

Internal Assessment Test - I

Sub:	Consumer Behaviour	Code:	17MBAMM301
Date:	18.09.2018	Duration:	90 mins
		Max Marks:	40
		Sem:	III
		Branch:	MBA

		Marks	OBE	
			CO	RBT
Part A - Answer Any Two Full Questions (16*02=32 Marks)				
1 (a)	What is societal marketing concept?	[02]	CO1	L1
	(b) Define consumer behavior? Compare and contrast between consumer and customer	[06]	CO1	L2
	(c) Explain consumerism, consumer rights and responsibilities.	[08]	CO1	L4
2 (a)	What is Dogmatism? Give an example?	[02]	CO3	L1
	(b) Define consumer research. Briefly explain any two techniques of consumer research	[06]	CO3	L2
	(c) Explain the levels of consumer decision making?	[08]	CO1	L4
3 (a)	Write the characteristics of Indian consumers.	[02]	CO2	L1
	(b) Discuss the various situational influences that change the consumer to change their buying behavior?	[06]	CO2	L3
	(c) Describe the Nicosia Model with the help of a neatly labeled diagram?	[08]	CO1	L3
Part B - Compulsory (01*08=08 marks)				
4	The marketer has to learn about the needs and changing of the consumer behavior and practice the marketing concept. Levi Stratuss & Co were selling jeans to a mass market and did not bother about segmenting the market till their sales went down. The study into consumer behavior showed their greatest market of the baby boomers had outgrown and their need had changed. They therefore came out with khaki or Dockers to different segment and comfortable action stock for consumers in the 50 age group. Thus by separating the market and targeting various groups and fulfilling their needs, they not only made up for the lost sales. but for both men and women staring wearing jeans in greater numbers. The offering given by the company must be enlarged to suit various segments. For example. Maruti Udyog limited have come out with many models Maruti 800, Van, Zen, Alto, Wagon R, Gypsy, Baleno, Brezza, Ertiga, etc.	[08]		
Questions				
(a)	Which is the right target group for Levi Stratuss and why?		CO1	L4
(b)	How should the product be positioned in the mind of the customers?		CO1	L1

Course Outcomes	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8	PO9
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CO 1:	To understand the concept of consumer behavior, decision making by consumers, Behavioral variables and its influences on consumer behavior.	1a 1b 3c			1c		2c 4a 4b			
CO 2:	To comprehend the social and cultural dimensions of consumer behavior.		3a 3b							
CO 3:	To provide an insight of the psychological and behavioral concepts of consumers		2a 2b							

Cognitive level	KEYWORDS
L1	List, define, tell, describe, identify, show, label, collect, examine, tabulate, quote, name, who, when, where, etc.
L2	summarize, describe, interpret, contrast, predict, associate, distinguish, estimate, differentiate, discuss, extend
L3	Apply, demonstrate, calculate, complete, illustrate, show, solve, examine, modify, relate, change, classify, experiment, discover.
L4	Analyze, separate, order, explain, connect, classify, arrange, divide, compare, select, explain, infer.
L5	Assess, decide, rank, grade, test, measure, recommend, convince, select, judge, explain, discriminate, support, conclude, compare, summarize.

PO1: Knowledge application: PO2: Analytical and logical thinking: PO3: Team Work: PO4: Leadership PO5:Life-Long Learning: PO6: Analyse and practice aspects of business: PO7: Personal and Societal Growth:

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1. (a) What is societal marketing concept?

A revision of the traditional marketing concept that suggests that marketers adhere to principles of social responsibility in the marketing of their goods and services: that is they must endeavour to satisfy the needs and wants of their target markets in ways that preserve and enhance the well being of consumers and society as a whole.

1. (b) Define consumer behaviour? Differentiate between consumer and customer.

According to Belch and Belch, “Consumer behaviour is the process and activities peoples engage in when searching for, selecting, purchasing, using, evaluating, and disposing of products and services so as to satisfy their needs and desires”.

Consumer	Customer
1. Consumer is the person he or she who uses the product for their personal consumption.	Customer is the person who uses the product for the selling purpose to others.
2. Reproduction never be there.	Reproduction is always there.
3. Consumer who consumes the product or services.	Customer who purchase the product or services.

1. (c) Explain consumerism. Explain consumer rights and responsibilities?

Consumerism is a social movement that fights for or safeguards the interest of the buyers in relation to the seller.

Consumerism is the process of aid to protect consumers from Unfair Practices, legal, moral and unethical practices to save the consumers.

