

1 (a). Significance of consumer behaviour.

## IMPORTANCE OF CONSUMER BEHAVIOUR

- Involvement of theory and model
- Buying decision process
- Forecasting new markets
- Market segmentation
- Determination of pricing strategy
- distribution decision
- promotional decision
- Public policy decision
- To control environment

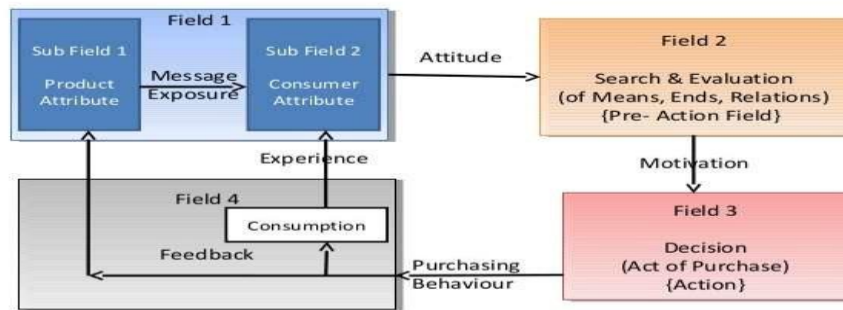
1 (b). Levels of consumer decision making process.

### Levels of Consumer Decision Making

- Extensive Problem Solving
  - **A lot of information needed**
  - **Must establish a set of criteria for evaluation**
- Limited Problem Solving
  - **Criteria for evaluation established**
  - **Fine tuning with additional information**
- Routinized Response Behavior
  - **Usually review what they already know**

1 (c) Discuss the nicosia model of CB by highlighting four fields.

## Nicosia Model



25/10/2010

- Anupam Kumar

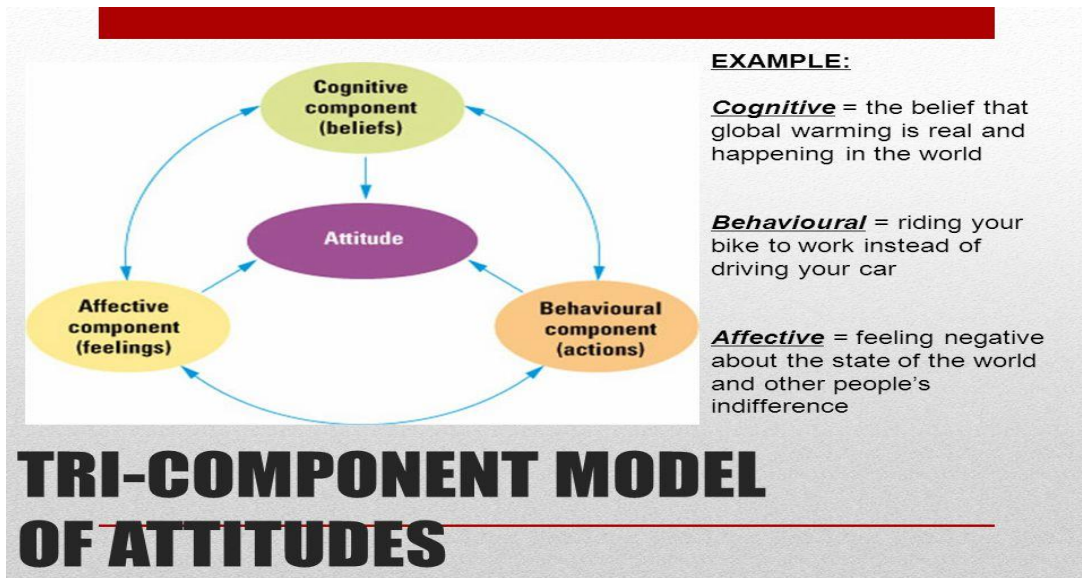
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2(a) Need of consumerism in India.

