Page No...1

Srinivas Institute of Technolog Library, Mangalore

USI

NEW SCHEME

Third Semester MBA Degree Examination, Dec.06/Jan. 07 **Business Administration**

Consumer Behavior

Time: 3 hrs.]

)

[Max. Marks:100

USMBA MM31

Note: Answer any 4 Questions from Q1. to Q7. Q8 is compulsory.

(03 Marks) a. What do you mean by Consumer Buying Behavior? b. Discuss the relevance of consumer behavior knowledge to Marketing Management 1 non profit and social marketing and Government decision making. c. Describe the consumer decision - making process. Explain with an example of an automobile purchase.

(03 Marks) Write a short note on consumer movement. b. What are the important bases for market segmentation? What is market aggregation 2

c. What is Qualitative research? What are the types of qualitative research and the different types of projective techniques used in qualitative research?

(03 Marks) a. How is culture defined? (07 Marks) 3

b. Discuss briefly the psycho analytical theory by Sigmund Freud.

c. Discuss in detail Maslow's hierarchy of needs. What is its relevance to the marketer? (10 Marks)

4 a. What is learning? What is the role of memory in learning process?

(03 Marks) (07 Marks)

b. Discuss the significance of ethics in marketing.

(10 Marks)

c. Discuss in detail the Howard Sheth model.

(03 Marks)

Social classes exhibit status. Explain. 5

b. Discuss the significance of family decision making and consumption related roles. (07 Marks)

c. Enumerate the important components of communication. How is this understanding pertinent to design, persuasive communications strategy?

(03 Marks) a. State any characteristics (three) for South Indian sub culture. 6

b. Write a note on the changing teenage market and their role in the Indian Marketing (10 Marks)

c. Differentiate between Organizational buyer and final consumer buyers.

a. What are the important sources of information in the search for information in the 7

b. What is Diffusion process of an innovation? What are different stages in the adoption

c. How does culture and social values influence on consumer buying behaviour? Explain. Also discuss relationship marketing in cross cultural context with suitable Contd .. 2 examples.

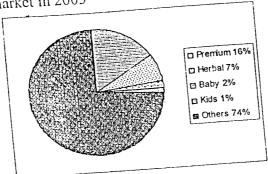
Caselet: Bath soaps in India. 8

The FMCG, Market, today, is flooded with numerous brands with similar attributes in the same category. The dynamic consumer purchasing behaviour dictates companies to segment the market creatively and go for more oustonized products. From mass markets, most of the FMCG companies are now focusing on niche markets. Niche marketing helps marketers to address a small segment of consumers by satisfying their specific needs and simultaneously increasing the share holder's wealth.

Bath soaps are among the highest penetrated products within FMCG market and have a Bath soap market in India: reach of 95% of the urban and 87% of the rural house holds. The competition brought in a few benefits to the consumer: Bath soaps with upgraded offerings and better quality.

Soap Market segmentation

Exhibit 1: Bath soaps market in 2003



Earlier, most of the FMCG soap companies targeted mass markets, very few focused on niche markets. Market experts say brand extension in bath soap category often leads to brand cannibalization. Hence it has become difficult for FMCG companies to go for creative segmentation. Developing a product for a niche market requires focus on its resource utilization to make it successful. It is really a puzzle for marketers in identifying the customer insights in a country like India because of its disparity in patterns of consumption. Very few players have segmented soap category within their niche offerings. Some of the niche segments in the soap category are herbal or ayurvedic soaps, premium soaps, junior /kids soaps, and baby soaps. The total sales of bath soaps accounted for nearly 4300 crores in the year 2003. The estimated market share of these

Today consumers are provided with more options to choose in a single category. The niche segments is given in exhibit 1. company with the first mover advantage will gain in each segment, but it's the player with a unique positioning in each segment, who will lead the market. Therefore, gaining consumer insight is the key to niche marketing in the both soap segment.

