

Internal Assessment Test - I

Sub:	Marketing Management	Code:	20MBA15
Date:	17-03-2022	Duration:	90 mins
		Max Marks:	50
		Sem:	III
		Branch:	MBA
		Marks	OBE
			CO RBT
Part A - Answer Any Two Full Questions (2* 20 = 40 marks)			
1 (a)	<p>Define marketing.</p> <p>“Marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others.” (Philip Kotler).</p> <p>"Marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders."</p>	[03]	CO1 L1
(b)	<p>Explain the influence of personal factors on consumer behaviour.</p> <p>Personal factors may also affect consumer behavior. Some of the important factors that influence personal buying behavior are: lifestyle, economic status, occupation, age, personality and self-esteem.</p> <ul style="list-style-type: none"> • Age - Age and life cycle have a potential impact on the purchasing behavior of consumers. It is obvious that consumers change the purchase of goods and services over time. Family life cycle consists of different stages as young singles, married couples, and unmarried couples etc. that help marketers to develop suitable products for each stage. <p>Age and human lifecycle also influence the buying behavior of consumers. Teenagers would be more interested in buying bright and loud colors as compared to a middle aged or elderly individual who would prefer decent and subtle designs.</p> <p>A bachelor would prefer spending lavishly on items like beer, bikes, music, clothes, parties, and clubs and so on. A young single would hardly be interested in buying a house, property, insurance policies, gold etc. An individual who has a family, on the other hand would be more interested in buying something which would benefit his family and make their future secure.</p> <ul style="list-style-type: none"> • Occupation - The occupation of a person has a significant impact on their buying behaviour. For example, a marketing manager of an organization is trying to buy business suits, while a low level worker 	[07]	CO2 L2

in the same organization buy-resistant clothing works.

The occupation of an individual plays a significant role in influencing his/her buying decision. An individual's nature of job has a direct influence on the products and brands he picks for himself/herself.

- Economic situation - economic situation of the consumer has a great influence on their buying behaviour. If income and savings a customer is high, then going to buy more expensive products. Moreover, a person with low income and savings buy cheap products.

The buying tendency of an individual is directly proportional to his income/earnings per month. How much an individual brings home decides how much he spends and on which products?

Individuals with high income would buy expensive and premium products as compared to individuals from middle and lower income group who would spend mostly on necessary items. You would hardly find an individual from a low income group spending money on designer clothes and watches. He would be more interested in buying grocery items or products necessary for his survival.

- Lifestyle - Lifestyle clients is another factor affecting import purchasing behaviour of consumers. Lifestyle refers to the way a person lives in a society and express things in their environment. It is determined by the client's interests, opinions, etc. and activities shape their whole pattern of acting and interacting in the world.

Lifestyle, a term proposed by Austrian psychologist Alfred Adler in 1929, refers to the way an individual stays in the society. It is really important for some people to wear branded clothes whereas some individuals are really not brand conscious. An individual staying in a posh locality needs to maintain his status and image. An individual's lifestyle is something to do with his style, attitude, perception, his social relations and immediate surroundings.

- Personality - Personality changes from person to person, time to time and place to place. Therefore, it can greatly influence the buying behaviour of customers. In fact, personality is not what one has, but is the totality of the conduct of a man in different circumstances. Has a different characteristic, such as dominance, aggression, confidence etc. that may be useful to determine the behaviour of consumers to the product or service.
- An individual's personality also affects his buying behaviour. Every individual has his/her own characteristic personality traits which reflect in his/her buying behaviour. A fitness freak would always look for fitness equipment's whereas a music lover would happily spend on musical instruments, CDs, concerts, musical.

