

Internal Assessment Test - II

Sub:	Consumer Behaviour	Code:	17MBAMM301
Date:	18.10.2018	Duration:	90 mins
		Max Marks:	40
		Sem:	III
		Branch:	MBA

		Marks	OBE	
			CO	RBT
<b>Part A - Answer Any Two Full Questions (16*02=32 Marks)</b>				
1 (a)	What is Consumer Ethnocentrism?	[02]	CO2	L1
(b)	What is Learning? Describe the elements of learning with examples?	[06]	CO1	L2
(c)	What is perceived risk? Discuss the risks faced by the consumers? Identify ways to handle Risks?	[08]	CO1	L1
2 (a)	What is differential threshold?	[02]	CO1	L1
(b)	Discuss Freudian theory of personality and its implication in marketing strategy.	[06]	CO3	L2
(c)	Explain motivation process and influence of motivation on consumer behavior.	[08]	CO3	L5
3 (a)	What is attitude?	[02]	CO3	L1
(b)	Illustrate the influence of communication on consumer behaviour with examples.	[06]	CO1	L3
(c)	Discuss Pavlovian classical conditioning model along with its marketing implications	[08]	CO3	L2
<b>Part B - Compulsory (01*08=08 marks)</b>				
4(a)	Discuss the hierarchy of effects of Tri component model of attitude, with a diagram and an example?	[08]	CO3	L2

Course Outcomes		PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8	PO9
CO1:	To understand the concept of consumer behavior, decision making by consumers, Behavioral variables and its influences on consumer behavior.	3b	1c			1a	2a			
CO2:	To comprehend the social and cultural dimensions of consumer behavior.	1b								
CO3:	To provide an insight of the psychological and behavioral concepts of consumers	2c 3c	2b 4a							3a

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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**Internal Assessment Test 2 – Oct 2018**

Subject:	<b>Consumer Behaviour</b>						Code:	<b>17MBAMM301</b>		
Date:	<b>15/10/2018</b>	Duration:	<b>90 Mins</b>	Max Marks:	<b>40</b>	Semester:	<b>3</b>	Branch:	<b>MBA</b>	
<b>Solution – Answer Key</b>										

**1. Part – A**

**1. (a). What is Consumer Ethnocentrism (02 Marks)**

A concept, that refers to individuals, who believe that their country's products are superior to those of the other countries. It is a consumer's predisposition to accept or reject foreign made products is called consumer ethnocentrism.

**(b) What is learning? Explain the elements of learning with examples? (06 Marks)**

Consumer learning is a process; that is, it continually evolves and changes as a result of newly acquired knowledge (which may be gained from reading, from discussions, from observation, from thinking) or from actual experience. Both newly acquired knowledge and personal experience serve as feedback to the individual and provide the basis for future behaviour in similar situations.

Elements of learning process are

- **Motivation:**

Motivation is based on needs and goals.

The degree of relevance, or involvement, with the goal, is critical to how motivated the consumer is to search for knowledge or information about a product or service.

Uncovering consumer motives are one of the prime tasks of marketers, who try to teach consumer segments why their product will best fulfil their needs.

- **Cues:**

If motives serve to stimulate learning, cues are the stimuli that give direction to the motives.

In the marketplace, price, styling, packaging, advertising, and store displays all serve as cues to help consumers fulfil their needs.

Cues serve to direct consumer drives when they are consistent with their expectations.

- **Response:**

How individuals react to a cue—how they behave—constitute their response.

A response is not tied to a need in a one-to-one fashion.

A need or motive may evoke a whole variety of responses.

The response a consumer makes depends heavily on previous learning that, in turn, depends on how related responses were reinforced previously.

- **Reinforcement:**

Reinforcement increases the likelihood that a specific response will occur in the future as the result of particular cues or stimuli.

**(c). what is perceived risk? What are the risks faced by the consumers? How do they handle risks? (08 Marks)**

Risk is defined as consumer's perceptions of the uncertainty and adverse consequences of engaging in an activity. Consumer behaviour is motivated to reduce risk. If negative outcomes are likely or positive outcomes are unlikely perceived risk is high.

