

PGDM (IB), 2014-16
Consumer Behaviour
IB-410

Trimester – IV, End-Term Examination: September 2015

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.

Sections	No. of Questions to attempt	Marks	Marks
A	3 out of 5 (Short Questions)	5 Marks each	3*5 = 15
B	2 out of 3 (Long Questions)	10 Marks each	2*10 = 20
C	Compulsory Case Study	15 Marks	15

Section A

15 Marks

Word limit for each question is 250 words.

- A1. What are the three levels of consumer decision making? Briefly define each of the levels.
- A2. Name five factors that are likely to increase the pre-purchase search for product or service. Give examples for each.
- A3. You are planning to purchase a washing machine. Name and describe briefly all the primary sources of information from where you can search for relevant information.
- A4. What are key actions a reference group must take to influence group members?
- A5. You are a marketing manager and want to measure the lifestyles of the various market segments served by your company. Briefly discuss typical variables you should include in your studies.

Section B

20 Marks

Word limit for each question is 500 words.

- B1. Outline the difference between a user and a buyer based on the personal traits. Give examples to support your discussion
- B2. You are planning to open a Mexican restaurant. You are considering how to design the physical environment of the restaurant. Discuss the components of the physical surroundings that can influence consumption behavior and make some recommendations regarding each component.
- B3.
 - a. A lady currently drives a Toyota car, and it's been a very reliable car. However, she desires to own a BMW, but her finances cannot support such a purchase as she has to pay her mortgage, utilities, and her son's college tuition. Explain briefly the two factors that affect one's desire to resolve a particular problem, and specify which one most likely is influencing her inaction to resolve this discrepancy between her actual state and her desired state.
 - b. Your family owns an upscale jewelry store. Because you are a marketing major, your father asked you to develop an advertisement for the store. You know that it is important for consumers to pay attention to your advertisement or else the money you've spent on media exposure is wasted. Define attention, discuss briefly any three stimulus factors in terms of how they influence attention to a stimulus, and briefly explain how you can use each in your advertisement.

This case study has two questions and both are compulsory.

Case Study

Since its origin in India, Cadbury's Dairy Milk (CDM) as a brand has continuously been working on market penetration strategies, where new segments and sub-segments have continuously been identified by the company.

CDM was considered as a surrogate of parental affection for children. Chocolates were then meant for kids only and were seen as an indulgence product and some of the negative associations with it were too much of it was bad and bad for health. With communications continuously addressing kids, consumption also got restricted within the same segment resulting brand stagnation. Therefore, the company made an effort to expand the consumer base by making CDM aspirational and desirable to adult segment. Extensive brand audits on the consumer pulse revealed that CDM moments were spontaneous, carefree special real moments. So, what if these 'moments' were brought back to life even for adults? To increase category relevance give consumers a taste of life the CDM way – real, fun, and free. Integrate the "real" chocolate of CDM to "real" feelings. It gave rise to the famous CDM's "Taste of Life" communication, which completely changed the format in which chocolates were sold, and CDM was able to break itself free from clutter.

After a point in time, brands like Kit Kat and Cadbury's brand Perk introduced a new variant of chocolate in a wafer, which was considered younger, trendy, futuristic, exciting and smart. Added to that was a spurt of imported brands like Lindt, Ritter, and Van Hotten, which created their niche. CDM started to find that the market was again starting to stagnate. Research also revealed that "Real Taste of Life Campaign" cut ice only with the metro audience, the barriers of Middle/Bottom end consumers remained to be addressed and a result, brand growth rate was slower than chocolate market growth.

In the second phase, CDM tried to get across to a larger section of audience, and it tried to capture the essence of India and tried to introduce CDM as a substitute for sweetmeat and positioned itself as a brand, "Kuchh Meetha Ho Jaye". Efforts were made for the "Indianisation" of the brand and to increase the width of consumption by entering the Indian mind space - make CDM part of Indian customs and mores.

This campaign was later supplemented with Amitabh Bachchan being brought in to endorse the brand. The proposition of Kuchh Meetha Ho Jaye was not removed and remained the main brand promise. Having tapped into the traditional customs where sweets were an integral part of all activities, CDM moved to other important plank of integrating with Indian culture, the sharing of all good news with a box of sweets, an idea extended further with the "Pappu Pass Ho Gaya" campaign. Amitabh Bachchan remained an essential part of both the campaigns and the strategy helped increase brand penetration (especially in smaller towns) leading to a brand growth of around 40%.

The success of CDM strategy was purely based on how a brand initially tries to extend from a segmentation strategy, as a part of the market development strategy to further create new associations and thus work towards market penetration strategy. CDM's effort to make the brand relevant to developing new associations like festivals, marriages, sharing a good news, etc., clicked well with the masses and extended the product's usage platform from a limited usage situation to an extended buying situation.

Questions

- C1. How various CDM's campaigns influence cognition, affect and behaviour of the consumer and the buyer? Discuss how attitude formation resulted in influencing the cognition, affect and behaviour of consumer and the buyer. **8 Marks**
- C2. CDM has used its campaigns to change consumer attitude towards their product and make particular needs prominent using functional approach. In this regard, which of the attitudinal function(s) is/are being targeted by the Cadbury's? Discuss. **7 Marks**