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UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, May 2019

Course: Consumer Behavior and Market Research   **Semester: IV**
Program: BBA (AVO)   **Time: 03 Hours**
Course code: MKTG 2002   **Max. Marks: 100**
Instructions: Attempt all sections

SECTION A
(2x10=20 Marks)

		Marks	CO

Q1.	*Attempt all questions. (Each question carries 2 marks)*
	
	 a.) Expectancy theory was given by?
	     i) Maslow
	     ii) J. Stacy Adams
	     iii) Victor H. Vroom
	     iv) Herzberg
	
	 b.) Which of the following is a part of arousal of motives?
	 i) Emotional arousal
	 ii) Conflicting arousal
	 iii) Physical arousal
	 iv)All are part of arousal of motives
	
	 c.) Halo effect is _____
	
	 d.) Normative reference group is _____
	
	 e.) Which of the following is not a component of selective perception?
	 i) Selective exposure
	 ii) Selective attention
	 iii) Selective listening
	 iv)Perceptual blocking
	
	 f.) Fixated consumption behavior means_____
	
	 g.) Concept of upward and downward mobility is a concept related to?
	
	     i) Social class
	     ii) Perception
	     iii) Motivation
		20	**CO1**

iv)   Personality

h.) Big five model of personality was given by _____

i)Compliant, aggressive and detached is a part of
a.) Freudian theory
b.) Neo Freudian theory
c.) Trait theory
d.) Attribution theory

j.) Which of the following is not a part of consumer decision-making views?
i) Economic view
ii) Passive view
iii) Active view
iv)Cognitive view

SECTION B
(4x5=20 Marks)

Attempt any four questions.

Q1.	What is reference group (RG)? Explain the significance of various types of RGs in consumer buying behavior.	**5**	**CO2**
Q2.	Briefly explain tri-component model of attitude.	**5**	**CO2**
Q3.	What is personality? Explain the significance of Type A and Type B personality concepts in understanding consumer-buying behavior.	**5**	**CO2**
Q4.	What are four basic cultural values? Explain the terms 'acculturation' and 'enculturation'.	**5**	**CO2**
Q5.	Explain the consumer decision-making process with example.	**5**	**CO2**

SECTION-C
(2x15=30 Marks)

Attempt any two questions.

Q1.	With reference to *McDonald's in India* case analyze the consumer buying behavior of Indians w.r.t. various demographic characteristics.	**15**	**CO3**
Q2.	Analyze the Indian consumer perception towards Indian firms and MNCs with close reference to the case *'Local companies eat into MNC share'*. Support your answer with examples.	**15**	**CO3**
Q3.	What is extended problem solving and limited problem solving decision-making? How is it different from routinized response behavior? Explain with the help of different product categories and examples.	**15**	**CO3**

Read the following text and answer both questions that follow:

Do Your Customers Judge You by Your Reputation?

When someone buys your product, rather than your competitor's, do you know what led him or her to that decision? Was it price? Was it quality? Or was it your company's 'reputation'? Most companies would probably say that a combination of those three factors was involved. In recent years, other factors such as your company's approach to the environment, your approach to social issues, and the way you treat your employees and care for your suppliers have all become major considerations. Many companies consider them the keys to attracting consumers. However, the study, "Perception of Social-Corporate Responsibility: A Cross-Cultural Analysis" shows that, in many cases, reputation does not influence customers' purchasing decisions.

The World Wide Web has become a display window where companies can easily display their secrets. This development, combined with environmental protection and the rise of non-governmental organizations (NGOs) has spawned a growing concern for a range of intangibles that come under an umbrella known as "corporate social reputation."

Professors Marta Maria de la Cuesta and Carmen Valor define social responsibility as "when companies recognize and integrate social and environmental issues into their operations and their subsequent business practices, in order to satisfy those concerns and affect their relationships with partners." Other experts focus on the impact of this approach on shareholders. They include Enrique Bigné and Luisa Andreu, of the marketing department of the University of Valencia (Spain); Rubén Chumpitaz, of the IESEG business school (France); and Valerie Swaen, of the Catholic University of Louvain (Belgium).

