

**INSTITUTE OF BANKERS IN MALAWI**

**DIPLOMA IN BANKING EXAMINATION**

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

**Date: Friday, 3rd May 2013**

**Time Allocated: 3 hours (13:30 – 16:30 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, when 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 number will not be marked**

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

**SECTION A (60 MARKS)**

Answer **ALL** questions from this section

**QUESTION 1**

1. What do you understand by Diffusion of Innovation? *(3 marks)*
2. Diffusion of innovation clearly depends on communication between the marketers and consumers themselves. Explain the **four** factors the marketers need to consider when communicating about an innovation. *(12 marks)* **(Total 15 marks)**

**QUESTION 2**

1. What do you understand by ‘customer value'? *(3 marks)*
2. Companies may categorize their customers according to their profitability and price sensitivity. Explain the **four** categories of customers according to the “customer pyramid”. *(12 marks)*

(**Total 15 marks)**

**QUESTION 3**

1. The Values and Lifestyle System (VALS) tries to classify customers according to three major self-orientations. Explain the **three** self orientations as used in the American population. *(6 marks)*
2. How would you use any **three** demographic characteristics of your choice in segmenting your market for your banking products and services? *(9 marks)*

**(Total 15 marks)**

**QUESTION 4**

1. What is humanitarianism? *(3 marks)*
2. Values are also considered to be beliefs. State any **three** ways the values may differ from other beliefs. *(6 marks)*
3. What is the difference between enculturation and acculturation? *(6 marks)*

**(Total 15 marks)**

**SECTION B (60 MARKS)**

Answer **ANY TWO** questions from this section

**QUESTION 5**

1. Who is a laggard in the category of adoption? *(2 marks)*
2. Opinion receivers can be certain of receiving the approval of the opinion leader if they follow the advice. As a marketer, name **two** ways you would benefit upon engaging an opinion receivers in a product related conversation. *(6 marks)*
3. One of the product-oriented frameworks considers the extent to which a new product is likely to disrupt established behavior patterns. Giving examples of your choice explain the following **three** product innovations defined in one of the frameworks:
4. Continuous innovation
5. Dynamically continuous innovation
6. Discontinuous innovation *(12 marks)*

**(Total 20 marks)**

**QUESTION 6**

1. Name any **three** life events that can change someone’s personality. *(3 marks)*
2. Explain the **three** personality groups as proposed by Karen Horney. *(9 marks)*
3. Materialism is the extent to which a person is considered materialistic. State the **four** characteristics of materialistic people as discovered by researchers*. (8 marks)*

**(Total 20 marks)**

**QUESTION 7**

1. When are decision rules considered to be non-compensatory? *(2 marks)*
2. Using an illustration, explain how the Figure and Ground principle works in perception. *(3 marks)*
3. Since any purchase occasion presents a certain degree of risk, consumers try as much as possible to reduce the level of risk. Give any **five** strategies consumers may use to relieve the perceived risk. *(15 marks)*

**(Total 20 marks)**

**QUESTION 8**

1. What is the other name for non-store marketing? *(2 marks)*
2. Customers form certain expectations prior to any purchase. Name any **two** of these expectations. *(4 marks)*
3. State any **five** benefits of telecommunication based merchandising. *(10 marks)*
4. A customer may have accustomed ways of satisfying the need. State any **two** things a customer may do if the need is not immediate or when the best product is not obvious. *(4 marks)*

**(Total 20 marks)**

**END OF EXAMINATION PAPER**