

Name:

Enrolment No:



**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**

**End Semester Examination, May 2019**

**Course: Consumer Behaviour and Market Research**

**Program: BBA ( FAS )**

**Course code: MKTG 2002**

**Semester: IV**

**Time: 03 Hours**

**Max. Marks: 100**

**SECTION A**

(Total 10 Marks)

Q.No.	True/False (Attempt All)	Marks	CO
1.	Company's name is one of the most basic influences on an individual's needs, wants, and behavior.	1	1,2
2	As far as Buyer Behavior is concerned, the users' role is the most important.	1	
3	Psychologists and consumer researchers agree that human beings have the same needs; however, these needs get translated differently into different wants, resulting in varied motives.	1	
4	Maslow proposed that human needs could be classified into four basic levels.	1	
5	An individual's personality remains consistent over time and is enduring in nature.	1	
6	Attitudes can only be inferred from what people say or what they do and how they behave.	1	
7	A research can involve both problem identification and problem-solving.	1	
8	The researcher should attempt to gather secondary data before initiating a search for primary data.	1	
9	Descriptive designs involve mostly experimentation.	1	
10	A questionnaire is a formalized set of questions involving one or more measurement scales designed to collect specified secondary data.	1	

**SECTION B**

(Total 20 Marks)

<b>Q.No.</b>	<b>Short Notes</b> <b>(Attempt All)</b>	<b>Marks</b>	<b>CO</b>
1	Purpose of Data analysis & interpretation in marketing research	4	<b>2,3</b>
2	Significance of consumer behaviour in financial services	4	
3	Sources of Primary data & Secondary data	4	
4	Role of Market segmentation in a company	4	
5	Importance of Communication in consumer behaviour	4	

**SECTION C**

(Total 40 Marks)

<b>Q.No.</b>	<b>Descriptive Type Questions</b> <b>(Attempt Any FIVE)</b>	<b>Marks</b>	<b>CO</b>
1.	Define Culture and Subculture. Compare the Indian culture values with the American culture or that of any other culture that you have read about or are familiar with.	8	<b>2,3,4</b>
2	Elucidate the consumer decision making process with a suitable example.	8	
3	Define the concept of social class. Do you think that social class would be a better segmentation tool for the following products:  i. Expensive Jewellery ii. Art Paintings iii. Vacation Packages iv. Living Room Furniture	8	
4	Explain 'Marketing Research'. What are the major reasons for growing importance of Marketing Research in India? Discuss.	8	
5	Compare the exploratory, descriptive and causal research designs with the help of suitable examples.	8	
6	Indicate whether marketing research is relevant to each of the following organization/departments and if so, how each might benefit from it.  i. Central Ministry in the Government of India	8	

	ii. A Retail outlet iii. A Pharmaceutical company iv. A Service business		
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**SECTION D**

(Total 30 Marks)

Q.No.	Case Analysis	Marks	CO
1	<p>Perform the analysis of the following case study:</p> <p style="text-align: center;"><b>Female Investor Market</b></p> <p>Until recently the female investor market was largely ignored and was not targeted as an important market opportunity. Consumer analysis of the female investor market uncovered a variety of differences with respect to needs, demographics, lifestyles, income, and awareness and knowledge of investment alternatives. Other differences, such as media habits, pointed out the fact that there is tremendous diversity among this group of investors. A quantitative analysis of this information uncovered the existence of three market segments, each unique in terms of needs for financial services, demographics, consumer lifestyle, awareness and knowledge of financial services, and media habits.</p> <p>Each of these female investor segments represents a unique market opportunity. To design an effective marketing strategy for any or all of these segments, it is first necessary to understand the unique aspects of each female investor segment.</p> <p><b>The Career Woman</b></p> <p>This segment of the female investor market is the smallest but is growing rapidly. These investors are younger (30 to 40 years old), college educated, and actively pursuing a career. Their incomes are high relative to incomes of other working women and growing as they progress in their careers. This group includes single and married females, but the majority did not have children living in their households.</p> <p>While their demographics are unique, equally important differences exist in their needs for financial services. Women in this segment have higher incomes and pay considerable taxes because they are single or, if married, have two sources of income. As a result their needs focus on ways to increase their financial holdings without incurring additional tax obligations. Also, because they do not need current income,</p>	30	4, 5

they have a greater need for long-term capital appreciation rather than current interest or divided income.

### **The Single Parent**

This segment is the second largest in size and also growing. These female investors are middle aged (35 to 45 years old), unmarried, but have children living at home. Their single- parent status could be result of divorce or death of a spouse. Because these events tend to happen more often at middle age, this particular female investor is often thrust into managing money without much experience. Current income is generally under pressure and money affairs have to be carefully budgeted.