- Questions for the case let: a. How was the "Soap category" in the past targeted? Explain.
- b. M.S. Banga, Ex Chairman HLL (Hindustan Lever Limited) says "Niche Marketing is the order of the day". What is the meaning of this statement and its relevance to
- c. What are the basic characteristics surrounding Herbal soaps and Premium soaps
- d. What in your opinion is the Baby soap segment and Junior/kids soap segment in India, should do to increase their levels in Market share?

USN

NEW SCHEME

Third Semester M.B.A Degree Examination, July 2007 Business Administration

Consumer Behavior

Time: 3 hrs.]

[Max. Marks:100

Note: 1. Answer any FOUR questions, from Q 1 to Q7. 2. Q 8 Case Study is compulsory.

			2. 9 0 0.000	
1		a. b. c.	What do you understand by the term 'Consumer Movement'? Explain briefly the various tools used to conduct motivational research. Why Frustration occurs? Explain the different defence mechanisms frustration.	
2	2	a. b. c.	What is crisis in communication? Explain the strategies to reduce the 'Cognitive Dissonance'. Explain with diagram "Howard Sheth Model" of Buying Behaviour.	(03 Marks) (07 Marks) (16 Marks)
	3	a. b. c.	What is perceived risk? Explain the different types of risk, consumer while purchasing any product / service.	
	4	a b c	Explain the dynamics of opinion leadership?	(03 Marks) (07 Marks) ving behavior. (10 Marks)
	5	١	a. Comment on 'Viral Marketing'.b. Explain the Adoption process.c. Describe the consumer decision making process with an example.	(03 Marks) (07 Marks) (10 Marks)
	6		a. Explain the concept 'CRM'.b. Explain the 'Online Buying Behaviour'.c. Explain the 'Consumer Gifting Behaviour'.	(03 Marks) (07 Marks) (10 Marks)
	·	7	a. What do you understand by 'Brand Personification'?b. Critically evaluate the 'Maslow's Hierarchy of needs' model.c. What is ethics in marketing? Give example of some unethical practic	(03 Marks) (07 Marks) es in marketing. (10 Marks)

Library, galore

Case Study: 8

A certain store was keeping a number of brands of washing machines. They had washing machines to cater to the needs of all the segments of the society. They were stocking 1FB, Videocon, BPL, National, Godrej and locally made washing machines as well, they had both automatic, semi-automatic and manual machines. The automatic machines were bought by the higher income group. The middle income group were content with semi-automatic machines. Manual hand operated machines were for the lower class of client etc. and also those living in the rural areas, where electrification was not complete or the electricity went off for days together.

It was observed that when customers came to buy all automatic machine, they usually came with their sponsor and they looked mainly at the colour, style of functioning. electric consumption, care for handling, price factors, etc. Many customers would not buy on their first visit. They would come back after an interval of time, and bought the machine after careful considerations of the attributes that they were looking for. Many would change their choice, and come back to buy semi-automatic, instead of automatic machines.

The sale was observed to be highest during marriage seasons and at festival times. There was a great influence of the house-wives in buying these washing machines as they were the ultimate users.

With a lot of information imparted by the media, and the children being exposed to it for several hours, in a day, they seemed to have a good knowledge of the attributes and had a great say in the purchases and their opinions were also given weightage by the parents. Since a chain store is more interested in the sales to materialize, rather than pushing any particular brand, the salesmen are directed to satisfy the customers or the family queries. This should be their first consideration.

Ouestions:

a. Do you feel that group interaction helps the buyer in his decision-making process? (05 Marks)

What should be the role of the marketer in the above case regarding: ... (05 Marks)

(05 Marks) b. Advertisement. (05 Marks)

c. Promotion.

d. Persuasion and closing the sales.

Srinivas Institute of Technology Library, Mangalore

Time: 3 hrs.

Note: Answer any FOUR of the following questions. Question No. 8 is compulsory.

(03 Marks) a. What is the need to study Consumer Behavior?

Consumer Behaviour

Third Semester MBA Degree Examination, Dec. 07

b. Bring out the differences between the Marketing concept and Value and Retention Focused (07 Marks) Marketing.

c. Explain the consumer decision making process, giving suitable examples. (10 Marks)

Compare Consumer research and Marketing research. (03 Marks) 2

Discuss the various data collection techniques used in Qualitative Consumer Research.