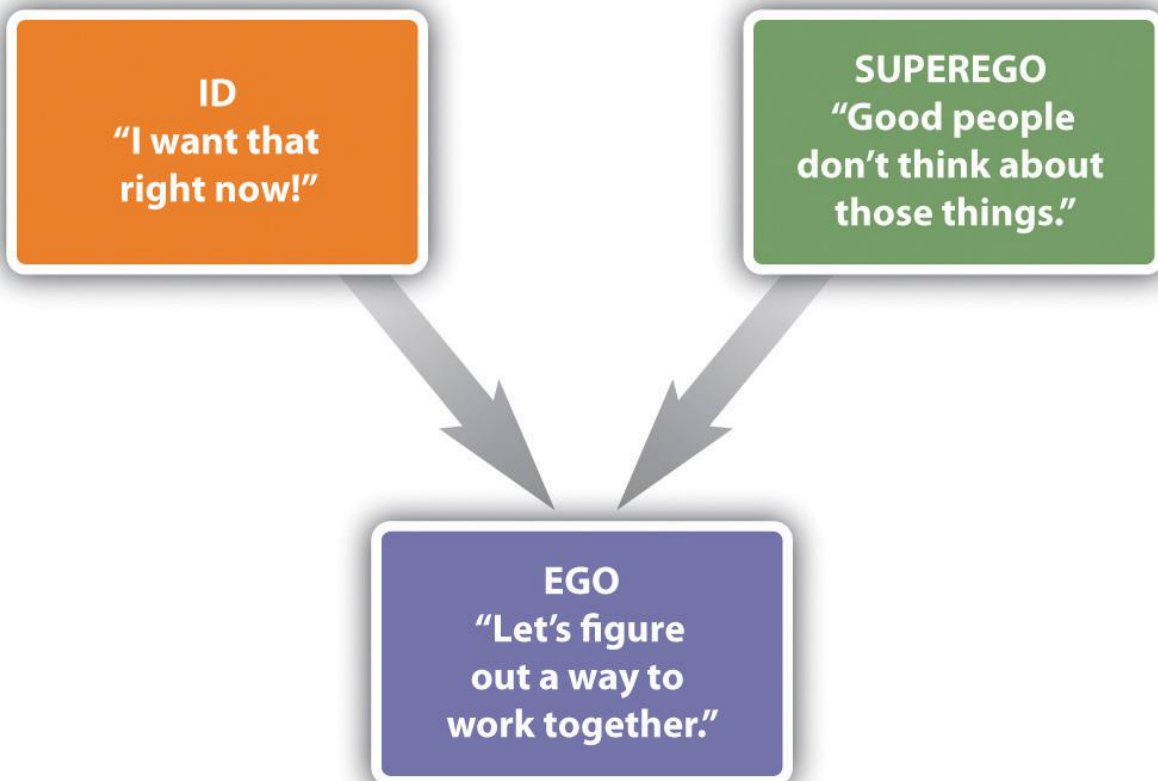
## IMPORTANCE OF CONSUMERISM

- Stop unfair trade practices.
- Provide complete & latest information.
- Discourage anti-social activities.
- Implementation of consumer protection laws.
- Protect against exploitation.
- Consumer groups can liaison between government & industry.

2 (b) Explain tri-component attitude model with example.



2 (c) Explain freudian theory of personality in influencing Consumer's attitude and behaviour.



3 (a) What do you mean by brand personality.

## Brand Personality

- Expression of the core values & characteristics of a brand with emphasis on human personality traits e.g. friendly, intelligent, innovative
- Process of transforming brand into a person or humanizing the brand.
- Acts as brand differentiator & offers sustainable competitive advantage

3 (b) Recommend message structure and presentation to be taken care by marketers.

## Designing Persuasive Communications

### *Message Structure and Presentation*

<ul style="list-style-type: none"><li>• Resonance</li><li>• Message framing</li><li>• <b>Comparative advertising</b></li><li>• Order effects</li><li>• Repetition</li></ul>	<ul style="list-style-type: none"><li>• <b>Marketer claims product superiority over another brand</b></li><li>• <b>Useful for positioning</b></li></ul>
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3 (c) Discuss the functions and roles of family in decision making.

