

**INSTITUTE OF BANKERS IN MALAWI**

**DIPLOMA IN BANKING EXAMINATION**

**SUBJECT: CONSUMER BEHAVIOUR (IOBM – D214)**

**Date: Friday, 16th November 2018**

**Time Allocated: 3 hours (08:00 Hours)**

**INSTRUCTIONS TO CANDIDATES**

1 This paper consists of **TWO** Sections, A and B.

2 Section A consists of 4 questions, each question carries 15 marks.

Answer **ALL** questions.

3 Section B consists of 4 questions, each question carries 20 marks. Answer **ANY TWO** questions.

4 You will be allowed **10 minutes** to go through the paper before the start of the examination, you may write on this paper but not in the answer book.

5 Begin each answer on a new page.

6 **Please write your examination number on each answer book used. Answer books without examination numbers will not be marked.**

7 All persons writing examinations without payment will risk expulsion from the Institute.

8 If you are caught cheating, you will be automatically disqualified in all subjects seated this semester.

9 DO NOT open this question paper until instructed to do so.

**SECTION A (60 MARKS)**

Answer **ALL** questions from this section

**QUESTION 1**

1. List down any **five** examples of legislation that indicate the thrust of recent consumerism in legislative circle. (*5 marks*)
2. ‘’Consumer rights can only be achieved when accompanied by consumer responsibilities’’

**Required**

Identify **five** consumer obligations validating the statement above. (1*0 marks*)

**(Total 15 marks)**

**QUESTION 2**

1. Explain ‘out – of – stock (OOS) condition as it applies to a brand. *(3 marks)*
2. Discuss **four** brand loyalty patterns suggested by a study based on the Chicago Tribune purchase panel. (*8 marks)*
3. Explain the relationships that exist between strength of brands and nature of the loyalty shown suggested by the study in (2b) above. *(4 marks)*

**(Total 15 marks)**

**QUESTION 3**

Explain **two** tasks of the marketer during each of the following stages of consumer decision making process.

1. Need recognition (5 marks)
2. Evaluation of alternatives (5 marks)
3. Post purchase evaluation. (5 marks)

**(Total 15 marks)**

**QUESTION 4**

1. Outline the basis for the birth of behavioural economics *(5 marks)*
2. Draw a well labelled diagram representing a simplified version of Katoma’s view point of Behavioural Economic model. *(5 marks)*
3. Explain the symbolism (significance) of a modulation arrow in the Katoma’s Behavioural Economic model. *(5 marks)*

**(Total 15 marks)**

**SECTION B (40 MARKS)**

Answer ANY **TWO** questions from this section

**QUESTION 5**

1. Identify **two** strategies a marketer may pursue to change their organisation brand image upon finding that their brand suffers from continued existence in consumer’s inept or inert sets. *(4 marks)*
2. Explain the following dimensions suggested by one typology for comparing various information sources.  *(6 marks)*
3. Decisive effectiveness
4. Contributory effectiveness
5. Ineffective.
6. Abraham Maslow proposed a hierarchy of needs in explaining needs that direct human behaviour.

**Required**

1. Which **one** of the five needs is the most important of them all? Give **two** reasons for your answer*. (6 marks)*
2. According to Maslow which need is the only source of real satisfaction. Justify your answer. *(4 marks)*

**(Total 20 marks)**

**QUESTION 6**

Identify **two** needs associated with **each** of the following Psychogenic Needs:

1. Needs associated with inanimate objects.
2. Needs that reflect ambition, power, accomplishment and prestige.
3. Needs concerned with human power.
4. Sadomasochistic needs.
5. Needs concerned with affection between people.

**(Total 20 marks)**

**QUESTION 7**

1. Distinguish highly ethnocentric consumers from non-ethnocentric consumers.

*(4 marks)*

1. Discuss the **four** main groups of influences on business buyers as suggested by Weber and Wind. (16 marks)

**(Total 20 marks)**

**QUESTION 8**

1. Define sensation. *(3 marks)*
2. What is your understanding of the following phrases;
3. “Culture is invented”?  *(4 marks)*
4. “Social Classes are hierarchical”? *(4 marks)*
5. An attitude expresses how a person feels towards an object. Clearly explain the saying that attitudes have:
6. Direction
7. Degree
8. Intensity.  *(9 marks)*

**(Total 20 marks)**

**END OF EXAMINATION PAPER**