(07 Marks) What is the Tri-component attitude model? Mention its application to the marketers.

(10 Marks)

(03 Marks) What is the difference between Goals and Needs? 3

b. What is Perceived Risk? What are the types of perceived risks and how can consumer (07 Marks) handle perceived risks?

c. Mention the applications of the classical conditioning theories that marketers can (10 Marks) incorporate.

(03 Marks) a. Explain the concept of Brand Personality. 4

b. Explain the concept of J.N.D and mention its applications to marketers. (07 Marks)

c. Bring out the various personality traits related to consumer innovativeness. (10 Marks)

(03 Marks) What is sleeper effect? 5

b. Comment on the various advertising appeals effective in persuading target audience. (07 Marks)

c. Discuss the factors that influence the credibility of formal and informal communication (19 Marks) sources.

(03 Marks) a. What is the significance of C R M? 6

b. Discuss the various key consumption roles in the family decision making process.

(07 Marks)

c. How relevant is the understanding of Cognitive Dissonance to Marketers, what are the ways by which Marketers can reduce Dissonance? (10 Marks)

Who is a opinion leader? Mention the typical profile of an Opinion Leader. (03-Marks) 7

b. Briefly discuss the social class categories in India. (07 Marks)

c. Mention the various stages of the Innovation adoption process. How can Marketers use this information to strategize?

Shopper's Delight, a large retail store, had above average quality and competitive prices. It advertised its retail promotions in local newspapers. Its TV advertising was mainly aimed at building store image and did not address retail promotions. The management knew it well that they had to advertise their retail promotions more, but they did not feel comfortable with the effectiveness of present efforts and wanted to better understand the impact of their present promotions.

To better understand the effectiveness of present efforts, a study of advertising exposure, interpretation, and purchase was undertaken. Researches conducted 50 in-depth interviews with customers of the store target market to determine the appropriate product mix, price ad copy and media for the test. In addition, the store's image and that of its two competitors were

1 of 2

it. В of

and | -nal per the

8

measured.

ks) ks) iring ^ks)

rs of rks) d....3

US

Library, Mangalore Based on the research findings, product lines that would appeal to the target customers were selected. The retail promotion was run for a full week, full page advertisement were released each day in the two local Hindi newspapers, and also in one English newspaper that

Each evening a sample of 100 target market customers was interviewed by telephone as devotes six pages to the coverage of the state.

- Target customers were asked if they had read the newspaper that day. This was done to follows:
- After a general description of the product lines, the respondents were asked to recall any determine their exposure to advertisement.
- If the respondents were able to recall they were asked to describe the ad, the promoted
- If the respondents were accurate in their ad interpretation, they were asked to express their
 - 5. Respondents were also asked for suggestions to be incorporated in future promotions

Immediately after the close of promotion, 500 target market customers were surveyed targeted at this consumer segments. to determine what percentage of the target market actually purchased the promoted products. It also determined which sources of information influenced them in their

Results of the study showed that ad exposure was 75 percent and ad awareness level decision to purchase and the amount of their purchase. was 68 percent and was considered as high. Only 43 percent respondents exposed to and aware of the ad copy could accurately recall important details, such as the name of the store promoting the retail sale. Just 43 percent correct interpretation was considered as low. Of those who could accurately interpret the ad copy,32 percent said they intended to respond by purchasing the advertised products and 68 percent said they had no intention to buy. This yields an overall intention to buy of 7 percent. The largest area of lost opportunity was due to those who did not accurately interpret the ad copy.

The post - promotion survey indicated that only 4.2 percent of the target market customers made purchases of the promoted products during that promotion period. In terms of how these buyers learned of the promotion, 46 percent mentioned newspaper (English) and 15 percent learned about sale through word of mouth communication.

The retail promotion was judged as successful in many ways, besides yielding sales worth Rs.900000, however, management was concerned about not achieving a higher level of ad comprehension, missing a significant sales opportunity. It was believed that better ad would have at least 75 percent correct comprehension among those aware of .ad. This in turn would almost double sales without any additional cost.

