches when the consumers clearly prefer to deal with the bank online. Does it make sense? Why do you think they feel they have to develop branches?

The bank can't assume that all consumers want to access their accounts and so on online as not all consumers are as tech savvy as Gen Y (or the following generations). The older generations, particularly boomers and the grey generation, may be utilising online activities for social activity, however, would still maintain a degree of caution for matters such as banking. In addition there are some activities that require personal service (e.g. opening a new account), so ensuring a pleasant physical presence is also important.

Global CB

1. Would coffee be a good alternative to soft drinks in Australian cinemas? Why or why not?

This question could be designed around a short class debate—one side for coffee in cinemas and the other against. Issues that could be covered include the growth of coffee drinking in Australia over the last 20 years, the importance of meeting customer needs (does everyone want soft drink?) versus the safety issues (what happens if someone spills their coffee?) or if existing cup holders would be suitable for hot drinks, if not this could be a large investment.

2. Henry Wang's aim is to develop a range of coffees to suit different tastes? Is it likely to succeed in countries where coffee drinking is well established? Use Starbucks as an example of how this can be done successfully.

As is commonly known, part of Starbucks' success is beyond just providing coffee and providing a positive customer experience. The company has also been very successful in

standardising their image globally so that its logo and products are internationally recognised by consumers. Henry Wang could use a similar approach. Discuss with the students the Starbucks (Australia) experience, where the company was forced to significantly reduce the number of stores because it did not consider the nuances of culture. Students could access the following link for further discussion: www.abc.net.au/unleashed/32188.html.

Ethical CB

1. How important is it for marketers to realise that the resources of the planet are limited? Should they care?

Discussion can be based around the fine balance between stimulating the economy in order to improve a society's quality of life (e.g. China/India) versus the strain this has on finite resources. Students should be encouraged to understand that marketing is not all about 'selling a product' but it can also be about tapping into ethical responsibilities that communities have to the environment.

2. Do you believe Unilever's pledge? Founder William Lever's original mission statement for the company was 'to make hygiene more commonplace'. Discuss the development and launch of Pureit in that context.

As a large global company, Unilever needs to be seen as providing solutions to a wide range of consumer problems. Students should consider the impact this kind of strategy this will have not only in highlighting and relieving a global issue but also on how this can be leveraged to present itself as a socially responsibility organisation (marketing strategy). The product is also offered to advanced economies thus increasing marketing coverage. Students may want to consider the ethics of this.

Discuss CB

1. Determine your ideal house or flat. Now visit www.realestate.com.au and try to find it. How easy was it? Would you visit it in person first? Why?

Discussion should be based on how easy it is to use the site and how it could be made easier. Also, does the site effect whether or not they would use that real estate agent?

Some students will find their ideal, others will not; this is mainly due to the uniqueness of their desires. Most would say that they would prefer to buy but their situation may not allow for this and renting is the only option. It would be good therefore to get them to consider all the influences on their choice of property and whether they buy/rent. It will be interesting to discuss whether they would require a visit. Most would, even with a virtual tour or similar—discuss the reasons for this and how technology can overcome this dilemma.

2. Assume you are looking for accommodation in Beijing. Would you use the internet?
How?

The internet is a way of screening information; most would use the internet to look at locations, prices and options available. Following this, a shortlist would be created and the last apartments would be visited (if possible) or if left with no option, the decision made without seeing it. Due to the high-risk element, it is likely most would prefer to see before purchase.

As for final selection, it may be that visits are the only option especially for renting/buying in a very competitive market when you have to be able to commit quickly.

Pre-class activities and discussion

Application activities—from the text

1. Interview five other students. Ask them to describe the last three meals they consumed and the situations in which they were consumed. What can you conclude about the influence of situation on consumer behaviour? What can you conclude about the impact of the individual on consumer behaviour?

The key here is to show how the consumption decision, in this case the last three meals they ate can be influenced in a major way by the situation in which that decision is made. Answers will vary but encourage students to think about why they made certain food choices and to probe this in their questioning. It is likely that the feedback will include at least a couple of the following:

- a decision was made because of the amount of time available—temporal situation
- a decision was made because of the desire to chat and talk to friends—social situation
- a decision was made because of the mood they were in (e.g. chocolate as a treat)—antecedent state
- a decision was made because of what was available—usage
- a decision was made because of what was available and their other commitments—task definition.

