

S. S. Jain Subodh Management Institute

MBA IVth Semester, (Model Paper & Suggested Answers)

Subject: Consumer Behavior & Market Research

Paper Code: M-420

Time: 1 Hour

Max Marks: 10

Note: Attempt both the questions. All questions carry equal marks.

Q1. Describe the Nicosia model of consumer decision making.

Q2. Explain the important individual determinants of consumer behavior towards a shampoo brand.

Solution:

Ans. 1. (Marking guidelines: The answer contains five marks. One mark for diagram and four marks for four fields description of model.)

Francesco M. Nicosia a leading scholar in the field of consumer behaviour propounded a comprehensive model in 1966 to analyze consumer's behavioral process. The model concentrates on the communication process that occurs between a brand and a consumer. It uses a flow of events through different stages that are identified as fields. There are mainly four fields: [1] The customer's attitude based on message exposure. [2] The customer's product search and evaluation. [3] The act of purchase. [4] Feedback in the form of customer experience to both marketer and customers.

Assumptions of Nicosia Model:

1. There is no prior history between the consumer and the firm.
2. There will be no positive and negative predispositions in the consumer's minds.

FIELD : 1 CONSUMERS ATTITUDE :

This field of model is divided into two subfields. Subfield one includes those aspects of the marketing environment and communication efforts that affect the factors like customer attitudes, product attributes, competitive, environment, the characteristics of relevant mass media, the choice of copy appeal and the characteristics of the target market. Second subfield specifies such as consumer characteristics (Personality experience that mediate reception of marketer's promotional messages). In other words, both the subfields determine the customer's attitude towards company's marketing communication.

FIELD: 2 SEARCHES AND EVALUATION:

This arena of the model explains how a consumer goes for search of necessary information with regard to various products available in the market, so that necessary comparison could be made with respect to arriving at a final decision. Here consumer behavior culminates in final decision regarding purchase of product or otherwise.

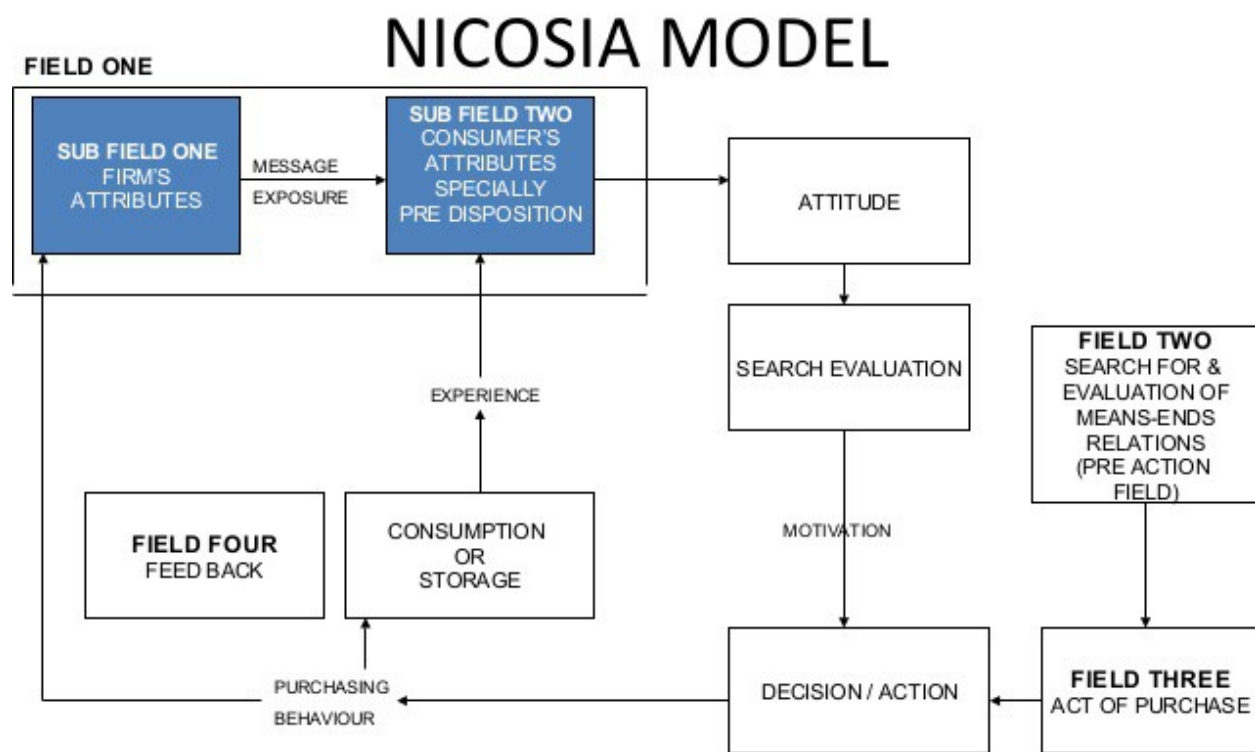
FIELD 3: ACT OF PURCHASE:

This phase of model shows us various processes related to actual purchase of the product. From the marketer's point of view this phase is very important as it unveils the consumer's buying behavior.

