

MM07 Consumer Behaviour

Assignment I

Assignment Code : 2007MM07B1

Last Date of Submission : 30th September 2007

Maximum Marks : 100

This assignment consists of 3 sections – Section A (Four Short Questions of 10 Marks each), Section B (Two Long Questions of 20 Marks each) and Section C (Case Study followed by questions of 20 Marks). Attempt all the questions. All questions are compulsory

Section A

Questions

1. Why is it critically important for marketers to understand consumer behaviour ? Discuss.
2. What is a motive? What are the various roles that motives play in influencing consumer behaviour. Explain using relevant examples.
3. Explain the terms
 - (a) Perception
 - (b) Perceptual Selection
 - (c) Just-noticeable difference
 - (d) Perceptual Organization (Gestalt Psychology)
4. What is Instrumental Conditioning (Operant Conditioning). Mention two examples where instrumental conditioning is used in advertisement.

(4x10)

Section B

Questions

5. What is consumer involvement? What is the relevance of Split-Brain Theory to the concept of consumer involvement? Explain using examples.
6. Although water is free, many consumers choose to pay. What needs do you think consumer are seeking to satisfy when they purchase bottled water? Design a print ad stimulate the above said need.

(2x20)

Section C

Case Study : De Beers : Romancing the Stone

De Beers is a leading brand in the diamond business. Diamond sales are inextricably linked to the fortunes of any country's economy. In 2002 Indian economy was growing. Facing emerging consumer demand, De Beers marketing budgets across India. With the low marketing budgets, however, De Beers planned for a more ambitious target with profit maximization.

Without as much marketing support had little. De Beers needed a new strategy that was more focused and more hard-hitting in order to achieve its aggressive targets. As purchases of diamond jewellery were less frequent, De Beers found that they could make more money by selling larger diamonds. While two rings could sell for the same price, the one with fewer, larger stones could be worth up to four times the profit to De Beers. Therefore, De Beers decided to encourage consumers to trade up to larger stones: Solitaire, the largest diamond.

Solitaires, pieces with a single diamond, simply epitomize diamonds. However, qualitative research showed that they were seen to be very old-fashioned, like a grandmother's engagement ring. They were also almost entirely associated with the traditional 'claw set' ring. To women, Solitaires were seen as a predictable, boring choice, and without the benefit of design, lacking in individuality. Despite these negative views, Solitaires were also seen to possess a simple purity and an uncultured beauty. They are large enough for one to see deep into the stone, each revealing its own unique sparkle and colour. They are 'proper' diamonds – not chips off a block. Moreover, every Solitaire is believed to be unique. Each has its own history and story to tell.

Nevertheless, research suggested that 80% of diamonds were bought by men. The main motivation was the gift of love. In discussion, men proudly expressed how they picked out the gift themselves – the ultimate gift being the surprise gift. Surprisingly, however a more searching investigation revealed that women have a much greater influence than we imagined and that the surprise gift is usually a myth.

Women admitted to a shared conspiracy on diamond purchases : a long campaign of subtle and not-so-subtle hints. There are the jewellery brochures left open on the coffee table, the casual comments over the washing up, the pause outside the jeweller's window, with the innocent 'just looking, darling'. Yet when they receive a diamond they are genuinely surprised. (At last he has done it!) Every woman seems to have her own ways of letting her man know exactly what she wants. Women have the strongest influence on what gets bought. This insight was brought to life more vividly by the psychologist, Dr Sam Cohen.

Women, therefore, became the target audience. Messages were aimed exclusively at women and concerned solely with their motivation. So, De Beers needed to find a compelling link between the woman and her choice of diamond – Solitaire.

The conventional approach to advertising diamonds had been to dramatize them as the ultimate gift of love. However, could a Solitaire really claim to be ultimate of what was already the ultimate? Every time anyone buys a diamond they are buying a part of the dream De Beers has created. However diamonds are capable of evoking immense excitement and powerful emotion, beyond the moment of giving. (We have all witnessed the flurry of excitement in the office as the girls surround someone who has recently become engaged.) Women draw strength from their diamonds. They make them feel special, confident and attractive.

Questions:

Q7. "Marketers don't create needs, needs preexist marketers". Discuss this statement in light of above case.

