

PGDM 14-16
Consumer Behaviour
DM- 432

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
		Total Marks	50

Section A

Q1. How can marketers use consumer's failure at achieving goals in developing promotional appeals for specific product and services. Illustrate with two examples, one each from product and services.

Q2. Brand Manager of Protinex (a health food brand) would like to segment its market on the basis of self image. Describe how the marketer can use actual and ideal self image to do so.

Q3. Explain the role of extrinsic and intrinsic cues in the perceived quality of : (a) restaurants and (b) mobile phones.

Q4. How can you apply knowledge of the differential threshold to packaging, pricing and promotional claims during the period of rising ingredient and material costs of chocolate bars to augment your marketing strategy?

Q5. A manufacturer of fat free granola bar is considering targeting school age children by positioning its product as a healthy, nutritious snack food. How can the various forms of cultural learnings be used in developing applicable marketing strategies?

Section B

Q1. Neutrogena, a company known for its 'dermatologist recommended' skin care products, introduced a line of shaving products for men. How can the company use stimulus generalization to market these products? Is instrumental conditioning applicable to this marketing condition? If so, how?

Q2. How can the product manager of breakfast cereal change consumer attitudes toward the company's brand by : (a) changing belief about the brand, (b) changing belief about the competing brand and (c) adding an attribute.

Q3. Which of the five stages of family life cycle constitute the most lucrative segment for each of the following product and services: (a) Domino's pizza (b) mutual fund. Explain your answer.

Section C

Answer the four questions at the end of the case.

Target Markets

The three markets chosen—India, Saudi Arabia, and Pakistan—were the most significant to Unilever because of their sizes and growth opportunities. If it did not “fire” in these markets, Unilever would not be a viable player in the global liquid hand-wash market.

India: The largest and most valuable among all of Unilever’s markets. Lifebuoy was an established brand in India in bar soaps, but the brand’s closest competitor owned more than half the market in the liquid handwash category.

Saudi Arabia: The largest market in the Middle East, where Unilever faced a dominant competitor that was growing even larger.

Pakistan: The second largest market in the Indian subcontinent, with two strong Unilever competitors.

Strategic Challenges

In the three countries, antibacterial handwash was widely used, but there were established antibacterial liquids that have been household names for years.

To illustrate the importance of consumers’ need for the product and knowledge of its effectiveness, let’s consider Argentina. Because of a swine flu outbreak, public messaging exhorted people to wash with soap but did not specify antibacterial soap. Hence, consumers questioned the necessity of an antibacterial soap.

Because Lifebuoy Handwash was high-priced, it was expected to appeal to higher-income groups. This was a difficult issue because, in India, the brand’s bar soaps were popular among lower-income groups.

In each of the three markets, competitors offered “all powerful” antibacterial solutions. Consumers perceived these products as “germ killers” that offered long-lasting, all seasons protection.

In Pakistan, India, and Saudi Arabia, Lifebuoy had to create a unique image. It was a new, high-priced entrant to the liquid handwash category, and could not easily take on dominant competitors.

Across the three countries, Unilever wanted to target higher-income mothers who were potential handwash users and convince them to use Lifebuoy Handwash for their families. These mothers had kids aged between 4 and 12 years and were using competitive brands. When it came to protection, the target mothers believed that their families deserved the best and were not willing to compromise. This gave Unilever a foot in the door opportunity. If the company could convince these mothers that Lifebuoy offered the *best* protection, it had a chance to capture meaningful market shares.

Objectives

1. Increase preference for Lifebuoy among higher-income segments (defined by a socioeconomic classification index).

This would be tracked by a consumer household panel that Unilever commissioned through a retail audit agency.

2. Establish the Lifebuoy proposition as unique and differentiate it from the competition.

This would be tracked by using quantitative research among consumers after the communication had run for at least a month to measure recall of messaging.

Insights

Through lab research, Unilever could claim that Lifebuoy were better than competitors’ products on germ kill: it could kill *even more* germs.

During consumer research studies, when the results of the lab research were shown to them, consumers said this was unbelievable. Proof or no proof, they were unwilling to budge. That's when Unilever realized that beating competitors by going head to head against them would not work.

During the same lab tests that showed that Unilever's product killed *more* germs than the competitors' products, the R&D scientists also discovered that Lifebuoy could kill germs *faster* than the competing products. In fact, Unilever's hand wash could protect hands from germs in 10 seconds, whereas all other handwashes took one full minute to do so!

This was exciting, but Unilever did not want to make the same mistake as before of just using facts and figures to position its product. Rather than going in with just the *claim* (what good is a faster handwash anyway?), the company looked extensively for a consumer angle to frame the "faster kill" claim. It was while observing children's habits that the company hit a gold mine!

Universally, children are always in a rush or lazy while doing things they don't particularly enjoy (e.g., eating vegetables, doing their homework, etc.). *When it comes to hand-washing, it is no different.* For kids, it is an unnecessary chore that they do as quickly as possible, as they just want to be finished with it.

So, regardless of how many germs anyone claimed that their product would kill, it would all be rendered useless by the habits of children, who always wash in a hurry.

The campaign titled "Superfast Handwash" used the underlying insight on children's behavior not only to make germ protection in just 10 seconds new and relevant for Lifebuoy, but also to render the competition's perceived high ground on germ protection vulnerable. The double blow of a new parameter of time, combined with the lens of children's habits, managed to dislodge the company's competitors as the last word in germ protection in consumers' minds.

The Big Idea

Lifebuoy Superfast Handwash: 99.9% germ protection in just 10 seconds—because children are always in a hurry, especially when it comes to hand-washing.

Questions

1. Why didn't Unilever use factual-information (e.g., results of lab tests) about the "faster kill" to differentiate Lifebuoy from competition? (3)
2. How did Unilever use qualitative and quantitative research (see Chapter 16) to develop the positioning claim for Lifebuoy? (3)
3. Does the name "Lifebuoy" convey the product's core benefit effectively? Why or why not? (4)
4. Over time, should Unilever combine the "more germs" and "faster kill" claims into positioning Lifebuoy? (5)

Source: Effie Worldwide, Effie Showcase Winners. Reprinted by permission. Superfast Handwash is a 2012 Bronze Effie Winner. For information on Effie's programs for students, visit the Collegiate Effies at www.effie.org