

**JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA**

**PGDM (SM)**

**SECOND TRIMESTER (Batch 2017-19)**

**END TERM EXAMINATIONS, JANUARY 2018**

Course Name	<b>CONSUMER BEHAVIOUR</b>	Course Code	<b>MKT 401</b>
Max. Time	<b>2 hours</b>	Max. Marks	<b>40 Marks</b>

**INSTRUCTIONS: Attempt all of the following questions.**

1. You are the Product Manager of a popular 'breakfast cereal' brand targeted at adults. While your brand has gradually gained acceptance in the cosmopolitan metro cities, it is yet to make foray among consumers in the Tier II and Tier III cities. (4+2=6 marks)

- What are some of the methods/ strategies by which attitudes may be changed?
- How will you use the following strategies to change the consumer's attitude towards your product?
  - Changing beliefs about the product
  - Changing relative evaluation of attributes

2. You are planning to open 5 furniture outlets spanning across different clusters in Delhi – the upmarket Greater Kailash-I and Connaught Place, the middle class Pitampura and Karol Bagh, and the lower-middle class Chandni Chowk. (3+3=6 marks)

- What are the considerations of upper, middle and lower class in buying products?
- How will social class differences influence your store's product lines, style of furniture and your promotional activities at clusters discussed above?

3. What type of decision process would you expect most consumers to follow in their first purchase of the following products/ services: (2X4=8 marks)

- Smart phone
  - Hair streaking
  - Luxury Car
  - Tourism package
- Support your answers with a justification.

4. The family life cycle is the composition of a family and the emotional and intellectual stages that a person passes through from a childhood to retirement as a member of the family. (5+2=7 marks)

- How do marketers use the concepts of family life cycle to segment their markets? Illustrate with examples.
- Explain which would be the most appropriate FLC segments for the following products and services:
  - Healthcare (medical) products
  - Life Insurance

5. Read the following **case** and attempt the questions as under: (4+4+5=13 marks)

- Describe the elements of consumer learning and how were the consumers made to try out the brands to learn about it?
- How do you perceive the personality of the mentioned brand.
- How can motives be aroused and how can consumers pushed towards desirable behaviour for the mentioned brand.

Traditional marketing is based on cognitive principles, that is, consumers must be made to learn about new products by using and experiencing them. Companies thus have to initiate one of the following in the customers:

- Communicating the product or service benefits effectively through the advertising and the selling proposition.
- Creating a context within which the product or service is to be used.
- Positioning the brand or product to emphasize how it is different from the competition, since the more distinct it is, the more will consumers feel tempted to buy.

The aforementioned principles were employed in launching the Dove brand. Unilever launched Dove soap in India in 1993. It was priced at Rs. 30, which was about 3 times as expensive as other soaps at that time. For the price conscious Indian consumers, this was a huge cost difference. To show that the product was indeed different enough to command a high price, the consumers had to be convinced to try it and learn how different it was from other soaps.

The company positioned the brand as distinct from the soap category, claiming that “Dove is not a soap”. The claim was that it consisted of moisturizer rather than the harsh chemicals used in other soaps. The company launched a campaign which showed women who had used the brand being complimented for their beauty and soft skin. It did not use super-models to endorse the brand but real women who used the product to give testimonials of their experience with the brand. The company identified some 50 women from upper-middle class households and handed them the trial packs of Dove soaps. After trying out the brand, their reactions were recorded and the most spontaneous responses were used in the ads. The ads had an amateurish look as they captured women speaking naturally, seemingly without a script. What was the secret of their glowing skin? Was it love, the lady then beamed into the camera, saying, “It’s not love, it’s Dove”. This was enough to send consumers scurrying to the market to try out the brand, which encouraged consumer learning.

The brand was the opposition of Lux, which was marketed as a beauty soap of Film stars. In contrast, Dove advertisements showed beauty in ordinary people and the testimonials were critical for the success of the brand. The “Dove Campaign for real beauty” in fact, featured real women- wrinkles and all- in its ads. The idea was that ordinary people were beautiful, helped no doubt by Dove. Soon the gentle effect that Dove had on skin was being recommended for babies as well. The honesty in Dove testimonials stuck a chord with its audience.

Dove launched its shampoo range in 2007 with a similar campaign that had a focus on consumer learning, highlighting their experience with the product. Camera crews in Mumbai, Delhi, and Bangalore asked women questions on hair care and recorded their responses. The video footage was uploaded on popular portals. This convinced the consumers to try out the product.

Today Dove is major brand for HUL. The brand has been extended to hair care products, body washes, creams, and lotions. The brand has a cult following, with 1,89,15,268 likes on its Facebook page as on October 2013. Consumers who use Dove display a fierce brand loyalty. From sales of Rs 100 crore in 2007, it became a Rs. 1000 crore brand in 2012. It is the fastest growing brand for HUL, growing 10 times in just over 5 years. It is also profitable as it is pushing consumers to try premium brands.