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## 1 Semester MBA Degree Examination; Dec.2023/Jan.2024 Consumer Behaviour

Max. Marks: 100

- Note: 1. Answer any FOUR full questions from Q.to.1 to Q.to,7.  
 2. Question to. 8 is compulsory.  
 3. M: Marks , L: Bloom's level , C. Course outcomes.

			M	L	C		
Q.1	a.	Differentiate between consumer and customer.	3	L2	CO1		
Ans.		<h3 style="margin: 0;">CUSTOMER VERSUS CONSUMER</h3> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; background-color: #1a3d54; color: white; padding: 10px; vertical-align: top;"> <p style="text-align: center; margin: 0;"><b>CUSTOMER</b></p> <p style="text-align: center; margin: 5px 0;">-----</p> <p style="text-align: center; margin: 0;">A person who buys the products or services from a shop or business</p> <p style="text-align: center; margin: 5px 0;">-----</p> <p style="text-align: center; margin: 0;">Since it is the customer who spends the money and buys the products or goods, the main focus person in the business world is the customer</p> </td> <td style="width: 50%; background-color: #800040; color: white; padding: 10px; vertical-align: top;"> <p style="text-align: center; margin: 0;"><b>CONSUMER</b></p> <p style="text-align: center; margin: 5px 0;">-----</p> <p style="text-align: center; margin: 0;">Person who uses these products or services</p> <p style="text-align: center; margin: 5px 0;">-----</p> <p style="text-align: center; margin: 0;">Since it is the consumer who actually consumes/uses the specific products, he or she may identify the genuineness of the marketing procedure</p> </td> </tr> </table>	<p style="text-align: center; margin: 0;"><b>CUSTOMER</b></p> <p style="text-align: center; margin: 5px 0;">-----</p> <p style="text-align: center; margin: 0;">A person who buys the products or services from a shop or business</p> <p style="text-align: center; margin: 5px 0;">-----</p> <p style="text-align: center; margin: 0;">Since it is the customer who spends the money and buys the products or goods, the main focus person in the business world is the customer</p>	<p style="text-align: center; margin: 0;"><b>CONSUMER</b></p> <p style="text-align: center; margin: 5px 0;">-----</p> <p style="text-align: center; margin: 0;">Person who uses these products or services</p> <p style="text-align: center; margin: 5px 0;">-----</p> <p style="text-align: center; margin: 0;">Since it is the consumer who actually consumes/uses the specific products, he or she may identify the genuineness of the marketing procedure</p>	10		
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			3				
			7				
Ans.	b.	Explain the input-process-output modes of consumer behavior.	7	L2	CO2		
		<h3 style="margin: 0;">Input, Process and Output Model</h3> <pre> graph TD     subgraph Inputs         A[Firm's marketing effort]         B[Social environment]     end     subgraph Process         C[Product awareness] --&gt; D[Interest]         D --&gt; E[Evaluation]         E --&gt; F[Intention]         G[Interest breakdown] --&gt; D         H[Personality] --- C         H --- F         I[Attitudes] --- G     end     subgraph Outputs         J[Purchase] --&gt; K[Post-purchase behaviour]         K --&gt; L[Repeat purchase]         L --&gt; M[Discontinuation]         N[Perception]     end     A --&gt; C     B --&gt; C     C --&gt; J     F --&gt; J     J --&gt; N     </pre>					