- Why would some consumers have high involvement levels in learning about this sale b. Is a level of 75 percent comprehension realistic among those who become aware of an ac
- c. Do you think such promotions are likely to influence the quality image of the retail store
- d. Was the method of consumer research used by the researchers appropriate? What oth methods would have been more suitable to elicit the responses?

Third Semester MBA Degree Examination, Dec.08/Jan.09 **Consumer Behaviour**

Time: 3 hrs.

Max. Marks:100

50

Note: Answer any FOUR questions from Q.1 to Q.7 Question No.8 is compulsory.

- a. How the field of consumer behavoiur has developed as an important and separate branch in 1 (03 Marks) marketing discipline?
 - What disciplines have contributed to the study of CB? Explain. (07 Marks)
 - (10 Marks) Discuss the Howard-Sheth model of CB.
- (03 Marks) What do you mean by cognitive dissonance? 2
 - Explain the adoption process with suitable examples. (07 Marks) b.
 - Explain the consumer decision making process with examples. (10 Marks) c.
- What do you understand by Brand Personality? (03 Marks) 3
 - b. How the psychoanalytical theory plays a prominent role in the study of CB?. (07 Marks)
 - What is consumer research? Explain various types of techniques involved in Qualitative (10 Marks) research.
- (03 Marks) What is opinion leadership? 4 a.
 - How does change in lifestyle affect customer loyalty? (07 Marks) b.
 - What are reference groups? Explain different types of reference groups with examples.

(10 Marks)

- (03 Marks) What is e-CRM? 5 a.
 - (07 Marks) What is the significance of personality traits?
 - What are the different tools of persuasive communication? How do they influence the target (10 Marks) audience?
- (03 Marks) a. What is the sub-culture? 6
 - (07 Marks) b. What are the factors affecting diffusion of innovation?
 - You are the marketer of health foods and attempting to segment a certain market on the basis of consumer self-image. Describe the four types of consumer self-image and discuss which (10 Marks) one(s) would be most-effective for the stated purpose.
- (03 Marks) a. What is online buying behaviour?
 - b. Discuss about the growing importance of consumerism in India. (07 Marks)
 - c. How can a marketer use knowledge of consumer behaviour to develop financial services for affluent consumers? For downscale consumers? (10 Marks)

CASE STUDY:

Tudor Fashions 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 a 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.

....contd.

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. Consumers' 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 as Indian urban consumers 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 advantage of such consumer perceptions, it was decided to move away from "high quality – affordable price" and targeting the middle class consumers to a "high price – 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 and lifestyle expression.

For the last four decades Tudor fashions were known for making popular and affordable shoes. After the decision, the company took a 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 they 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 middle and upper class consumers. When consumers considered premium shoes, other brands came to Recall, not the Tudor.

- a. What kind of information was the basis for CEO's decision about Tudor shoes? (05 Marks)
- b. Analyse the pros and cons of Prashant's decision about Tudor shoes. (05 Marks)
- c. Suggest an approach which in your view might have been successful in changing consumer perceptions and attitudes about Tudor shoes. (05 Marks)
- d. You are a marketing communication consultant. Suggest an ad campaign to help Tudor establish a premium image for its shoes. (05 Marks)

* * * * :

Srinivá	3	iAStin	ald of	Lisennowgy	
	Li	brary.	14.50	ialore _	

USN					2

05MBAMM313

Third Semester MBA Degree Examination, June-July 2009 Consumer Behaviour

Time: 3 hrs.

Note: 1. Answer any FOUR questions from 1 to 7.

