

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER 3– EXAMINATION – SUMMER 2019

Subject Code: 2830101

Date:08/05/2019

Subject Name: Consumer Behavior (CB)

Time: 02:30 PM To 05:30 PM

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

Q.1 (a) Attempt the multiple choice questions 06

1. Which of the following is not a suitable strategy for increasing involvement with brands so that consumers have positive associations with them?
A. Raising the price
B. Linking the brand to hedonic needs
C. Using celebrities
D. Telling a story
2. If a dentist appears in an advertisement for toothpaste, this acts as what type of choice heuristic?
A. Persuasion heuristic
B. Choice heuristic
C. Prediction heuristic
D. Representativeness heuristic
3. Which of the following represents the high involvement hierarchy of effects?
A. Naming Cognitions > Behaviour > Affect
B. Cognitions > Affect > Behaviour
C. Behaviour > Cognitions > Affect
D. Affect > Behaviour > Cognitions
4. If a consumer is seeking to express important aspects of herself through her purchases, in the functional theory of attitudes, this is an example of:
A. Utilitarian Function
B. Ego-defensive function
C. value-expressive function
D. knowledge function
5. The individual's perception of relevant or significant others' beliefs regarding whether the individual should engage in a behaviour is the definition of:
A. Motivation to comply
B. Perceived behavioural control
C. Normative beliefs
D. Behavioural beliefs
6. In the unidimensionalist view of attitudes, intention to behave:
A. Is a consequence of attitude
B. Is an antecedent of attitude
C. Is the same as attitude
D. Value chain

Q.1 (b) Define the following terms 04

1. Consumer self- imagery
2. Lexicographic rule
3. Attributions
4. Double Jeopardy

Q.1 (c) Explain the concept of “motives conflict” in consumer behaviour. 04

Q.2 (a) Define consumer behaviour. What is the interrelationship between the consumer behaviour discipline and the marketing concept? 07

(b) Why are consumers' needs and goals constantly changing? What factors influence the formation of new goals? Explain. 07

OR

- (b) Which are the different ways and tools of researching consumer behaviour? 07
- Q.3 (a) Which are the approaches available to measure social class? 07
(b) Think of the last high involvement purchase done in the family, identify and explain various factors and processes that influenced the buying decision and the stages you and your family went through arriving at the buying decision. 07
- OR**
- Q.3 (a) Explain the personality dimensions of a brand. Select a brand of your choice and identify its personality along those dimensions. 07
(b) Discuss the various factors affecting consumer buying behaviour for LUX, famous beauty soap available in the market. 07
- Q.4 (a) Explain the classical conditioning theory and its application to marketing 07
(b) Some analysts opined that culture change is driven from top, whereas, others say that it is the system that drives change, not the top management. Give your comments with the reasons. 07
- OR**
- Q.4 (a) Which factors affect the adoption of a new product? 07
(b) Explain the consumer decision making process. 07
- Q.5 Case Study 14

Customer connect, Customer loyalty, consumer relationships, changing society, transforming buying behaviours, etc., are the buzz words today around which strategies are being framed by the marketers. We see lot of acceptance and also a lot of intolerance co-existing in the present society. Numerous structural and social barriers that have long existed are breaking down leading to a major cultural shift. The younger generation is openly expressing its voice. The attitude of people to different issues is changing. Hence, brands are continually trying to cope with all these changes. Brand strategist Harish Bijoor very well says that, "There will come a time when habits and attitude will count more." Consumer attitudes are a combination of beliefs, feelings, and intentions related to a particular object or concept. Like in the present milieu, issues related to environment, society, finances, health, and well-being are gaining importance, and attitudes—both positive and negative—are being developed towards them. It is becoming imperative for the marketers to understand consumer attitudes in order to understand the customers better and also to know how they can influence or respond to those attitudes.

NEW PARAMETERS IN THE CONSUMER PURCHASE DECISION JOURNEY: The internet is evolving and so the consumers are changing and engaging differently with brands. The evolution of consumer buying decision process is bringing in new marketing mantra. Below is the conventional consumer purchase decision journey. In the conventional process, after the purchase the relationship with the brand is focused mainly on the use of the product. Since the time of internet evolution, this process has changed radically. Now consumers want to share their experience online after buying the product, and it has created new parameters of brand advocacy and brand bonding. Below is the consumer purchase decision journey process post-internet evolution. Thus, it is clear that brand advocacy and brand bonding play a vital role in today's consumer purchase decision process.