		<p>Input-Process-Output model is a simple model of consumer behavior, in which the input for the customer is the firm's marketing effort (the product, price, promotion, and place) and the social environment.</p> <p>The social environment consists of the family, reference groups, culture, social class, etc. which influences the decision-making process. Both these factors together constitute the input in the mind of the consumer.</p>			
Ans.	c.	<p>Briefly explain the rights and responsibilities of consumer.</p> <p><b>Rights of Consumers</b></p> <p>Today consumers face various problems on account of competition in the market, misleading advertisements, availability of inferior quality of goods and services, etc. Hence protection of consumers' interest has become a matter of serious concern for the Government as well as public bodies. It is to safeguard the interest of consumer's government has recognized certain rights of consumers. Let us now discuss the various rights of consumers that are recognized by Government of India.</p> <ul style="list-style-type: none"> <li>• <b>Right to safety:</b> Consumers have a right to be protected against marketing of goods which are injurious to health and life. As a consumer if you are conscious of this right, you can take precautions to prevent the injury or if injury is caused in spite of precaution, you have a right to complain against the dealer and even claim compensation. For example, if you buy any medicine, the pharmacy selling it can be held responsible if the medicine proves harmful. Again if gas cylinder is used for cooking, you have to check that it does not leak when it is supplied to you. If it starts leaking afterwards, the supplier will be liable to pay compensation if the leakage of gas leads to fire and causes injury or death to anyone.</li> <li>• <b>Right to be informed:</b> Consumers also have the right to be informed about the quantity, quality, purity, standard or grade and price of the goods available so that they can make proper choice before buying any product or service. Also, where necessary, the consumer must be informed about the safety precautions to be taken while using the product to avoid loss or injury. Taking the example of gas cylinder again, the supplier must inform the user to stop the flow of gas with the help of the regulator when it is not in use.</li> <li>• <b>Right to choose:</b> Every consumer has the right to choose the goods needed from a wide variety of similar goods. Very often dealers and traders try to use pressure tactics to sell goods of poor quality. Sometimes, consumers are also carried away by advertisements on the TV. These possibilities can be avoided if consumers are conscious of this right.</li> <li>• <b>Right to be heard:</b> This right has three interpretations. Broadly speaking, this right means that consumers have a right to be consulted by Government and public bodies when decisions and policies are made affecting consumer interests. Also, consumers have a right to be heard by manufactures, dealers and advertisers about their opinion on production and marketing decisions. Thirdly, consumers have the right to be heard in legal proceedings in law courts dealing with consumer complaints.</li> <li>• <b>Right to seek redress:</b> If and when any consumer has a complaint or grievance due to unfair trade practices like charging higher price, selling of poor quality or unsafe products, lack of regularity in supply of services etc. or if he has suffered loss or injury due to defective or adulterated products, he has the right to seek remedies. He has a right to get the defective goods replaced or money refunded by the seller or dealer. He also has the right to seek legal remedies in the appropriate courts of law. Through this right the consumers are assured that their complaints will receive due attention. This right also provides for due compensation to consumers if they have suffered a loss or are put to inconvenience due to the fault of the supplier or manufacturer.</li> <li>• <b>Right to consumer education:</b> To prevent market malpractices and exploitation of consumers, consumer awareness and education are essentially</li> </ul>	10	L2	CO2

		<p>required. For this purpose, consumer associations, educational institutions and Government policy makers are expected to enable consumers to be informed and educated about (a) the relevant laws which are aimed at preventing unfair trade practice; (b) the ways in which dishonest traders and producers may try to manipulate market practices to deceive consumers; (c) how consumers can protect their own interest; and (d) the procedure to be adopted by consumers while making complaints.</p> <p><b>Responsibilities of Consumers:</b> There is a well-known saying that ‘there cannot be rights without responsibilities’. Having examined the consumer rights and the purpose served by them, it is necessary to consider whether consumers should also be responsible enough to be entitled to exercise their rights.</p> <ul style="list-style-type: none"> <li>• <b>Responsibility of self-help</b> It is always desirable that a consumer should not depend on the seller for information and choice as far as possible. As a consumer, you are expected to act in a responsible manner to protect yourself from being deceived. An informed consumer can always take care of his/her interest more than any one else. Also, it is always better to be forewarned and forearmed rather than getting remedies after suffering a loss or injury.</li> <li>• <b>Proof of Transactions:</b> The second responsibility of every consumer is that the proof of purchase and documents relating to purchase of durable goods should be invariably obtained and preserved. For example, it is important to get a cash memo on purchase of goods. You should remember that in case you have to make any complaint about defects in goods, the proof of purchase will enable you to establish your claim for repair or replacement of the goods. Similarly, durable consumer goods like TV, refrigerator, etc. carry warranty /guarantee cards issued by the dealers. The cards entitle you to get the service for repairs and replacement of parts free of cost during a certain period after purchase.</li> <li>• <b>Proper claim:</b> Another responsibility that consumers are expected to bear in mind is that while making complaints and claiming compensation for loss or injury, they should not make unreasonably large claims. Very often, consumers have to exercise their right to seek redressal in a court. There have been cases in which consumers claimed huge compensation for no apparent reason. This is regarded as an irresponsible act which should be avoided.</li> <li>• <b>Proper use of Product/services:</b> Some consumers, especially during the guarantee period, make rough use of the product, thinking that it will be replaced during the guarantee period. This is not fair on their part. They should always use the products properly. Besides the above responsibilities, consumers should be conscious of some other responsibilities. <ul style="list-style-type: none"> <li>• They should stick to the agreement made with manufacturers, traders and service providers.</li> <li>• They should make timely payment in case of credit purchases.</li> <li>• They should not tamper with the media of services, like electric and water meters, bus and train seats, etc.</li> </ul> </li> </ul>			
Q.2	a.	What is E-CRM?	3	L1	CO1
Ans.		<p>The e-CRM or electronic customer relationship marketing concept is derived from e-commerce. It also uses net environment i.e., intranet, extranet and internet. Electronic CRM concerns all forms of managing relationships with customers making use of information technology. E-CRM is enterprises using IT to integrate internal organization resources and external marketing strategies to understand and fulfil their customer’s needs. Comparing with traditional CRM, the integrated information for e-CRM intra organizational collaboration can be more efficient to communicate with customers. E-CRM takes conventional CRM to new heights. Combining the technologies of conventional and Web CRM opens Customer Relationship Management to all participants in the process, inside and outside the enterprise. Users can access the CRM system via PCs or Laptops using Windows or via the Web using a Browser.</p>			
	b.	Discuss Freudian theory of personality and its implication in marketing strategy.	7	L3	CO3

