

# AR16

Code:16MBA3004

**SET-I**

ADITYA INSTITUTE OF TECHNOLOGY AND MANAGEMENT, TEKKALI  
(AUTONOMOUS)

II MBA III Semester Regular Examinations, NOVEMBER, 2017

**Consumer Behavior and Customer Relationship Management**

Time: 3 Hrs

Max. Marks: 60

Answer Five questions

All questions carry EQUAL marks

Question No. 8 is Compulsory

1. a) Define Consumer Behaviour. Explain the importance of studying consumer behaviour for a marketer? 6  
b) Explain Howard- sheth model? 6
2. a) Explain the relationship between personality and purchase decision? 6  
b) Define learning. Distinguish between low involvement learning and high involvement learning? 6
3. a) Post purchase behaviour of consumer is more important for marketing manager than pre purchase behaviour” Do you agree? Why? 6  
b) Explain the phases of purchase decision making process of a consumer with respect to a luxury car? 6
4. a) Explain the components of communication process? 6  
b) Evaluate the key components of persuasive communication and explain the communication strategy? 6
5. a) Define Diffusion of innovations? Discuss its significance? 6  
b) Write a brief note on Evolution of Relationship Marketing? 6
6. a) Elucidate various consumer protection measures available in India? 6  
b) Explain the provisions of Consumer Protection Act? 6
7. a) Define CRM? Discuss its features? 6  
b) Explain about voice portals? 6

**8. CASE STUDY:  
The Kellogg challenge**

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Kellogg Company has distribution in over 150 countries and yet is still unknown to one – third of the world’s population. According to its CEO, ‘the company plans to change all that’ Kellogg has built a company called cereal plant in Latvia and has sales in Poland and Hungary. It has also constructed a cereal plant in India and also has entered the Chinese market. Entry to these two countries has helped to enhance the non U.S. sales which in 2001 were 62% of total volume and 49% of total revenue. However, the company is aware that international expansion and the development of global Brands for its products will not be easy.

To work towards its global aspirations, the company has reorganized itself into four divisions: North America, Latin America, Europe and Australia. According to the CEO:

“The way we used to be organized, we were a U.S. based multinational company with a big domestic business and, by the way, some international business. That was the way we were thinking; that was the way the organization was structured.

Today, if you talk to customers in the UK, Canada, or Australia, they’d think of Kellogg as being based in the UK or Canada or Australia. We are global in organizational structure and business, but also multi domestic.

We now have a number of truly global brands (Frosted Flakes and Corn Flakes, with Fruit loops and Rice Krispies close behind and Frosted Mini Wheat’s and Honey Nut loops moving rapidly).

There used to be slight variations in our food around the world but now you will recognize the products wherever you go

Advertising for frosted flakes is now global and that for other Brands may follow. Expanding into many markets will involve more than trying to gain share from the other cereal marketers. It will require altering long held traditions.

“In Asia for example, consumers are used to eating something warm, soft and savoury for breakfast and we are going to sell them something that is cold, crisp and sweet or bran tasting. That’s quite a difference.”

The challenge is made greater by the existence of local competitors and traditional breakfast – food suppliers in countries like China and India. Competition is strong even in these countries where consumption is low. For example, in India, with consumption at 10 bowls per year per person compared to ten pounds in the U.S., there are more than 50 direct and indirect competitors from packaged food manufacturers, to a whole lot of traditional breakfast meals in both organized and unorganized sector.

Questions:

- a. What are the needs and values involved in the consumption of a product such as breakfast cereal?
- b. What consumer behaviour variables would support and what would harm the chances of Kellogg succeeding with cold cereal in India?
- c. Suggest an appropriate promotional strategy for Kellogg’s cornflakes, looking at the perception related barriers people may have against this form of breakfast.