



UNIVERSITY EXAMINATIONS: 2013/2014

EXAMINATION FOR THE MASTER OF BUSINESS ADMINISTRATION

MKT 507 CONSUMER BEHAVIOUR (EVENING)

DATE: APRIL, 2014

TIME: 3 HOURS

INSTRUCTIONS: Answer Question One and Any Other Three Questions

QUESTION ONE (31 MARKS)

Billy had it. There's only so much longer he can go on watching TV on the tiny antiquated black and white set. It was bad enough trying to listen to the scratchy music in MTV videos and squinting through the Tom & Jerry cartoon show. The final straw was when he couldn't tell the AFC Leopards from the Gormahia during the football match. When he went next door to watch the second half on Mark's set, he really realized what he had been missing. For sure this situation did not reflect his newly acquired status at work as assistant brand manager. What would his visiting colleagues from work make of him? Budget or not, it was time to act: a man has to have priorities.

Billy figures he will probably get a decent selection and affordable price in one of those supermarkets along Ngong road. Arriving at the Nakumat Super Market, he heads straight for the video zone in the back hardly noticing the rows of toasters, microwave ovens and stereos along the way. Within minutes, he is accosted by a smiling salesman in a cheap suit. Even though he could use some help Billy tells the sales man he's just window-shopping.. He figures these guys don't know what they are talking about, and they are just out to make sales anyway.

Billy starts to examine some of the features on the different 27 inch color sets. He knew his friend carol had a Sony set that she really liked and his sister Diane had warned him to stay away from Sanyo range. Although Billy finds a Sony model loaded to the maximum with features such as sleep timer, on screen programing menu, cable compatible tuner, and remote control, he ignores it as he had

previously tried to find any information on Sony sets without any success. He couldn't spend the amount indicated against the set without sufficient information. He had to be sure.

The supermarkets he visited earlier that day claimed that Sony had not posted any brochures to them lately, nor had they offered to take any of the sales men for training like the L.G Company had done. The L.G Company had written to all dealers and retailers who distributed their products requesting them to register for training at no cost. The training had been the talk of town for the better part of January and February. No wonder there was sufficient information regarding the L.G, a brand he regarded inferior to Sony. What a pity. He just wished he could find some write up on Sony.

As he walked the rows in the supermarket, he discovered that the L.G sets had been prominently arranged on the shelves at eye level, and the sales men seemed to hover around the sets with enthusiasm. Those of his preferred brand were either down on the floor or high on the top shelves. He also seemed to recall a lot of adverts lately by L.G describing the features and benefits of owning the L.G set. He couldn't seem to recall any by Sony, much as he tried. Eventually Billy chooses the less expensive L.G set because it has some features that really catch his fancy, namely the stereo broadcast reception feature that no set should be without in the current century.

Later that day Billy is a happy man as he sits in his easy chair, watching the Churchill Live show. If he is going to be a coach potato, he's going in style. ..

- a) Using Billy's experience, discuss the stages of the decision making process that consumers go through and suggest strategies the company should use at each stage of the buying process .
(8 Marks)
- b) As a marketing consultant explain to the company why efforts should be made to study consumer behavior
(8 Marks)
- c) Suggest benefits brought about by the digital revolution that Sony should exploit when relating with customers.
(8 Marks)
- d) Clearly show how the nature of consumer behavior is reflected on Billy's shopping experience.
(7 Marks)

QUESTION TWO

- a) Give a detailed definition of consumer behavior
(7 Marks)
- b) Both the Classical and Operant conditioning theories of learning as fronted by Pavlov and Skinner have implications for marketers. Use examples from the market to clearly bring out their importance.
(8 Marks)
- c) Diffusion of innovation refers to the framework of exploring consumer acceptance or rejection

of new products. Discuss product characteristics that influence diffusion. (8 Marks)

QUESTION THREE

- a) Evaluate steps one should follow in the consumer research process. (11 marks)
- b) Define culture and point out at least 6 characteristics of culture that marketing strategy cannot afford to ignore. (12 Marks)

QUESTION FOUR

- a) Consumers' decision-making varies with the type of buying decision at hand and the buying behavior of the consumer. Discuss the three levels of consumer buying situations and the marketing implication of each decision. (8 Marks)
- b) Explain at least five broad issues that have positively affected research processes in the 21st century. (7 Marks)
- c) Elaborate on factors influencing attitude formation (8 Marks)

QUESTION FIVE

- a) Consumer learning can be defined as the process by which individuals acquire the purchase and consumption knowledge and experience that they apply to future related behavior. In order for learning to occur, certain basic elements must be present. Discuss these elements. (9 Marks)
- b) Henkel Kenya Ltd sells products to both consumer and organizational markets. As a marketing consultant advice the company on characteristics that differentiate organizational buying from consumer buying. (8 Marks)
- c) Define culture and point out at least 6 characteristics of culture that marketing strategy cannot afford to ignore (6 Marks)

QUESTION SIX

- (a) Various factors affect perceptual interpretation thus influencing an individual's interpretation of the stimuli. Using local examples, discuss these factors. (12 Marks)
- (b) Give a definition of the word perception (11 Marks)