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12MBAMM313

Third Semester MBA Degree Examination, Dec. 2013 / Jan. 2014
Consumer Behaviour

Time: 3 hrs.

Max. Marks: 100

Note: 1. Answer any THREE questions, from Q.No.1 to Q.No.6.
2. Q.No. 7 and 8 are compulsory.

1.
 - a. What is the relevance of studying consumer behaviour for marketers? (03 Marks)
 - b. What is perceived risk? What are the different risks (perceived) which are handled by consumer. (07 Marks)
 - c. Are there really difference between the consumption pattern of north and south Indian individuals? Justify your answer. (10 Marks)
2.
 - a. Explain opinion leadership. (03 Marks)
 - b. Explain Pavlovian learning theory. How learning theory proposed by Pavlovian is used by modern marketers. (07 Marks)
 - c. Based on the concepts studied by you, would you expect a high or low degree of pre – purchase information search in case of the purchase of a new laptop computer? Justify your answer. (10 Marks)
3.
 - a. Explain E – CRM. (03 Marks)
 - b. Narrate Nicosia model, with suitable example. (07 Marks)
 - c. Do you feel social mobility can result in the reduction of social class differences? Why? (10 Marks)
4.
 - a. Elaborate Ethnography. Explain with suitable example how it will be used by the marketers. (05 Marks)
 - b. “Consumerism is the shame of the total marketing concept” - Peter F – Drucken the father of management science. Justify his statement on consumerism. (05 Marks)
 - c. Generally, it is accepted that “Smoking is injurious to health”, but it is still too early to say that everyone who used to smoke cigarettes has quit smoking. Suggest strategies by which you can change the attitude of those who smoke. (10 Marks)
5.
 - a. What are the basic research issues in cross – cultural analysis? (05 Marks)
 - b. With the help of diagram and suitable example, explain input – process – output model. (05 Marks)
 - c. Which stage is the family life cycle would constitute the most attractive segment for the following product and service? Give reason for your answer.
 - i) Royal Enfield Bullet ii) Country club iii) Fairness Cream. (10 Marks)
6.
 - a. What are the trends in determinants of consumer behaviour? (10 Marks)
 - b. What is market mover, explain with suitable example. In today’s world with the growing importance of social media market mover and opinion leaders are becoming more and more valuable. Justify your answer. (10 Marks)

Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.
 2. Any revealing of identification, appeal to evaluator and /or equations written eg. 42+8 = 50, will be treated as malpractice.

- 7 a. Bring out the relevance of understanding online consumer behaviour by marketers, if he / she need to compute in the e – age of today. (05 Marks)
- b. How does Maslow's need hierarchy, explains consumer motivation, consumer purchase for the following product / service (any two).
 i) Multivitamine tablet ii) Motor bike iii) Pension plan. (05 Marks)
- c. Bring out the usefulness of lifestyle segmentation for market, while workout – media and promotion program for the same. (05 Marks)
- d. How do marketer utilize the concept of subliminal perception? Illustrate with the help of suitable example. (05 Marks)

8 **CASE STUDY :**

Saturn has always attempted to create committed customers. Saturn a division of general motors, advertises around the theme.

A different kind of company ; A different kind of car. Though Saturn cars costs only 10 to 14 thousand USD, the firm attempts to provide its customers the same level of service and consideration. Typically associated with expensive luxury cars. Its stated objective is to be “the friendliest, best liked car company in the world”. The company states, “We're going to do more than what the customer expects, and in the long run, it will enhance an image”.

Saturn's attempt to build an image of a high quality car built by skilled, caring workers and sold in helpful, non pressure dealerships, had received two small tests in its first two years. In one, it had to recall and replace 1,836 cars that had received improper coolant. In another, it had to repair 1,480 cars with faulty seat – back recliners. In the second case, the firm made a TV commercial showing a Saturn representative flying to location to fix the car of a resident who had purchased it in the first year of its launch. However, in 1998 Saturn began receiving reports of a wire short – circuiting and casing fill. Saturn faced dilemma. Any negative publicity associated with the recall could seriously depress sales.

To deal with this problem managers decided to call back all the purchasers to contact their dealers to replacement.

The dealer extended their operating hours hired extra personnel , arranged door – to – door picking and delivery. According to Saturn's direction of consumer marketing, the decision to handle the recall in this manner was simple. The measure of whether we are different kind of company is how we handle the bad time as well as the good. We're trying to minimize the inconvenience and show that we stand behind the cars, so that our owner don't lose faith in us or the car.

How have consumer responded to the recall? Ms. K learned of the recall from friends who had heard of it on news paper before she received her letter from Saturn. She took her car to the dealer who served her coffee and doughnuts during the 24 – minute repairs. Her response I expected this would be my first bad experience with Saturn. But it was so positive, I trust them even more than when I purchased the car.

Questions :

- a. Describe the evaluative process followed by the consumer and outcome that Ms. K went through. (05 Marks)
- b. Evaluate the manner by which Saturn handled the recall. What options did it have? (05 Marks)
- c. How will publicity about the recall affect Saturn's image among new owners? (10 Marks)
