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THIRD SEMESTER M.B.A. DEGREE EXAMINATION, DECEMBER 2019

(CUCSS)

M.B.A.—Marketing

BUS 3EM01—CONSUMER BEHAVIOUR AND MARKETING RESEARCH

(2016 Admissions)

Time : Three Hours　　　　　　　　　　　　　　　Maximum : 36 Weightage

Part A

Answer all the questions.
Each question carries 1 weightage.

Defne the following concepts :

1. Psychographic analysis.

2. Opinion leaders.

3. Consumer perception.

4. Consumer dissonance.

5. Diffusion of innovation.

6. Impulse buying.

(6 × 1 = 6 weightage)

Part B

Answer any four questions.
Each question carries 3 weightage.

7. Explain the various factors influencing consumer behavior.

8. Explain Howard-Sheth model of consumer behavior.

9. Compare and contrast consumer buying behavior and industrial buying behavior.

10. Differentiate comparative and non-comparitive scaling techniques used in marketing research.

11. Explain various techniqeus used for attiude measurement in marketing research.

12. How do culture influence consumer behavior. Eloborate.

(4 × 3 = 12 weightage)

Turn over

Part C

Answer any **three** *questions.*

13. Explain the online purchase decision process. Discuss the challenges encounterd by marketors and consumers.

14. Explain different types of research design followed in marketing research, substantiate its importance and it's relevance for the conduct of a successful research.

15. "Consumers' attitude consist of three major components", Substantiate this statement and explain the factors influencing consumers' attitude formation.

16. Discuss the importance of studying consumers' post-purchase behaviour in marketing decisions.

17. "Understanding consumer perception is the base for decision making", Substantiate this statement.

(3 × 4 = 12 weightage)

Part D

Answer the **compulsory** *question.*

18. In June 2010, C.K. Ranganathan, 50, founder of CavinKare, suffered a drug allergy. The enforced six-month break gave him much needed time to reflect on the business he founded as a partnership firm back in 1983.

On the face of it, Ranganathan had reasons to feel satisfied. In business circles, CavinKare is a legend - the David of the fast moving consumer goods, or FMCG, sector, which successfully took on Goliaths like HUL, and P and G. CavinKare's first and most memorable innovation, in 1983, was the sachet: it sold shampoo in tiny, low-priced sachets at a time when the big players only marketed it in high-priced bottles. By doing so it discovered a vast, untapped market and forced its big rivals to follow suit. Today 87 per cent of shampoos sold in India are in sachets, of which CavinKare has a 30 per cent share.

Yet Ranganathan was worried. He was concerned that around seven of every 10 innovations presented to him were aimed at the relatively low-end segment of consumers. No doubt it was this segment that brought CavinKare its initial success, and still provided about 60 per cent of the company's revenues, but Ranganathan wanted to target the premium segments, where margins were much higher.

He also felt that CavinKare had become a somewhat reactive organisation and his people were not learning enough. "Innovation is important but without the right culture, it cannot be sustained."

Ranganathan got back to work in December 2010 with definite ideas about how he wanted CavinKare to change... His first task was to get the employees to become more achievement oriented. He introduced a new working system for better and faster product development, shifted CavinKare's

marketing office from Chennai to Mumbai and began looking around for acquisitions and tie-ups to bring premium products under his company's umbrella. The workforce was divided into creators (research and development, or R and D, marketing and sales), enhancers (production, purchase, logistics and supply chain) and protectors (accounts, finance and management information system). "Creators are the key group. Their performance is critical. The bulk of the resources are targeted at them," says Ranganathan.

Brainstorming meetings on Monday were also started. "These meetings speeded up the process of product development as decisions were taken on the spot," says T.D. Mohan, Joint Managing Director. Ranganathan also got 3 the team to start anticipating the competition's moves and prepare to counter them early. This helped when, earlier this year ; rival Pantene slashed its shampoo sachet price from Rs 1.50 to Rs. 1 to match CavinKare's Chik. "We had the response-a better formulation of shampoo - ready and launched it in less than a month. It was an improved product at the same price," says T. Mukhopadhyay, Executive Vice-President, and R and D.

Profitable growth was chosen as the theme for the company's annual conference in April 2011. The 'creators' were asked to come up with innovations that targeted the high end of the market. "We want 60 per cent of our revenues to come from the premium segment," says Ranganathan. CavinKare has also embraced the 'Blue Ocean Strategy' to identify uncontested market spaces and create products to fill them. For instance, it launched Indica 10, a hair dye which can be washed off within 10 minutes of applying it. Rival hair dye brands require at least 30 to 45 minutes to take effect. The company has set itself a revenue target of Rs 5,200 crore by 2017/18.

Ranganathan's reforms have already started yielding results. The product development time has shrunk to 11 months from 12 months earlier. CavinKare is also making a conscious effort to expand its pan-Indian presence. Pursuing Ranganathan's new thrust towards tie-ups, as well as towards improving premium market presence, the company has entered into a strategic alliance with Coty Inc. - the world's largest fragrance company.

Questions :

1   Can the introduction of sachets by CavinKare be classified as a disruptive innovation in the shampoo market ? Why or Why not ?

2   Discuss the areas where Mr.Ranganathan focussed to develop an innovative culture at CavinKare.

3   What challenges do you anticipate for CavinKare in the coming years ?

(1 × 6 = 6 weightage)