Ans.	<p>Sigmund Freud’s theory of personality is a cornerstone of modern psychology. This theory is built on bases of unconscious needs. Freud proposed that every individual’s personality is the product of struggle among three interacting forces: These three are fully developed and are in a state of balance in a healthy person. If any individual is underdeveloped, then this balance is disturbed and there is dissatisfaction with the self and the world.</p> <p>The <b>id</b> was conceptualized as a “warehouse” of primitive and impulsive drives —basic physiological needs such as thirst, hunger —for which the individual seeks immediate satisfaction without concern for the specific means of satisfaction. In contrast to the id, the <b>superego</b> is conceptualized as the individual’s internal expression of society’s moral and ethical codes of conduct. The superego’s role is to see that the individual satisfies needs in a socially acceptable fashion. Thus, the superego is a kind of "brake" that restrains or inhibits the impulsive forces of the id. Finally, the <b>ego</b> is the individual’s conscious control. It functions as an internal monitor that attempts to balance the impulsive demands of the id and the socio-cultural constraints of the superego.</p>		
Ans.	<p>c. Elaborate on the five basic stages of the traditional family life cycle.</p> <p>Traditional Family Lifecycle The traditional family life cycle is a progression of stages through which many families pass, starting with bachelorhood, moving on to marriage, then to family growth, to family contraction, and ending with the dissolution of the basic unit. The traditional FLC models proposed over the years can be synthesized into just five basic stages, as follows.</p> <p>Stage I: Bachelorhood – young singles adult living apart from parents  Stage II: Honeymooners – young married couple  Stage III: Parenthood – married couple with at least one child living at home  Stage IV: Post parenthood- an older married couple with no children living at home.  Stage V: Dissolution – one surviving spouse</p> <p>Stage I: bachelorhood The first FLC stage consists of young single men and women who have established households apart from their parents. Although most members of this FLC stage are employed, many are college or graduate students who have left their parents’ home. Young single adults are apt to spend their incomes on rent, basic home furnishings, the purchase and maintenance of automobiles etc. They have sufficient disposable income. Marketers target singles for a wide variety of products and services. In cities there are travel agents, housing development, health clubs sport clubs, and other service and product marketers that find this FLC stage lucrative target niche.</p> <p>Stage II: honeymooners The honeymoon stage starts immediately after the marriage vows are taken and generally continues until the arrival of the couple’s first child. This FLC stage serves as a period of adjustment to married life. Because many young husbands and wives both work , these couples have available a combined income that often permits a lifestyle that provides them with the opportunities of more indulgent purchasing of possessions or allows them to save or invest heir extra income. Honeymooners have considerable start up expenses in establishing a new home.</p> <p>Stage III: parenthood When a couple has it first child, the honeymoon is considered over. The parenthood stage usually extends over more than a 20 year period. Because of its long duration, this stage can be divided into shorter phases the preschool phase, the elementary school phase, the high school phase and the college phase. Throughout these parenthood phases, the interrelationships of family members and the structure of the family gradually change. Furthermore, the financial resource of the family change significantly, as one parents progress in a career and as child rearing and educational responsibilities gradually increase and finally decreases as children become self-supporting.</p> <p>Stage IV: post parenthood Because parenthood extends over many years it is</p>	10	L2 CO2

