

PGDM (RM) 2015-17

Consumer Behaviour

RM-301

Trimester –III, End-Term Examination: March 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
		Total Marks	50

Section A

15 Marks

Word limit for each question is 250 words.

- A1. Why do consumers resort to affective decision making? Give example of a situation to support your answer.
- A2. How rituals as a situation would influence consumer behavior? Give example to support your answer.
- A3. You are planning to purchase a business suit for your next job interview. Which sources of information you would consider as critical and why?
- A4. With reference to personal context groups how institutions and reference groups impact the role of buyer and user?
- A5. Using an example discuss briefly what is approach-avoidance motivational conflict.

Section B

20 Marks

Word limit for each question is 500 words.

- B1. Which two buyer roles are the most important with respect to grocery and apparel retailing? Discuss in terms of personality traits how these two roles are different from each other.
- B2. Following is a list of popular brands of washing machine and the associated factors which are rated on a scale of 5. 1 indicates minimum performance and 5 indicates maximum performance. Using conjunctive rule find out which brand(s) will be chosen. In addition, select any one brand which is eliminated and suggest strategies to develop positive consumer attitude.

Factors	LG	Whirlpool	IFB	Samsung	Videocon	Godrej	Minimum Performance Required
Capacity	1	3	2	1	1	4	5
Power Consumption	3	4	5	3	2	2	3
Washing System	1	2	2	5	4	3	3
After Sales Service	5	2	5	4	4	5	4
Body Strength	3	5	5	2	1	3	2

B3. *Both parts carry equal marks*

- a. Discuss briefly, how do marketers take advantage of the JND?
- b. Why do some consumers show a more positive attitude towards app based shopping in comparison to the physical visiting the store?

Section C

15 Marks

This case study has two questions and both are compulsory.

Case Study

Attitude is a big business. Many industries rest on the assumption that positive attitudes towards brands can be maintained, and people buying these products do so for no reason than to polish their egos and attitudes. Indeed companies not only sell products that help create attitude but also those that have a good dose of attitude built into them.

The apparel and perfume industries leave no stone unturned to sell attitude. Many exhort customers to 'wear your attitude'. The advertising, store design and displays, investments in brands, all of them weave meaning into a customer's life. Fashion magazines too talk of 'power of dressing'. As article in Esquire (2007), describes dressing as a means to stand out, or making a subtle statement, 'I'm different'. Esquire describes the power of dress as 'the extra ten percent'. Over the years, many film stars and famous people have lent their name to apparel and perfume brands, hoping that their fame will rub off on the products as well.

Salman Khan introduced a line of clothing under the brand name Being Human. The star hopes that his celebrity status will attract shoppers. To add meaning to the brand, he has made public that royalties received on the sale of his fashion line will be utilized too support education and health care initiatives. Being human stores have already been launched in many cities in India, France and several other European countries, and West Asia.

According to a report in Business Today (2013), the brand's clout comes from the Being Human Foundation, which provides affordable healthcare and primary education to underprivileged people across the country. The foundation was setup in 2007 and has teamed up with organizations like the Marrow Donors Registry India to help patients who suffer from diseases such as leukaemia and thalassemia.

The brand also tied up with Coca-Cola and NIIT to help a career development centre, which provides computer and electrical training to people from rural areas.

Being Human has an unusual revenue model. It is not donation based but revenues from royalties on the sales of Being Human merchandise. Ten percent of sales go to the foundation. The brand thus combines two powerful sources: star power and charity, and both are likely to appeal to shoppers. The front end is a lifestyle brand and the back end remains a philanthropic organization.

The idea is to make the brand iconic by drawing upon the popularity of Salman Khan. It attempts to create a community based on a philanthropic cause. The foundation's website says that the attempt is to turn the brand into an inspiration, which in turn would increase

footfalls to the stores and would encourage e-commerce sales. The website describes the charitable activities of Salman Khan and the foundation.

Another product that sells attitude is perfume. The information that our brain obtains from our sense of smell defines our relationships. Armani has a perfume named 'Attitude; that tells consumers to simply wear their attitude. Research suggests that perfumes are worn for other reasons than just to smell nice. The change in body odour gave self-confidence to male consumers. The attitude of men has improved in a way that they become more noticeable after wearing perfume. Despite being invisible it has the potential to change attitude and behaviour.

Based on this, Unilever launched the 'Axe effect' and 'Lynx effect' which made men more self-confident and attractive. The advertised effect of the product has nothing to do with smell but it focuses on the psychological effect when a man wears a perfume or a deodorant.

Karanika and Hogg (2013) use the life-story technique to study the sequence of respondents' experiences with their important possessions. They show that people value products and possessions for differentiating the self from others. People like products for recreation, security, nurturance, and transitions regarding loved ones. The relation of people with products often reflects events and transitions in the consumer's life-story and do not necessarily reflect the object or product use-life.

What we wear affect our attitude, whether it is the visible part of our personality in clothes, or the invisible power of perfume.

Questions

- C1. Explain how Being Human is using the tri-component attitude model to change people's attitudes towards the brand. How far have they been successful? **8 Marks**
- C2. Discuss how an invisible entity like wearing a perfume would affect attitude. How far does the choice of perfume match with human personality traits? **7 Marks**