For this segment, security is first. With parental responsibility and limited income, they want to make sure their money will be there in the future. As a result, they prefer investments that offer secure growth. This investment will be a source of income later in life and/or used for their children’s education. In either case these consumer do not want to risk their futures.

### **The Older Investor**

This segment is the largest of the female market for financial services. These female investors are older (55 and up) and typically single. Unlike the “Single Parent,” these female investors do to have children at home and often have more discretionary income. Also, many of these investors have considerable knowledge and experience with the many financial alternatives that exist.

A need for current income makes this segment of female investors different from the other two segments. In many instances, these women support themselves from interest and dividends on their investments. Because investments are often their sole source of income, they seek safety and minimum risk in the investment they hold. Thus, their ideal investment portfolio would include a variety of secure investments that yield good current income.

While many differences exist among the many female investors, these three female investor segments capture important differences in basic needs, demographics, and lifestyle as summarized in Figure A. Based on these differences, individualized marketing strategies could be developed for each segment. The degree to which such strategies will succeed will depend on how well each strategy satisfied the specific needs of each segment in terms of both product offerings and market communications.

**Figure A: Summary of Female Investor Segmentation**

Segment	Basic Needs	Experience	Key Demographics
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Career woman	Tax avoidance, long term growth	Limited to average	Educated, working at career, between 25 and 40
Single parent	Security, future income	None to limited	Unmarried with children, between 35 and 55
Older investor	Current income security	Limited to extensive	Typically single, 55 and older

- Based on the lifestyle and demographics of the above segments, what kind of marketing strategy would you suggest for the product design and promotion for an investment and financial services company.
- Which, in your view, is the most attractive market segment for the above company and why?

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**SECTION A**

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**SECTION B**

(Total 20 Marks)

<b>Q.No.</b>	<b>Short Notes (Attempt All)</b>	<b>Marks</b>	<b>CO</b>
1	Sample size & population	4	<b>2,3</b>
2	Methods of collecting the primary data	4	
3	Characteristics of Consumer Attitudes	4	
4	Marketing implications of Perception	4	
5	Significance of consumer behaviour in financial services	4	

**SECTION C**

(Total 40 Marks)

<b>Q.No.</b>	<b>Descriptive Type Questions (Attempt Any FIVE)</b>	<b>Marks</b>	<b>CO</b>
1.	Elucidate the consumer decision making process with a suitable example.	8	<b>2,3,4</b>
2	How would you use the family life cycle concept to plan your marketing effort for i. Launching computer training courses ii. Marketing of housing schemes offering 1, 2- or 3-bedroom houses in metropolitan town.	8	
3	“Marketers have observed that social classes show distinct product and brand preferences”. In this context explain the importance of social influence on consumer behaviour.	8	
4	Design a questionnaire to study customer’s satisfaction towards services provided by State Bank of India. (Make necessary assumptions)	8	
5	Define Culture and Subculture. Compare the Indian culture values with the American culture or that of any other culture that you have read about or are familiar with.	8	
6	“How you climb a mountain is more important than reaching the top”. Elaborate with reference to the essentials of research design.	8	

**SECTION D**

(Total 30 Marks)

Q.No.	Case Analysis	Marks	CO
1	<p>Perform the analysis of the following case study:</p> <p style="text-align: center;"><b>Research In Motion: Blackberry Blackout</b></p> <p>On Wednesday, October 12, 2011, Mike Lazaridis, co-chief executive officer (CEO) of Research in Motion (RIM), faced a situation of truly disastrous proportion. Earlier in the same week, on Monday, October 10, 2011, service outages had been occurring on RIM’s popular BlackBerry smartphone devices, affecting more than 30 million BlackBerry users globally. During the three-day service disruptions, RIM engineers worked around the clock to fix the widespread technical problems. However, many consumers and industry officials became increasingly frustrated because the company had provided brief comments to the public. With the imminent release of the new Apple iPhone 4S worldwide on Friday, October 14, 2011, Lazaridis encountered the additional challenge of how and if RIM should publicly respond to restore consumer and market confidence.</p> <p><b>Company History</b></p> <p>In 1984, global mobile communications company RIM was co-founded by two engineering students, 23-year-old Lazaridis, a dropout of University of Waterloo, and Douglas Fregin from University of Windsor. The two students won a contract from General Motors of Canada to perform industrial automation of General Motor’s operations; thus, the young company was able to survive from one contract to another. Building on its’ success, RIM had grown to employ over a dozen employees with annual revenue in the millions by the late 1980s. In 1988, the company explored new market opportunities involving wireless operations, which enabled RIM to become “the first wireless data technology developer in North America and the first company outside Scandinavia to develop connectivity products for the Mobitex wireless packet-switched data communications networks.” “The technology was widely used for business communications, such as processing credit-card sales.”</p> <p>In the 1990s, RIM continued to acquire new contracts with various telecommunications companies, providing research services on solutions to wireless systems. One contract in particular involved “a paging and cellular telephone company that required RIM to investigate the potential of new wireless digital network systems. This contract led to the development and manufacturing of modems, which in turn led to the further development of a complete wireless e-mail system in collaboration with the Swedish</p>	<b>30</b>	<b>4, 5</b>



mobile phone company Ericsson. Through important research contracts, RIM was able to develop its own internal capabilities and become more than just a service provider by evolving its company business operations into developing communication products. The company reached a major breakthrough in 1992, when RIM researchers discovered a device to receive and send messages on a pager. Equipped with new communication technology, Lazaridis was determined to develop the innovative technology of sending email over wireless networks.