		<p>only natural to find that post parenthood when all the children have left home, is traumatic for some parents and liberating for others. This so called empty nest stage signifies for many parents almost a rebirth, a time for doing all the things they could not do while the children were at home and they had to worry about soaring educational expenses. It is during this stage that married couples tend to be most comfortable financially. Today's empty nester has more leisure time. They travel more frequently, take extended vacations, and are likely to purchase a second home in a warmer climate. They have higher disposable incomes because of savings and investments and they have fewer expenses.</p> <p>Stage V: dissolution Dissolution of the family unit occurs with the death of one spouse. When the surviving spouse is in good health, is working or has adequate savings, and has supportive family and friends, the adjustment is easier. The surviving spouse often tends to follow a more economical lifestyle. Many surviving spouses seek each other out for companionship; others enter into second marriages.</p>			
Q.3	a.	What are market mavens?	3	LI	COI
Ans.		<p>The term "market maven" usually refers to an individual who is a market participant with a great deal of knowledge and connections, thus having a trusted opinion on market events or speculation. Historical success in the market is typically the driving force behind those who are considered mavens and those who are not. In general, the term is used to describe consumers who have up-to-date information about products, places to shop and different markets. This definition makes sense when talking in the context of the stock market, as the nature of the market itself is highly speculative and based upon opinions in most cases. The media looks to market mavens for opinions and strategies for retail investors and onlookers to follow.</p>			
Ans.	b.	<p>Describe the classical conditioning theory of learning.</p> <p>“A behavioural learning theory according to which a stimulus is paired with another stimulus that elicits a known response that serves to produce the same response when used alone”.</p> <p>Early classical conditioning theorists regarded all organisms as relatively entities that could be taught certain behaviours through repetition or conditioning. The word conditioning mean a kind of “knee-jerk” or automatic response to a situation built up through repeated exposure. E.g., If you get a headache every time you think of visiting a doctor. Pavlov’s demonstration of conditioned learning in his studies with dogs is also a good example of it. An unconditioned stimulus might consists of a well-known brand symbol (such as Neutrogena name) that implies demonstration of dermatologists’ endorsement and pure. This previously acquired consumer perception of Neutrogena is the unconditioned response. Conditioned stimuli might consist of new products bearing the well-known symbol (such as the items depicted in new products bearing the well-known symbol and the conditioned response would be trying these products because of the belief that they embody the same attributes with which the Neutrogena name is associated.</p> <p>Ivan Pavlov’s Dogs Experiment:</p> <ul style="list-style-type: none"> <li>– Unconditioned stimulus (UCS) -Naturally capable of causing a response.</li> <li>– Conditioned stimulus (CS) -Does not initially cause a response</li> <li>– Conditioned response (CR) – Response generated by repeated paired exposures to UCS and CS. Eventually, through learned association and repetition, the CS will cause the CR.</li> <li>– Pavlov demonstrated what he meant by conditioned learning in his studies with dogs.</li> <li>– Genetically, dogs are always hungry and highly motivated to eat <ul style="list-style-type: none"> <li>– In his experiment, Pavlov sounded a bell and then immediately applied a meat paste to the dog’s tongues, which caused them to salivate learning (conditioning) occurred when, after a sufficient number of repetitions of the bell sound followed almost immediately by the food, the bell sound alone caused the dogs to salivate.</li> <li>– The dogs associated the bell sound (conditioned stimulus) with the meat paste (unconditioned stimulus) and, after a number of pairings, gave the same</li> </ul> </li> </ul>	7	L2	CO2