➤ **Benefits of consumerism are:**

- Improvement in supply
- No unfair trade practices
- Better relation with consumers
- Better support of government
- Educating consumer
- Liaison with government and practices
- Producer rating
- Consumer education
- Product rating
- Liaison with government and with producers

➤ **Rights of consumer are:**

- Right to safety
- Right to be informed

- Right to choose
 - Right to be heard
 - Right to seek redressal
 - Right to consumer education
 - Right to healthy environment
 - Right to basic needs.
- Responsibilities of consumers
- Responsibility of self help
 - Proof of transaction
 - Proper claim
 - Proper use of product/ services.

2. (a) **What is Dogmatism? Give an example?**

A personality trait that reflects the degree of rigidity of a person displays toward the unfamiliar and toward information that is contrary to his or her own established beliefs.

2. (b) **Define consumer research. State any two techniques of consumer research.**

Consumer research is a form of applied sociology that concentrates on understanding the preferences, attitudes, and behaviours of consumers in a market based economy, and it aims to understand the effects and comparative success of marketing campaigns. It focuses more on the data collection and relationship building and strengthening between the contacted consumer and the company.

The two techniques of consumer research are:

a) **Quantitative Research:** It refers to the systematic empirical investigation of consumer's attitudes, behaviours and beliefs. It is the standard experimental method of most scientific disciplines. They are commonly used by physical scientists, although social sciences, education and economics have been known to use this type of research.

b) **Qualitative Research:** It is the method of inquiry to consumer's attitude, behaviours and beliefs. It is a research method used extensively by scientists and researchers studying human behaviour and habits. It is also very useful for product designers who want to make a product that will sell.

2. (c) **List the levels of consumer decision making?**

The levels of consumer decision making are:

- **Complex decision making / extensive problem solving model:** When consumers have no established criteria for evaluating a product category or specific brands in that category or have not narrowed the number of brands they will consider to a small, manageable subset, their decision-making efforts can be classified as extensive problem solving. At this level, the consumer needs a great deal of information to establish a set of criteria on which to judge specific brands and a correspondingly large amount of information concerning each of the brands to be considered.
- **Low involvement decision making / limited problem solving model:** At this level of problem solving, consumers already have established the basic criteria for evaluating the product category and the various brands in the category and have not fully established preferences concerning a select group of brands. Their search for additional information is more like "fine-tuning"; they must gather additional brand information to discriminate among the various brands.

- **Routinized response behaviour / habitual buying behaviour:** At this level, consumers have experience with the product category and a well-established set of criteria with which to evaluate the brands they are considering. In some situations, they may search for small amount additional information; in others, they simply review what they already know.

3 (a) Bring out the characteristics of Indian consumers

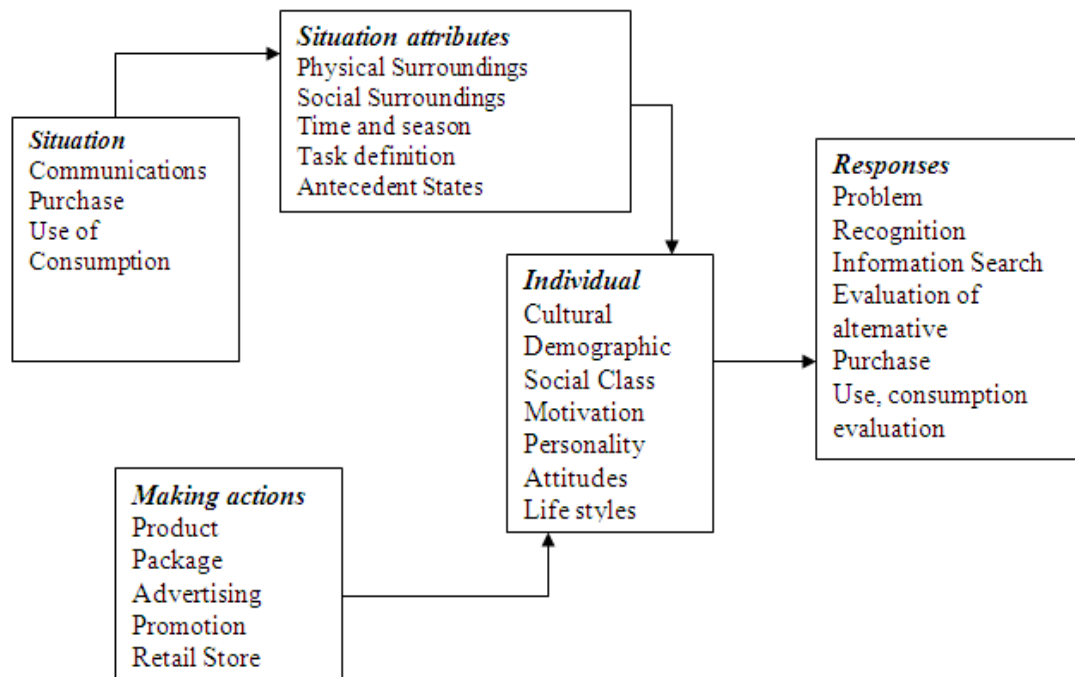
The characteristics of Indian consumers are:

Impulse buying	Consumer networks	Brand Switchers
Passive	Increasing Purchasing power	Young Demographics
Competitive	Thinking beyond categories	Religious Effect
Cultural influenced	Diversity of food habits.	
Behavioural influenced	Value conscious	
Educated and informed	Aspiration	

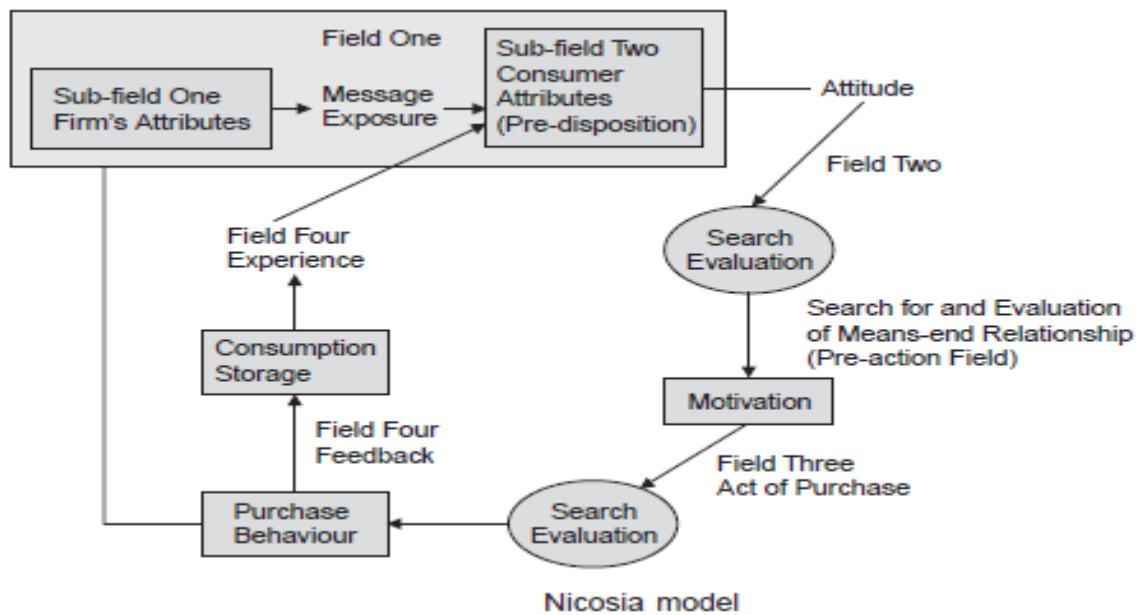
3 (b) Discuss the various situational influences that change the consumer to change their buying behavior?

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Situational influences are temporary conditions or settings that occur in the environment at a specific time and place.



3 (c) Explain Nicosia model with neat diagram.



Francesco Nicosia was one of the first consumer behaviour modellers to shift focus from the act of purchase itself to the more complex decision process that consumers engage in about products and services. He presented his model in flow chart format, resembling the steps in a computer program. Also, all variables are viewed as interacting, with none being inherently dependent or independent. Thus, the model describes a circular flow of influences where each component provides input to the next.

The Nicosia model tries to explain buyer behaviour by establishing a link between the organisation and its consumer. The model suggests that messages from the firm first influences the predisposition of the consumer towards the product or service. Based on this situation, the consumer will have a certain attitude towards the product. This may result in a search for the product or an evaluation of the product attributes by the consumer.

Elements of Nicosia model

The Nicosia model, groups the above activity explanations into four basic areas.

- This model explains the consumer behaviour on the basis of four fields shown in the diagram above:
 - **Field one:** Field one consists of sub fields one and two. Sub field one is the firm's attributes and the attributes of the product. The sub field two is the predisposition of the consumer and his own characteristics and attributes, which are affected by his exposure to various information and message, and is responsible for the building of attitude of the consumer
 - **Field two:** Field two is the pre action field, where the consumer goes on for research and evaluation and gets motivated to buy the product. It highlights the means and end relationship.
 - **Field three:** Field three is the act of purchase or the decision-making to buy the product. The customer buys the product and uses it.
 - **Field four:** Field four highlights the post-purchase behaviour and the use of the product, its storage and consumption. The feedback from field four is fed into the firms attributes or field one, and the feedback from the experience is responsible for changing the pre-disposition of the consumer and later his attitude towards the product. Nicosia Model is a comprehensive model of dealing with all aspects of building attitudes, purchase and use of product including the post-purchase behaviour of the consumer.