

H Roll No.

MB-202(M2)

**M. B. A. (SECOND SEMESTER)
END SEMESTER**

EXAMINATION, June, 2023

CONSUMER BEHAVIOUR AND INSIGHTS

Time : Three Hours

Maximum Marks : 100

- Note :** (i) All questions are compulsory.
(ii) Answer any *two* sub-questions among (a), (b) and (c) in each main question.
(iii) Total marks in each main question are **twenty**.
(iv) Section B consisting of case study 20 marks.

Section-A

1. (a) Explain, what is meant by Consumer Behavior. Discuss the nature and scope of CB. (CO1)

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(2)

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- (b) What is the influence of Culture and Reference groups on Consumer Behavior ?
(CO3)
- (c) Discuss the following with the help of suitable examples :
(CO1)
 - (i) Needs, Wants and Demands
 - (ii) Substitutes and Alternatives
- 2. (a) Substantiating with suitable examples, explain Skimming-the-cream Pricing and Penetrative Pricing Strategies. (CO2)
- (b) Elaborate in detail, what is Market Segmentation. Briefly discuss major basis of segmenting a market. (CO2)
- (c) Discuss the Family Life Cycle and its influence on Consumer Buying Behavior.
(CO3)
- 3. (a) Discuss in detail, what is a Consumer Buying Decision Process and its stages; with suitable examples. (CO4)
- (b) Critically evaluate external and internal factors influencing Consumer Buying Behavior. (CO1)

(3)

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- (c) Explain the various stages of Consumer Adoption Process. (CO5)
- 4. (a) Briefly discuss the Howard-Sheth-Blackwell Model of understanding Consumer Behavior. (CO4)
- (b) Write short notes on the following : (CO2)
 - (i) Brand Switching
 - (ii) Product Positioning
- (c) Analyze the role of media and globalization in light of changing the modern consumer needs and preferences.
(CO3)

Section-B

5. Case Study :

Chocovita Drink

The Chocovita is a brand milk additive manufactured and marketed by a medium sized multinational company. The product profile of the company includes syrups, toffees, chocolates and many other food products. The company has been fairly successful in its

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business activities and its products have the image of quality in consumers' minds. The Chocovita is a drinking chocolate, which has been promoted basically on the theme of taste difference and palatability. It was launched on the basis of a market survey on drinking chocolate in 2014.

The following facts emerged from the survey :

- (i) Of the total drinking chocolate consumers, only 20% were institutional, such as hotels, restaurants, caterers, confectioners and so on. The remaining 80% were households of which again 20% of the consumers used drinking chocolate for recipe making. A major portion (64%) used it as a milk additive.
- (ii) The competition was weak and not a major threat. The competitors did not pose any serious competition in any segment.
- (iii) There was a demand for chocolate drink, which could instantly mix with milk.

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The Chocovita was promoted as a life style drink. Two brief promotional campaigns were launched in 2015 and 2016 emphasizing the "fun" life-style of Chocovita drinkers. The target audience was late teens to mid-thirties. The brand had a good initial draw and consumer response was also favorable.

But soon problems started cropping up. The sales of Chocovita could not pick up and the company realized that supporting the brand was more expensive than it had earlier imagined. The expected upturn in the sales did not materialize.

The company was now in a tight corner. It has to take a vital decision to continue with the brand or to delete it from the product line. If the company opts for continuation of Chocovita, then what strategy should it follow to ensure profitability and adequate rate of

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return ? Ramaswamy, the marketing manager, summed up the situation as follows :

- (i) The consumer's do not accept Chocovita as a nourishing — refreshing drink. Its image is only of a taste improving drink while most milk additive beverages are sold today from a "health" platform and are billed as being beneficial to consumer's health.
- (ii) The brand is sandwiched between two types of milk additive beverages. It appears to have competed with "health" beverages such as Bounvita, Boost, 'Viva, Nutramul etc. on the one hand and traditional "life-style" beverages like tea or coffee on the other and lost on both the counts. Therefore, there is a serious threat to Chocovita, which needs immediate action. Mr. Rainaswamy had no hard information on milk additive beverages.

Therefore, he approached a reputed Market Research agency to help him in getting the vital information on beverage market. The MR agency asked for a month's time to think about the situation and revert back with the information requirements and research plan.

Questions :

- (a) Analyze and discuss the problems faced by Chocovita by examining the situation presented in the given case. 10
- (b) Highlight and discuss in detail the importance of understanding Consumer Behavior as you present any two feasible solutions to resolve these problems. 10