		unconditioned response (salivation) to the bell alone as they did to the meat paste. → The unconditioned response to the meat paste became the conditioned response to the bell.			
Ans.	c.	<p>Compile the elements of perception which influence consumer behavior.</p> <p><b>Elements of Perception</b></p> <p><b>Sensation</b></p> <ul style="list-style-type: none"> <li>• Sensation is the immediate and direct response of the sensory organs to stimuli. A stimulus may be any unit of input to any of these senses. <ul style="list-style-type: none"> <li>• Examples of stimuli include products, packages, brand names, advertisements and commercials.</li> </ul> </li> <li>• Sensory receptors are the human organs that receive sensory inputs. Their sensory functions are to see, hear, smell, taste and feel. All of these functions are called into play, either singly or in combinations, in the evaluation and use of most consumer products.</li> </ul> <p><b>The absolute threshold</b></p> <ul style="list-style-type: none"> <li>• The lowest level at which an individual can experience a sensation is called the absolute threshold. • The point at which a person can detect a difference between “something” and “nothing” is that person’s absolute threshold for that stimulus. • For instance, the distance at which a driver can note a specific billboard on a highway is that individual’s absolute threshold. Two persons riding together may first spot the billboard at different distances.</li> </ul> <p><b>The differential threshold</b></p> <ul style="list-style-type: none"> <li>• The minimal difference that can be detected between two similar stimuli is called the differential threshold or the just noticeable difference. For instance, a Rs. 5 increase in the price of petrol would be noticed very quickly by consumers because it is a significant percentage of the initial cost of the product. Marketing application of the differential threshold Marketers determined the relevant differential threshold to their products for two very reasons: - o Negative changes – reduction in product size or quality, or increase in product price should remain below the differential threshold o Positive changes – improved or updated packaging, larger size, lower price should be above the differential threshold.</li> </ul> <p><b>Subliminal perception</b></p> <ul style="list-style-type: none"> <li>• People are motivated below their level of conscious awareness. • People are also stimulated below their level of conscious awareness; that is, they can perceive stimuli without being consciously aware that they are doing so. • Stimuli that are too weak or too brief to be consciously seen or heard may nevertheless be strong enough to be perceived by one or more receptor cells. This process is called subliminal perception because the stimulus is beneath the threshold, or “limen” of conscious awareness, though obviously not beneath the absolute threshold of the receptors involved.</li> </ul>	10	L3	CO2
Q.4	a.	What is Dogmatism?	3	L1	CO1
Ans.		A personality trait that reflects the degree of rigidity a person displays toward the unfamiliar and toward information that is contrary to his or her own established beliefs.	7	L2	CO2
Ans.	b.	<p>How do consumer handle risk? Explain.</p> <p>Consumers develop a self defensive weapon in order to satisfy the unsatisfied needs.</p> <p><b>Consumers seeks information</b> Consumers seek information through his friend family and other people. They spend more time thinking and getting information about the product when they associate a high degree of risk with the purchase. <b>Consumers are brand loyal</b> Consumers remain brand loyal in order to avoid the risk. <b>Consumers select by brand image</b> When consumers have no experience with the product they trust the brand name. The consumers often think about the well known brand, worth buying and go for the product. <b>Consumers reply on store image</b> If the consumers do not have any</p>			

		information about the product they trust the merchandise buyers of reputable stores and depend on them. <b>Consumers buy the most expensive model</b> When in doubt the consumers feel that the most expensive model is probably the best in terms of quality and price. <b>Consumers seeking reassurance</b> Consumers who are uncertain about the product choice seek for reassurance through money back guarantees and warranty's or trial use etc.			
Ans.	c.	<p>What do you mean by Group? Explain the types of reference groups with examples.</p> <p><b>Groups:</b></p> <p>Groups exist in every formal and informal type of organisations. Such groups are created by the members for its satisfaction. Very often groups get formed automatically because of the operation of various socio psychological factors. Such groups affect the behaviour of its members.</p> <p><b>TYPES OF REFERENCE GROUPS</b></p> <p>Reference groups can be classified in terms of a person's membership or degree of involvement with the group and in terms of the positive or negative influences they have on his or her values, attitudes, and behavior. Four types of reference groups that emerge from a cross-classification of these factors: -</p> <ol style="list-style-type: none"> <li><b>1.</b> A contractual group is a group in which a person holds membership or has regular face-to- face contact and of whose values, attitudes, and standards he or she approves. Thus a contractual group has a positive influence on an individual's attitudes or behavior.</li> <li><b>2.</b> An aspirational group is a group in which a person does not hold membership and does not have face-to face contact, but wants to be a member. Thus it serves as a positive influence on that person's attitudes or behavior.</li> <li><b>3.</b> A disclaimant group is a group in which a person holds membership or has face-to-face contact but disapproves of the group's values, attitudes, and behavior. Thus the person tends to adopt attitudes and behavior that are in opposition to the norms of the group.</li> <li><b>4.</b> An avoidance group is a group in which a person does not hold membership and does not have face-to face contact and disapproves of the group's values, attitudes, and behavior. Thus 'the person tends to adopt attitudes and behavior that are in opposition to those of the group.</li> </ol> <p>Consider Ram, a senior majoring in advertising at the state university in the south western United States. The school's Advertising Club, of which he is vice president, serves as one of Ram's contractual groups. Ram believes that continuing his education to obtain an MBA will enhance his career opportunities.</p> <p>It is clear that individuals who hold the MBA degree serve as an aspirational group for him. Still further, although he enjoys his position as a reporter on the university's newspaper, the recent editorials (endorsed by most of the staff) urging students to adopt a more conservative political philosophy run counter to his own views. Thus the newspaper staff is currently a disclaimant group. Finally, Ram personally knows a number of students who have quit college during their final year; these former students serve as an avoidance group.</p>	10	L2	CO2
Q.5	a.	<p>List out the Buying role of consumers.</p> <p><b>Buying Role of Consumers:</b></p>	3	L1	CO2

**There are following six different roles of persons, which can participate in the buying decision:**

**1. Initiator:** An initiator is a person who first suggests or thinks of an idea of buying a particular service.

**2. Influencer:** an Influencer is a person who explicitly or implicitly has some influence on the final buying decision of others. Students are influenced by the advice of the professor while taking a decision to purchase a book. Here Professor is the influencer.

