

MANAGEMENT PROGRAMME

Term-End Examination

June, 2011

MS-61 : CONSUMER BEHAVIOUR

01602

Time : 3 hours

Maximum Marks : 100

(Weightage 70%)

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

SECTION - A

1. You have been asked to advise a mens wear apparel manufacturer, to help them suitably segment their market and identify the most appropriate target segment. The company manufactures both formal and casual wear, and has a stylish, upmarket range. You want or to apply the VALSII typology to help them identify the target segments. Explain how would you utilise this approach and which segments would be the most appropriate for this manufacturer ?

2. Discuss the components of an attitude. Taking the example of a consumer enable purchase decision, explain what functions do attitudes play in consumer decision making.

3. Which stage in the family life cycle would constitute the most attractive segment for the following products and services ? Give reasons for your answer
 - (a) home theatre system
 - (b) package tours
 - (c) fitness centres

4. How as a marketer of home appliances, would you use the knowledge of post purchase evaluation by consumer, to ensure that your consumers do not experience any dissonance ? Describe the response strategies you will follow.

5. Write short notes on *any 3* of the following
 - (a) Situational influences on buying process.
 - (b) Components of Alternative evaluation.
 - (c) Problem recognition stage in the consumer decision process
 - (d) Bett man's information processing model
 - (e) Types of problem solving behaviour.

SECTION - B

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

The Kellogg challenge

Kellogg Company has distribution in over 150 countries and yet is still unknown to one-third of the world's population. According to its CEO, 'the company plans to change all that'

Kellogg has built a company called cereal plant in Latvia and has sales in Poland and Hungary. It has also constructed a cereal plant in India and also has entered the Chinese market. Entry to these two countries have helped to enhance the non U.S. sales which in 2001 were 62% of total volume and 49% of total revenue. However, the company is aware that international expansion and the development of global Brands for its products will not be easy.

To work towards its global aspirations, the company has reorganised itself into four divisions: North America, Latin America, Europe and Australia. According to the CEO :

"The way we used to be organized, we were a U.S. based multinational-a company with a big domestic business and, by the way, some international business. That was the way we were thinking ; that was the way the organisation was structured.

Today, if you talk to customers in the UK, Canada, or Australia, they'd think of Kellogg as being based in the UK or Canada or Australia. We are global in organisational structure and business, but also multi domestic.

We now have a number of truly global brands (Frosted Flakes and Corn Flakes, with Froot Loops and Rice Krispies close behind and Frosted Mini Wheats and Honey Nut loops moving rapidly). There used to be slight variations in our food around the world but now you will recognise the products wherever you go"

Advertising for frosted flakes is now global and that for other Brands may follow. Expanding into many markets will involve more than trying to gain share from the other cereal marketers. It will require altering long held traditions. :

"In Asia for example, consumers are used to eating something warm, soft and savoury for breakfast and we are going to sell them something that is cold, crisp and sweet or bran tasting. That's quite a difference."

The challenge is made greater by the existence of local competitors and traditional breakfast - food suppliers in countries like China and India. Competition is strong even in these countries where consumption is low. For example, in India, with consumption at 10 bowls per year per person

compared to ten pounds in the U.S., there are more than 50 direct and indirect competitors from packaged food manufacturers, to a whole lot of traditional breakfast meals in both organized and unorganised sector.

Questions :

- (a) What are the needs and values involved in the consumption of a product such as breakfast cereal ?
- (b) What consumer behaviour variables would support and what would harm the chances of Kellogg succeeding with cold cereal in India ?
- (c) Suggest an appropriate promotional strategy for Kellogg's cornflakes, looking at the perception related barriers people may have against this form of breakfast.