Types of perceived Risk;

1. Performance risk: reflects uncertainty whether product will perform as expected.
2. Financial risk: is the offering expensive.
3. Physical or safety risk: safety concerns
4. Social risk: Test social standing from the offering.
5. Psychological risk: fits with the way they perceive themselves.
6. Time risk: it reflects time/duration invested.

Way to handle risk

- Consumers seek information:
- Consumer stay brand loyal
- Consumers select products by brand image
- Consumers rely on Store image
- Consumers buy most expensive model
- Consumers seek reassurance.

**2. (a). Differential Threshold (02 Marks)**

The minimal difference that can be detected between two similar stimuli is called differential threshold, or the just noticeable different. When it comes to product improvements, marketers very much want to meet or exceed the consumer's differential threshold; that is, they want consumers to readily perceive any improvements made in the original product.

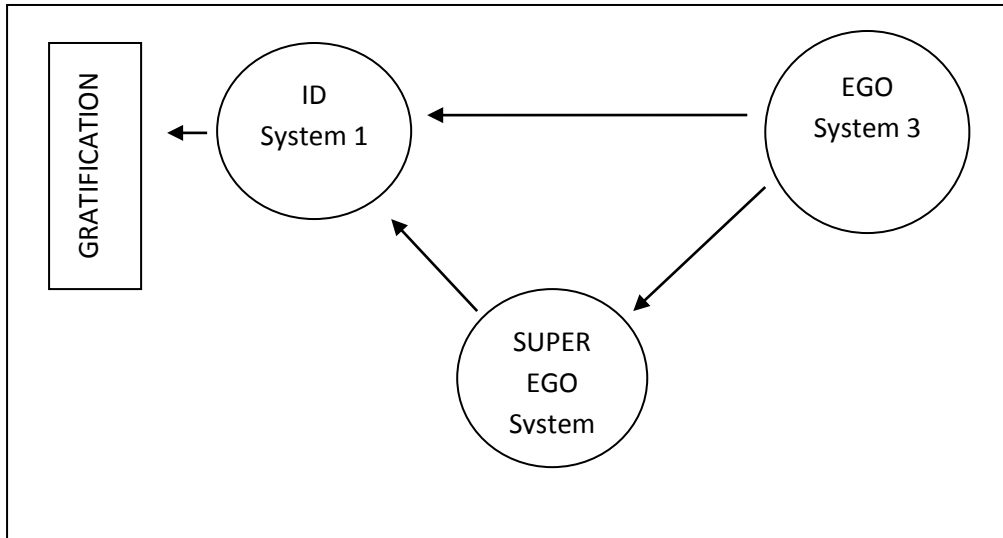
**2. (b). Discuss Freud's psychoanalytical theory in marketing (06 Marks)**

Freudian theory: deals Unconscious needs or drives are at the heart of human motivation. It says every individual's personality is the product of a struggle among three interacting forces.

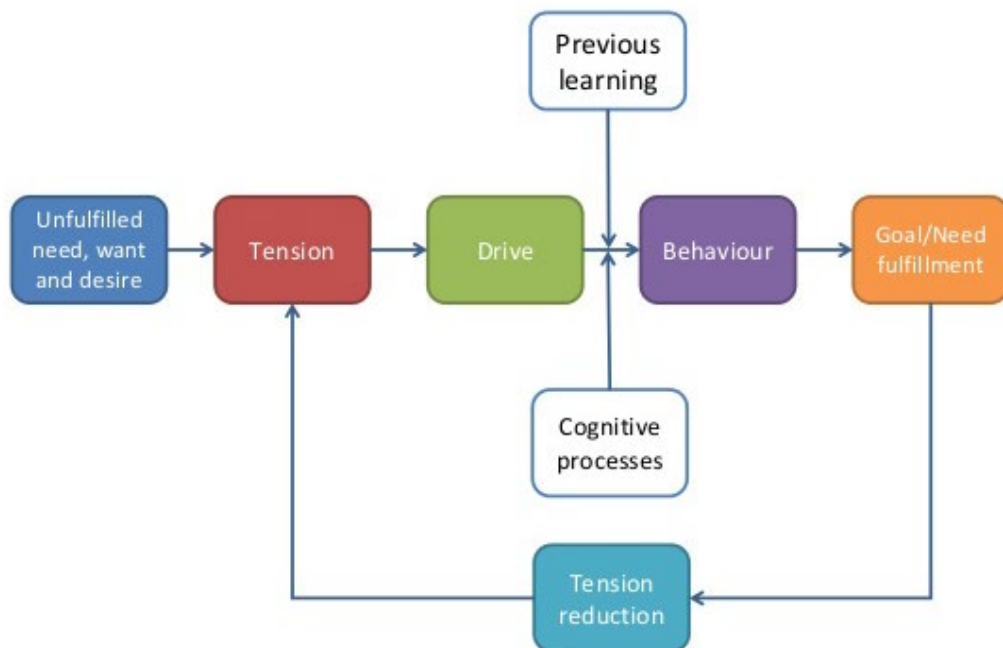
Id: Warehouse of primitive or instinctual needs for which individual seeks immediate satisfaction. It operates at a very subjective and unconscious level and is not fully capable of dealing with objective reality. Source of strong inborn drives and urges such as aggression.