**3. Decider:** A decider is a person who ultimately determines any part or whole of the buying decision, i.e., whether to buy, what to buy, how to buy, when to buy or where to buy. Children are the deciders for buying the toys, house lady for kitchen provisions, and head of the family for durable or luxury items.

**4. Gatekeeper:** The person or organization or promotional materials that act as a filter on the range of services that enters the decision choice set.

**5. Buyer:** The buyer is the person who actually purchases. The buyer may be the decider or him maybe some other person. Children (deciders) are the deciders for purchasing the toys, but purchases are made by the parents. Thus, parents are buyers.

**6. User:** User is the person who actually uses or consumes the services or products.

b. Describe Tri-component attitude model of consumer behavior with suitable example.

Tri-component Model – According to the tri-component model, attitude consists of the following three components.

Cognitive Component – The first component is cognitive component. It consists of an individual’s knowledge or perception towards a few products or services. through personal experience or related information from various sources. This knowledge usually results in beliefs, which a consumer has, and specific behavior.

L2

CO3



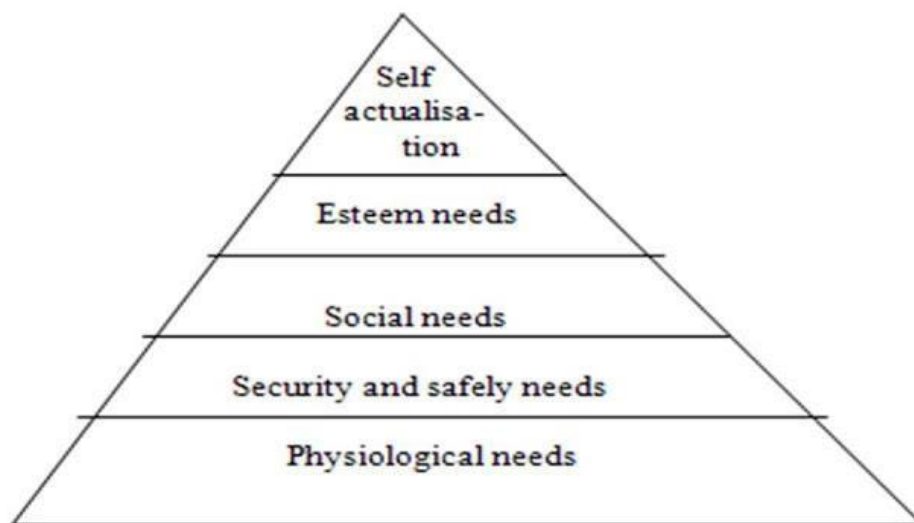
Affective Component – The second part is the affective component. This consists of a person’s feelings, sentiments, and emotions for a particular brand or product. They treat them as the primary criteria for the purpose of evaluation. The state of mind also plays a major role, like sadness, happiness, anger, or stress, which also affects the attitude of a consumer.

Behavioral or Conative Component – The last component is the conative component, which consists of a person’s intention or likelihood towards a particular product. It usually means the actual behavior of the person or his intention.

c. With the help of neat diagram, explain Maslow’s Hierarchy of Need theory and its relevance to consumer behavior. 10

Abraham Maslow’s “Need Hierarchy Theory”:

One of the most widely mentioned theories of motivation is the hierarchy of needs theory put forth by psychologist Abraham Maslow. Maslow saw human needs in the form of a hierarchy, ascending from the lowest to the highest, and he concluded that when one set of needs is satisfied, this kind of need ceases to be a motivator.