## FAMILY MEMBERS ROLES

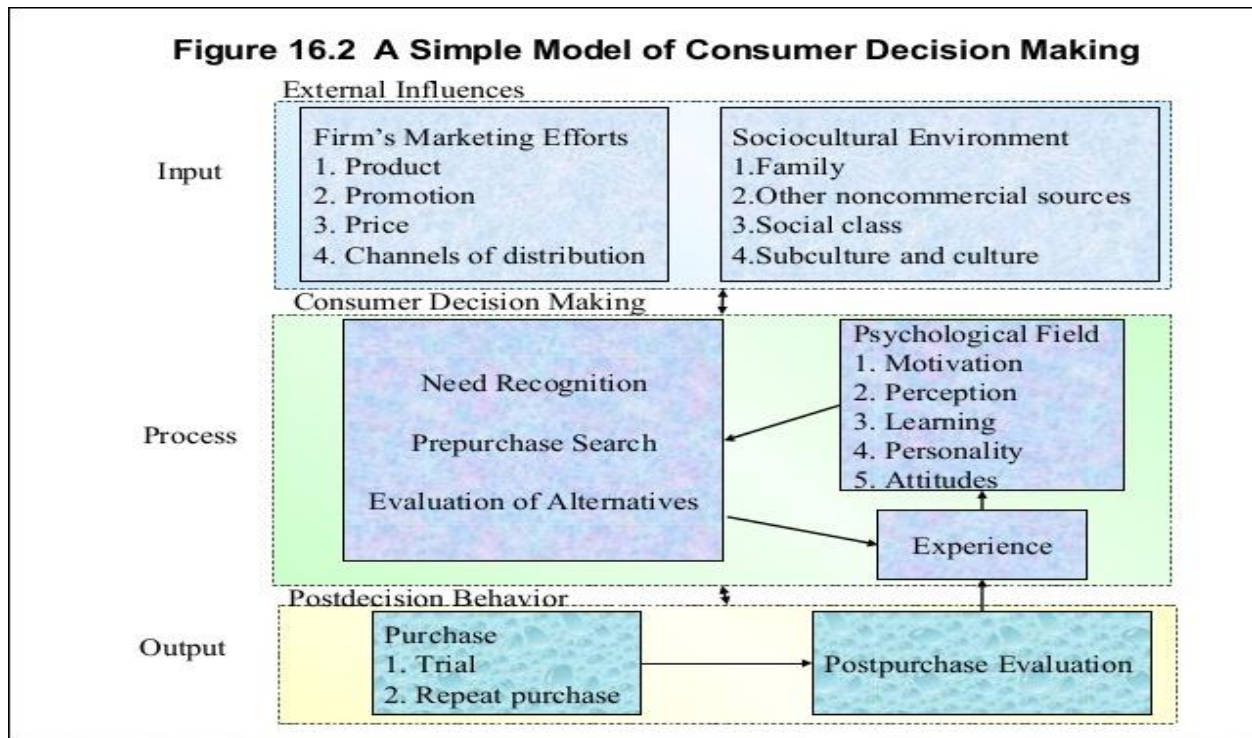
- **Influencer:** family members who provide information to the other family members about the product
- **Gatekeeper:** family members who control the flow of information about products and services in to the family
- **Decider:** family members with the power to decide which product to buy
- **Buyers:** family members who make the actual purchase of particular products and services
- **Preparers:** family members who transfer the product in to a form suitable for consumptions by other family members
- **Users:** family members who use the service or consumer the product
- **Maintenance:** family members who service or repair the product so that it continuous to functions well
- **Disposers:** family members who initiate or carry out the disposition of the product or the discontinuous of the services

4 (a) Appraise the significance of social class.

