

PGDM (IB) 2015-17

Consumer Behaviour

IB-432

Trimester –IV, End-Term Examination: September 2016

Time allowed: 2 Hrs 30 Min

Max Marks: 50

Roll No: \_\_\_\_\_

**Instruction:** Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means**. In case of rough work please use answer sheet. All other instructions on the reverse of Admit Card should be followed meticulously.

Sections	No. of Questions to attempt	Marks	Marks
A	3 out of 5 (Short Questions)	5 Marks each	$3 \times 5 = 15$
B	2 out of 3 (Long Questions)	10 Marks each	$2 \times 10 = 20$
C	Compulsory Case Study	15 Marks	15
		<b>Total Marks</b>	<b>50</b>

Word limit for each question is 250 words.

- A1. How operant conditioning can be used to promote a store which has recently opened?
- A2. How can consumer behaviour be applied for designing STP strategies?
- A3. How motivation can be used to address the utilitarian needs and psychogenic needs?
- A4. How are the sensory stimuli used in the initial stage of perception process? Give an example to support your answer.
- A5. What kind of scales can be used in attitude related studies?

Word limit for each question is 500 words.

- B1. *Both parts carry equal marks*
- a. You are being ~~the~~ assigned a task to carry out an attitude measurement study of the popular LED TV brands in the market. How would you explore the variables for this study?
- b. While designing marketing strategies based on personal traits viz., Gender and Age, would it be more suitable to analyse them together or separately.
- B2. Following is a list of brands of mobile phones and the associated factors which are rated on a scale of 5. 1 indicates minimum performance and 5 indicates maximum performance. Using disjunctive rule, find out which brand(s) will be chosen ultimately. Outline the rationale behind choosing specific factors for evaluation and dropping others based on the decision making rule deployed. Choose a brand which is eliminated. Provide at least two marketing strategies for its revival, which would make it the preferred choice in the consumers' minds.

Factors	Leco	Vivo	Mi	Oppo	Lenovo	Asus	Minimum Performance Required
Battery Capacity	4	1	1	1	1	1	5
Processor Speed	1	4	4	3	1	3	3
Display Quality	1	3	5	5	2	3	3
Camera	5	3	3	4	2	3	5
RAM	3	2	5	5	3	1	2



- B3. Both parts carry equal marks
- In the context of reference groups, outline the importance of source credibility with an example.
  - Mr. Jain plans to increase the price of the products he is marketing. One of the products is priced at Rs. 100 which he intends to change to Rs. 115. Another product is priced at Rs. 60 which he plans to change to Rs. 75. Using Weber's law, suggest Mr. Jain to choose and/or drop which of the two options. Give reasons to support your answer.

Section C

15 Marks

**This case study has three questions and all are compulsory.**

**Case Study**

One industry that relies heavily on attitude to market its products is the soft drink industry. If you take a look at how these products are sold, you will find that none of them are sold on product attributes but rate highly on attitude. Coca-Cola is the product for 'happiness'. Pepsi reflects the attitudes of youth in its 'live for now' campaign, Mirinda has the pagalpanti (craziness) theme that encourages fun and pranks, while Sprite encourages 'seedhi baat' (straight talk), everything else being nonsense, of course! Thums Up wants you to 'taste the thunder', no less. These brands are valued by customers not for what they do, but more for what they symbolize.

To build attitudes, companies have to do two things, namely create emotional benefits with the brand and link it to consumer personality. In his book, *How Brand Become Icons*, Holt (2004) writes that brands must create an identity mix and then extend that myth. If a right myth is created, he writes, 'consumers jump on board, using the brand to state their identity desires. They begin to depend on the brand as an icon, remaining fiercely loyal'.

Two brands – Mountain Dew and Red Bull – have done this very successfully by creating a unique identity and attitude of their own. The emotional benefits attached to these brands are exhilaration and excitement, while they create the personality traits of irreverence, daring, and fun.

Red Bull is positioned as an energy drink. On its website you see the brand promise, 'Red bull gives you wings', that is, it increases your performance, concentration reaction speed, vigilance, and even well-being. You do not see the product at all, but pictures and videos of all sorts of outdoor activities such as surfing, motorsports, snowboarding, and the like.

Red Bull emphasizes on adventure and outdoor sports, by creating and getting involved in events across the world. 'The Red Bull Air Race is an international series of air races, the New York Red Bulls is a soccer team, and the company has invested in sporting facilities. Not all events are sponsored by the company – it gets enormous publicity because many outdoor events carry the Red Bull signage.



Red Bull Flugtag is a contest in which people are invited to build home-made, human-powered flying machines, take off from a 30 feet high deck and then land in the water. More than 35 Flugtags have been held around the world attracting up to 3,00,000 spectators per event.

Aaker (2012) writes that instead of using a few high – profile sponsorships, the company has created a large set of relatively inexpensive sponsorships that because of the umbrella Red Bull brand, have a cumulative impact. They are effective because the message matches the brand and are so creative that they create buzz through the mainstream and digital media.

Mountain Dew displays a smug attitude of done that. Its ads show people attempting extreme sports, but the four 'Dew dudes' scoff at the stunts because they thrill doesn't compare to drinking Diet Dew. The campaign became hugely successful, as Laglace (2002) writes, becoming 'the irreverent bad boy of soda pop, deftly exploiting the emerging slacker and grunge rock scene of the time. Ever since, "Do the Dew" has managed to ride the adrenalized wave of youth culture like it was Vin Diesel in a can'.

In building the brand attitude, the company places emphasis on youth-centred activities: music and sports. Its website features a number of adventure sports, such as skateboarding and mountain climbing. It also has a record label, Green Label Sounds, to elevate independent artists. Green Label Sounds allows music fans to download free music, watch videos, and discover new acts.

Holt (2004) explains that the difference between the nation's ideals and actual life produces a utopian desire. The 'Do the Dew' campaign resolved anxieties about masculine identity by providing an affirmative, if sassy, alternative. In doing so, the brand creates a utopia of its own, dubbed as 'brandtopia' that creates and sustains an imaginary world of attitude.

Both Red Bull and Mountain Dew has created brandtopias. The brands' outdoor attitude is shared by consumers. This helps the brands in two ways. First, people who share the attitude with the brand, become loyal customers. Second, the brands exhibit a unique attitude that helps them carve out sizeable markets on their own power.

#### Questions

- C1. Which component(s) of attitude is used by the brands discussed in this case? Is it possible to use any other component(s) of attitude instead of those being used by these brands? Give reasons to support your answer. **5 Marks**
- C2. Which persuasion route is deployed by the two brands? What is the scope of using an alternative route to persuasion for both of these brands? **5 Marks**
- C3. Which of the attitude change strategies are more appropriate for these brands and why? **5 Marks**