

PGDM (RM), 2020-22
Retail Consumer Behavior
RM-308

Trimester – III, End-Term Examination: April 2021

Time allowed: 2 Hrs 30 Min
Max Marks: 50

Roll No: _____

Instruction: Students are required to write Roll No on every page of the Answer Sheet. All other instructions on the question paper / notifications should be followed meticulously.

Sections	No. of Questions to attempt	Marks	Total Marks
A	Minimum 3 question with internal choices and CILO (Course Intended Learning Outcome) covered Or Maximum 6 questions with internal choices and CILO covered (as an example)	3*10 Or 6*5	30
B	Compulsory Case Study with minimum of 2 questions	20	20
			50

Turn Over

Section A

Q1. 5 Marks (CILO 1 and 2)

Do you think personality factor will be helpful in understanding the consumer behavior while doing new product development in case of cosmetic industry? Justify your answer.

OR

How would the retail outlet selection of those on each end of the consumer “need for uniqueness” continuum differ?

Q2. 5 Marks (CILO 2)

How could Maslow’s motive hierarchy be used to develop marketing strategy for Walmart e-commerce?

OR

As an e-retail brand strategist, you want to improve or create favorable attitudes among consumers towards Shoppers’ stop online store. Would you focus primarily on the affective, cognitive, or behavioral component? Why?

Q3. 10 Marks (CILO 1, 2, and 3)

There are five stages of Family life cycle. Why is it important for a marketer to understand these stages? Which of the five stages of the traditional family life cycle constitute the most lucrative segment(s) for the following products and services:

- a) Domino’s Pizza
- b) Mutual funds.

Explain your answers

OR

Which demographic shifts, if any, do you feel will have a noticeable impact on the market for Smart Retailing in the next 10 years? Justify your answer. Given the projected changes in Indian demographics, which two products/categories will face increasing demand and which two will face declining demand?

Q4. 10 Marks (CILO 1 and 3)

What products do you think are generally associated with nominal, limited, and extended decision making? Under what conditions, if any, would these products be associated with a different forms of decision making? How does type of decision making influence post-purchase dissonance?

OR

How would you activate problem recognition among unmarried female consumers for the following? -

- a) A vegan diet
- b) Laundry service

Turn Over

Section B – Case Study (CILO 2 and 3)

A LUSH TREAT FOR THE SENSES

A visit to the Lush store is pure indulgence for the senses, and that's exactly what the store and its planners want its customers to expect, feel, and remember—a rich experience that leaves the senses and the mind invigorated. Lush manufactures a range of cosmetics including soaps, bathing foams, bath oils, creams, moisturizers, massage bars, cleansers, makeup, per- fumes, and deodorants. The company was established in 1994 in Poole, in the United Kingdom, to provide cosmetics that are fresh, natural, and fun. Today, Lush has 130 shops in 50 countries around the world and firmly adheres to its original philosophy. Lush was ranked as the fourth-best company in the United Kingdom for Customer Experience Excellence in 2014, while its closest competitor Body Shop was in 38th place.

Lush is passionate about being fresh and organic, and this passion drives the company. Their products are made of the freshest organic fruits and vegetables, the finest essential oils, and safe synthesis. Their goal is clear and simple: they want to offer the freshest products ever. This commitment attracts the natural customer community and plays a vital role in how the company is perceived by its target customers. The company's appeal is further bolstered by a no-animal testing policy, environmentally friendly packaging and labelling, helpful and friendly staff, and a unique store design and ambiance.

The Lush experience starts even before one enters the shop. The exotic, natural fragrances of Lush products can be taken in from a distance, and shoppers are naturally drawn to the store. Once inside, all senses come alive within a few seconds. The colorful, unwrapped products are displayed like food on market stalls. The soaps are sold as chunky blocks that look like cheese, the Bath bombs are piled up like fruit, the face masks are kept in cold pots in salad-bar type tables, and butter cream is arranged like cake. The unusual forms of the products and the creative stocking style grab the customer's attention, and their enchanting scents drives the consumer to look even further. The overall ambiance of the store is attractive and comfortable, with the walls and lighting creating a warm effect. The furniture is made of natural wood, and the flooring is done with natural stone that creates a very fitting environment for the fresh, natural products. The sounds in the store are a combination of background music and a market-type buzz created by the salespeople's active interaction and engagement with customers.

Turn Over

The location of Lush stores is mostly near high-end fashion stores, enabling them to target the latter's high-end customers and communicate a premium image. Lush hires and trains energetic and happy people who interact with the customers as if they are talking to their friends, showing them the things they love and encouraging them to touch the unwrapped products and smell them. The salespersons offer free skin and hair consultations and invite customers for a live demonstration or even a hand massage.

Lush carefully selects the words it uses on its labels, packages, store signage, Web sites, and advertising. The words "fresh," "natural," and "handmade" are used extensively. Labelling contains names of natural ingredients like chocolate, olives, sugar, cinnamon, coconut oil, and honey. The choice of words in different communications is creative, and this adds to its fun and green image; examples include the "Go Naked" campaign and the "Have a Sniff" point-of-purchase sign. The "Go Naked" campaign encouraged consumers to buy unpackaged products to help save resources that are wasted by over-packing products. More than 45 percent of Lush products are sold naked; that is, without packaging. Similarly, the "Have a Sniff" sign next to the unwrapped products promotes the package-less style of Lush while also inviting customers to take in the scent of the products.

Q5. Based on your understanding of the perceptual process, discuss how Lush uses sensory marketing for its products and encourages its customers to process information.

- **5 marks**

Q6. Choose two segments which you feel would be most viable but different markets for Lush. Explain how the selection of perceptual cues will differ for the two segments.

- **5 Marks**

Q7. Are the decisions of Lush's consumers driven by a rational consumption appeal that uses the message of ethical, organic, fresh, and healthy products, or is it influenced by the hedonic consumption and the pleasurable multi-sensory experience they encounter in the stores? How can Lush use the concept of experiential retail to attract consumers for non-purchase reasons to its stores?

- **10 Marks**

-----End of Question Paper-----