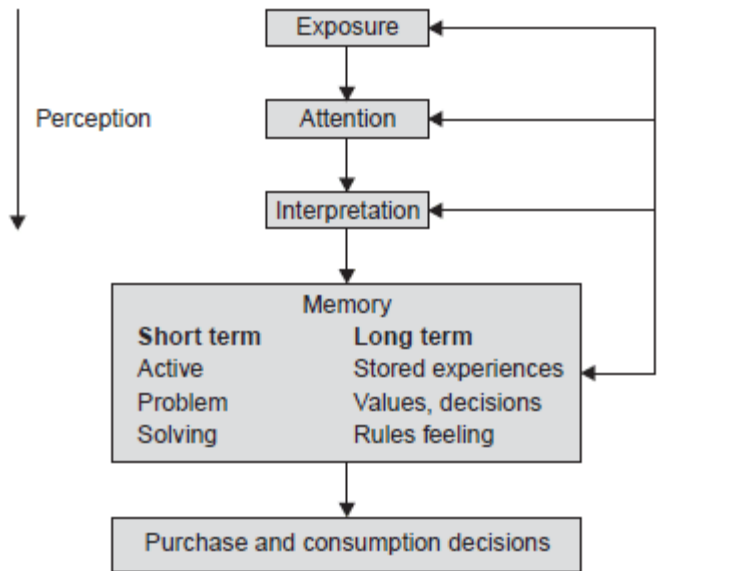
## THE IMPORTANCE OF SOCIAL CLASS TO YOU

- **PEOPLE'S LIFE CHANCES ARE IMPACTED BY SOCIAL CLASS**
  - THE CHANCE A PERSON WILL EXPERIENCE WHAT IS REFERRED TO AS "THE GOOD LIFE"
  - THINK IN TERMS OF HOW CLASS IMPACTS THE FOLLOW...
    - PHYSICAL HEALTH
    - MENTAL HEALTH
    - SELF-ESTEEM
    - EDUCATION
    - BECOMING A VICTIM OF CRIME
    - CHANCE OF CATCHING AND FIGHTING DISEASES
    - GENERAL MEDICAL CARE
    - ABILITY TO BUY INSURANCE COVERAGES
    - RELIABILITY OF TRANSPORTATION
    - TYPE OF HOUSING AND LOCATION
    - WHO YOU WILL ASSOCIATE WITH, DATE, AND EVEN MARRY
    - THE QUALITY OF NUTRITION YOU ENJOY
    - GENERAL LIFE SATISFACTION
  - WHAT ISN'T IMPACTED BY YOUR SOCIAL CLASS?

4 (b) Discuss input-process-output model of consumer behaviour.



4 (c) Compile the elements of perception which influence consumer behaviour.



Information processing for consumer decision-making

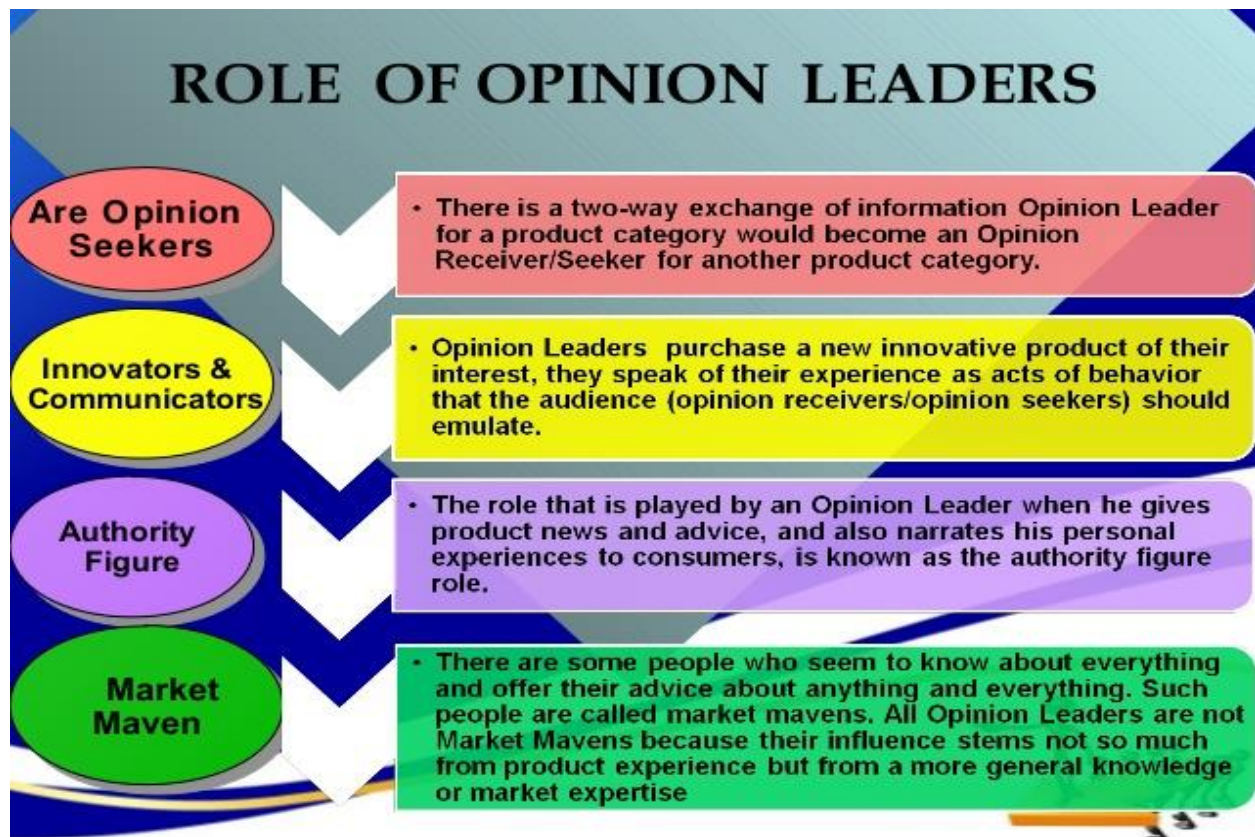
5 (a) What are the marketing applications of behavioral learning theories.