(c)	<p>Explain the components of customer value.</p> <ul style="list-style-type: none"> Customer value is the difference between the value the customer gains from buying and using a product and the cost of buying the product. Customers normally form expectations about the value through different marketing offers and buy accordingly. This involves the customers' mental process of judging the value of the product and is called customer perceived value. <p>Components of Customer value</p> <ol style="list-style-type: none"> Product Value. Service Value. Personnel Value. Image Value. <p>1. Product value is the benefit that a customer gets by using a product to satisfy his / her needs minus associated costs.</p> <p>2. Services Value: accounts for any service offered with the product / service that makes the experience of using the product / service enhanced. Ex: Any kind of help or assistance or instruction would fall in this category of benefits.</p> <p>3. Personnel Value: is the perceived value offered by the personnel in the system, involved in the buying and use process. The sales personnel who assist the customer in making the right choice depending on their requirements would be an example of the same.</p> <p>4. Image value: is manifested via the brand name and image that the company has created for it.</p>	[10]	CO1	L2
2 (a)	<p>Define consumer behaviour.</p> <p>The “consumer” includes both personal consumers and business/industrial/organizational consumers.</p> <p>Consumer behavior explains the reasons and logic that underlie purchasing decisions and consumption patterns; it explains the processes through which buyers make decisions. The study includes within its purview, the interplay between cognition, affect and behavior that goes on within a consumer during the consumption process: selecting, using and disposing of goods and services</p> <p>“The behavior that consumers display in searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs.”- Schiffman and Kanuk</p> <p>“the decision process and physical activity engaged in when evaluating, acquiring, using or disposing of goods and services.” - Loudon and Bitta</p> <p>“The study of consumers as they exchange something of value for a product or service that satisfies their needs”- Wells and Prenskey</p>	[03]	CO2	L1

(b)	<p>Discuss the importance of SWOT while conducting environment analysis. It is a technique of environment analysis which evaluates organisation's strengths and weaknesses, environmental opportunities and threats and helps to formulate strategies and achieve objectives by:</p> <ol style="list-style-type: none"> 1. Exploiting organizational strengths, 2. Exploiting environmental opportunities, 3. Minimizing and correcting the weaknesses, an 4. Minimizing environmental threats. <p>SWOT analysis compares organization's strengths and weaknesses (company profile) with external threats and opportunities (environmental analysis). "A company profile depicts the quantity and quality of a company's principal resources and skills. It seeks to determine the firm's performance capabilities on the basis of its existing and accessible resources and skills" and "environmental analysis is the systematic assessment of information about the firm's external environment during the strategic planning process to identify strategic opportunities for the company as well as major threats, problems, or other possible impediments."</p>	[07]	CO1	L2
(c)	<p>Explain the consumer buying decision process.</p> <p>1.Problem/need recognition</p> <p>This is often identified as the first and most important step in the customer's decision process. A purchase cannot take place without the recognition of the need. The need may have been triggered by internal stimuli (such as hunger or thirst) or external stimuli (such as advertising or word of mouth).</p> <p>2.Information search</p> <p>Having recognised a problem or need, the next step a customer may take is the information search stage, in order to find out what they feel is the best solution. This is the buyer's effort to search internal and external business environments, in order to identify and evaluate information sources related to the central buying decision. Your customer may rely on print, visual, online media or word of mouth for obtaining information.</p> <p>3.Evaluation of alternatives</p> <p>As you might expect, individuals will evaluate different products or brands at this stage on the basis of alternative product attributes – those which have the ability to deliver the benefits the customer is seeking. A factor that heavily influences this stage is the customer's</p>	[10]	CO2	L2

attitude. Involvement is another factor that influences the evaluation process. For example, if the customer's attitude is positive and involvement is high, then they will evaluate a number of companies or brands; but if it is low, only one company or brand will be evaluated.

4. Purchase decision

The penultimate stage is where the purchase takes place. Philip Kotler (2009) states that the final purchase decision may be 'disrupted' by two factors: negative feedback from other customers and the level of motivation to accept the feedback

5. Purchase

A need has been created, research has been completed and the customer has decided to make a purchase. All the stages that lead to a conversion have been finished. However, this doesn't mean it's a sure thing. A consumer could still be lost. Marketing is just as important during this stage as during the previous.

6. Post-purchase behaviour

In brief, customers will compare products with their previous expectations and will be either satisfied or dissatisfied. Therefore, these stages are critical in retaining customers. This can greatly affect the decision process for similar purchases from the same company in the future, having a knock-on effect at the information search stage and evaluation of alternatives stage. If your customer is satisfied, this will result in brand loyalty, and the Information search and Evaluation of alternative stages will often be fast-tracked or skipped altogether.

On the basis of being either satisfied or dissatisfied, it is common for customers to distribute their positive or negative feedback about the product. This may be through reviews on website, social media networks or word of mouth. Companies should be very careful to create positive post-purchase communication, in order to engage customers and make the process as efficient as possible.

