

MANAGEMENT PROGRAMME

Term-End Examination 03011

June, 2012

MS-61 : CONSUMER BEHAVIOUR

Time : 3 hours

Maximum Marks : 100

(Weightage 70%)

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

SECTION - A

1. (a) Explain the major influences on organisational buying.
- (b) You have been put in charge of purchase of photocopies for your country under organisation. What is the process you would follow for supplier selection and why?
2. (a) How do marketers apply their understanding of 'Learning' as a variable? Explain using suitable examples.
- (b) Clearly distinguish between classical and instrumental conditioning as theories of consumer learning

3. (a) In terms of the family life cycle, what would be most attractive segments for the following products/services and why ?
- (i) Gym membership
 - (ii) Branded Household furniture.
- (b) What are the sources of power in family decision making ? Explain briefly.
4. (a) What are the factors that are likely to increase prepurchase search for information by consumers ?
- (b) What type of information search behaviour can you expect in the purchase of the following and why ?
- (i) Selecting a restaurant to take your family to dinner
 - (ii) Selecting a brand of tea.
5. Write short notes on *any three* of the following :
- (a) Role of attitudes in buying behaviour
 - (b) Howard sheth Model
 - (c) Cognitive Dissounance
 - (d) Choice Heuristics
 - (e) Types of Reference Groups

SECTION - B

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

Few brands excite such intense loyalty as that found in the hearts of core Apple buyers. Whether they own a Mac computer, an iPod or even an iPhone, Apple devotees are rock solid in their devotion to the brand. At one end are the quietly satisfied Mac users and at the other extreme are the Mac zealots, sometimes called the Macolytes, people who are highly devoted to Apple products.

The chances are good that you know one of the Macolytes, perhaps you are one yourself. These are people who buy all the latest Apple products and accessories to improve their experiences. They virtually live and wait for the next Apple releases.

Apple enthusiasts see Apple founder Steve Jobs as the Walt Disney of technology. Say the word Apple in front of them and they will start talking excitedly about the superiority of the brand. According to one industry observer, a Mac or an iPhone comes as "not just a machine in a box, it comes with a whole community of fellow believers". The loyal core of Apple users is at the fore front of Apple's recent personal computers resurgence and its burgeoning iPod, iTunes and iPhone empire.

What is it that makes Apple buyers so loyal ? Why do they buy a Mac instead of an HP or a Dell and an iPhone instead of a Nokia or a Motorola ? Ask the true believers and they will simply tell you that Apple's products work much better and do more or that they are simpler to use. But Apple buyer behavior has much deeper roots. Apple puts top priority on understanding its customers and what makes them tick deep down. It knows that, to Apple buyers, their computer or iPhone is much more than just a piece of electronic equipment. It's a part of their own self expression and lifestyle - a part of what they are. When you own a Mac, you are anything but mainstream. You are an independent thinker, an innovator, ahead of the crowd.

Apple plays to these deep seated consumer buying needs and motives in everything it makes and sells. By one account:

Apple is the epitome of cool- a company that has gained cult like following because it somehow manages to breathe new life into every category it touches. From sleek laptops to even sleeker phones, Apple products are imaginative, irreverent and pleasing to the eye. They're fun to use and have wrecked havoc on competitors. Apple has shown " a marketing and creative

genius with a rare ability to get inside the imagination of consumers and understand what will captivate them.”, says one analyst. Apple has been “obsessed with Apple users’ experience”

Apple’s obsession with understanding customers and deepening their Apple experience shows in everything that the company does. For example, a visit to an Apple retail store is a lot more than a simple shopping trip. Apple stores are very inviting places. The store design is clean, simple and just oozing with style, much like an Apple iPod or iPhone. These stores invite shoppers to stay a while, use the equipment, and soak up all the exciting new technology.

Apple’s keen understanding of consumers and their needs help the brand to build a core segment of enthusiastic disciples. The most recent Consumer satisfaction index in the U.S. gave Apple a market leading Consumer Satisfaction Score of 85- the highest ever recorded for a company in the personal computer industry. Another survey showed that Apple commands the strongest repurchase intent of any personal computer brand -81% of households with an Apple as their primary home personal computer plan to repurchase an Apple.

In turn, the consumer love affair with Apple has

produced a stunning sales and profit results. Despite the 2008 economic recession, Apple's sales that year soared to a record \$ 32.5 billion, a 35% growth over the previous year and more than four times the sales just four years earlier. In 2009, despite the recession that crippled much of the electronics industry, Apple's iPod and iPhone sales continued to grow at a healthy rate. Last year alone, the company sold almost 12 million iPhones and 55 million iPods.

- (a) How has a keen understanding of the consumer helped Apple as a company?
 - (b) Critically examine the perception that Apple buyers seem to have about Apple products. What in your view, has contributed to such an image in the consumer's mind?
 - (c) If you were one of Apple's competitors, what steps would you take to overcome the consumer loyalty to Apple products and get them interested in your product offerings?
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