

JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA
PGDM / PGDM (M) / PGDM (SM)
FOURTH TRIMESTER (Batch 2019-21)
END TERM EXAMINATIONS, OCTOBER 2020

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

Attempt the following questions.

Part A

Domino' Dilemma (20 marks)

Social media sites are so much part of mainstream culture that the Internet Advertising Bureau(IAB), recently reported they have exceeded the reach of television. Social media marketing describes the use of social media to engage with customers to meet marketing goals. It's about reaching customers via online dialogue. According to Llyod Salmons, chairman of IAB, it's really about brands having conversations. But sometimes use of social media backfires for companies. This certainly was the case for Domino's, the national pizza delivery company. Two employees of a North Carolina Domino's store posted a YouTube video of themselves in the kitchen as they performed disgusting practices with pizza ingredients:

"In about five minutes it'll be sent out on delivery where somebody will be eating these, yes, eating them, and little did they know that cheese was in his nose and there was some lethal gas that ended up on their salami.....that how we roll at Domino's".

What steps should a company take when it faces a social media marketing disaster like this? Should Domino's just ignore the videos and assume that the buzz will die down, or should it take quick action? Domino's did nothing for the first 48 hours but eventually- after more than 1 million people viewed the spot-got the video removed from YouTube. Domino's also posted a YouTube clip of its CEO who stated:

"We sincerely apologize for this incident. We thank members of online community who quickly alerted us and allowed us to take immediate action. Although the individuals in question claim it's a hoax, we are taking this incredibly seriously."

Domino's also announced that the store where the video was taken was shut down and sanitized. In addition, the company opened a Twitter account to deal with consumer questions. The two

employees involved were fired and charged with felony of delivering prohibited goods. Most social media marketing experts grade Domino's actions as excellent but a bit delayed. In fact, an Advertising Age survey revealed that 64 percent of readers believed that the company did the best it could to deal with the crisis. Still, there is no doubt this incident was a pie in the eye for the company.

Questions:

Q1 Compare the change in attitude of consumer towards Domino's, after watching the video. Attitude change can follow behavior, Explain. (10 marks)

Q2 Is this a case of cognitive dissonance? Assess. Elaborate the ways through which this could have been better handled? (10 marks)

Part-B

Q 3. Celebrities increase awareness of a firm's advertising and enhance both company image and brand attitudes. Why do stars command this kind of money? One study found that famous faces capture attention and are processed more efficiently by the brain than are 'ordinary' faces. When used properly, famous or expert spokespeople can be of great value in improving the fortunes of a product. A celebrity endorsement strategy can be an effective way to differentiate among similar products. One reason for this effectiveness is that consumers are better able to identify products that are associated with a spokesperson. Another reason can be 'perceived credibility' of celebrity or a reference group. Analyze, how can 'perceived credibility' improve the effectiveness of communication. (10 marks)

Q 4. There could be various felt needs among consumers that could be leveraged to motivate them to buy certain products. Marketers devise their promotional appeals on the basis of their understanding of these felt needs. Assume that you had to sell small cars in Delhi to rich people (who normally buy large cars); mention and discuss 5 felt needs that you could leverage to achieve your goals. (10 marks)



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Q1. Classical conditioning can have similar effects for more complex reactions. Even a credit card becomes a conditioned cue that triggers greater spending, especially since it is a stimulus that is present only in situations where consumers are spending money. People learn that they can make larger purchases when using credit cards, and they also have been found to leave larger tips than they do when using cash. Small wonder that American Express reminds us, 'Don't leave home without it.' Conditioning effects are more likely to occur after the conditioned and unconditioned stimuli have been paired a number of times. As a marketer analyze, how can you increase the strength of stimulus-response associations and prevent the decay of these associations in memory. (10 marks)

Q2. We wish to promote the concept of Energy Efficiency (EE) among the citizens of Delhi, so that they may adopt habits and lifestyles that consume lesser electricity. What are the various segments into which you would classify the total population of Delhi for this purpose? Recommend the communication appeals for various segments? (10 marks)

Q3. Identify some important characteristics of a product with a well-known brand name. Based on these attributes, generate a list of possible brand extensions that consumers would love to accept. Justify the theory behind this practice. (10 marks)

Q4. Every culture is characterized by its members' endorsement of a value system. These end-states may not be equally endorsed by everyone, and in some cases values may even seem to contradict one another (e.g. westerners in general appear to value both conformity and individuality and seek to find some accommodation between the two). Nonetheless, it is usually possible to identify a general set of core values which uniquely define a culture. These beliefs are taught to us by socialization agents, including parents, friends and teachers. The process of learning the beliefs and behaviours endorsed by one's own culture is termed enculturation. In contrast, the process of learning the value system and behaviours of another culture (often a priority for those who wish to understand consumers and markets in foreign countries) is called acculturation. By giving suitable examples, illustrate the usage of concepts of "enculturation" and "acculturation" by companies to alter consumer behavior. (10 marks)