EMERGING TRENDS IN MULTI-PLATFORM SHOPPING: In the new connected customer journey, the tech trends and consumer habits are completely transforming how, where, and why we buy. An international survey conducted by a global marketing and technology agency, DigitasLBi, in 2016, revealed that the use of smartphones and other connecting devices, including laptops, tablets, and wearables to shop online has increased. The study found that whereas the global average was five devices, India and UAE used six devices on an average.

These trends may be in their infancy today, but Indians are known to leap frog in the adoption of technology. A new phenomenon of huge consumer data explosion and immense content generation has arisen due to the penetration of smartphones and proliferation of screens. Brands definitely need to understand and leverage these in order to succeed in the future. Personalised and special offers by retailers recorded greater sales as admitted by 87% of online shoppers in the survey by DigitasLBi. Mobile payment is another phenomenon that is gaining traction though data security and privacy has emerged as a major concern.

Customer service is becoming an increasingly important factor for consumers to choose a brand. According to the findings of the American Express 2017 Global Customer Service Barometer, 30% of the consumers in India are ready to use messaging tools such as live chats and SMS for interaction with companies. This percentage is higher when compared with countries like Hong Kong and Italy, with 26% each and Mexico at 25%. Hence, companies in India are also increasingly using social media as a way of conveying the company's intent on service. But definitely a need to balance digital channels with physical ones is the key to success.

Traditionally festivals were strongly connected to shopping intent. But now with e-commerce penetration and frequent discount sales, purchases have become affordable enough to make shopping a regular activity. Diwali, India's biggest festival is no longer the sole occasion to get consumers to shop. People are fashion savvy today, and shopping for fashion is turning out to be a high involvement activity. These days, for many customers, every weekend is a buying day, apart from the festivals. Convergence of categories and channels and easy accessibility of fashion are bringing in such changes in consumer behaviour. IPG Media Lab, NY has launched Outlook 2017, highlighting 3 defining tech trends.

Q1. In the present digital world, new tech trends are emerging and consumer habits are completely transforming how where and why we buy. Explain in context of the case

Q.2 Analyse critical stages in the purchase-decision process and how changes in them is making marketers develop different strategies which can lead to success.

OR

Q.5

STRENGTHENING CUSTOMER RELATIONSHIPS

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Fevicol Champions' Club (FCC) was a unique initiative started in 2002 by Pidilite Industries to offer craftsmen/contractors an opportunity to network within their fraternity leading to both social and professional growth. It started off small but the movement has grown over the years. The activities organized by FCC are conducted to build goodwill among the community and society. Pilgrimages (taking them to places of worship) are organized for the contractors, socializing activities are planned, skill-enhancing workshops are conducted along with activities with family members. The FCC website helps the contractors get regular updates on the activities conducted by the company across various locations.

One of the important events celebrated by FCC Clubs every year is "Shramdaan Divas". In its fifth consecutive year in 2016, it witnessed participation from 45,100 contractors across 196 towns who donated a day of their labor towards repair work of facilities used by the under-privileged and needy children across the country. *Vriksharopan Divas* (tree-plantation drive), in its second consecutive year, had participation from 15,350 FCC members who planted 19,120 trees.

Similarly, booklets on furniture designs provided to them enhanced their business prospects. The club organized various activities and celebrated the *Vishwakarma Day* which paid reverence to their deity. A huge get-together is organized every year at various locations across India to celebrate this day. The FCC provided insights to

the product and marketing teams on the challenges faced by the customers and offered solutions.

The Fevicol Champions' Club (FCC) has provided a platform to the carpenters and other wood-working contractors to come together as a community for their personal and professional growth and also to be recognized for their efforts and imbibe new methods bringing them success, both socially and professionally.. The trust and respect which the brand enjoyed was strengthened by these activities.