Whatever the reasons, try to relate them back to a situational influence—making decisions based on the situation you are in at that time. From this we can conclude that the individuals themselves obviously have a major part to play in their consumer behaviour; however, it is not the individual alone that influences the actions they will take—often the situation itself can be a major contributing factor.

2. Posing as a customer, visit one or more retail outlets that sell one of the products listed below:
 - (a) mobile phones
 - (b) stationary
 - (c) kitchen utensils
 - (d) banking services.

Report on the sales techniques used (point-of-purchase displays, store design, shop layout, salesperson's comments, etc.). What beliefs concerning consumer behaviour appear to underlie these strategies? It is often worthwhile for a male and a female student to visit the same store and talk to the same salesperson at different times. The variation in sales appeal is sometimes quite revealing.

Students could do this exercise as homework between weeks 1 and 2 as a way to introduce situational influences. Many will unconsciously collect information relating to usage, task definition, physical surrounds and temporal aspects. They should also take note of what features of the product/service are important to them and then compare this as a group. Ideally the class will visit some of the same stores (e.g. mobile phone providers, banking services) so a comparison of personal opinions (attitudes and perceptions) can also be discussed.

3. Interview individuals who sell one of the products listed in Question 2. Try to discover their personal 'models' of consumer behaviour for their products.

Answers will vary according to how the student phrases the question and the sales persons comprehension of the topic. However, a blend of consumer decision making and marketing strategy (e.g. price, product, positioning, customer types) would be expected.

4. Interview three individuals who have recently made a major purchase and three others who have made a minor purchase. In what ways were their decision processes similar? In what ways were they different?

Start with asking the class to list the type of purchases that were made and discuss what differentiates a major versus minor one. Talk about how price could be only one influence but consideration must be also given to perceived quality and the reason behind buying the product (e.g. for self or for others, for single or multiple uses, product longevity). Students could be put into groups, with one discussing low-involvement decisions, the other high involvement decisions. Each group could compare the similarities/differences in the information collected not only between groups but within groups.

5. Marketers of many products target Gen Y consumers. By visiting the Australian Bureau of Statistics website (www.abs.gov.au), can you determine how the number of such adults will change between now and 2020?

If students have trouble finding this information, the following link can also be used which discusses the longer trends of Gen Y: <http://mccrindle.com.au/generation-y.htm>.

6. What ethical and legal issues involving the interaction of consumers and marketing are currently the concern of:

- (a) the ACCC (www.accc.gov.au)?

The ACCC is the only national agency dealing generally with competition matters and the only agency with responsibility for enforcing the *Competition and Consumer Act 2010* (Cwlth) (previously the *Trade Practices Act 1974*) and the state/territory application legislation.

In fair trading and consumer protection its role complements that of the state and territory consumer affairs agencies, which administer the mirror legislation of their jurisdictions, and the Competition and Consumer Policy Division of the Commonwealth Treasury.

As well as education and information the ACCC recommends dispute resolution when possible as an alternative to litigation, can authorise some anti-competitive conduct and will take legal action when necessary. They provide a range of plain language publications.

This exercise is best done as a pre-class activity where students can access the ACCC website and bring to class what they think are the important ethical/legal issues. These could range from when businesses 'go bust', contracts and agreements, compensation, guarantees and warranties. Class discussion could be also based around why they think these issues are important.

(b) the Consumer Policy section of the Department of the Treasury (www.treasury.gov.au)?

The Commonwealth Treasury began operations in Melbourne in January 1901, the smallest of the seven Commonwealth departments established with Federation. The original five members of the department were bookkeepers. Over time, the department was required to establish policy in areas such as public service pay and conditions, bank notes, the taxation system including land and income tax, pensions and other welfare payments, postage stamps and the collection of statistics. Today, the department focuses primarily on economic policy.