In 1992, Jim Balsillie joined RIM, reportedly investing \$250,000 of his own money into the company by mortgaging his own home. The move had empowered Balsillie overseeing the company's finances and business development tasks, while allowing Lazaridis to return to the area of his strengths in engineering and research. The partnership eventually led to RIM's first product breakthrough in 1996, with the release of the Interactive Pager. Seen as innovative, the product signified one of the first of its kind to introduce consumers to the novelty of sending and receiving messages over a wireless network. Although the device was short lived and replaced by other products, many of the Interactive Pager's features had availed to lay a strong foundation for the development of RIM's future lines of smartphone products. In order to continue developing new products and expand business operations, RIM listed itself as a publicly traded company on the Toronto Stock Exchange in 1997, raising more than \$115 million in capital from investors. A year later the influx of money proved to be well spent, as RIM introduced the first BlackBerry handheld wireless computing device to the public. By 1999, BlackBerry had offered users the ability to access basic e-mail and two-way paging on a six-line display by using a small QWERTY keyboard. In addition, users could also browse specially formatted pages that offered news, stock market data, weather and travel information. Equally important, RIM also entered into agreements with companies such as BellSouth Wireless and Rogers Cantel to secure wireless service.

RIM continued to expand business operations through additional public offerings, raising \$250 million in 1999 and another \$950 million in 2000. The BlackBerry quickly grew in acceptance and gained in popularity, receiving industry acclaim in 2000, when the device was named Best Telecom Product of the Year for its ability to send and receive corporate email. Meanwhile it won the PC World Class Award for Best Wireless Communication Device for its small and lightweight design and constant access to email. However, RIM had serious conflicts over a group of Illinois-based inventors who filed a lawsuit in a U.S. Federal Court, accusing RIM of developing its wireless e-mail network by infringing on patents held by an American patent-company; NTP Inc. of Virginia. The lawsuit was help up for years. At times RIM was threatened to discontinue BlackBerry service to American customers before RIM and NTP finally announced a settlement in 2006, in which RIM agreed to pay NTP US\$612.5 million to settle all claims.

The company continued to develop the popular BlackBerry device by releasing newer versions with increased user capabilities. In 2002, RIM upgraded the BlackBerry to include voice and data transmission, while also allowing users to access multiple e-mail accounts. In 2003, RIM made the advancement to introduce its first color screens on BlackBerry devices. By 2006, BlackBerry devices had included MP3 players, cameras and instant messaging capabilities between BlackBerry users with the release of BlackBerry Messenger. The successful development of both software and hardware features had driven an increase in consumer demand for BlackBerry devices. Many consumers were often associated with the nickname “CrackBerry” to describe their obsessive symptoms when constantly accessing information, sending emails, messages, or simply keeping their BlackBerry device close by at all times. In addition, the term “BlackBerry thumb” was also commonly used to refer to the repetitive stress injury that could occur as an individual’s thumbs were overused from constant typing. In 2007, RIM hit a milestone, as the number of BlackBerry subscribers had officially passed the 10 million mark. Its consumer demand remained strong with RIM reporting another 1.65 million subscribers in the third quarter of 2007 alone, and company revenue doubling over the previous year to US\$1.67 billion.

In 2008, BlackBerry devices held an estimated 44.5 per cent of the U.S. smartphone market, where its market share had risen from 35.1 per cent since 2007. RIM was in a dominant position and yet it was not without any industry competition. There had been major changes in the smartphone market in 2007, due to the launch of the Apple iPhone. Although the iPhone had provided end-users with fun interactive features, which were not available on a BlackBerry, such as a touch screen, downloadable apps and a wide selection of games, many businesses and their employees remained loyal to BlackBerry devices for their business functionality and reliability. While the iPhone captured an estimated 19.2 per cent of U.S. smartphone sales in the first quarter of 2008, Apple represented a minor share of the market compared to RIM. However, the numbers highlighted an increased demand for options and capabilities of a smartphone. In an effort to capitalize on the changing market demands, RIM released the company’s first smartphone device, the BlackBerry Torch, with touch screen capability in 2008. Having delivered a new operating system and social networking integration, the BlackBerry Storm served as a symbol of RIM’s move outside the traditional BlackBerry designs. However, many industry analysts and consumers viewed the new BlackBerry Storm as more of a catch-up device for RIM, rather than a leap forward ahead of the competing Apple iPhone. From their point of view, industry analysts considered that RIM’s inability to produce a BlackBerry that could outperform the iPhone represented a missed opportunity and shifting momentum in the mobile communication world towards Apple.