Superego: Individual's internal expression of society's moral and ethical codes of conduct. It provides norms to determine what is right or wrong.

Ego: Individual's conscious control that balances the demands of the id and superego. It develops the individuals capabilities of realistic thinking and ability to deal with appropriately with his environment.



2. (c). Explain the Motivation process and influence of Motivation on consumer behaviour. (08 Marks)



The motivational process is the steps that the consumers take to get motivated. It is a process that when followed produce great results. It is amazing what you can do if you are properly motivated, and getting properly motivated is a matter of following the motivational process. Like any other process it takes a little work and foresight and planning on your part.

However, the return on your investment of time is significant, and it is important when needing extra motivation that you apply the motivational process.

Influence of motivation on consumer behaviour:

### **Influence on Consumer Decision Making**

In making product and service decisions, consumers move through a sequence of choices. First, the consumer selects a generic category of goods or services. A would-be tourist, for example, decides to travel rather than spend money on new furniture. Second, the consumer makes a modal choice. For the tourist, this involves choosing between air or rail travel. Finally, the consumer makes a specific choice. Once the decision is made to fly, the choice is made between, say, Delta and United Airlines. In each of these three decisions, the consumer is swayed toward or away from different alternatives by the strength or weakness of different motives

### **Influence on Consumer Conflict Resolution**

Any two or more motives can be activated at the same time, pulling the consumer in different directions. Shonda sees a wonderful dress at the department store and is very tempted to buy it. Her budget, however, will not allow it.

#### 1. Approach-Avoidance Conflict

In an approach-avoidance conflict, the same goal has both positive and negative characteristics. Many families would love to own a powerboat. It means freedom, fun on the water, a chance to entertain and impress friends, and a welcome escape from workaday life. But powerboats, as anyone who has one knows, can also be a virtually endless drain on family finances.

#### 1. Avoidance-Avoidance Conflict

A particularly daunting marketing task is to resolve the type of conflict no consumer likes—an avoidance-avoidance conflict, which involves choosing between two undesirable alternatives. Buying a new set of tires is very expensive. But if the alternative is to keep a set of old tires and risk hydroplaning on the highway in a rainstorm, most consumers will choose the lesser of two evils and make the investment in fresh treads

#### 2. Approach-Approach Conflict

In an approach-approach conflict, the individual faces a dilemma of choosing between or among alternatives—or approaches—that seem equally attractive.

Influence on Consumption Patterns

Motives, once activated, shape resulting behaviours.

The need for achievement affects such behaviours as performing well on the job or in school; the need for power affects such behaviours as competing for a management position; the need for affiliation affects such behaviours as being pleasant to others in order to gain their friendship

### **3. (a).What is Attitude**

**(02 Marks)**

**Definition of attitude:** A predisposition or a tendency to respond positively or negatively towards a certain idea, object, person, or situation

### **3. (c). Discuss Pavlovian classical conditioning model along with marketing implications**

**(06 Marks)**

**Classical conditioning**, an association is learned between two stimuli. In the classic experiments of Ivan Pavlov, dogs learned an association between the sound of a tone and food in which the tone signaled that food was coming very soon. As a result, the dogs would salivate in response to only hearing the tone. In this example, the tone is considered the **conditioned stimulus**, and the salivation in response to hearing just the tone is considered the **conditioned response**.

