

Roll No



**PRESIDENCY UNIVERSITY
BENGALURU**

SET A

**SCHOOL OF MANAGEMENT
END TERM EXAMINATION - JAN 2024**

Semester : Semester III - 2022

Course Code : MBA2022

Course Name : Consumer Behaviour and Practices

Program : MBA

Date : 12-JAN-2024

Time : 10:00AM - 1:00 PM

Max Marks : 100

Weightage : 50%

Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Question paper consists of 3 parts.
- (iii) Scientific and non-programmable calculator are permitted.
- (iv) Do not write any information on the question paper other than Roll Number.

PART A

ANSWER ALL THE QUESTIONS

10 X 3M = 30M

1. Name the various disciplines from which the study of CB has developed and state what makes it an interdisciplinary study
(CO1) [Knowledge]
2. State the roles of children in the family decision making process. What is your opinion with respect to marketing directly to children?
(CO2) [Knowledge]
3. Recall how theory of reasoned action (ToRA) help marketers to understand consumer attitude and behaviour
(CO3) [Knowledge]
4. Define : Opinion leadership and state how influencers in social media play the same role
(CO4) [Knowledge]
5. Recall the differences in the 3 stages of consumer behaviour with suitable product examples
(CO1) [Knowledge]
6. List the characteristics of ethnocentric consumers? State whether Made-in-India products influence their purchase decisions?
(CO2) [Knowledge]
7. State the three different ways in which consumer attitudes can be formed
(CO3) [Knowledge]
8. List and briefly outline the 3 roles played by opinion leaders
(CO4) [Knowledge]
9. State how the three different types of memory stores help consumers make purchase decisions
(CO3) [Knowledge]

10. Define : i. Enculturation ii. Acculturation and highlight its importance to understand cultural influences on consumers

(CO4) [Knowledge]

PART B

ANSWER ALL THE QUESTIONS

6 X 7M = 42M

11. Identify examples of successful marketing strategies in India that have emerged from a thorough understanding of consumer behavior gained through ethnographic research methods?
(CO1) [Comprehension]
12. Discuss the basics of motivation and how do needs and goals play a role in consumer purchase decisions.
(CO2) [Comprehension]
13. Discuss the elaboration likelihood model and its marketing applications in terms of consumer involvement when persuaded by marketing communication.
(CO3) [Comprehension]
14. Discuss the implications of the traditional family life cycle stages on family consumption roles? Justify product and service choices and decision making process.
(CO4) [Comprehension]
15. Discuss with suitable examples how the four different functions of attitude given below help marketers to understand their consumers better with the product examples given alongside
- a. Utilitarian Function - Washing machine
 - b. Ego-defensive Function - iPhone
 - c. Value-expressive Function - Breakfast cereals
 - d. Knowledge Function - Travel and Vacation
- (CO3) [Comprehension]
16. Discuss the Pavlovian model of consumer decision making with examples of both utilitarian and hedonic product purchases
(CO4) [Comprehension]

PART C

ANSWER ALL THE QUESTIONS

2 X 14M = 28M

17. LEGO manages to constantly reinvent the toy business by utilizing market research to its fullest extent. At its conception in 1932, LEGO was able to capitalize on the simplicity of producing wooden toys. In 1947, with the introduction of the "modern LEGO brick", the company was able to scale the toy to a much larger audience. Throughout the 20th century, LEGO created toys surrounding pop culture, which cemented their reach to children of the times. At the end of the 20th century, LEGO had hit a roadblock and was in dire need of change. Through the effective use of market research, LEGO was able to take a company on the verge of bankruptcy to the largest toy manufacturer in the world. LEGO recognized that the problem with their current model was the lack of understanding of customers wants and needs. After collecting extensive data, LEGO made the million dollar decision to market toys based on role play for the girls, and toys with a narrative and backstory for boys. This change, supplemented with theme parks, and video games, allowed LEGO to get out of the hole. In the future, LEGO will continue to reinvent business through the use of their "Future Lab", and targeted market research. Marketing research played a pivotal role in the revitalization of LEGO. After determining why they were failing in 2004, LEGO was able to correctly forecast their marketing demands. The change to Jorgen Knudstorp to CEO initiated a larger emphasis on consumer and market research. Knudstorp realized that under the current market conditions, they needed to be more direct in their marketing. The release of the Ninjago and Legends of Chima sets were a market-test, organized to test the extensive research that had been conducted since he took over. The overwhelming success of the new business model proved that the missing piece was market research. As aforementioned, LEGO will continue to survey the market and their consumers to keep up with current marketing trends.

