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PRESIDENCY UNIVERSITY BENGALURU

SET A

SCHOOL OF MANAGEMENT MID TERM EXAMINATION - NOV 2023

Semester : Semester III - 2022

Date : 7-NOV-2023

Course Code : MBA2022

Time : 10:00AM - 11:30AM

Course Name : Sem III - MBA2022 - Consumer Behaviour and Practices

Max Marks : 50

Program : MBA

Weightage : 25%

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

(5 X 2 = 10M)

1. Give an example to explain cognitive dissonance or post purchase dissonance (CO1) [Knowledge]
2. Describe habitual and variety seeking consumer behaviour using Henry Assael's model (CO1) [Knowledge]
3. Outline the global trends that influence consumer behaviour (CO1) [Knowledge]
4. List 4 items or statements that can measure consumer ethnocentrism (CO1) [Knowledge]
5. State the differences between rational and emotional motives in consumer behaviour with suitable examples (CO2) [Knowledge]

PART B

ANSWER ALL THE QUESTIONS

(3 X 6 = 18M)

6. Briefly review Maslow's motive hierarchy from the consumption context. Cite at least two product categories that might appeal to an individual at each stage of the hierarchy and state the core benefits that these products can fulfil. (CO2) [Comprehension]
7. Identify two examples of advertisements that appeal to psychogenic motives. Discuss the appropriateness of the association between the product and the motive. (CO2) [Comprehension]

- 8.** Taking suitable examples of a product or service describe how the consumer decision making process varies between a i) low involvement buyer and a ii) high involvement buyer

(CO1) [Comprehension]

PART C

ANSWER THE FOLLOWING QUESTION

(2 X 11 = 22M)

- 9.** In the bustling city of Techopolis, a young and ambitious startup named PulseTech had set its sights on revolutionizing the fitness wearable market. The co-founders, Alex and Maya, both fitness enthusiasts with a passion for technology, believed that they could create a product that not only tracked physical activity but also understood the nuanced behaviors of consumers in the ever-evolving fitness wearable market. As PulseTech began its journey, the co-founders knew that to succeed, they needed a deep understanding of consumer behavior. They decided to embark on an extensive research project to uncover the motivations, preferences, and pain points of potential customers.

The first phase of their research involved conducting interviews and surveys with fitness enthusiasts, casual gym-goers, and individuals who had never used wearables before. They discovered that while some users were motivated by performance metrics, such as calories burned and steps taken, others were more interested in holistic wellness, including sleep tracking and stress management.

Armed with this initial data, Alex and Maya dove deeper, employing data analytics to track social media discussions, product reviews, and online forums related to fitness wearables. They found a passionate community discussing features, sharing frustrations, and expressing desires for improvements in existing products.

One unexpected finding was the significant influence of design on consumer decisions. PulseTech learned that users not only wanted functionality but also desired aesthetically pleasing and customizable wearables that seamlessly integrated into their lifestyles. This discovery led to a pivotal decision for PulseTech: to prioritize both form and function in their product design.

The co-founders also recognized the importance of partnerships. They reached out to fitness influencers, health professionals, and gyms, forging alliances that would not only promote their product but also provide valuable insights into the needs of their target audience. As the research phase concluded, PulseTech had a comprehensive understanding of the diverse consumer landscape. Armed with this knowledge, they began developing a cutting-edge fitness wearable that not only tracked physical activity with precision but also incorporated features catering to various consumer preferences.

PulseTech's marketing strategy reflected their consumer-centric approach. They focused on telling stories rather than just listing features, emphasizing how their product seamlessly integrated into users' lives, helping them achieve their fitness goals while looking stylish. The product launch was met with enthusiasm. The initial reviews praised not only the functionality but also the thoughtful design and user-centric features. PulseTech's dedication to understanding consumer behavior in the fitness wearable market had paid off, propelling them to the forefront of an industry that valued innovation, empathy, and a deep connection with its users. As PulseTech continued to grow, their success served as a testament to the power of truly understanding consumer behavior in developing products that not only meet but exceed customer expectations in the competitive fitness wearable market.

Question –Illustrate PulseTech's understanding of consumer behavior for developing their fitness wearables based on Input-process- Output (IPO) model

(CO1) [Application]

10. Top managers of Kellogg India Ltd received unsettling reports of a gradual drop in sales. Managers realized that it would be tough to get the Indian consumer to accept its products. Kellogg banked heavily on the quality of its crispy flakes. But pouring hot milk on the flakes made them soggy and did not taste good and not many Indian consumers like to have them with cold milk. A typical average middle class Indian family did not have breakfast on regular basis like their western counterparts. Those who did have breakfast! consumed parathas, idlis, bread, butter, jam, milk tea and local food preparations. According to analysis a major reason for Kellogg's failure was the fact that the tastes of its product did not suit Indian breakfast habits. Kellogg sources were however quick to assert that the company was not trying to change these habits; the idea was only to launch its products on the health platform and make consumers see the benefit of this healthier alternative. Another reason for low demand was premium pricing adopted by the company. Disappointed with the poor performance, Kellogg decides to launch two of its highly successful brands & chocos and Frosties in India. The success of these variants took even Kellogg by surprise and sales picked up significantly. This was followed by the launch of chocos breakfast cereal biscuits. The success of chocos and Frosties also led to Kellogg's decision to focus on totally Indianising its flavors in the future. Kellogg also introduced packs of different sizes to suit Indian consumption patterns and purchasing power. Kellogg tied up with the Indian diet association to launch a nation-wide public service initiative to raise awareness about iron deficiency problems. The company has also modified its product particularly the fortification of its products with iron in breakfast cereals. However, Kellogg continued to have the image of a premium brand and its consumption is limited to a upper class of sections of the Indian market.

1. How effectively has Kellogg's understood the Indian consumer and what motivational and personality traits does Kellogg's have to consider to make its products reach more consumers?
2. Suggest ways as to how Kellogg's can influence the breakfast consumption behaviour of Indian consumers.

(CO2) [Application]