## TYPES OF LEARNING



5 (b) Discuss the role of opinion leaders.



5 (c) Highlight family life cycle stages important for market segmentation.

### Table 7.2: Stages in the Family Life Cycle

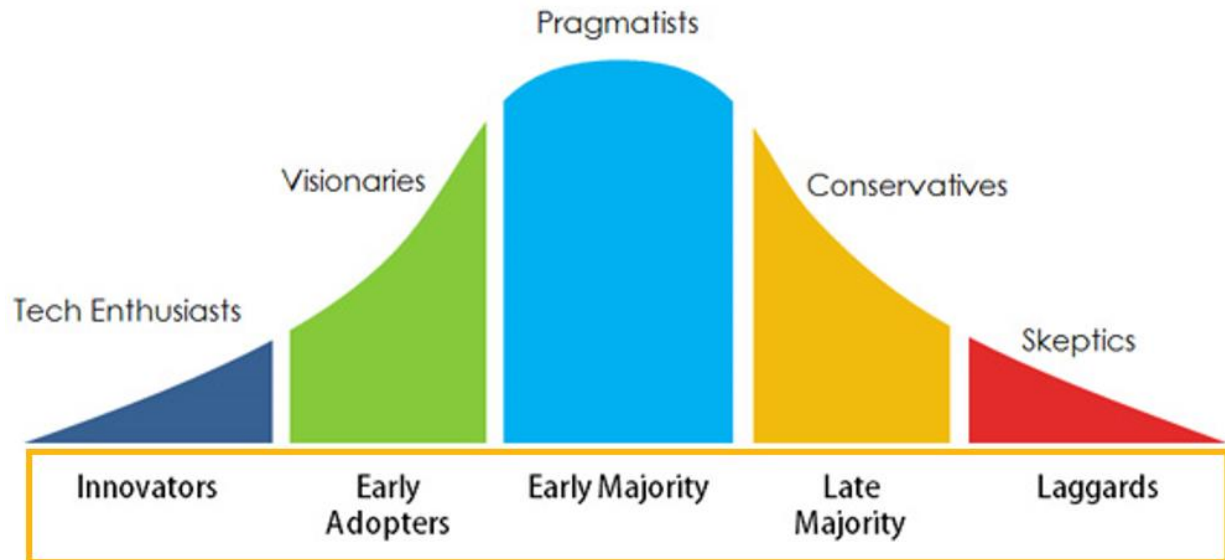
1. Bachelor stage: Young, single, not living at home	Few financial burdens. Fashion opinion leaders. Recreation oriented. Buy: basic home equipment, furniture, cars, equipment for the mating game; vacations.
2. Newly married couples: Young, no children	Highest purchase rate and highest average purchase of durables: cars, appliances, furniture, vacations.
3. Full nest I: Youngest child under six	Home purchasing at peak. Liquid assets low. Interested in new products, advertised products. Buy: washers, dryers, TV, baby food, chest rubs and cough medicines, vitamins, dolls, wagons, sleds, skates.
4. Full nest II: Youngest child six or over	Financial position better. Less influenced by advertising. Buy larger-size packages, multiple-unit deals. Buy: many foods, cleaning materials, bicycles, music lessons, pianos.

