

MANAGEMENT PROGRAMME

Term-End Examination

December, 2011

01040

MS-61 : CONSUMER BEHAVIOUR

Time : 3 hours

Maximum Marks : 100

(Weightage 70%)

Note : *This paper consists of 2 sections A and B. Attempt any 3 questions from section - A. Section-B is compulsory. All questions carry equal marks.*

SECTION - A

1. (a) What are the major applications of life style marketing utilised by present day marketer ? Illustrate using suitable examples.
(b) As a retailer of expensive leather luggage, which approach to lifestyle segmentation would you apply and why ?
2. (a) does the self concept theory explain the influence of self concept on consumption ?
(b) You are trying to promote safe driving habits among motorcyclists and scooterists. Explain what approach to attitude change would you apply to change their attitudes towards safe driving ? Justify your answer.

3. What are the factors that determine the importance of reference group influence on buying decisions ? Name two products each where in your view there would a strong reference group influence on.
- (a) product choice
 - (b) brand choice.
- Explain why this type of influence would operate ?
4. Discuss the different types of problem solving behaviour in buying decisions. What type of problem solving behaviour can be expected in the following purchase decisions and why ?
- (a) Purchase of your first laptop
 - (b) Purchase of an office shirt by you.
5. Write short notes on *any three* of the following.
- (a) Personality as a variable influencing consumer behaviour.
 - (b) Instrumental conditioning.
 - (c) Influence of child on family buying decisions.
 - (d) Post purchase behaviour
 - (e) Bett **man's** information processing model

SECTION - B

6. Read the case study given below and answer the questions at the end of the case.

Brand ambassador : employing real customers to get the word around.

People love talking about things that make them happy - including their favorite products and brands. For example, if you really like an airline - they fly with flair and get you there at a reasonable price or you just love your recently acquired Sony camera - it is too good to keep the knowledge of the experience to yourself. In the old days, you would have chatted up these brands with a few friends and family members, but these days technology allows you to spread the word about products and brands experiences to thousands of other consumers.

In response, Marketers are now working to harness the new found communications power of their everyday customers by turning them into influential brand ambassadors. Companies like Sony, Microsoft and McDonald's are now developing a new breed of brand ambassador programs that organize and multiply consumer to consumer interactions about their brands. These programs employ everyday consumers who are passionate about their products to act as part PR agents and part sales reps.

Marketers select their brand ambassadors very carefully, based on customers' devotion to a brand and the size of their social circles. Once selected, the ambassadors are trained with real brand knowledge to go along with their passion for the brand. The ambassadors then tap into friends, family groups and wider audience through personal conversations, blogs, and online social media.

For the ambassadors, rewards include product samples, gifts, discounts and token cash payments. Perhaps most important to many brand enthusiasts, they get inside access to company's information about new products and services about to be launched.

Brand ambassador programs leverage the power of peer to peer communication. Consumers hear about products and brand experiences from others just like themselves - people they trust - rather than from commercial marketing sources.

Sony used brand ambassadors to jumpstart the launch of its new GPS camera, a high tech device that draws on satellite tracking technology to let you record the exact location of every picture you take and later map them out using Google maps. Sony selected customer ambassadors who like to travel, take pictures and

use online communications. "this is a product with emerging technology and we really need to let consumers see people using it' says Sony's director of digital imaging.

Out of 2000 or more online applicants, Sony picked only 25 brand ambassadors. The ambassadors were given a free camera and other equipment along with lessons on how to use them. They were encouraged to show the camera to friends, associates, and anyone else who asked; handout discount coupons and blog weekly about their travel and picture taking adventures on a dedicated Sony micro site.

College campuses are traditional fertile ground for ambassadors. Marketing companies identify and manage college student ambassadors for diverse products and services.

The brand ambassador approach has its critics. For example, some view the practice as underhanded or deceptive, most firms advise their ambassadors to openly reveal that they are representatives. Others worry that brand ambassadors may be perceived as pressure agents who promote products because they get free stuff - or worse, as annoying interfering people best avoided.

The best ambassadors, however, it has been found, are people who are seen as friendly, everyday brand loyalists for love to talk to people about their own experiences.

Questions :

- (a) Based on your own understanding of reference groups, how effective would brand ambassadors be as reference groups for relatively expensive, infrequently bought products and services ? How would your answer change if the product in question was detergent or cooking oil ?
 - (b) In your view, in the Indian marketing context, is the concept of brand ambassadors likely to succeed ? Justify your answer.
 - (c) Comment upon Sony's strategy of using brand ambassadors to launch its cameras. What can be the possible dangers of using this approach ?
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