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## P.E.S. College of Engineering, Mandya - 571 401

(An Autonomous Institution under VTU, Belgaum)

Third Semester – Master of Business Administration (MBA)

Semester End Examination, Dec. - 2015

### Consumer Behavior

Time: 3 hrs

Max. Marks: 100

*Note: Answer any FOUR full questions From PART-A and PART-B (Case Study) is compulsory.*

#### PART A

1. a. What is Consumer Behaviour? Explain the scope and components of consumer behavior. 10
- b. Explain the motivational theories of consumer behavior. 10

#### OR

2. a. What are the various personality traits of a consumer which a marketer should study? 10
- b. Discuss the relationship between attitude and behavior. What factors are involved in attitude formation? 10
3. a. What are the various types of reference groups? How do they influence marketers? 10
- b. What is social stratification? Discuss how social class affects marketing strategy. 10

#### OR

4. a. How does consumer seek to reduce post purchase dissonance? As a marketer of consumer durables, explain how you can provide positive reinforcement to the consumers after they have purchased a brand? 10
- b. Briefly explain the family life cycle concept. Which stage of the family life cycle would constitute the most suitable segment(s) for the following products and why? 10
  - i) Refrigerator
  - ii) Educational services
  - iii) Groceries.
5. a. Define opinion leaders. What are the characteristics of opinion leaders and how this concept is used by marketers? 10
- b. Discuss the consumer decision making process with help of a diagram and example for each process. 10

#### OR

6. a. Define Culture. Why it is important for marketers to understand the cultural impact on consumer behavior? Explain. 10
- b. Differentiate between Low Involvement Learning and High Involvement learning with examples. 10
7. a. Explain the Howard Sheth Model of Consumer decision making process. 10
- b. What are the consumption differences you can observe with reference to durable and non durable products based on social factors? 10

**OR**

- 8.a. How do marketers create persuasive communication? Elaborate how they design message structure and presentation with advertisement appeals. 10
- b. If you were to advertise a personal care product, such as “Fair & Lovely” (for women) or “Fair and Handsome” (for men): 10
- i) What channel of media will you select (state more than one)? Justify
  - ii) What’s your message’
  - iii) What will you advertisement look like (Rough draft)?

**PART – B (Case Study)**

9. C.G. electronics Ltd. Was a company incorporated in 1983 by Mr. Atul Seth and over the years had emerged as one of the forerunners in the growing segment of the electronics and home appliances market in India. Presently it has a market share of 30 percent of the home appliances market. The company’s product strategy has been to offer a wide product range right from moo stereo, two – in ones, sophisticated musich system, televisions, refrigerators, washing machines, and microwave ovens. C.G. electronics marketing strategy also included offering the above products so as to match the needs and budget of the middle class and upper strata of the society.

In 1991 Rahul, son of Mr. Atul Seth took over as the Managing Director of the company. Seeing the intense competition in the market in the post liberaliztion scenario, Rahul was keen to go by the principle that once you have targeted your customer, you follow him/her relentlessly with attractive offerings. In 1994 he started with well focused promotion and distribution strategies. The promotion included spending Rs. 10 crores in advertising thgough holding exhibitions, organizing special training programmes for their sales force, using mass media appeal, offering freebies and various other sales promotion techniques. For distribution, Rahul went about the task of selecting exclusive showrooms and franchisees to display their wide range of products. Tht location for the exclusive retail outlets was also selected so as to match the perception of the consumers as a “exclusive showroom” for them.

Even after two years of the operating the new promotion and distribution strategy, the sales of C.G. Electronics, was not picking up to the extent the company had thought it would. Rahul directed the marketing manager to do a study of the other retail outlets to know the trend. The results indicated that there was a change in the consumers’ perception about purchasing consumer durables. There was seen a preference for purchasing goods from retail outlets having more than one brand.

**Questions:**

1. Where do you think Rahul went wrong in his analysis of consumer behavior? 10
2. Discuss the change in the role of consumers today as compared to the consumers five years ago. 10