LEGO separates itself from its competitors by creating competitive advantage. LEGO is able to be more successful than the competition because of brand equity and effective merchandising. Having been in the market since 1932, the name LEGO carries significant weight and has a positive connotation. They are known across the industry for reliable products, and endless innovation. The way of which LEGO promotes their brand is direct, and targeted to consumers based on market research. LEGO produces commercials that are direct, showing the product they are selling, and puts emphasis on knowing their target customer base. The competitive advantage created by LEGO, however, is not sustainable. Instead, it is a leverageable advantage over the competition. It is not that competitors are unable to replicate what LEGO is doing, LEGO continuously builds off of their products to create new innovations and ideas to stay one step ahead. Companies such as Mattel and Hasbro make construction-like toys that are comparable to LEGO, however, LEGO is able to have a higher success rate based on their knowledge of the market and repeated adaptations to their strategy based on current trends. With any large corporation comes potential ethical implications. Perhaps the most prevalent that comes to mind when discussing toys is product safety. LEGO lays out the process that they follow to ensure safe products on their website. They first assess the safety of the materials they use, then they test their product through various safety assessments, next they make the product while testing for quality and safety, and finally they receive feedback from their consumers to verify that their experience with the product was in fact safe. The process that LEGO utilizes seems to be effective as they have "had zero recalls since 2009". (LEGO, 2022). LEGO is also taking a variety of actions towards lessening their impact on the environment. For example, they have been reducing CO2 in all operations by prioritizing energy efficient options in factories, utilizing renewable energy such as solar panels, setting high environmental standards, and investing into more low-carbon projects. LEGO's CDP climate score has risen from a C to an A in 2022 as a result of these efforts. Overall, the ethical practices across the board allow for LEGO to keep positive

initiatives associated with their name, limiting bad press and further pushing their marketing strategy. One problem that LEGO is facing is a word catering towards technology, and away from traditional toys. According to a study conducted by the PEW Research Center, "more than one-third of parents with a child under 12 say their child began interacting with a smartphone before the age of 5" (Nadeem, 2020). The instant gratification associated with technology poses a significant problem to LEGO. In society as a whole, one is less likely to wait for the satisfaction of putting blocks together and instead chooses to use a phone, or gaming console, to receive instant gratification. This poses a problem to LEGO, as shown by their Revenue in 2021 compared to that of Tencent (the leading gaming company). LEGO had nearly \$8 billion in revenue (Tighe, 2023) , significantly smaller than the \$32.2 billion of Tencent (Clement, 2022).

Questions

1. Apply appropriate consumer decision making models or theories to highlight the causes for the problems that Lego is currently faced it
2. Recommend marketing strategies for the Lego brand to overcome competition and changing consumer habits

(CO1) [Application]

- 18.** Martin Incorp. was a company carrying on business in cosmetics and perfumes. It was not following the marketing concept and was catering to a target market which was using its products. In other words, it only concentrated on what it would make, and did not bother about changes in preferences of its target market. It was 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 emphasised upon the income factors, and social factors only. He modernised the products to a great extent, and invested about 30 lakhs on new packing, etc. Even after six months of these changes brought about by him, the company did not seem to have a proportionate increase in sales. The assistant manager and the product manager were not very happy with the changes, and thought that although an effort has been made in the right direction, some important factors concerning consumer behaviour had been neglected.

Questions

1. Examine the above situation and demonstrate whether you agree with the assistant and product managers, and why?
2. Prepare a list of all other factors that could have been considered and elaborate in detail how these factors may provide more insights into consumer decision making for cosmetics and personal care products

(CO2) [Application]