**As per his theory, these needs are:**

- **Physiological needs:** These are important needs for sustaining human life. Food, water, warmth, shelter, sleep, medicine and education are the basic physiological needs which fall in the primary list of need satisfaction. Maslow was of an opinion that until these needs were satisfied to a degree to maintain life, no other motivating factors can work.
- **Security or Safety needs:** These are the needs to be free of physical danger and of the fear of losing a job, property, food or shelter. It also includes

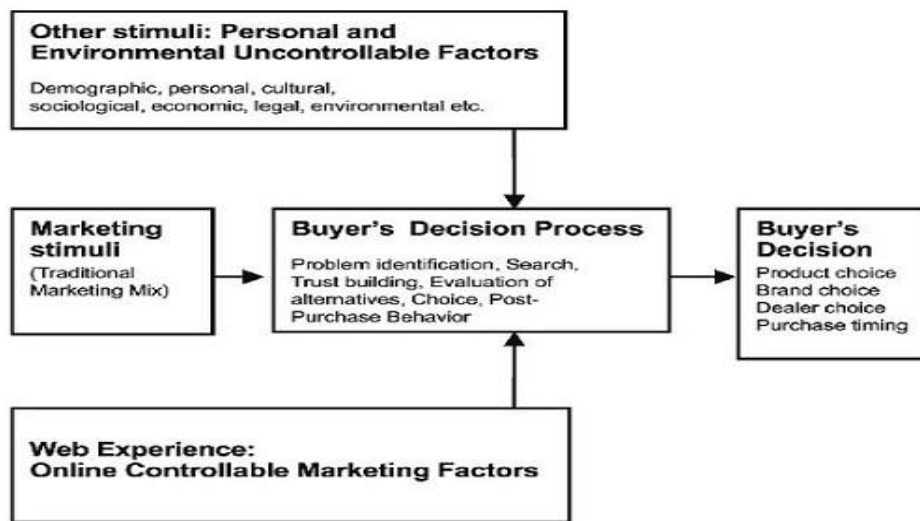
L3

CO4

	<p>protection against any emotional harm.</p> <ul style="list-style-type: none"> <li>➤ <b>Social needs:</b> Since people are social beings, they need to belong and be accepted by others. People try to satisfy their need for affection, acceptance, and friendship.</li> <li>➤ <b>Esteem needs:</b> According to Maslow, once people begin to satisfy their need to belong, they tend to want to be held in esteem both by themselves and by others. This kind of need produces such satisfaction as power, prestige status, and self-confidence. It includes both internal esteem factors like self-respect, autonomy and achievements and external esteem factors such as status, recognition, and attention.</li> <li>➤ <b>Need for self-actualization:</b> Maslow regards this as the highest need in his hierarchy. It is the drive to become what one is capable of becoming, it includes growth, achieving one’s potential and self-fulfillment. It is to maximize one’s potential and to accomplish something.</li> </ul>			
Q.6 a.	<p>Appraise the significance of social class.</p> <p>Social class can be thought of as a continuum that includes a range of social positions on which each member of society can be placed, divided into a small number of specific social classes or strata.</p> <p>Social class is defined as the division of members of a society into a hierarchy of distinct status classes so that members of each class have relatively the same status and members of all other classes have either more or less status.</p>	3	L2	CO2
b.	<p>Explain the various stages of Adoption-process.</p> <p style="text-align: center;">ADOPTION PROCESS:</p> <p>Stages:</p> <p>The acceptance and continued use of a product or brand by an individual is referred to as “adoption,” although there are differing views about when this happens. Adoption model consists of the following stages: -</p> <p><b>Awareness :</b> At this stage the potential adopter finds out about the existence of a product but has very little information and no well-formed attitudes about it. <b>Comprehension:</b> This stage represents the</p>	7	L2	CO2

	<p>consumer's having knowledge and understanding of what the product is and can do.</p> <p><b>Attitude (Interest):</b> Here, the consumer develops favourable or unfavourable behavioural predispositions toward the product. Termination of the adoption process is likely at this stage if attitudes are not favourable toward the product.</p> <p><b>Legitimizing (Evaluation):</b> Here, the consumer becomes convinced that the product should be adopted. This stage is predicated upon favourable attitudes toward the innovation, and the consumer may use information already gathered as well as additional information in order to reach a decision.</p> <p><b>Trial :</b> If possible, the consumer tests or tries the product to determine its utility. Trial may take place cognitively, that is, whereby the individual vicariously uses the product in a hypothetical situation or it may be actually used in a limited or total way, depending on the innovation's nature.</p> <p><b>Adoption:</b> At this stage, the consumer determines whether or not to use the product in a full-scale way. Continued purchase and/or use of the item fulfil the adoption process.</p> <p>Thus, adoption is seen to be a sequence of events through which individual consumers pass over a period of time. Some consumers pass through these stages early in a product life while others may do so much later. In addition, the adoption process describes consumers who are actively involved in thinking about and considering a product.</p>		
	<p>“Marketers used to know the pre and post purchase behavior of the consumer so that they can increase sales” — Enumerate with example.</p> <p>Ans. Understanding consumer behavior is important for any organization before launching a product. If the organization failed to analyze how a customer will respond to a particular product, the company will face losses. Consumer behavior is very complex because each consumer has a different mind and attitude towards purchase, consumption, and disposal of a product. Understanding the theories and concepts of consumer behavior helps to market the product or services successfully. Moreover, studying consumer behavior helps in many aspects. As there is constant change in the living standards, trend, fashion, and change in technology; consumer's attitude towards the purchase of product varies. Understanding these factors is of utmost importance because the marketing of a product is largely dependent on these factors. Thus, consumer behavior serves as a successful tool for marketers in meeting their sales objectives</p>	10	L3 CO4
Q.7 a.	<p>Identify the role of diffusion process in innovation.</p> <p>Diffusion is the process by which an innovation is communicated through certain channels over time among the members of a social system. Diffusion is a special type of communication concerned with the spread of messages that are perceived as new ideas. An innovation, simply put, is “an idea perceived as new by the individual.” An innovation is an idea, practice, or object that is perceived as new by an individual or other unit of adoption. The characteristics of an innovation, as perceived by the members of a</p>	3	L1 CO2