"According to this approach, 'corporate social responsibility' creates value for the various stakeholders in the company, and winds up creating greater value for society," write Bigné, Andreu, Swaen and Chumpitaz in their study, "Perception of Social-Corporate Responsibility: A Cross-Cultural Analysis." This new view casts away the earlier notion of "measuring [corporate] results in terms of sales, market share, and customer satisfaction. All of these indicators have a clear meaning for managers and shareholders," the authors add.

A Giant with Feet of Clay

The concepts involved in this new philosophy are being brought to life in several initiatives. The principles of the United Nations, the OECD's corporate governance principles, and the Global Reporting Initiative are all becoming part of today's new 'corporate DNA.' Companies are no longer limiting themselves to presenting their

annual reports at the end of the fiscal year. Now they include other reports, focused on their environmental policy and social action plan.

For all that, Bigné, Andreu, Swaen and Chumpitaz believe that this revolution has lost sight of its ultimate objective – customers. To be sure, several research projects into this topic have yielded quite contrasting results. On the one hand, a study conducted in 2000 by Market and Opinion Research, [a British market research and public opinion firm,] concluded that 70 percent of European customers consider corporate social responsibility when they buy products. On the other hand, a study by professors Boulstridge and Marylyn Carrigan, that same year, showed that price, quality and brand familiarity carry more weight in purchasing decisions than corporate social responsibility does.

These contradictory results led Bigné, Andreu, Swaen and Chumpitaz to probe deeper into the issue from the viewpoint of customers, and with a cross-cultural focus. They concluded, "Research into cultural differences has achieved importance as a variable that explains ethical behavior."

The researchers undertook an empirical study of young people in four different countries – Spain, Portugal, Chile and Argentina. "The research was focused on college students, because they are the social and business leaders of the future, and can provide some insights into future patterns of behavior. In addition, they are consumers of specific products in the study, such as training shoes and deodorants," says the study.

In their research, the professors tried to identify the characteristics that young people perceive as essential in defining corporate social responsibility; the influence of their culture and country of origin on those perceptions; the influence of their personal values; and, finally, the importance of social responsibility on their purchasing decisions as consumers.

The overall conclusion was not very encouraging. "Their perception of socially responsible business practices was neutral," the study says. "Even more troubling, the consumer segment in this study was characterized by its greater sensitivity to knowledge and cultural openness. In addition, they are the managers of tomorrow."

What Does Social Responsibility Mean for Consumers?

For consumers, corporative social responsibility involves social and environmental activity. "In concrete terms, it takes concrete form in corporate investment in R&D, and the reduction of wasteful production. Its social dimensions involve labor practices that are not discriminatory and reveal respect for employees' human rights. That means both respecting labor rights in those countries where a company operates, and refusing to operate in other countries that violate human rights. When it comes to social cooperation, it means contributing to the improvement of the quality of life wherever the company operates, as well as assisting developing countries," the authors explain. In contrast, achieving the highest possible profits and lower prices are not factors that consumers associate with social responsibility.

When you analyze these variables from the cultural viewpoint of each country, differences begin to appear. For example, Chileans and Argentines assign greater significance to corporate environmental practices than do Spaniards and Portuguese, who are more concerned about economic dimensions (job creation, jobs, etc.) The only thing all young people agree on is that corporate social activity is an important component of a company's reputation.

The authors distinguish between three different cultural dimensions: individualism versus collectivism; masculinity versus femininity; and low-versus-high aversion to risk. "Individualism means the degree to which people prefer to act as individuals rather than as members of the group, carrying out independent initiatives. In cultures characterized by collectivism, individuals are oriented toward conformity, and show a greater degree of group behavior and concern for promoting the group's continued survival, based on social norms," the authors explain. Young Spaniards were the most individualistic. Nevertheless, this factor barely influenced their perception of social responsibility.

Risk aversion is a factor that has a greater impact on views of corporate responsibility. "There is a significant relationship between aversion, uncertainty, and the social dimension," the authors write. "That is to say, the lower their aversion to uncertainty, the more likely their view of corporate social responsibility is based mainly on social considerations." The study found that young people in Argentina and Chile were less reluctant to accept risks.

