



JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA

PGDM (M)

SECOND TRIMESTER (Batch 2017-19)

END TERM EXAMINATIONS, JANUARY 2018

SET 1

Course Name	CONSUMER BEHAVIOUR	Course Code	MKT 401
Max. Time	2 hours	Max. Marks	40 MM

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)
 - a. What are some of the methods by which attitudes can be changed?
 - b. How will you use the following strategies to change the consumer's attitude towards your product?
 - i) Changing beliefs about the product
 - ii) 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)
 - a. What are the considerations of upper, middle and lower class in buying products?
 - b. 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)
 - i) Smart phone
 - ii) Hair streaking
 - iii) Luxury Car
 - iv) Tourism packageSupport 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)
 - a. How do marketers use the concepts of family life cycle to segment their markets? Illustrate with examples.
 - b. Explain which would be the most appropriate FLC segments for the following products and services:
 - i) Healthcare (medical) products
 - ii) Life Insurance
5. Read the following case and attempt the following questions: (4+4+5=13 marks)
 - a. Describe the elements of consumer learning and how consumers can be made to learn about Frooti Fizz?
 - b. How do you perceive the personality of the mentioned brand?
 - c. How can motives be aroused and consumers pushed towards buying mentioned brand?

Nadia Chauhan, Joint MD and CMO, Parle Agro, doesn't believe in conventional consumer research is known. But sample this anecdote: The idea to mix fizz with Frooti was born when she caught her kids adding soda to Frooti and enjoying their little blend.

"It was, in a way, an obvious choice. Sometimes, you tend to overlook the obvious. We looked at all kinds of more sophisticated fruits. Then one day while playing in the lab the kids made this drink... that got me thinking..." smiles the joint managing director and chief marketing officer of Parle Agro, while discussing the genesis of her new sparkling mango juice Frooti Fizz. The product expands her company's fizz portfolio, that was born with Appy Fizz in 2005. "When it comes to product development, we don't have the kind of hierarchies that a lot of other companies have. It's a small, integrated group of people and decisions are taken very fast. We can go from concept to market in 40 days," says Chauhan. She reflects, "When I joined (2003) we were a Rs 300 crore business. I dealt with a marketing budget of Rs 3.5-4 crore. Today the business is over Rs 3,000 crore and we have a marketing budget of Rs 200 crore. We went from being a small-sized business, that was fairly conservative as a system, to a mid-sized business." "Our ambition is to stay in this slot for the least amount of time. If you stay in the mid position for too long, you'll be here forever. So we want to kick out of this slot very fast... we're looking to get to Rs 5,000 crore by 2018, Rs 10,000 by 2022, and Rs 25,000 crore by 2030."

Moreover, with Frooti Fizz, she hopes to take her fruit juice-based fizz portfolio to Rs. 4,000 crore by 2022. Frooti Fizz is available at three price points: Rs.15 (250 ml PET bottle), Rs.30 (500 ml PET bottle) and Rs.25 (250 ml can). Currently, 90 per cent of the fruit-flavored still drinks (FFSD) category is dominated by one flavour - mango. In the fruit-based drinks segment Frooti has a market share of 85 per cent (Tetra Pak category) and 33 per cent (PET bottle category), according to the company. Last year, Frooti grew by 13 per cent, while Appy Fizz grew by 27 per cent.

They decided to go with the Frooti brand name and armed themselves to make it a huge success. Beyond the marketing side of things, it was a distribution and sales game, especially in a country like India where retail is so fragmented. There are over three million outlets that sell beverages. A powerful sales system can get returns that are way, way bigger than what the most powerful ad campaign can. S&D (sales and distribution) is the largest asset of an FMCG company. In the last few years they have doubled their turnover... it's not because they have launched many new products; it's because of their investment in S&D. They pushed Frooti Fizz in retail outlets that stocked the 500-600 ml share-pack, that typically went to colleges. A large part of the promotion spend of 100 crore went go to IPL – they were associate (on-air) sponsor, which got them scale, impact and visibility. They were making large statements through Bigg Boss and IPL sponsorships. They have grown 800 per cent over the last decade. They are making big, bold moves to show the size they have achieved. They have also made a very conscious effort to build their brands with the power of design and visual language. Design sensibilities play a big role in our TVCs and in their outdoor ads. Outdoor is a medium they have been investing heavily in since they started working with Sagmeister & Walsh.

The target consumer for Frooti Fizz is the young adult who, in a move to find more healthy, fruit-based options, is gravitating away from 'synthetic drinks'. It's about the overall synthetic carbonated soft drinks category that includes colas, lemon and orange-based drinks... all the Mountain Dews, Mirindas, Sprites... they're all synthetic. The price of Frooti Fizz is the same as that of Frooti. They want people to graduate from synthetic products to something with fruit, less sugar, less gas in it, without penalising them for it by charging a premium. In the past as well, they didn't price their baked snacks at a premium: it was priced at par with the fried potato snacks.