**Answers to IOB CONSUMER BEHAVIOUR MAY 2012**

**Question one**

(a)

1. The innovation itself
2. The communication process and the channel used
3. The time at which an individual decides to adopt the product
4. The social system involved.

(b) The production concept assumes that consumers are mostly interested in product availability at low prices and therefore focus is on production and intensive distribution (eg maize flour, sugar, salt) while the product concept assumes that the consumer will buy the product that offers them the highest quality, the best performance and the most features (eg a car)

**Question Two**

1. Segmentation is the art of dividing the market into homogenous market that will call for a differentiated marketing mix.
2. Criteria for effective target marketing are: Identification, sufficiency, stability and accessibility

**Question Three**

(a)

1. Formal learning: adults and older siblings teach the young member of the family
2. Informal learning: child learns through observation and imitating the behavior of selected others
3. Technical learning: teachers instruct the child in an educational environment about what should be done

(b) They recognize that married women who work outside of the home are the large and growing market segment, one whose needs differ from those of women who do not work outside the home. It is attractive and have the potential and purchasing power.

1. Any two
2. Economic well-being: the parents provide financial support to the family
3. Emotional support: Parents and family members provide emotional nourishment eg love, affection, intimacy
4. Sustainable family lifestyles: the family establishes the life style for the family. The upbringing and experiences of adult family members brings in a certain life style in the family

**Question Four**

(a)

1. Self-designing method: respondents are asked to evaluate the extent to which they have provided others with information about a product category or specific brand or otherwise influenced the purchasing decision of others.
2. The key informant: A person who is keenly or knowledgeable about nature of social communications among members of a specific group. The key informant is asked to identify those individuals in the group who are most likely to be opinion leaders.

(b)

Expected self-image is how consumers expect to see themselves at some specific future time. This is somewhat between actual and ideal self-images. It is a future oriented combination of what is the actual image and what consumers would like to be (the ideal self-image) **while** the ought to self consists of traits or characteristics that an individual beliefs it is his/her duty or obligation to possess. Eg striving to a achieve a deeper religious understanding

**SECTION B**

**Question five**

**(a)**

1. Relative advantage: the degree to which customers perceive a new product as superior to existing substitutes.
2. Compatibility; The degree to which consumers feel a new product is consistent with their present needs, values and practices
3. Complexity: The degree to which a product is difficult or easy to understand, use affects acceptance.
4. Observability: the ease with which the product benefits or attributes can be observed or described to potential consumers. The more the observabilty or communicability, the greater the chances to be accepted easily

(b) Motivation indeed may be both negative or positive. We may feel a driving force towards some object or condition or a driving force away from some object or condition. This is negative motivation. While positive motivation, a person may be compelled to move towards a certain direction. In positive motivation, a person moves towards or approaches the object while in negative motivation, the person avoids or moves away from the object.

**Question Six**

1. Any four of the following
2. They may not have stored information, it may not be retrieved or retrievable and they may not search externally..so it is more of an approach than a decision
3. They can occur out of necessity
4. They can be interlocked with other purchases
5. They can reflect purchase preferences acquired in early childhood
6. They can result from conformity to group norms or limitations of others
7. They can result from recommendations by personal or non personal sources
8. They can be made on basis of various surrogates such as price, manufacture’s reputation or packaging
9. They can occur on superficial basis eg selecting a brand on the basis of convenience of the shelf height
10. Any four
11. Gives a more comfortable feeling about making an informed purchase
12. Increases actual chances of making a choice that leads to greater satisfaction
13. There is a positive feeling derived from being generally knowledgeable about products and services
14. There is more pleasure resulting from engaging in the shopping activities
15. There is high potential of monetary payoffs to search

**Question seven**

1. A model is simplified representation of reality
2. –To assist in constructing a theory that guide research in consumer behavior

- To facilitate learning that is presently known about consumer behavior

(c)

(i)Any three

–Provides assurance of product quality and value

* Increases self confidence about correctness of product or service choice
* Reduces feelings of risk of ownership
* Reduces dissonance

(ii)Any five:

* Use a simple and clear easy to understand warranty wording
* Encourage customers to use warranty
* Clarify who will execute the program\handle claims expeditiously
* Collect, analyse and use warranty information
* Constantly monitor consumer and dealer response to invoking warranty
* Promptly reimburse dealers or agents for warranty work
* Monitor and control

**Question eight**

1. Consumerism is the social movement of citizens and government to enhance the rights and powers of buyers in relation to sellers.
2. Any three:

–Fair Packaging and Labeling Act

* Consumer Product Safety Act
* The National Environmental Act
* The Toxic Substances Control Act
* Cigar Labeling Act
* Consumer Credit Protection Act
* The Clean Air Act

(c) Any two:

-Environmental factors: PESTEL factors

-Organisational factors: the micro environment; management, objectives Strengths and weaknesses

-Interpersonal factors: DMU

-Personal factors: motivation, preferences, experiences ets

(d) Any three reasons for shopping

- Role playing: as a parent shopping may be an expected role/behavior

-Diversion: diversion from routine of daily life and is a form of recreation

-self-gratification: the process of shopping could be gratifying and not necessarily the purchase or consumption

-learning about new friends: shopping provides information about friends and movement and product symbols reflecting attitudes and lifestyles

-Physical activities: shopping provides a considerable amount of exercise

-sensory stimulation: shopping provides sensory benefits such as looking at and handling the merchandise, listening to and smelling the scent.

Social experience outside home: provides opportunities for seeking new acquaintances, encounters with friends and even just people watching

-communication with others having similar interests

-Peer group attraction: certain stores provide a meeting place where a peer group may gather

-Status and authority: shopping may provide an opportunity to attain a feeling of status and power

-pleasure of bargaining: enjoyment of gaining a lower price through bargaining, companion shopping or visiting special sales

**END**