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School of Business

Master of Business Administration MBA Dual Specialization
Semester End Examination - May 2024

Duration : 180 Minutes
Max Marks : 100

Sem IV - MBMK6008 - Consumer Behaviour

General Instructions

Answer to the specific question asked

Draw neat, labelled diagrams wherever necessary

Approved data hand books are allowed subject to verification by the Invigilator

- 1) Identify the role of sensory stimuli, such as visuals, sounds, and smells, in capturing consumers' attention in a retail environment K3 (6)
- 2) Inspect the role of augmented reality (AR) and virtual reality (VR) technologies in shaping consumer shopping experiences, identifying their potential benefits and challenges for businesses. K4 (8)
- 3) Analyze the impact of online shopping on traditional retail stores, considering factors such as convenience, pricing, and customer experience. K4 (8)
- 4) Analyze the significance of self-concept in consumer behavior. How does self-concept impact consumers' product choices, brand preferences, and purchase decisions, and what role does it play in shaping consumer identity and lifestyle? K4 (4)
- 5) Identify the significance of credibility in persuasive communication. Also, develop three strategies marketers can employ to enhance the credibility of their messages. Support your answer with examples from advertising campaigns or marketing initiatives. K3 (9)
- 6) Critically evaluate the role of pricing strategies in customer satisfaction, discussing how pricing transparency and fairness influence long-term customer relationships. K5 (10)
- 7) Assess the practical application of the family lifecycle concept in the marketing strategy of a home appliance company. Consider a scenario where the company aims to launch a new line of kitchen appliances targeted at young families. How can understanding the family lifecycle assist the company in tailoring its product offerings and marketing campaigns to meet the evolving needs and preferences of each family stage? K5 (10)

8) Caselet-Mark is considering upgrading his car to a hybrid model to reduce his carbon footprint and save on fuel costs. However, he is unsure about the reliability and performance of hybrid vehicles compared to traditional gasoline cars. Mark conducts extensive research online, reads expert reviews, and visits dealerships to test drive different models. After careful evaluation, he decides to purchase a hybrid car from a reputable manufacturer.

Question-

a) Interpret Mark's decision-making process, discussing how he balanced environmental concerns, practical considerations, and personal preferences in his choice. (5 Marks)

b) How do expert reviews and consumer feedback influence the decision-making process for individuals like Mark who are considering switching to hybrid vehicles for environmental and economic reasons? (5 Marks)

c) What specific features and technologies make hybrid cars more appealing to environmentally-conscious consumers like Mark, and how do manufacturers highlight these advantages in their product offerings? (5 Marks)

- 9) Case Study- Sangam Electronics has conducted extensive market research and identified three primary consumer segments: tech-savvy enthusiasts, budget-conscious buyers, and fashion-conscious individuals. Each segment exhibits distinct preferences, priorities, and decision-making processes when purchasing smartphones.
- Tech-savvy enthusiasts prioritize features such as processing power, camera quality, and innovative technology. They are early adopters who value cutting-edge advancements and seek smartphones that offer the latest features and functionalities.
- Budget-conscious buyers, on the other hand, prioritize affordability and value for money. They are price-sensitive consumers who carefully evaluate the cost-to-benefit ratio and prioritize essential features over premium functionalities.
- Fashion-conscious individuals place importance on the design, aesthetics, and brand image of smartphones. They view smartphones as fashion accessories and status symbols, seeking stylish devices that reflect their personal style and social status.
- To effectively target these consumer segments, Sangam Electronics devises a multifaceted marketing strategy tailored to each group's decision-making model. For tech-savvy enthusiasts, the company emphasizes the smartphone's advanced specifications, innovative features, and performance capabilities through technical specifications, product demonstrations, and expert reviews.
- For budget-conscious buyers, Sangam Electronics highlights the smartphone's affordability, value proposition, and cost-saving benefits compared to competitors. The company offers competitive pricing, promotional discounts, and financing options to appeal to this segment's budget-conscious mindset.
- For fashion-conscious individuals, Sangam Electronics focuses on the smartphone's sleek design, premium materials, and brand cachet. The company collaborates with fashion influencers, celebrities, and designers to create buzz around the product launch, leveraging social media platforms and lifestyle magazines to showcase the smartphone as a must-have accessory.

Questions:

- 1).Develop a targeted marketing campaign for Sangam Electronics aimed at fashion-conscious individuals, utilizing consumer decision-making models to emphasize the smartphone's design, aesthetics, and brand image as fashion accessories. Assess the potential impact of the campaign on enhancing brand perception and attracting this segment of consumers. (6 Marks)
- 2).Analyze Sangam Electronics' pricing strategy for budget-conscious buyers, considering the decision-making processes and value perceptions of this consumer segment. Evaluate the effectiveness of the pricing strategy in attracting budget-conscious consumers while

maintaining profitability and brand reputation. (6 Marks)

3).Discuss the challenges Sangam Electronics may face in aligning its product offering with the preferences and priorities of tech-savvy enthusiasts, considering their high expectations for technological advancements and performance. Propose strategies to overcome these challenges and position the smartphone as a competitive choice in this segment. (6 Marks)

- 10) Tesla, a pioneering electric vehicle (EV) manufacturer, has introduced a groundbreaking new feature in its latest model: autonomous driving capabilities. This feature represents a significant leap forward in automotive technology, promising increased safety, convenience, and efficiency on the road. However, Tesla faces the challenge of diffusing this innovation effectively among consumers and ensuring widespread adoption in the market.

K6 (12)

To address this challenge, Tesla adopts a multi-faceted approach to promote the adoption of autonomous driving technology. The company leverages its strong brand reputation and loyal customer base to generate buzz and anticipation around the new feature. Tesla also invests in extensive marketing campaigns, highlighting the benefits of autonomous driving, such as reduced accidents, decreased traffic congestion, and enhanced driver experience.

Additionally, Tesla focuses on educating consumers about the capabilities and limitations of autonomous driving technology through informational materials, online tutorials, and hands-on demonstrations at dealership locations. The company also offers incentives, such as discounted pricing or free trial periods, to encourage early adopters to experience the technology firsthand and share their positive experiences with others.

Despite these efforts, Tesla encounters resistance from some consumers who remain skeptical or apprehensive about the reliability and safety of autonomous driving technology. Concerns about potential accidents, system malfunctions, and regulatory issues contribute to hesitancy among certain segments of the market.

Questions:

1).Evaluate Tesla's approach to diffusing and promoting the adoption of autonomous driving technology among consumers. How effectively does the company leverage its brand reputation, marketing strategies, and educational initiatives to overcome barriers to adoption and encourage widespread acceptance of the innovation? (6 Marks)

2).Analyze the factors contributing to consumer resistance and skepticism towards autonomous driving technology, and assess their implications for Tesla's adoption strategy. How can Tesla address these concerns and build trust among consumers to drive greater adoption of the innovation in the market? (6 Marks)