

MIB / IV Sem.

A

**Course 542 – CROSS-CULTURAL CONSUMER AND INDUSTRIAL
BUYER BEHAVIOUR**

Time : 3 hours

Maximum Marks : 70

(Write your Roll No. on the top immediately on receipt of this question paper.)

Attempt all questions.

1. (a) As manager of Coca Cola Company posted in India, how would you explain the following statement:

“Consumer behaviour focusses on how individual consumer and families or households make decisions to spend their available resources (time, money, effort) on consumption-related items. As consumer, we play a vital role in the health of the economy— local, national and international. The purchase decisions we make affect the demand for basic raw materials, for transportation, for production, for banking; they affect the employment of workers and the deployment of resources, the success of some industries and the failure of others.”

7

- (b) Social class mobility in India and the US.

7

Or

- (c) Why do marketers make consumers learn what ‘consumers already know’? Explain, by giving suitable examples in the FMCG category.

7

- (d) For each of the products— chocolate bars and bottles of expensive perfume— describe how marketers attempt to make consumer perceive and interpret, by using appropriate marketing applications, the marketing stimuli in terms of packaging, pricing and promotional claims during the periods of increasing competition?

7

2. (a) Role of word-of-mouth in innovation adoption process for Apple iPad.

- (b) What is the relevance of the marketing concept in attempting to understand consumer behaviour for a health snack food category? Draw a simple model of consumer decision-making useful for such a snack food category.


7

Or

Turn over.


There are cultural disparities within India. There are cultural differences within the English speaking world—the US and the UK. There are cultural differences within the sub-continent of the world. Given that, how can a company sell a single product to the world market? What is special about Patek Phillippe, Gillette and Unilever for attempting a global brand? Should Head & Shoulders shampoo be sold worldwide with the same formulation, same package and same ad theme? Explain. 14

3. (a) 'Use of reference groups appeal in consumer decision-making is good as well as bad for consumers.' Do you agree? Explain how traditional / non-traditional family members would influence the decision to buy LED TV during different stages of their family life-cycle. 7
- (b) The conventional product sampling at retail outlets to generate trials is now giving way to innovative experiential sampling to accelerate consumer buying. How does this 'innovative, experiential sampling' increase marketer understanding of consumer behaviour? How do you relate to consumer motivation to buy a product? Do the dynamics of motivation differ for—
- (i) Sunglass with built-in earphones and an MP3 player, and
- (ii) Radio Taxi with internet/e-mail facility? 7
- Or
- (c) Brand communities. 3
- (d) Intergenerational socialization 4
- (e) "Social class is a dirty word as it does not allow inter-mixing of people in different strata of society. It divides people vertically and by birth. It does not allow moving from one social class to aspirational higher class." Do you agree? Substantiate your answer with specific reference to India and the United States. 7
4. (a) What is the recent Indian consumer trend as reflected in the Hindustan Times Youth Survey 2011 (conducted in partnership with CNN-IBN)? What are the marketing implications for an MNC dealing in trendy clothes? 7
- (b) How can a marketer of chain of health clubs use the VALS™ segmentation profiles to develop an advertising campaign in India? 4
- (c) "Personality is an inner psychological characteristic and lifestyle is an outer manifestation of it." Explain your position by giving suitable examples. 3
- Or
- (d) What are the implications of broad similarities and differences in the psychology of decision-maker for consumer and organisational buying? Explain the components of the organisational buying process. 7
- (e) Have a look at a copy of advertisement given below. Reconstruct consumer learning element of consumer behaviour. 7



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5. Read the case given on the next page and answer the questions given below the case.

Case: Sense & Sensibilities

THE movie 'Avatar' achieved success, not just because it had a well-known moviemaker and it used 3-D as the technology. It became a box office hit because it also allowed the audience to touch and feel - literally. The stimulation and the sense of being in the thick of action in a fictional story is what the movie sought to achieve. From the big screens to television, one comes across commercials by brands that look to stimulate the senses - from sight to taste to smell. But look for the same triggers on the ground and chances are brands more often than not fail the litmus test when it comes to sensory branding. However, with consumers having access to a plethora of information, add to that the high speed of change, the thin line between real and reality and very limited time — sensory appeal will play a vital role in enticing consumers towards brands.