3 (a)	<p>What do you mean by social responsibility? Social responsibility in Marketing It is Marketing philosophies, policies, procedures and actions that have the enhancement of society's welfare as primary objective.</p>	[03]	CO1	L1
(b)	<p>Explain Nirmalaya Kumar's 3Vs concept. 3Vs of Nirmalaya Kumar</p>	[07]	CO1	L2

	<p>1. "Valued customer" is a way to segment and target customers based on perceived value.</p> <p>2. "Valued proposition" is about differentiating products and services to customers.</p> <p>3. "Valued network" is all about delivering the value proposition to the target customer.</p> <p>Valued customers:</p> <ul style="list-style-type: none"> • Who are the customers? • Are there customers who are dissatisfied with the current offer of the branches on the market? • Are there customers who are not served by the branches of the <u>market</u>? • How to address customers who do not feel the need for the products of the organisation? • Who uses, buys, pays and influences? What are their selection criteria? • Is the target <u>segment</u> broad enough to achieve profit? <p>Value proposition (offer):</p> <ul style="list-style-type: none"> • Which main needs does the proposition of the organisation fulfil? • Does the company's value proposition fulfil the needs of the valued customers? • What benefits does the organisation really offer to the customers? • Is the value proposition of the organisation sufficiently different from that of the <u>competition</u>? • Do the value pronouncements of the company have real support from the company's <u>products</u>? • Is the <u>positioning</u> of the organisation based on attributes which will bear comparison with the competition? • Is the positioning too highly branched to appear trustworthy? <p>Value network:</p> <ul style="list-style-type: none"> • Is the <u>organization</u> capable to serve valued customers with the valued proposition with profit? • Does the organisation have the abilities which correspond and are essential to the valued proposition? • If not, where or with whom can it obtain them? With whom can it cooperate? • Can the servicing of new customers have a negative effect on the existing customers? • If yes, can the effect be eliminated? • Which items of the valued proposition which are too costly can be eliminated, limited or <u>outsourced</u>? • What is the revenue from the scope of the value network? • Is the scope of the value network sustainable without a loss of flexibility? • How does the value network differ from the rest of the branch? • What is the <u>break even point</u> of the organisation? • Is it possible to lower it through a slight limitation of the scope of the value network? 			
(c)	Explain the bases for segmenting consumer markets.	[10]	CO2	L2

Bases for Market Segmentation Market segmentation involves grouping and sub grouping of consumers on the basis of similar buying characteristics. There are a number of bases on which such segmentation or grouping of consumers can be done. These bases are as under.

(A) Consumer Characteristics -

- (1) Geographic
- (2) Demographic & Socio Economic
- (3) Psychographic

(B) Consumer Responses -

- (1) Benefits
- (2) Usage
- (3) Loyalty
- (4) Occasion

(A) **Consumer Characteristics Approach:** Under this approach, person characteristics of consumers as to where they live, who they are, how they behave, etc. are considered for making segmentation of markets. Following is the brief explanation of these bases.

(1) **Geographic Segmentation:** Geographic segmentation is the most traditional basis of market segmentation, which is used widely even today. The market is divided into different geographical units as continents, countries, states, districts, regions and areas, etc. As the consumers in different areas have different preferences and tastes for products, marketing managers distinguish carefully among the regions, in which they may operate and select only those where they have comparative advantage. Sometimes, they may even operate in all those regions paying attention to the geographical needs and preferences of consumers in those regions.

In geographic segmentation, markets are divided into different geographic units. These units may include cities, regions, countries, or

continents. Sometimes consumers may have different buying habits, needs and expectations depending on where they live.

(2) Demographic and Socio-economic Segmentation: Demography means the study of population. Demographic segmentation is based on demographic variables, such as age, sex marital status, family size, place of residence, etc. Socio-economic segmentation is based on socio-economic characteristics, such as income level, education, occupation, social class, religion and culture, family life cycle, etc.

In demographic segmentation, markets are divided into segments on the basis of demographic criteria like age, sex, family size, education, income, and social class. Consumers with similar demographic variables tend to have similar expectations, preferences and usage habits. The demographic variables can be compared to other segmentation variables, relatively easy to obtain and evaluate

For example, the market for consumer goods in India is segmented into 3 segments - high income group, middle class and lower income group. The middle class is further segmented

husband and wife working, young family with only husband working etc. Such a type of segmentation helps in developing on demographic variables is the most popular for two reasons; firstly consumer wants, preferences and usage rates are highly associated with these variables, and secondly, these variables are easier to measure than most other types of variables.

(3) Psychographic Segmentation: Psychographic tries to describe the human character of consumers that has influence on their responses to products, packings, and advertising and public relations efforts of the firm. Psychographic characteristics include variable like - personality, attitudes, and life-style.

(i) Personality - Personality means the individual's consistent reaction to world around him. Personality reflects the behaviour of people. The personality variables are - dominance, aggressiveness, objectivity, achievement motivation, etc. These influence the buying behaviour.