2. Question No. 8, case study is compulsory.

		2. Question No. 8, case study is computsory.	
1	a. b. c.	Marketers often identify their target markets for various products using family life base. Explain. (0) What criteria do consumers and marketers apply in evaluating innovations? Briefly	7 Marks)
2	a. b. c.	What is perceived risk? Briefly describe the risk reduction strategies adopted by continuous What is Maslow's hierarchy of needs? How is this concept applied in modern market	17 Marks)
3	a. b. c.	Discuss the emotional appeals frequently used by marketers in advertising.	03 Marks) 07 Marks) 10 Marks)
4	a.b.c.	Describe the functional and technical requirements for customer Relationship Manin consumer marketing.)3 Marks)
5	a. b. c.	What is consumer decision making? Describe the different views on consumer making? Marketing mix elements are effective communication tools in FMCG marketing.	07 Marks)
6	a. b. c.	How are Needs and goals connected with motivation? Explain with a simple motivation process. Describe the dynamic role that opinion leaders play in personal influence λ^{in}	03 Marks) model of 07 Marks) consumer 10 Marks)
7	a. b. c.	What is brand loyalty? Discuss the factors influencing brand loyalty. (Consumer Movement in India is slowly gathering momentum. Do you agree or	03 Marks) 07 Marks) disagree. 10 Marks)

8 CASE STUDY

BURNOL

Burnol was first launched about 60 years ago, as a cream to soothe and heal skin burns, by Boots Pure Drug Co. (India) Private Ltd. Over the years, this burns relief ointment also became almost a generic product. By mid 1960 s, Burnol had be come an integral part of the Indian housewife's life which revolved around either wood-fed or kerosene cooking stoves.

In 1972, competition surfaced when S,K and F launched "Shield", a rival cream, followed by "Mediguard" from J.L. Morrison. Burnol saw them both off.

By 1974, Burnol was being advertised on Doordharshan as a burn's ointment. This helped the brand burrow its way deep into the Indian house-care consciousness.

The 1980's saw a decline in the dangers of kitchen cooking, as most middle class homes switched to LPG stoves and electric spark lighters (replacing match boxes). Almost on cue, Burnol sales started stagnating. In 1987-88, Burnol hired IMRB to conduct a product usage and awareness study. The brand had a strong presence in the minds of the consumers but yet not in wide spread use. Burnol's turmeric image was seen to stain clothes. So, Boots changed the cream from deep to non-staining light yellow and relaunched the product. The new adcampaign urged people to keep the product in easy reach. The result was a short spurt in sales that quickly died down.

In 1990, Boots again decided to reposition Burnol as a wide-appeal, multiple usage antiseptic with a changed brand name, "Anti-septic Burnol 3-in-1". Its colour was made lighter, dissociating it with turmeric, and was given a new perfume. But alas, the brand could not dent the established brand equity of other Over The Counter (OTC) antiseptic creams, such as Boroline, Dettol and Savlon.

Frustrated, in July 1997, Boots sold Burnol to Reckilt Piramal, who repositioned it as a First Aid cream "Burnol Plus". However, organizational changes in Reckilt Piramal forced the sale of Burnol to Dr. Morepan in 2001.

Dr. Morepen wants to be realistic about Burrnol's future. It would like to review the product image and consumer attitude towards the branch and decide whether the brand's essential uniqueness is to be preserved or not.

Questions:

- i) Analyze the case and identify the significant issues.
- ii) What is the level of consumer involvement in such a product category?
- iii) Why attempts to give the brand a new image failed?
- iv) What strategies would you recommend to change consumer attitude towards the brand? (20 Marks)

* * * * *

Important Note: 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.

Library "

08MBAMM313

Third Semester MBA Degree Examination, Dec.09-Jan.10 Consumer Behavoiur

20

Time: 3 hrs.

Max. Marks:100

Note: 1. Answer any FOUR full questions, from Q.No. 1 to Q.No. 7. 2. Q.No. 8 is compulsory.

1 a. Differentiate between consumer and customer.

(03 Marks)

b. What is frustration? Explain the different defense mechanism to reduce frustration.

(07 Marks)

- c. Explain with the diagram "Howard Sheth model" of buying behaviour. What is another name of "Howard Sheth model"? (10 Marks)
- 2 a. List out the steps in the consumer research process.

(03 Marks)

b. Explain "Maslow's Hierarchy of Needs model" in detail.

(07 Marks)

c. Explain in detail the four views of consumer decision making.

(10 Marks)

3 a. Explain the term "consumer ethnocentrism".

(03 Marks)

- b. What is perceived risk? Explain the different types of risk and how do customers handle risk. (07 Marks)
- c. What is ethics in marketing? Give some examples of unethical practices in marketing.