And globally, there are examples of brands creating an experience that appeal to the senses. In a presentation by Lowe Counsel called 'Sensory Extra', auto brand Ferrari is opening Ferrari World in Abu Dhabi in 2011. 'Ferrari theme park will host over 20 state-of-the-art attractions, each designed to bring various facets of the Ferrari story to life,' the presentation states. So one will feel the rush of speed as the G-force takes over, or learn from the legends themselves in the factory or at the pit stop, the presentation adds. Yet another example of multi-sensory branding is Starbucks now roasting beans in-house to enhance the authenticity of aroma in store. Nissan, the presentation adds is taking a hint from the pleasant effect of forest air on people. Nissan studied the effects of aromas on human mental activity and 'the resulting forest AC system intermittently and alternately furnishes two unique aromas, borneol and leaf alcohol, to alleviate boredom and stimulate the driver's brain.' Zoe Lazarus, director at Lowe Counsel says the categories, which have embraced sensory branding, and looking at neuro-marketing so far are entertainment (6-D cinemas), food (food/art experience) and travel with the advent of extreme adventure and survival holidays. 'The challenge of sensory branding is to think more broadly about how people experience products in the real world and find ways to enhance these experiences,' says Lazarus. In India, the advent of modern trade provides an opportunity of creating a sensory experience. So take the case of fresh fruits and vegetables within a modern trade store and it's stacked exactly the way one will get it in the neighbourhood bazaar. That's because consumers like to touch, feel and smell the produce before the purchase. So along with the cut and packed vegetables, piles of vegetables in racks are a common sight.

Kaya, the skin clinic venture from Marico Industries started working extensively on a blue print with Pervin Ghani, a trainer on service quality behaviour and Singapore Airlines to map the consumer path in the clinic. 'The objective was to provide consistent branding cues at every sensorial touch point,' says Suvodeep Das, head - marketing, Kaya. In foods, Anup Jain, head - marketing, Pizza Hut counts store interiors and exteriors, crew uniforms and even the Pizza as elements that add to the sensorial experience. 'The most important aspect of any food service brand is the food itself. Yum uses the same basic ingredients like cheese, tomato sauce around the world to ensure taste, aroma and visual appearance of our signature pizzas is the same around the world,' says Jain. Marketers may argue that the Indian market is still warming up to sciences like neuro-marketing and sensory branding, but observers believe that in a dynamic market which is getting increasingly crowded, getting a heads-up in sensorial appeal is a definite advantage. Janna Cortardo, associate dean & head of neuro-marketing at SP Jain centre of Management, Dubai says the India growth-rate story naturally puts very specific type of pressures on to it, but accordingly, allows for a very granular segmentation.

When it comes to applying multi-sensory branding, Cortardo says there are some common fallacies. 'Conventional marketing methods have been around and need not be modified, customers are willing to tell you what they want and most important, brains are closed private places,' she says. And when it comes to the brain, the sensory branding and neuro-marketing may seem as the left and right side with no bridge, but experts will tell you there are parallels. 'Sensory branding is more of the executional delivery part of the strategy, while neuro-marketing is more about the scientific study of how sensory information triggers different parts of the brain,' says Lazarus. Humans, says Cortardo, are made of fleeting and intangible emotions supported by a key organ called the brain. 'This in turn produces images, language, motion, and returns in the form of what I would call a Fervent Fairy that narrates our experiential stories. Under this paradigm, the sensory branding platform can push in many directions which are then sheltered under the umbrella of neuro-marketing.' Neuro-marketing, she adds, is also about product positioning, experiential marketing and even comprehensive communication.

And inspiration for brands to connect and stimulate the target audience can come from anywhere, even from the underworld, as cited by the Sensory Extra presentation. 'Customers interested in the merchandise, a Lobster Bun, must become a member of online social network group. Orders for the product are conducted by SMS and handovers take place surreptitiously on street corners.' Brands, therefore, have to keep their antennas wired up — for the trooper can come from anywhere.

Case Question 1: What is the use of 'Sense & Sensibilities' for its relevance to understanding cross-cultural consumer behaviour? 3

Case Question 2: What are the implications of 'Sense & Sensibilities' for stimulating brand experience at the absolute and differential threshold? 5

Case Question 3: Do Indian marketers use sensory inputs to enhance the consumer experience through consumer imagery - product positioning, positioning of service, and overall retail shopping experience? 6