Redesigning The Packaging; in 2002, Pidilite decided to revamp the packaging of the brand, Fevicol. The original design of Fevicol was changed once in the 80s. This was the first major change thereafter. To increase the vibrancy of the brand, Mr Amulya Baruah of Plus One Design, was hired to give it a new look. This meant a revamp of the design of the pack as well as the logo. Along with that there was a total revamp of the container which gave the product an entirely smarter and sleeker look with a stronger handle, making it easier to carry a bulkier pack.

Fevicol face the market challenges for retaining customers; the brand enjoys a huge fan-following from its users who have across years and generations only used Fevicol. The durability and reliability that the brand offers is second to no other player in the market. The brand, in fact, has been very successful in consumer, bazaar (trade), and industrial market segments.

The brand is synonymous to the adhesive category and has enjoyed unprecedented position as a leader in the category. It is only the customers who are extremely price sensitive who move to unbranded synthetic adhesives, thereby compromising on the final product.

As adhesives is a low-involvement product, and the final wood-work does not show any traces of the brand of adhesive used, many a times even when the carpenter has not used the product they still claim that they have to gain credibility with clients and also get a better price for their work.

In fact, in one of their campaigns "Mataji" released in 2006 by O&M in their usual style of satire addressed a very important matter of customers buying readymade furniture without checking whether Fevicol has been utilized. It communicated to the readymade furniture makers the risk of not using Fevicol. According to "India Furniture Market Forecast and Opportunities, 2019", the country's furniture market is projected to grow at a CAGR of around 26% during 2014–19. Home furniture segment is the leading contributor, followed by office and institutional segment. The western region of the country is expected to be the highest revenue contributor in the India furniture market, followed by southern region, due to the presence of large number of industrial hubs and upcoming infrastructure developments in these regions. Demonstrations on new product usage and queries on existing products are solved at the FCC (Fevicol Champions Club) meet by the sales person. This inculcates a sense of confidence about the usage of the new product amongst the users who ultimately then land up buying it for the use in their wood work. The R&D of Pidilite launched innovative brand extensions for Fevicol. One of them being Fevicol Marine, which had an exceptional bonding strength and was an ideal adhesive for bonding wood, plywood, laminates, veneers, particle board, kitchen units, wall units where exposure to water and humidity was high.

Fevicol Marine was a specialized waterproof adhesive that protected furniture from de-bonding even when exposed to water. A piece of furniture was subject to a lot of stress due to change in weather, moisture, infrequent, and continuous exposure to water. This often resulted in opening of joints and de-bonding of laminates in spite of using good quality material. The special chemical properties gave a superior bonding result along with waterproofing. The product ensured that bonded plywood would remain intact, even if it is kept in water for 48 hours, or in boiling water for up to an hour. Moreover, this adhesive was very useful for making furniture in areas like kitchen, bathroom, balcony, and roof-top terrace where exposure to moisture was high.

Fevicol Marine enjoyed great success in the market and was able to capture a sizable market share across the country. The variant—though launched for a specific end use—turned out to be even usurping their veteran brand Fevicol SH. Fevicol SH was a synthetic resin adhesive intended for wood working and binding plywood, laminate, veneers, MDF, and all types of boards and cork. It was also used to manufacture sporting goods and book binding. Fevicol SH achieved handling strength in 8 to 10 hours, fully curing in 24 hours. Earlier on the applicators (carpenters) were using Fevicol SH, but after Fevicol Marine was launched, a majority of the applicators started using Fevicol Marine due to its versatile properties. The brand came into existence when the demand arose from the consumers to have a faster-setting adhesive which would be equally effective when exposed to water. The brand extension was conceptualized and launched in 2010. Fevicol Speedx was devised to provide handling strength in 2 hours which improved productivity and was cost effective to the user. Fevicol SH Xtra was conceptualized to enhance the offering of Fevicol SH and provide superior tack development, early-handling strength development, and faster-setting time.

Marketability of the finished wood work was pivotal to the users of the brand. Clients would often request for new age materials like PVC or Acrylic sheets to be used in the wood work. For this purpose, the applicators required an adhesive which would meet this need, and along with it, provide a factory-finished look to carpentered furniture. Fevicol reigned supreme as a market leader and enjoyed remarkable trust from its customers.

Q1. How has the Fevicol brand developed resonance with its customers?

Q2. Analyze the customer relationship management strategy adopted by the organization.
