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

(An Autonomous Institution affiliated to VTU, Belgaum)

Third Semester, Master of Business Administration (MBA)

Semester End Examination; Dec - 2016/Jan - 2017

Consumer Behavior

Time: 3 hrs

Max. Marks: 100

Note: Answer all **FOUR** full questions from **PART - A** and **PART - B** (Case study) is compulsory.

PART - A

- 1 a. Why consumer research is important? Explain the steps in consumer research process in detail. 10
 b. What is meant by consumer motivation? Explain Maslow's motivation hierarchy theory's relevance to consumer. 10

OR

- 2 a. What is meant by personality? Explain Freudian theory of personality with context to consumer behavior. 10
 b. What is meant by perception? Explain the various elements and dynamics of perception in details. 10
 3 a. Explain Pavlov's classical conditions theory of learning. 10
 b. Define perceived risk. What are the types of risk and explain how consumers handle risk? 10

OR

- 4 a. What is sub-culture? Explain the different types of sub-culture in detail. 10
 b. Explain strategies to overcome cross-culture problems. 10
 5 a. Define social class. Explain three different approaches to measure the social class. 10
 b. What are the different stages in traditional FLC? Explain the marketing implications in various stages of FLC. 10

OR

- 6 a. What is reference group? Explain the various types of reference groups with examples. 10
 b. What is meant by diffusion of innovations? Explain the four basic elements of diffusion of innovation. 10
 7 a. Discuss in detail the different levels of consumer decision making. 10
 b. What is meant by communication? With neat diagram explain the process of communication in detail. 10

OR

- 8 a. Discuss in detail the various communication strategies which helps consumer in decision-making of a product. 10
 b. What do you understand by opinion leadership? Explain in detail the process of opinion leadership. 10

PART - B**Case study: (Compulsory)**

9. A Tudor fashion is a 4-decade old company. Its two major product lines are footwear and ready to wear garments. It was nearly 10 a.m and the company's CEO, Prashant Gupta, decided to take walk into the Connaught place area to observe people in general and office goers in particular, before going to his office, on Barakhamba road. His idea was to have first hand feeling of consumer response to the Tudor shoes and observe in general the footwear habit of urban Indians. He parked his car and walked purposefully.

Tudor shoes were positioned as simple, no fuss yet elegant shoes particularly targeted at office goers. The shoes had a reputation of being comfortable and reasonably priced and had a good market share despite competition from Bata, Windsor, Lee cooper, woodland, liberty etc.

Prashant looked keenly at the moving feet of hurrying office goers. His trained eyes could notice the changing scenario. A significantly large number of office goers no longer seemed to have any preference for "no fuss" shoes. There was a very distinct shift in preference for heavy looking bold shoes. Consumer's perceptions about the types of shoes appropriate for wearing to office were changing from regular six-hole laced shoes to these heavy looking bold shoes. As a result of these shoes shift in consumer perceptions and preferences, the market share of Tudor shoes had declined by 10 percent within the last two years.

The trend was disturbing and Prashant called a meeting of departmental heads. The outcome of meeting was an Indian urban consumer had undergone a significant change about The workplace and products, Tudor shoes should shed off its image of being "traditional" and keeping pace with times should become "contemporary "as more and more consumers were going for branded shoes.

Departmental heads agreed that consumers carry a definite "price-quality" perception about most branded products, including shoes. High price is generally perceived as denoting high quality. To take advantages of such consumer perception, it was decided to move away from "high quality" image. The decision makers saw better prospects for the company by making such a move. In larger cities especially, shoes were no longer viewed a necessity but had become a part of fashion accessory ad lifestyle expression.

For the last four decades Tudor fashions were know for making popular and affordable shoes. After the decisions, the company took at one hundred eighty degree turn. It developed dedicated showroom with premium priced shoes and other accessories such as leather bags, belts, purses and t-shirts etc.

The results were quite contrary to expectations and the decrease in market share continued despite the new efforts. Apparently, the reasons for such results seem to be quite simple: for decades, consumers carried the image of Tudor shoes as good quality in the affordable range. This created considerable confusion among consumers and the felt betrayed. They turned away to other brands, national as well as local. The main appeal for the consumer was missing. The premium brands were perceived to be in category that catered to upper class consumers. When consumers considered premium shoes, other brand come brands came to recall, not the Tudor.

Questions:

- i) What kind of information was the basis for CEO's decision about Tudor shoes? 5
- ii) Analyze the pros and cons of Prashant's decision about Tudor shoes. 5
- iii) Suggest an approach which in your view might have been successful in changing consumer perceptions and attitudes about Tudor shoes. 5
- iv) You are a marketing communication consultant suggest an ad campaign to help Tudor establish a premium image for its shoes. 5