(10 Marks)

4 a. List out the elements of the learning process.

(03 Marks)

b. Briefly discuss the social class categories in India.

(07 Marks)

c. Explain the multi – attribute attitude model with an example.

(10 Marks)

5 a. List out the factors responsible for social stratification.

(03 Marks)

b. Explain how acculturation is important from a marketers point of view.

(07 Marks)

c. What are reference groups? Explain the different types of reference groups with examples.

(10 Marks)

6 a. What are consumer action groups?

(03 Marks)

b. Explain how children play an important role in family decision making with an example.

(07 Marks)

c. Explain the various ways consumers dispose the product after the useful life.

(10 Marks)

7 a. What is brand switching behavoiur?

(03 Marks)

- b. Explain the strategies used by companies to maintain a long term relationship with its customers. (07 Marks)
- c. Explain how persuasive communication is important to reach the target audience with an example. (10 Marks)

8 **CASE STUDY:**

A certain showroom dealing in refurbished cars used to put on display, the Maruti 800, Maruti Omni, Santro and many other cars. Both the automatic and manual brands of cars were available for display. The automatic models of cars were bought by usually the software engineers and the businessman. The refurbished cars were usually bought by the first time car buyers.

It was observed that when the customers came to buy the car, they would usually come with their family, which would include Father, Mother, Wife and Children and some times friends and relatives. It was noticed that most of them were interested in purchasing vehicle through finance. Most of the sales would usually take 3-4 weeks to close.

The sales were observed to be the highest during the year end and festival season. There was a great influence of the housewives and the children in buying these cars as they were the ones who would enjoy the ride along with their father / husband.

Since the show room is interested in sales to materialize, rather than pushing any brand, the salesman are directed to satisfy the customers or the family queries.

This should be their first consideration.

Questions:

- a. Do you feel that group interaction helps the buyer in his decision making process? Elaborate. (05 Marks)
- b. What should be the role of marketer in the above case regarding:
 - Advertisement i)
 - ii) Promotion.
 - iii) Persuasion and closing the sale.

(15 Marks)

			,	-				19	HAiv	as i	NStilu	te or	iec	วเทษเป	(વે)		
USN						i	*			Lib	пату.	Manq	alor	r la	08M	BAM	M313

Third Semester MBA Degree Examination, May/June 2010 Consumer Behaviour

Time: 3 hrs. Max. Marks:100

Note: 1. Answer any FOUR full questions from the Q.No.1 to 7. 2. Question No. 8 is compulsory.

1	a.	What is societal marketing? Give an example.	(03 Marks)
-	b.	Explain the different levels of consumer decision making.	(07 Marks)
	c.	Describe the strategies used for building customer relationship.	(10 Marks)
2	a.	What is social class mobility?	(03 Marks)
	b.	Discuss the benefits of consumerism.	(07 Marks)
	c.	Explain the motivation behind opinion leadership.	(10 Marks)
3	a.	What is the difference between positive and negative motivation?	(03 Marks)
	b.	Define social stratification. Explain the factors responsible for social stratification.	•
	c.	Bring out the various personality traits related to consumer innovativeness.	(10 Marks)
4	a.	Who is an affluent consumer?	(03 Marks)
	b.	Why does frustration occur? Explain any five defense mechanisms used to reduce	
		No. 1' 11 . 11 . 1 . 1 . 1 . 1 . 1 . 1 . 1	(07 Marks) (10 Marks)
	c.	Mention the strategic marketing applications of classical conditioning theory.	(10 Mai Ks)
5	a.	Define cross-cultural consumer analysis.	(03 Marks)
	b.	What is perceived risk? Explain how consumers handle risk.	(07 Marks)
	c.	Describe the strategies involved in designing persuasive communication.	(10 Marks)
6	0	What is on-line decision making?	(03 Marks)
U	a.	Explain the various key consumption roles in family decision making process.	(07 Marks)
	b.	Explain the factors involved in attitude formation.	(10 Marks)
	c.	Explain the factors involved in autitude formation.	(,
7	a.	Who is a surrogate buyer?	(03 Marks)
•	b.	Analyze the stages of consumer adoption process.	(07 Marks)
	c.	What are reference groups? Explain the different types of reference groups.	(10 Marks)