Q8. Can subliminal advertising work for De Beers. If yes justify how, if no, why not?
(2x10)

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Assignment II

Assignment Code : 2007MM07B2

Last Date of Submission : 15th November 2007
Maximum Marks: 100

This assignment consists of 3 sections – Section A (Four Short Questions of 10 Marks each), Section B (Two Long Questions of 20 Marks each) and Section C (Case Study followed by questions of 20 Marks). Attempt all the questions. All questions are compulsory

Section A

Questions

1. “High and Low – involvement situations need different types of messages” Discuss.
2. What is the tri – component model of attitudes”. What is the relevance of this model to advertising objectives?
3. What is meant by cross-cultural influences? Why are such influences important for marketers?
4. Discuss the basic properties of a group? What type of influences a reference group can have on consumers?

(4x10)

Section B

Questions

5. Collect and paste 3 print advertisements that attempt to activate problem recognition for a personal care product. Identify the nature of appeal used? Are these appeal appropriate – Justify.
6. Using the VALS TM categories of life style, choose a product and two different segments, and describe how the positioning and communication strategies would differ for the two segments?

(2x20)

Section C

Case Study :Buying Behaviour of Women and Men

Marketers keenly interested in learning who makes the buying decision when a product is needed for the family. In most situations, it is the women who take active interest in buying a product, which is used or consumed by all members of the family. What motivations women have to make in such family purchases? A consultancy firm, specialising in motivational research in the area of sales and marketing found that women are psychology more adjusted to the process of shopping. A woman buyer is inclined to spend more time, evaluate more, is more value conscious rather than brand conscious while making purchases. It is not always true to view women as emotional buyers. Men, on the other hand seem to have a natural tendency toward buying image enhancing products they consider “objects of power”.

Some people are inclined to believe that as the number of employed women is on the increase, particularly in cities, women are the principal buyers of products used by the entire family. Even in families where

only the male member is the bread earner, woman is the principal buyer even for everyday consumption products. The implication for the marketers is that have to address their communications to women for family consumption products.

A woman loves to get the image of a cognitive buyer and many companies have realized this and are responding to this need. Consider the example of Hindustan Lever Limited, a well-known name in the manufacture and marketing of soaps and detergents. Way back in 50s and 60s, their ads for soaps and detergents showed the head of family (the male member) as the decision-maker. A study of buying patterns in 70s made the company realise that showing a woman as the decision-maker is more appropriate and motivates the actual buyers. Furthermore, showing women as intelligent consumers, making carefully considered conscious decisions is more appropriate and accurate rather than depicting them as docile and emotional. This approach became an instant success with the buyers and 'Lalitaji', a middle-aged mother and homemaker, helped the company immensely.

Motivational research also reveals that what motivates men more in making a purchase decision relates to shape, and technical attributes of the product. If a marketer aims to target males for infrequently purchased, rational, high-involvement category products, the marketer will have to emphasise technical attributes, and furnish detailed information about the product. A man likes to view himself as "time pressured, and value oriented consumer", who knows the value of a brand name more than a woman.

What are the implications for marketers? The following figures of times spent by women shopping alone or with different companions in a house-ware store may give some hint:

- Women shopping with a female companion: 8 minutes, 15 seconds
- Women with children: 7 minutes, 19 seconds.
- Woman shopping by herself; 5 minutes, 2 seconds.
- Woman with man: 4 minutes 41 seconds.

The findings clearly hint that the presence of an important male companion causes the woman to spend less time and consequently less money. These findings are from a research done in the US, but Indian retailers during conversations confirm the same is true here as well. They say that their lady customers tend to visit them both during the week and weekends. On weekdays, they usually shop alone (or with a female companion). At such times they typically buy for themselves and spend more time. On weekends, they shop with the family and spend relatively less time.

For women shopping seems to be different. They appreciate the effort the manufacturer has gone to in order to produce goods. They may have some specific items that are to be bought, but they also have a general readiness to look around. They would spend more time examining what is new in the store and what are the various features and functionality of these products. They do not look at everything with a view of buying it. They are willing to look at something appreciatively. If the appreciation is high enough they are willing to look at something appreciatively. If the appreciation is high enough, they are willing to be tempted into buying. Otherwise they make a mental note of the tempting item and might acquire it at a later more opportunistic time.

Questions

1. For which categories of products a company should target women? Why? Discuss those features of one product each in consumer non-durable and durable category that are likely to influence decision making by women.