

Code: 17E00309

MBA III Semester Regular Examinations November/December 2018

CONSUMER BEHAVIOR

(For students admitted in 2017 only)

Time: 3 hours

Max. Marks: 60

All questions carry equal marks

SECTION – A

(Answer the following: (05 X 10 = 50 Marks))

- 1 Explain the psychographic dimensions of a consumer behavior in buying process.
OR
- 2 How attitude formation and attitude change of a consumer effects the buying process?
- 3 Explain the reference groups and family influences on buying behavior of a consumer.
OR
- 4 How the social and cultural environment effect the consumer buying behavior?
- 5 What are the prerequisites of communication and consumer buying behavior?
OR
- 6 Write the differences between Howard-Sheth model, Welster model and Wind model.
- 7 Explain the pre-purchase process and post-purchase process of a consumer.
OR
- 8 Explain the brand loyalty of a consumer in buying process.
- 9 Explain the consumer privacy. And critically explain the steps to be taken by the government to overcome the issues of consumer privacy.
OR
- 10 What are consumer disputes redressal agencies critically? Explain the need and importance of consumer disputes redressal agencies.

PART – B

(Compulsory question, 01 X 10 = 10 Marks)

11 Case study:

Mark is a sales representative for a large life insurance company. He has been with the company for about 18 months. Things have been going well, or so he thinks. One concern he has is about the product he sells most.

This product is an insurance and savings plan bundled together. It provides protection for premature death, savings that can be used for retirement, or an emergency fund that can be accessed quickly without hassle.

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The problem Mark faces is that this insurance product is more expensive to purchase, and for young families it provides the least amount of protection in case of premature death of the breadwinner. Another drawback is the low return on savings, somewhere between 3 percent and 6 percent net. The company pushes sales of this product because it is more profitable. The commission Mark earns is 110 percent of the first year's annual premium, so it is very profitable for him and his family.

Mark also has another product that is considerably cheaper, that can provide much greater insurance protection, and at the same time would let the insured invest the difference in another product (i.e., an annuity) that provides a greater return. But the commissions paid by the company are very low, and management frowns on too many of these policies being sold.

The quandary is: If Mark does what is right for the consumer, he can't provide for his own family; if he sells the more expensive insurance product, then the protection doesn't come anywhere near meeting the needs of the family should the breadwinner die prematurely. What should Mark do?

Questions:

- (a) What actions should Mark take?
- (b) Which alternative would you choose in Mark's position, and why?
- (c) What ethical theories (utilitarian, rights and justice) seem to relate best to this situation?