*See text for complete table*

7-12



6 (a) Identify the role of diffusion process in innovation.

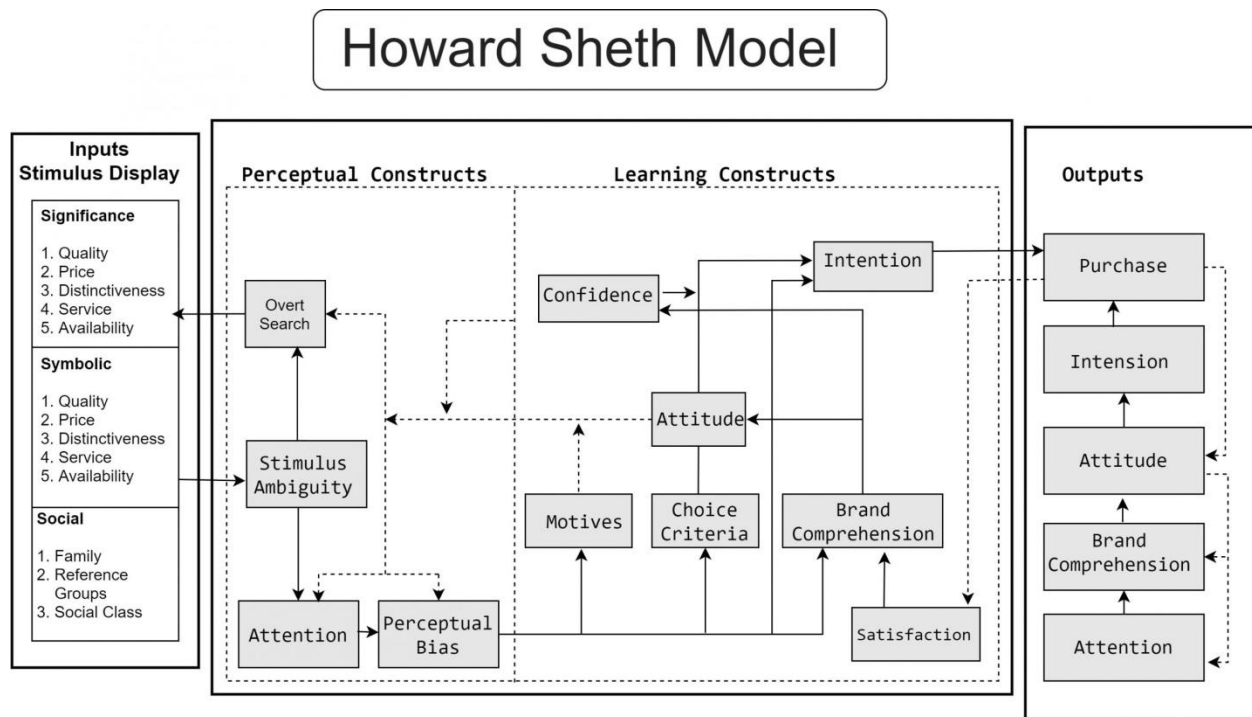


6 (b) Explain the factors affecting post purchase dissonance.

## Post-purchase Dissonance

- **Doubt or anxiety experienced after taking a difficult purchase decision.**
- **Factors Affecting Post-Purchase Dissonance:**
  - **No. of alternatives being considered**
  - **Difficulty in choosing one of the alternatives**
  - **Substitutability – near equal alternatives to choose from**
  - **Attractiveness of foregone alternatives**
  - **Degree of familiarity with the product**
  - **Information available at the time of purchase**
  - **Time and comfort with which the purchase was made**
  - **Expected negative reactions from others**

6 (c) Explain Howard sheth model of consumer behaviour.