Finally, masculine societies, which place greater emphasis on wealth, success and materialism, have a lower perception of the social, environmental and economic dimensions of corporate social responsibility. Feminine societies, such as those of Spain and Portugal, "place greater emphasis on helping other people, and preserving the environment."

The Personal Dimensions

Other key factors are the personal values of each individual, which affect each person's philosophy of life. The authors analyzed the impact of several general parameters of this sort. The personality traits they considered included the inclination to open up to others; the tendency to seek greater contact with other cultures; and the need to pursue a more stimulating intellectual life. They also studied the reactions of those people who are more focused on achieving success, and they analyzed the impact of other personal characteristics that influence an individual's ability to live a life based on principles and be healthy.

"Young people in Argentina in Chile are more likely to be open-minded, and be open to discussions with others than are young people in Spain and Portugal. Moreover, these young Latin Americans are more concerned about searching for personal wellbeing, than are their counterparts in Europe. You only see differences between the samplings of Spain and Portugal when it comes to orientation toward success, which is greater among Portuguese youth," note Bigné, Andreu, Swaen and Chumpitz. They

	also found a significant correlation between a tendency toward greater openness, and a tendency to show concern for the three dimensions of corporate social responsibility. There was no such correlation when it came to the orientation toward success. In addition, only those young people who worried about social welfare saw that building the reputation of a company as a socially responsible has become an essential business practice.		
Q1.	With reference to the above text evaluate the importance various buying behavior factors discussed in the case that a consumer may be influenced with. Elaborate with examples of companies in the Indian context that have taken important CSR initiatives.	**15**	**CO3,4**
Q2.	What is the significance of personal personality dimensions and culture in evaluating the importance of company's brand image? Analyze keeping the personal dimensions and culture of Indian consumers.	**15**	**CO3,4**

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SECTION A
(2x10=20 Marks)

		Marks	CO

Q 1	*Attempt all questions. (Each question carries 2 marks)*
	
	a.) Hierarchy of needs theory was given by?
	    v) Maslow
	    vi) J. Stacy Adams
	    vii) Victor H. Vroom
	    viii) Herzberg
	
	 b.) Which of the following is NOT part of arousal of motives?
	 i) Emotional arousal
	 ii) Environmental arousal
	 iii) Physical arousal
	 iv)All are part of arousal of motives
	
	 c.) Stereotype means _____
	
	 d.) Comparative reference group is _____
	
	 e.) Which of the following is not a component of selective perception?
	 i) Selective exposure
	 ii) Selective attention
	 iii) Selective listening
	 iv)Perceptual blocking
	
	 f.) Consumer materialism means_____
	
	g.) Upward mobility means _____
	
	h.) Big five model of personality was given by Fritz Heider (TRUE/FALSE)
	
	i)Trait theory says _____
	
	j.) Consumer has complete information of all products and brands is known as:
		20	**CO1**

	i) Economic view ii) Passive view iii) Active view iv)Cognitive view		

SECTION B
(4x5=20 Marks)

Attempt any four questions.

Q1.	Briefly explain Neo Freudian theories of personality.	**5**	**CO2**
Q2.	What is attitude? Explain strategies for attitude change with reference to consumer buying behavior.	**5**	**CO2**
Q3.	Briefly explain strategic application of classical conditioning.	**5**	**CO2**
Q4.	What is culture? Explain the significance of sub cultures in Indian context	**5**	**CO2**
Q5.	Explain the consumer decision-making process with example.	**5**	**CO2**

SECTION-C
(2x15=30 Marks)

Attempt both questions.

Q1.	With reference to *McDonald's in India* case analyze the consumer buying behavior of Indians w.r.t. various demographic characteristics.	**15**	**CO3**
Q3.	With close reference to *Sensory Branding: Oreo in Indian context* case differentiate the brand positioning of OREO biscuits with the positioning of its competitors.	**15**	**CO3**

SECTION-D
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	Read the following text and answer both questions that follow:		

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Q1.	With reference to the above text evaluate the importance various buying behavior factors discussed in the case that a consumer may be influenced with. Elaborate with examples of companies in the Indian context that have taken important CSR initiatives.	**15**	**CO3,4**
Q2.	Analyze the cultural dimensions that would be significant to decide consumer-buying behavior in the Indian context.	**15**	**CO3,4**