

**K. J. SOMAIYA INSTITUTE OF MANAGEMENT STUDIES AND RESEARCH**

**Program: PGDM (IB) / (RM) – III TRIM – 2016 – 18 BATCH**

**Subject: Consumer Behavior**  
**(End Trimester Examination)**

**Maximum Marks: 50**

**Duration: 3 hours**  
**2017.**

**Date: 1<sup>st</sup> April,**

**Notes:**

- 1. Answer FOUR questions**
- 2. Question ONE is compulsory. Answer any other THREE questions.**
- 3. Supplement your answers with suitable examples where necessary.**
- 4. Support your answers with suitable theory.**

**Question 1 (20 Marks)**

**Read the case “Decision Making Process for a Cold Balm” and answer the following questions. The case is attached at the end of the Question paper.**

1. What are the factors in decision making for purchase of a balm? Do you discern any difference between Vicks users and other balm users? If yes, what are the differences in decision making and their implications for the ABC launch?
2. Do you think the decision of ABC to challenge Vicks (by launching a brand positioned similarly), is right? Justify your answer.

**Question 2 (10 Marks)**

Define extensive problem solving, limited problem solving and routine problem solving. What are the differences among the three types of decision making approaches? What type of decision process would you expect most consumers to follow in their first purchase of a new product in each of the following areas? **(Answer any TWO)**

- a) A dress from a designer of international repute e.g. Manish Malhotra
- b) Luxury Handbags
- c) Men’s Fairness Cream

**Question 3 (10 Marks)**

Discuss the differences between the absolute threshold and the differential threshold. Which is more important to marketers? Explain your answer. For each of these products—chocolate bars and cereals—describe how marketers can apply their knowledge of differential threshold to packaging, pricing, and promotions.

**Question 4 (10 Marks)**

Explain briefly the five stages in the consumer buying decision process. What is the utility of consumer buying behavior model in case of

- A) Membership of a Health Club      B).An International Holiday Destination

**Question 5 (10 Marks)**

Write short notes on **any two** of the following:

- a) Distinguish between the Evoked set, inert set, Inept set for consumers. Suggest ways in which the negative images be overcome and the brand moved into their evoked set.
- b) What method of learning (Classical conditioning / Instrumental conditioning) seems best able to explain the purchase of an air conditioner primarily for reducing the humidity in a hot, humid room?
- c) Diffusion of Innovation
- d) Maslow's theory in consumer behavior and its relevance to marketers

-----End of Paper-----