Another outcome of classical conditioning is **stimulus generalization**, which happens when the organism that is being conditioned learns to associate other similar stimuli with the conditioned stimulus; the organism displays the conditioned response as a consequence of being exposed to similar stimuli. If we go back to the example of Pavlov's dogs, stimulus generalization would occur if the dog began to salivate in response to another type of sound that's similar to the tone, such as a doorbell or wind chimes, even though it was never directly conditioned to respond to those specific sounds.

**3. (b). Illustrate the Influence of communication on consumer behaviour with and example.** **06 Marks**

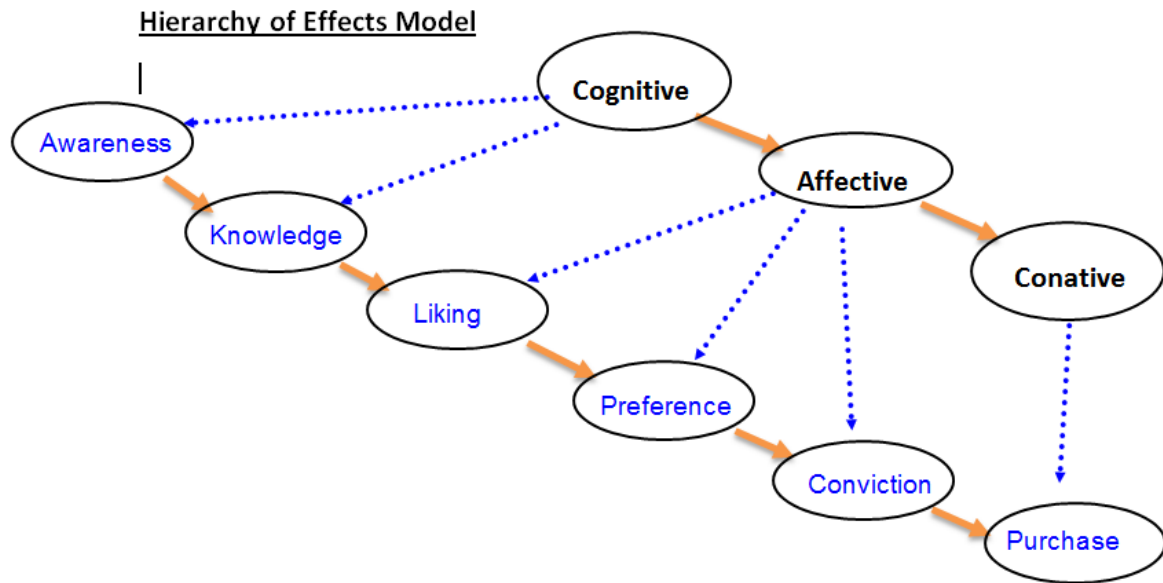
- Brand Switching
- Repeat Buying
- Purchasing More or Accelerating timing of purchase
- Increasing category expansion and consumption

#### **Part – B**

**3. (a). Explain the Tri component model of attitude?** **08 Marks**

The hierarchy of effects model proposed in 1961 by Robert J. Lavidge and Gary A. Steiner is a series of steps by which customers receive and use information in reaching the final decision about what actions they will take (eg. Whether or not to buy a product), through a series of seven stages: Unawareness, Awareness, Knowledge, Liking, Preference, Conviction, and purchase.

These seven stages were condensed by Leon G. Schiffman in 2006 into three theoretical categories named as the tri-component attitude model.



**Cognitive component:** The first part of the tri-component attitude model cognitive component consists of a person's cognitions, i.e., the knowledge and perceptions that are acquired by a combination of direct experience with the attitude object and related information from various sources.

**Affective component:** The second part of the tri-component attitude model affective component consists of a person's emotion or feelings about a particular product or a brand.

**Conative component:** The third part of the tri-component attitude model conative component consists of a person's likelihood or tendency to undertake a specific action or behaviour towards the attitude object.