FILED 4: FEEDBACK: The post purchase behavior reveals the consumer's experience with the usage and his future behavior. If the consumer is satisfied with the purchase then his behavior

will reinforced and in case if he is dissatisfied then he will go for go for a new brand. Both of these behaviors considerably affect the company's marketing strategies.

In short, it can be concluded that this model focuses on individual decision making which is based on four basic tenets. The first tenet determines customer's attitudes towards marketer's communication where as second focuses on customer's search and evaluation of product. The third one focuses on process related to actual purchase where as last one says about customer's behavior regarding purchased product which may be either positive or negative.



Limitations of Model:

The Nicosia model offers no detail explanation of the internal factors, which may affect the personality of the consumer, and how the consumer develops his attitude toward the product. For example, the consumer may find the firm's message very interesting, but virtually he cannot buy the firm's brand because it contains something prohibited according to his beliefs. Apparently it

is very essential to include such factors in the model, which give more interpretation about the attributes affecting the decision process.

Ans. 2.

(Marking guidelines: The answer should contain five individual determinants explanation, one mark each.)

Consumer behavior focuses on why a consumer behaves this way or that way. There are many factors that affect the behavior of consumers. The major psychological determinants internal to the individual are motivation, perception, learning, attitude and personality.

Here is an attempt to explain and to know their implications in so far as consumer behaviour is concerned.

1. Motivation:

Motivation is the 'why' of behaviour. It is an intervening variable between stimulus and response and a governing force of consumer behaviour.

“Motivation refers to the drives, urges, wishes or desires which initiate the sequence of events known as behaviour.” as defined by Professor M.C. Burk. Motivation is an active, strong driving force that exists to reduce a state of tension and to protect, satisfy and enhance the individual and his self-concept. It is one that leads the individual to act in a particular way. It is the complex net-work of psychological and physiological mechanisms.

Therefore, motives can be conscious or unconscious, rational or emotional, positive or negative. These motives range from a mere biological desires like hunger and thirst to the most advanced scientific pursuits like landing on the Moon or Mars.

2. Perception:

Marketing management is concerned with the understanding of the process of perception because, perception leads to thought and thought leads to action. Perception is the process whereby stimuli are received and interpreted by the individual and translated into a response.

In other words, perception is the process by which the mind receives, organises and interprets physical stimuli. To perceive is to see, hear, touch, taste, smell and sense internally something or some event or some relation.

Perception is selective because, an individual cannot possibly perceive all stimulus objects within his perceptual field; hence, he perceives selectively. Perception is organized because, perceptions have meaning for the individual and they do not represent a buzzing confusion. Perception depends upon stimulus factors. That is, the nature of physical stimulus itself is a determinant of perception.

3. Learning:

In behavioural science, learning means any change in behaviour which comes about as a result of experience. Learning is the process of acquiring knowledge. Consumer behaviour is a process of learning because; it is modified according to the customer's past experience and the objectives he or she has set. This process of learning is made up of four stages namely, Drive- cue-response and Reinforcement. 'Drive' refers to an internal state of tension which warrants action.

Thus, hunger or thirst can be a drive. A 'cue' is an environmental stimulus. For instance, it can be an ad on food item or soft- drink, 'Response' represents the person's reaction to cues within his environment. Here, it can be purchased of food item or soft-drink. 'Reinforcement' is the responses reward.

As most consumer behaviour is learnt behaviour, it has deep impact on consumer buying process. Prior experience and learning acts as buying guide. In spite of such habitual behaviour, one can think of reasonable amount of brand switching, trying new products, does take place.

4. Attitude:

'Attitude' refers to a predisposition to behave in a particular way when presented with a given stimulus and the attitudes towards people, places, products and things can be positive or negative. Attitudes develop gradually as a result of experience; they emerge from interaction of a person with family, friends, and reference groups. There are three distinct components of attitude namely, cognitive, affective and conative. 'Cognitive' component is what an individual believes about an object, thing or an event whether it is good or bad, necessary or unnecessary, useful or useless.

It is based on the reason and is linked with knowledge and about the object, thing or an event whether it is pleasant or unpleasant, tasty how an individual responds to the object, thing or an event. It is based on the other two components and is related with his behaviour.

Each of the three attitude components vary according to both the situation and the person. The marketing manager's success is determined partly by his ability to understand, predict and influence the consumer attitudes.

5. Personality:

Personality consists of the mannerisms, habits and actions that make a person an individual and thereby serve to make him distinct from everyone else. It is the function of innate drives, learned motives and experience.

This means that an individual responds with certain amount of consistency to similar stimuli. Personality is the interplay of three components namely, 'id', 'the ego' and the 'super ego'.

The personality of an individual is either expressed in terms of traits or type. The personality traits may be aggressiveness honesty anxiety independence sociability and so on.

The personality types may be introvert or extrovert or another classification as tradition direction outer direction and inner direction. Each of these traits and types has been explored as the possible clues to the behaviour of consumers.

Evaluation of personality's role in marketing is seen in drawing consumer profiles and psychographic market segmentation.