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BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.)
EXAMINATION : JUNE - 2022
SEMESTER - VI
Sub. : Consumer Behaviour (BBA15-M-613)

Date : 15/06/2022

Total Marks : 60

Time: 10.00am to 12.30pm

- Instructions:** 1) All questions are compulsory.
 2) Figures to the right indicate full marks.
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Q. 1. Choose the most appropriate option. (05)

1. A purchase is made on the ----- alternative.

a) decision	b) chosen
c) perception	d) substantial

2. Marketers used models to show ----- result of products.

a) Positive	b) Negative
c) Both positive & negative	d) None of the above

3. ----- refers to how an individual perceives a particular message

a) Consumer behavior	b) Consumer interest
c) Consumer attitude	d) Consumer interpretation

4. -----develop on the basis of wealth, skills and power.

a) Economical classes	b) Purchasing communities
c) Social class	d) Competitors

5. -----is individuals and households who buy goods and services for personal consumption.

a) The target market	b) The consumer market
c) A market segment	d) The ethnographic market

Q. 2. State True / False (05)

1. Organizations decision making process involved a group or team.

a) True	b) False
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2. Culture is one of the factors affecting organizational buyer behaviour.

a) True	b) False
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3. Buying professionals have their own perceptions.

a) True	b) False
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4. Organization buying decision process is simple than consumer buying process.

a) True	b) False
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5. Customer is said to be delighted when customer delivered value is more than customer incurred cost.

a) True	b) False
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Q. 3. Write Short notes on (Any Three) (15)

1. Applications of consumer behavior study.
2. Cognitive learning and Vicarious learning
3. Nicosia model of consumer behavior
4. Stages of consumer decision making.
5. Consumerism in India

Q. 4. Answer in detail (Any Two) (20)

1. Define the term consumer behaviour. Also explain the external factors influencing consumer behaviour.
2. Differentiate between organizational buying and consumer buying.
3. Discuss various provisions of consumer protection act 1986.

Q. 5. Case study (Any One) (15)

1. Nestle is one of the biggest brand in domestic as well as in global markets. Its Maggi is one of the most sought breakfast amongst Indian as well as global customers. Nestle's Maggi had captured around 60 percent share in instant noodles market in India.

In recent past, Nestle's Maggi ended up with a controversy in India. It was reported by a drug inspector that MSG (monosodium glutamate) was found in the Maggi samples collected by him during one of his routine raids the retail outlet. The packaging mentioned "no MSG". The food inspector picked up that sample of Maggi and sent it to the laboratory for testing. The results revealed that the samples of Maggi sent for lab testing had MSG. The samples were then sent to Central Food Laboratory in Kolkata and the result of Central Food Laboratory read: "MSG present and Lead: 17.2 ppm (parts per million)". The amount of lead found was over 1000 times more than what Nestle India had claimed.

UP government had sent the notice to Nestle for which Nestle responded with internal monitoring documents but did not took any pro-active step to counter probable aftershocks. Nestle also did not react when one of the Hindi newspaper in Uttar Pradesh reported a small news-item on this episode. Nestle did not estimated that this news could lend Nestle in half-a- billion loss to the company with strong negative impact on its brand name.

Nestle even failed to understand the depth of the crisis, even after national reporters starting writing in their newspaper. Nestle only issued a statement that there is no need to recall the Maggi from the market and it is safe to eat. However, FSSAI asked Nestle to recall the Maggi Noodles. CEO of Nestle said that they do not add MSG to Maggi and they apply same quality standards worldwide. But by then, situation has gone out of control for Nestle. CEO of Nestle was left with no choice but to recall Maggi noodles from the market. This resulted in huge loss for Nestle India in its history.

i) Where do you feel, Nestle was not able to apprehend (forecast) the depth of the situation?

ii) In terms of market research, do you feel that Nestle was over-confident for their noodles future? Justify your answer.

iii) State where Nestle failed in terms of studying consumer behavior.

2. Prime Computer Services (PCS) is delivering computer and peripherals to the business clients. Their services include computer systems (hardware), software packages (IT services) and after sales service. PCS is operating in a market where lot number of players have entered due to the potential identified for the sales and services of computer systems. This has increased the level of competition in this segment and PCS is finding it difficult to sustain in the market due to reduced margins on their product and services. The margins are reduced to sustain the competition and to retain their clients in PCS' portfolio.

Maintaining leadership is quite difficult in this segment due to intense competition. However, due to one of the oldest company in this segment, PCS is able to enjoy the leadership position due to their state of the art R&D department, along with set distribution channels in domestic as well as in global markets. PCS has been able to develop their brand in due course of time.

Regarding the customer base of PCS, the company is catering their services to wide and diverse set of customers. Most of their customers are from business market only. PCS is focusing on medium and large scale industries only, both domestically and globally. All their customers, domestic as well as global customers, have different needs and requirements in their purchases and employ different approaches in their hardware as well as software(IT) purchases.

The diverse need of their customers has resulted in the following challenges being faced by PCS:

1. Some customers (especially large industries) focus only on hardware purchase and insist on the maximum discounts. They have their own contracts for after sales service of hardware systems and are not interested in taking the service contracts with PCS.
2. Another group of customers (medium scale industries) value the brand name of PCS and demand wide variety of services from PCS such as hardware, software, maintenance support in terms of after sales service in one contract. For this, these industries are willing to pay premium price also.
3. Some of the customers of PCS want all the services of PCS but at the maximum discount and will shift to another supplier if their demands of heavy discounts are not met. Due to intense competition in this segment, the probability of customer shifting to other suppliers is very high.

- i)) Suggest the strategy to PCS to deal with such diverse group of customers.
- ii) As the margins are narrowing down due to intense completion, what can be done by PCS to capitalize on customer relationship?
- iii) Do you feel that working on customer relationship management will be helpful to deal with price war in this segment and will help PCS to retain the customer even after charging high as compared to competition? Justify your answer.