Again, this could be done as pre-class preparation, with emphasis placed on the different roles between this organisation and the ACCC. Points to note would include that there is greater economic emphasis on the treasury website with not so much focus on individual consumer rights (ACCC). Media releases and publications/reports are more relevant to the field of consumer behaviour.

Case study questions

Case study: Battling the bulge: magic pills or false promises?

By Nicole Hartley, University of Queensland

1. What do you think are the major drivers of growth in the weight-loss product market?

Growth drivers in this market are predominately based around consumer needs. The number of people (globally) who are now considered to be overweight or obese has reached epic proportions. Contributors to this weight gain are:

- (a) our more sedentary lifestyles—examples of which can include the prevalence of online and computer game participation or our reliance on vehicular transport rather than walking or cycling
- (b) our changing work conditions— examples of which can include longer hours working behind a computer or shift work, which affects our body’s metabolism
- (c) our changing dietary habits—examples of which include increased availability of fast food and an increased emphasis on dining out.

2. Which aspects of consumer behaviour are marketers of weight-loss products using to attract their market?

The negative self-image interpretations that accompany weight gain act as a strong motivational force that drives people to want to take action to lose weight. They are internally motivated to try anything to look and feel thinner and more be socially accepted. As such, the producers of dietary supplements and weight-loss products are anchoring their marketing strategies around offering people a quick fix solution to their needs. This follows a culture of wanting instant results without the effort, which is effective in a market that wants to see instant results to decrease the likelihood of being shunned by their reference groups or society.

3. What shift in focus do you think manufacturers of weight-loss products should make to more successfully address market needs?

The industry needs to change to have a long-term focus based on the management of healthy weight and healthy living—not just on short-term product sales. This could involve the integration of services, not just products, for example, nutritionists, dieticians, personal trainers, fitness experts who focus on offering safe, sustainable solutions to achieve goals. The industry needs to realise that each person’s tastes, needs and preferences are different and hence an individualistic approach should be adopted to find the best-fit solution (not a one-solution-for-all) for weight loss. Overall the industry needs to shift its focus from a solution/program focus to a customer focus—thereby identifying and offering tailored solutions to long-term weight management.

Spotlight on the Middle East

Case study: When culture seeps into fashion: modern and modest, fashion and faith combine.

By Sam Toglaw, Australian College of Kuwait

1. Discuss the influences of values, culture and reference groups in Turkey and Middle East on women purchase decision for Kayra's standard and modest collections.

The culture in Turkey and Middle East is very diverse but tends to be more conservative in some areas and more liberal in other areas. The variation in people's beliefs, values and culture is reflected in the way they dress and the style of their dress. Most consumers belong to groups that share similar lifestyle, values, attitudes and behaviours. Clothing is a socially conspicuous product that individuals will often look to a reference group to suggest and endorse the appropriate choice.

2. Explain how knowledge of consumer behaviour can benefit Kayra's marketing strategies for new international markets.

Consumers have different preferences for products they buy and consume. Understanding consumer's needs and wants within a sizable, distinct market segment helps new product development with features that consumers like or need. Standardised product mix and marketing strategies may fail when a theme does not have a universal appeal such as certain style of clothing.

3. In order to lead the market in the Middle East, what should Kayra consider in its consumer behaviour audit?

A consumer behaviour audit is a systematic review of all important aspects of consumer behaviour. The annual change of fashion trends will influence consumers in most parts of the world including the Middle East. Kayra should not ignore any component of the consumer behaviour audit but should recheck their customer's feedback and satisfaction about their product.

4. What might Kayra consider if it wished to enter the Australasian/Asia-Pacific market?

Kayra needs to conduct political, economic, sociocultural, technological and legal (PESTL) analysis in order to form a good picture about this market.

Kayra standard fashion line, which is formal haute couture and casual chic, can appeal to large market segments in the Australasian/Asia-Pacific/ market. The marketing mix can be redesigned to introduce women's apparel with competitive prices and with colours and sizes that are more suitable for this market. On the other hand, the introduction of Kayra's modest

line will be successful if it were supported by a promotional campaign that targets the Muslim women in this market.