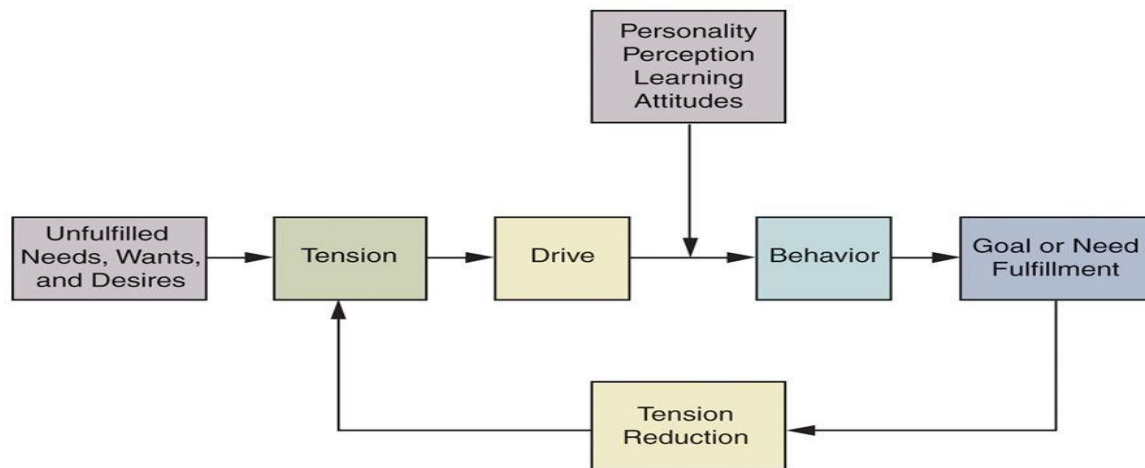
7 (a) What is subliminal perception.

## Subliminal Perception

- **Subliminal perception:**
  - Occurs when the stimulus is below the level of the consumer's awareness.
- **Subliminal techniques:**
  - *Embeds:* Tiny figures that are inserted into magazine: advertising by using high-speed photography or airbrushing.
- **Does subliminal perception work?**
  - There is little evidence that subliminal stimuli can bring about desired behavioral changes.

7 (b) Explain the process of motivation.

## Model of the Motivation Process



7 (c) What do you mean by group. Explain types of reference groups with example.

6

### Definition of GROUPS :

**Group:** *A group is a collection of Two or more people who work with one another regularly to achieve common goals.*

*Group can also be defined as more than two employees who have an ongoing relationship in which they interact and influence one another's behaviour and performance.*

*In a true group members.*

*(a) are mutually dependant on one another to achieve common goals and*

*(b) interact regularly with one another to pursue those goals over a sustained period of time.*

# Types of Reference Groups

- **Primary Groups:** a social aggregation that is sufficiently intimate to permit and facilitate unrestricted direct interaction (e.g., family)
- **Secondary Groups:** also have direct interaction, but it is more sporadic, less comprehensive, and less influential in shaping thought and behavior (e.g., professional associations or community organizations)
- **Formal Groups:** Characterized by a defined structure (often written) and a known list of members and requirements for membership
- **Informal Groups:** Have less structure than formal groups and are likely to be based on friendship or interests

8.

## Consumer Rights

### 1. Safety



The right to safe, effective products that have been tested

### 2. Information



The right to information on how to use the products

### 3. Choice



The right to have market choices and avoid monopoly

### 4. Voice



The right to an opinion about how products are made

### 5. Redress



The right to legal action if harmed by a business

# RESPONSIBILITIES OF CONSUMERS

- **CRITICAL AWARENESS**

*(ask questions on quality, price, and use of goods and services)*

- **ACTION**

*(know your consumer rights)*

- **SOCIAL CONCERN**

*(care for senior citizens and persons with disabilities)*

- **ENVIRONMENTAL AWARENESS**

*(help and maintain a clean environment)*

- **SOLIDARITY**

*(join consumer organisations and be heard as a consumer)*