	social system, determine its rate of adoption.			
b.	<p>What is Sub-Culture? Describe the types of Sub-Culture.</p> <p>Culture can be divided into subcultures. A subculture is an identifiable distinct, cultural group, which, while following the dominant cultural values of the overall society also has its own belief, values and customs that set them apart from other members of the same society.</p> <p><b>TYPES OF SUBCULTURES:</b></p> <p><b>Sub-culture categories are:</b></p> <ul style="list-style-type: none"> <li>➤ Nationality: Indian, Sri Lanka, Pakistan</li> <li>➤ Religion: Hinduism, Islam</li> <li>➤ Race: Asian, black, white</li> <li>➤ Age: young, middle aged, elderly</li> <li>➤ Gender: Male, Female</li> <li>➤ Occupation: Farmer, teacher, business</li> <li>➤ Social class: upper, middle, lower</li> <li>➤ Geographic regions: South India, North-eastern India.</li> </ul>	7	L 2	CO2
c.	<p>Explain the online purchase decision process. Discuss the challenges encountered by marketer and consumer.</p> <p>With the evolution of online communication through the internet, customers now see online advertisements of various brands. It is fast catching up with the buying behavior of consumers and is a major source of publicity for niche segments and also for established brands. This is the new way of digital revolution and businesses worldwide have realized their worth. Examples – Online catalogs, Websites, or Search engines. When customers have sufficient information, they will need to compare with the choices of products or services. According to the above figure, in the search stage, they might look for product reviews or customer comments. They will find out which brand or company offers them the best fit for their expectations. During this stage, well-organized web site structure and attractive design are important things to persuade consumers to be interested in buying products or services.</p>	10	L3	CO3



Stage 1 The most useful characteristic of the internet is that it supports the pre-purchase stage as it helps customers compare different options.

Stage 2 During the purchasing stage, product assortment, sale services, and information quality seem to be the most important point to help consumers decide what product they should select, or what seller they should buy from.

c.

Stage 3 Post-purchase behavior will become more important after their online purchase. Consumers sometimes have difficulty or concern about the product, or they might want to change or return the product that they have bought. Thus, return and exchange services become more important at this stage.

Q.8	<p><b>Case Study:</b></p> <p><b>Martin Incorp</b>, was a company carrying on business in cosmetics and perfumes. They were not following the marketing concept and were catering to a target market which was using their products. In other words they only concentrated on what they would make, and did not bother about changes in preferences of their target market.</p> <p>They were later joined by Mr.Ash a marketing graduate who advised the company regarding the changing consumer preferences and the changes that were necessary to be incorporated in the product. He Emphasized upon the income factors and social factors only. He modernized the products to a great extent and invested about 30 lakhs on new packing. Etc. Even after 6 months of these changes bought alaout by him. The company did not seem to leave a proportionatc increase in sales.</p> <p>the assistant manager and thc product rrlanager were not vcry happy with the changes and thought that although an effort has been made in the right direction. Some important factors concerning consumCr behavior had been neglected.</p> <p>Questions :</p>			
	<p>a. Do you agrcc with the assistant and product managers, and who’</p> <p>Students are expected to highlight the importance of consumer behaviour.</p>	10	L4	CO4
	<p>b. What other factors, if any, could have been considered? Elaborate in detail.</p> <p>Students are expected to highlight the factors affecting consumer behaviour.</p>	10	L4	CO3