

VPM's
DR VN BRIMS, Thane
Programme: PGDM (2014-16)
Fourth Trimester (Mktg.) Examination September 2015

Subject	Psychology and Consumer Behaviour		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages	2	Date	29.09.2015

Note: Q1 is compulsory and solve any FOUR from the remaining SIX questions.

Q1) 20 Marks (Compulsory)

ITC's *Classic* brand of cigarette, a brand positioned to the upper strata of smokers, is associated with the game polo, which is an up market image. The logic is to associate a visual, which could elicit perception of its superior quality that will be favorable to the development of the brand image.

Peter England, a ready-made shirt brand, has used the proximity principle in its retailing decisions. It has not followed the exclusive showroom arrangement. In tune with its value proposition, it has entered into small retail showrooms where the brand is displayed along with a number of other brands. This enables a consumer to compare the value aspect of the brand with other brands. It is interesting to note that this usage of perception principle has taken into consideration the other aspects of the value proposition 'the honest shirt' and a wide range of colors offered.

In the last decade there has been a proliferation of shampoo brands in sachets. Shampoo was a category exclusively associated with upper middle/upper class consumers. It was generally sold in 200 ml bottles at selective shops and advertised in selective media vehicles. The product form (sachets) and the display of these sachets in millions of small outlets (including rural areas) have radically altered the perception of consumers of the product category. It is now within the reach of millions of lower middle-class consumers, and about 65 percent of the shampoo volume is currently sold in sachets. The proximity (closeness/reach) in this context is simply the association of the product/brands with small retail outlets. Currently, even premium brands are launched in sachets, probably to upgrade consumers from economic brands. The compact detergent sub-category (*Arial, Surf, Excel*) presents another example where the visuals have used the principle of proximity perception. Ever since the launch of this category, both brands have projected the 'common man' visuals, using the candid camera technique in which middle-class housewives are interviewed at common place retail outlets.

- 1) Discuss how ITC and Peter England have applied principles of perception to understand consumer behavior. (8 Marks)
- 2) What role has perception played in the success of sachets in shampoo category? (7 Marks)
- 3) How has compact detergent sub-category used visuals to influence consumer perception? (5 Marks)

Attempt Any FOUR from the Remaining SIX Questions

Q2) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What is the theory of instrumental conditioning? Explain how the concept is useful to marketers.
- b) What is consumer behavior? Explain how it impacts formulation of marketing strategies.
- c) Define Hedonic consumption and provide an example.

Q3) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What is sensory marketing? How does the sense of touch influence consumer's reaction to products?
- b) What is the major difference between behavioral and cognitive theories of learning?
- c) What is social class? Is it different from income, if so how?

Q4) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) List the three types of memory and explain how they work together.
- b) Explain the difference between a need and a want.
- c) What is cognitive dissonance?

Q5) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What is diffusion of innovation?
- b) Explain word of mouth communication and its marketing applications.
- c) Discuss the role of opinion leaders as thought leaders.

Q6) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Define brand personality and give two examples.
- b) Explain two kinds of advertising appeals and their effects on consumer behavior.
- c) Explain the consumer research process in brief.

Q7) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Name the levels in Maslow's hierarchy of needs, and give an example of a marketing appeal that is focused at each level.
- b) List the steps in the model of decision making.
- c) How are attitudes formed towards a brand or product category?