RIM again felt the pressure of changes in the marketplace when Apple launched the iPad, a touch-screen tablet computing device in January 2010. With no direct competition in the newly created tablet market, Apple left many companies including

RIM scrambling to create products or opt out of the market touch-screen tablet in April 2011. The release date fell unfavorably over a year after the launch of the original iPad and a month after the second version iPad2 in March 2011. To make matters worse, the BlackBerry Playbook failed to meet the expectations of consumers and industry professionals. Although there had been a long delay in releasing the BlackBerry Playbook, critics pointed out that the device was rushed to market missing key features such as email, contacts and calendar applications. At the same time heavy criticism also emerged. RIM was viewed to have not sufficiently complemented original elements to the user interface, but had excessive similarities to its competitors' products. Other comments were overly direct, such as "Don't buy it, the reasons? It's not fully baked."

In retrospect, even though RIM had generated a net income of US\$2.4 billion for 2010 as a whole, its share of the U.S. smartphone market declined from 38 per cent to 30 per cent. Some research reports indicated that RIM's BlackBerry market outside North America had primarily driven the sales of the company.

Intense competition had mounted in the smartphone market. As a result, RIM lost its market share to the growing popularity of the Apple iPhone, in addition to new smartphones using Google's Android operating system, which included devices from HTC, Motorola, Samsung and LG Electronics. Disappointed with BlackBerry's drop in market share, analysts and investors no longer viewed RIM as the onetime dominant force in the marketplace. Consequently, in July 2011, RIM's stock price had devalued by more than 50 per cent, from \$68 to below \$26 on the Toronto Stock Exchange earlier in the year. In a move to shake up the company for long-term success, RIM announced the elimination of 2000 positions in July 2011, representing an 11 per cent reduction of its global workforce. Despite the major transition, RIM leadership held confidence that its healthy financial position of nearly US\$3 billion in cash, no debts and new products in development, would revive the company to regain its dominant position in the smartphone market.

### **Blackberry Service Outages**

On the morning of Monday, October 10, 2011, service outages began on BlackBerry devices in Europe, the Middle East and Africa, leaving millions of users without web, email and texting services. The day continued without restored BlackBerry service and no explanations had been provided to the cause of the problem, but RIM issued a brief statement: "We are working to resolve an issue currently impacting some BlackBerry subscribers in Europe, the Middle East and Africa. We're investigating, and we apologize to our customers for any inconvenience caused while this is resolved." The outages extended to a second day when no solutions were found to restore BlackBerry service. On Tuesday, October 11, 2011, service outages had spread further, affecting BlackBerry users in India, Brazil, Chile, and Argentina. Afterwards, RIM identified a backlog of data from the failure of a core backup switch within the company network,

as the source of the problem. It was the first time during the two-day long service outages that RIM had delivered an explanation in a brief statement, “We are now working to clear that backlog and restore normal service as quickly as possible.” While RIM continued to struggle to restore the services for a third day, Wednesday, October 12, 2011, the outages spread to Canada and the United States. The continued spread of the service outages was caused by the immense backlog of information that had built up during the system breakdown. RIM’s chief technology officer David Yach remarked assuredly: “All of the email will be delivered. We will not be dropping any email messages.” The service outages experienced by BlackBerry users had ranged from random service loss for a few hours to more extreme cases, where users were unable to retrieve any functional use of their devices, but read a message on the screen “Unable to connect to the selected mobile data service, please try again later.” There were more than 70 million BlackBerry subscribers worldwide; however, RIM couldn’t guarantee that no further outages would take place.

### **How to Respond**

As RIM was making every effort to restore the BlackBerry services across the globe, many people searched answers to the crippling communication situation. Due to growing frustration among BlackBerry users, various media outlets provided daily coverage featuring tough criticism RIM had received from an endless list of angry consumers and disappointed industry officials. Some viewed the extended service outage as a black mark on RIM’s previously strong service record. Michael Gartenberg, director of research at the U.S.-based technology firm Gartner Inc. stated: “It’s a huge embarrassment for a company that has built its reputation on the notion of service and reliability and when all else fails your BlackBerry will still work.” The service outages could not have arrived at a worse time for RIM; it was when the new Apple iPhone 4S was about to hit stores worldwide on Friday, October 14, 2011. Technology analyst Troy Crandall, of Montreal-based MacDougall, MacDougall & MacTier, offered his insights into the worst possible scenario for RIM: “It just kind of puts the thought in people’s heads — might it be time for a switch?”