According to personality study conducted by a study group in U.S.A., it was revealed that Ford cars attracted the personalities with features like ‘independent, impulsive, masculine, alert to change and self-confident, whereas Chevrolet cars are used by people who are conservative, thrifty, prestige conscious, less masculine and seeking to avoid extremes. Thus, personality has impact on buying behaviour.

(ii) Life-style - Life-style indicates the person’s living and spending of time and money. It influences a person’s allocation of income across his needs and among different brands of products. Thus, the customers can be grouped as Pleasure Seekers (or hedonistic), who try to purchase the latest varieties of goods and services without caring for their prices; Status Seekers, who try to buy the goods and services of superior quality that will reflect a high status in the society; and Plan People, who go for economical and normal quality goods and services that do their job quite decently.

(iii) Attitude - Attitude describes a person’s predisposition and perception towards objects, individuals and events. It describes the positive or negative feeling of consumers towards the market mix offered to him by a firm and the firm it. Attitudes are developed among the people out of beliefs, knowledge and thinking.

Discuss the influence of cultural factors on consumer behaviour.

Consumer behavior is deeply influenced by cultural factors, such as buyer’s culture, subculture and social class.

- Culture - Essentially, culture is the share of each company and is the major cause of the person who wants and behavior. The influence of culture on the purchasing behavior varies from country to country; therefore sellers have to be very careful in the analysis of the culture of different groups, regions or even countries.

Cultural factors comprise of set of values and ideologies of a particular community or group of individuals. It is the culture of an individual which decides the way he/she behaves. In simpler words, culture is nothing but values of an individual. What an individual learns from his parents and relatives as a child becomes his culture

- Subculture - Each culture has different subcultures, such as religions, nationalities, geographical regions, racial, etc. marketing

	<p>groups may use these groups, segmenting the market in several small portions. For example, marketers can design products according to the needs of a specific geographical group.</p> <ul style="list-style-type: none"> • Social Class - Every society has some kind of social class is important for marketing because the buying behavior of people in a particular social class is similar. Thus marketing activities could be adapted to different social classes. Here we should note that social class is not only determined by income, but there are several other factors such as wealth, education, occupation etc. 			
	Part B - Compulsory (01*10=10 marks)			
4	The Russia continues its military operations into Ukraine. Business from global brands is taking major hit. Some companies halted exports to Russia, others have taken a call to cease or suspend operations in the country as a stand against its actions.			
(a)	<p>As a management consultant segment the existing market of Ukraine, given the opportunity understand the consumer behaviour, design appropriate products and services for post war situation.</p> <ol style="list-style-type: none"> 1) Geographic 2) Demographic & Socio Economic 3) Psychographic <ol style="list-style-type: none"> a. Consumer Responses - <ol style="list-style-type: none"> 4) Benefits 5) Usage 6) Loyalty 7) Occasion 	[10]	CO2	L3

Course Outcomes (COs)		P01	P02	P03	P04	P05
CO1:	Develop an ability to assess the impact of the environment on marketing function.	1a,1 b, 2b,3 a,3b				
CO2:	To formulate marketing strategies that incorporate psychological and sociological factors which influence buying			1b,2 a,2c, 3c,4		
CO3:	Understand concept of Branding, development of product and significance of market segmentation , targeting and positioning					
CO4:	Identifying marketing channels and the concept of product distribution.					
CO5:	Identifying techniques of sales promotion ,					

	significance of marketing research					
CO6:	Synthesize ideas into a viable marketing plan for various modes of marketing					

Cognitive level	KEYWORDS
L1 - Remember	list, define, tell, describe, recite, recall, identify, show, label, tabulate, quote, name, who, when, where, etc.
L2 - Understand	describe, explain, paraphrase, restate, associate, contrast, summarize, differentiate interpret, discuss
L3 - Apply	calculate, predict, apply, solve, illustrate, use, demonstrate, determine, model, experiment, show, examine, modify
L4 - Analyze	classify, outline, break down, categorize, analyze, diagram, illustrate, infer, select
L5 - Evaluate	asses, decide, choose, rank, grade, test, measure, defend, recommend, convince, select, judge, support, conclude, argue, justify, compare, summarize, evaluate
L6 - Create	design, formulate, build, invent, create, compose, generate, derive, modify, develop, integrate

PO1–Theoretical Knowledge; PO2–Effective Communication Skills; PO3–Leadership Qualities; PO4 –Sustained Research Orientation; PO5 –Self-Sustaining Entrepreneurship

CI

CCI

HOD