

**C 32786**

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Name.....

Reg. No.....

**THIRD SEMESTER M.B.A. DEGREE EXAMINATION, DECEMBER 2017**

(CUCSS)

Marketing

**BUS 3E M 01—CONSUMER BEHAVIOUR AND MARKETING RESEARCH**

(2016 Admissions)

Time : Three Hours

Maximum : 36 Weightage

**Part A**

*Answer all questions.*

*Each question carries 1 weightage.*

1. Explain the role of MIS in understanding consumer behaviour.
2. Differentiate between parametric and non-parametric tests.
3. Explain the importance of research design in marketing research.
4. Differentiate between scaling and measurement.
5. Explain Howard Sheth Model.
6. Explain the concept of cognitive dissonance.

(6 × 1 = 6 weightage)

**Part B**

*Answer any four questions.*

*Each question carries 3 weightage.*

7. How do symbols and colours affect the cultural values of consumers ?
8. What are the consumer relevant groups ? How significantly do they influence consumer behaviours ?
9. Contrast between the family behaviour roles and the individual roles on purchase decisions.
10. Marketers don't create needs, needs pre-exist marketers, discuss the statement.
11. Discuss the application of perception management in customer value creation.
12. What are the strategies adopted for costumer attitude change ?

(4 × 3 = 12 weightage)

**Turn over**

**Part C**

*Answer any three questions.*

*Each question carries 4 weightage.*

13. Assume that you are a consultant for a marketer who wants to design a package for a new premium chocolate bar targeted to an affluent market. What recommendations would you provide in terms of such package elements as colour, symbolism and graphic design ? Give the reasons for your suggestions.
14. Is there such a thing as a generalized opinion leader ? What is likely to determine if an opinion leader will be influential with regard to a specific product category ?
15. Evaluate the strategic soundness of the concept of guerrilla marketing. For what types of product categories is this strategy most likely to be a success ?
16. Define extensive problem solving, limited problem solving and Routine Problem Solving. What are the differences among the three decision-making approaches ? What type of decision process would you expect most consumers to follow in their first purchase of a new product or brand in each of the following areas (a) Cosmetics (b) Computer (c) Mobile (d) Edible oil (e) Air-conditioner. Explain your answers.
17. How should marketers promote products and services to working women ? What appeals should they use ? Explain.

(3 × 4 = 12 weightage)

**Part D**

*Answer the compulsory question.*

*Which carries 6 weightage.*

**18. Marketing Spotlight : Nike**

The Nike story begins with its founder, running enthusiast Phil Knight. In 1962, Knight started Blue Ribbon Sports, the precursor to Nike. At the time, the athletic shoe industry was dominated by two German companies, Adidas and Puma. Knight recognized a neglected segment of serious athletes who had specialized needs that were not being addressed. The concept was simple: Provide high-quality running shoes designed especially for athletes by athletes. Knight believed that "high-tech" shoes for runners could be manufactured at competitive prices if imported from abroad. Without much cash to do any advertising for his products, Knight crafted his- "grass roots" philosophy of selling athletic shoes: Speaking to athletes in their language and on their level; sharing their true passion for running; and listening to their feedback about his products and the sport. Each weekend Knight would travel from track meet to track meet-both high school and collegiate competitions-talking with

athletes and selling Tiger shoes from the trunk of his green Plymouth Valiant. The company's commitment to designing innovative footwear for serious athletes helped it build a cult following that rapidly reached the American consumer. By 1980, after just under two decades in the business, Nike had become the number one athletic shoe company in the United States. Unfortunately for the company, this wave of success was soon to crest as rival companies positioned themselves to take advantage of the aerobics craze, which Nike largely ignored. Companies like Reebok and L.A. Gear developed fashionable and comfortable products aimed at women fitness enthusiasts that sold remarkably well. Nike refused to join a market it saw as low in quality and heavy on cosmetic properties and continued making durable, performance-oriented products. The company lost millions in sales and allowed Reebok to gain basically uncontested market share points. By 1987, Reebok had nearly doubled Nike's market share, with 30 percentage points compared to Nike's 18. Fortunately for Nike, the company chose to fight back with product innovations and persuasive marketing. The company's "Air" technology revitalized the company with the additional aid of successful advertising campaigns such as the 1987 —Revolution in Motion! spot for the new Air Max shoes and the "Air Jordan" commercials. When Nike unveiled its now-famous — "Just Do It" campaign in 1988, just as Reebok developed the —Reeboks Let U.B.U. slogan, the company was on its way to a full recovery. By 1989, Nike had regained the market leader position in America as market share rose three points above Reebok to 25 percent that year. In the 1990s, Nike continued its consumer focus. Nike kept its —finger on the pulse of the shoe-buying public in part through the use of EKINs (Nike spelled backwards) - sports-loving employees whose job was to hit the streets to disseminate information about Nike and find out what was on the minds of retailers and consumers. Nike's — "Brand Strength Monitor" formally tracked consumer perceptions three times a year to identify marketplace trends. In areas where it felt less knowledgeable, e.g., outside of track and basketball, Nike was more likely to commission customized research studies. Nike's inventory control system, called — "Futures," also helped it better gauge consumer response and plan production accordingly. Innovative product development had always been a cornerstone of the company. By 1998, Nike was unveiling a new shoe style, on average, every day. In 1999, the company put the power to design shoes in the hands of its customers with the NIKEiD project. NIKEiD enabled customers to personalize a pair of selected shoe models using online customization software. The software led consumers through a step-by-step process: customers could choose the size and width of the shoes, pick the color scheme, and affix their own 8-character personal ID to the product. Early reviews of the NIKEiD project were full of criticism of the limited selection and availability, so less than a year after its debut, Nike added additional shoe models and more customization options while increasing site capacity. Though the company had become a household name throughout the world and, more important, achieved the position of global sportswear leader, Nike was still \$3 billion shy of reaching the goal of \$12 billion that Phil Knight initially

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intended the company to reach by 2000. In a letter in Nike's 2000 annual report, Knight addressed the issue of how to jumpstart his company's slowed growth and offered the following formula : —We need to expand our connection to new categories and toward new consumers. This quotation is indicative of Nike's relentless drive to build with a strong consumer focus.

1. While Nike made significant changes to maintain its global leadership position, there appear to be some problems in maintaining and growing that position. Is Knight correct in his formula for jumpstarting Nike's growth (last paragraph), or is the matter more complicated ?
2. Develop and evaluate the types of pro and con marketing environmental changes that you see for Nike. Given the options and challenges that Nike faces, how would you proceed with a strategic marketing plan for the firm ?

(1 × 6 = 6 weightage)