

Model answer

Course: MBA

Semester: III

Subject: Consumer Behaviour

Short Answer questions

1. Hedonic consumption is based on fun, emotive and pleasure aspect based experience of consumers.
2. Minimum Stimuli strength to net noticed by consumers
3. Emotional component of tri component model of consumer behaviour that influence the attitude formation.
4. Switching barriers prevent customers from switching in the face of low satisfaction. The implication is that switching barriers change the nature of the satisfaction-loyalty relationship. A significant level of dissatisfaction is required to dramatically decrease loyalty such consumers are hostages.
5. Positioning is also defined as the way by which the marketers attempt to create a distinct impression in the customer's mind. Positioning is a concept in marketing which was first introduced by Jack Trout meaning identifying and attempting to occupy a market niche for a brand, product or service utilizing traditional marketing placement strategies.
6. Consumer motivation is an internal state that drives people to identify and buy products or services that fulfil conscious and unconscious needs or desires. The fulfilment of those needs can then motivate them to make a repeat purchase or to find different goods and services to better fulfil those needs.
7. Relationship marketing was first defined as a form of marketing developed from direct response marketing campaigns which emphasizes customer retention and satisfaction, rather than a dominant focus on sales transactions.
8. Trail purchase is inducing the consumer, usually by a sales promotion, to try the product; hopefully to then re-purchase. Not applicable to all the products.
9. Impulse buying consists of purchasing a product or service without any previous intent to make that purchase; the purchase decision made is sudden and spontaneous. The buyer feels a strong and persistent urge to buy something for immediate gratification.
10. The social needs in Maslow's hierarchy include such things as love, acceptance and belonging. At this level, the need for emotional relationships drives human behaviour. Some of the things that satisfy this need include:
 - a. Friendships
 - b. Romantic attachments
 - c. Family
 - d. Social groups
 - e. Community groups
 - f. Churches and religious organizations

Long Answer Questions:

11. Strategy aimed at unifying different marketing methods such as mass marketing, one-to-one marketing, and direct marketing. Its objective is to complement and reinforce the market impact of each method, and to employ the market data generated by these efforts in product development, pricing, distribution, customer service, etc. Integrated Marketing is a term that emerged in the late 20th century regarding application of consistent brand messaging across myriad marketing channels. The term has varying definitions and the differences can play a part in how IM is viewed and used. Basically, it is the application of product, place, price and promotion across both traditional and non-traditional marketing channels. The examinee must focus on four P's concept for explaining the importance of marketing variables.
12. Customer satisfaction must be explained by students from perspective of customer expectation. Based on varying level of consumer satisfaction they could be grouped as:
- Apostles
 - Loyalist
 - Defectors
 - Mercenaries
 - Hostages
 - Terrorists

Examinee must explain these classes with suitable examples.

13. Consumer behaviour is the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. It blends elements from psychology, sociology, social anthropology and economics. It attempts to understand the decision-making processes of buyers, both individually and in groups. It studies characteristics of individual consumers such as demographics and behavioural variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general.

The generic model of consumer behaviour could be explained based on following block model given below:

Environmental factors		Consumers based factors		Buyer's response
Marketing Stimuli	Environmental Stimuli	Buyer Characteristics	Decision Process	
Product Price Place Promotion	Economic Technological Political Cultural Demographic Natural	Attitudes Motivation Perceptions Personality Lifestyle Knowledge	Problem recognition Information search Alternative evaluation Purchase decision Post-purchase behaviour	Product choice Brand choice Dealer choice Purchase timing Purchase amount

14. Consumer and customer must be explained from the point of view of the roles they play in consumption process. Customer is one who actually buys the product but a consumer is umbrella term that encompasses customer. Consumer may be involved at all levels of consumption process. The roles of consumer must be explained basis of the various roles that they could play in consumption process such as Initiators, Influencers, Gatekeeper, Buyer, Payer, User and Disposer etc.
15. Cognitive buying theory portrays consumer as information processor and depending on consumer heuristics for making consumption related decisions. Consumer goal selection must be discussed from point of Positive and negative goal, associated and disassociated goals etc. Further it is required that examinee must explain the consumption goal selection, formation of goal intention, activity planning, plan execution and goal achievement along with feedback in a systematic manner preferably through block diagram.
16. Examinee must explain the various Need and usage based consumer motivation theories such as Maslow's need hierarchy, ERG theory, McClelland's theory of

motivation, Motivational research by Ernest Ditcher should be briefly discussed while keeping focus on consumer behaviour.

17. Customer service is the provision of service to customers before, during and after a purchase. Customer service is a series of activities designed to enhance the level of customer satisfaction – that is, the feeling that a product or service has met the customer expectation." The importance of customer service may vary by product or service, industry and customer. The perception of success of such interactions will be dependent on employees "who can adjust themselves to the personality of the guest. From the point of view of an overall sales process engineering effort, customer service plays an important role in an organization's ability to generate income and revenue. From that perspective, customer service should be included as part of an overall approach to systematic improvement. A customer service experience can change the entire perception a customer has of the organization. Some have argued that the quality and level of customer service has decreased in recent years, and that this can be attributed to a lack of support or understanding at the executive and middle management levels of a corporation and/or a customer service policy. To address this issue many organizations have employed a variety of methods to improve their customer satisfaction levels, and other key performance indicators as an ongoing process. The examinee must discuss reasons of this never ending effort to provide value adding services through theories on consumer goal fulfilment, such as consumers needs never gets fully satisfied, needs one satisfied re-emerge in new forms usually with higher goals etc.
18. New product development (NPD) is the complete process of bringing a new product to market. A product is a set of benefits offered for exchange and can be tangible (that is, something physical you can touch) or intangible (like a service, experience, or belief). There are two parallel paths involved in the NPD process: one involves the idea generation, product design and detail engineering; the other involves market research and marketing analysis. Companies typically see new product development as the first stage in generating and commercializing new product within the overall strategic process of product life cycle management used to maintain or grow their market share. Examinee should briefly narrate the steps from idea generation screening to commercialization. Further Diffusion of innovation must be discussed focusing on various stages of diffusion and adoption stages such as Opinion leader, Early majority, Late majority and Laggards preferably through graphical representation.