8 Case study:

Pantaloon Retail (India) Ltd. (PRIL), started out in 1987 as Manz Wear Pvt. Ltd., dealing primarily, in men's wear. In 1993-94, the company launched Pantaloon shoppe as complete men's wear stores. In 1997-98, PRIL introduced Pantaloon stores, targetting middle class families. The company was the first among the retail players in India, to turn public in 1991 to fuel its growth. During the 1990s the company built up its manufacturing base, and added more Pantaloon stores in major cities across the country.

While hyper markets and discount stores contributed 60% of retail volumes worldwide, in India, this segment was missing in the organized retail sector until the early 2000s. Only 2% of the 12 million retailers in India were part of the organized sector till 2003, and most of these retailers catered to the upper middle and upper class consumers.

Case study continued...

In 2001-02, India got its first hyper market in the form of 'Big Bazaar', launched by PRIL. From 2003 onwards, Big Bazaar included a 'Gold Bazaar'. Big Bazaar targeted middle and lower middle class Indian consumers. "The store is a support to the home maker's constant effort of saving the maximum while giving the best to her family", said Kishore Biyani, MD, PRIL. The company opened its first Big Bazaar store in Mumbai, with merchandise ranging from apparels and household products to consumer electronics. As price was proposed as the key differentiator, the stores offered 5-60% discount across product ranges, with 25-60% discount on apparels and 5-20% discount on other product categories. It also focused on unbranded products, especially in apparels that constituted 40% of its sales.

To maintain low prices, the company hunted for good deals in the market, to buy merchandise at considerably less rates. In the case of jeans, for instance, it sourced the discontinued Ruf n Tuf brand of apparels from Arvind Mills Ltd. In India, the readymade jeans market consumed 72 million pairs of jeans a year. Of the 72 million pairs, three million pairs were sold 'off the pavements' and Big Bazaar wanted to make in roads into that market. The price positioning of Ruf n Tuf jeans at Rs.299, was supposed to take on this off pavement market where most of the jeans were priced between Rs.375 and Rs.400. "The consumer can now shop at Big Bazaar and pick up jeans or tops for as much if not less than what they would, in the un-organized retail sector", said Darshan Mehta, president, Arvind Mills. To cut back on costs, the Big Bazaar stores were built on warehouse format, with less focus on store ambience. Biyani opined that Big Bazaar was focused on giving the best possible deal to its customers, rather than focusing on the ambience of the store.

Taking cue from international retail players like Wal-Mart and Carrefour, the company decided to focus on the value-proposition, to attract its target customers, Big Bazaar used 'Is se sasta aur achha kahin nahin' as a punch line, emphasizing its focus on low prices. It also communicated 'Price challenge offer', wherein the consumer can return the merchandise purchased from Big Bazaar if she/he finds a similar product elsewhere, at a lower price. It also communicated 'Purane do naya lo' offer. With its clear positioning as value-for-money, Big Bazaar became a success story.

Despite this growth, Big Bazaar faces intense competition today. Its main competitors are Giant hyper markets owned by RPG Group, and Star India Bazaar owned by Trent, a Tata Group Co. The competition would increase further if the government of India allows FDI in the retail sector which will result in international players entering the Indian market. India already has some international players like Marks and Spencers, Dairy Farm International Holding Ltd. and Life Style International, which either have a franchise setup or a joint venture in India. It is to be seen if Big Bazaar will be able to hold its ground in the face of increasing local and international competition.

Questions:

- a. How did Big Bazaar offer the 'best possible deals' and discounted prices to its consumers?
- b. Biyani opined that Big Bazaar was focused on giving the best possible deals to its customers, rather than focusing on the store ambience. Is ambience irrelevant for discount stores?

 (05 Marks)
- c. What are the ways in which Big Bazaar can attract more number of customers? (05 Marks)
- d. What strategies you recommend to the Big Bazaar to beat the competition? (05 Marks)