



**CHRISTIAN SERVICE UNIVERSITY COLLEGE
KUMASI
CSUC SCHOOL OF BUSINESS
DEPARTMENT OF MARKETING, LOGISTICS AND CORPORATE
STRATEGY**

**BACHELOR OF BUSINESS ADMINISTRATION (MARKETING
OPTION)**

**END OF SECOND SEMESTER EXAMINATIONS –2021/22 ACADEMIC YEAR
LEVEL 300**

CSBM 386: CONSUMER BEHAVIOUR

APRIL, 2022 100 MARKS TIME ALLOWED: 2 HOURS 30 MINUTES

General Instructions

- Attempt **ALL QUESTIONS** in section **A, B and C**
- Answer Section B and C on the question Paper.
- Total mark is 70%
- There are 2 questions in section D. Attempt **only One**
- Please take time to read each question carefully as some questions may demand practical examples, etc
- Please also note that clarity of expression and good handwriting will be rewarded
- Provide your index/ Examination numbers in the spaces below

CANDIDATE'S INDEX/EXAMINATION NUMBER

SECTION A (25 MARKS)

There are two case studies in section A. Attempt all

Read the cases below and answer the questions that follows

Case One (1):

CHANGING CONSUMER PERCEPTION-SKODA

Skoda had a monopoly in car manufacturing in Czechoslovakia until the 1989 “Velvet Revolution”. During this time, it had developed a fearful reputation as possible the worst built, worst designed car in the world. Jokes about its notoriety were ruthless, unremitting and widespread. The only place it sold in any number was in the country of manufacturer. After the fall of communism, the Czech government started looking for a commercial partner in the West to revitalize its Skoda factories. Most respected commentators felt strongly that there would never be a business prepared to take on the acquisition because of the huge task of transforming the name from risible rejection to amiable acceptance

In 1991, however, Volkswagen took a 30% stake in Skoda and started work in training and educating the workforce to Western quality standards in the hope of completely turning the business around, making the name Skoda synonymous with quality and reliability. It invested over \$2 billion in plant, research, development and new models. It also undertook on advertising campaign, of momentous proportions, that excited the admiration of all in the promotion business. 10 years later, in 2001, VW took total control of the business and such was its success. Skoda had become one of the fastest-growing car brand in the UK motor industry, increasing sales in the first 2 years by over 60%. Although sales in 2004 have fallen, slightly, in line with other car manufacturers, the story is one of the remarkable success, not least in being able to understand and alter and turn around such deeply ingrained consumer ridicule and opposition.

Note: in answering the case, references must be made to the case

Questions

- a. Briefly explain the part that an understanding of consumer behaviour played in the success of Skoda. **(5 marks)**
- b. What were the major problems that VW had to solve to overcome consumer antipathy to Skoda? **(5 marks)**

Case Two (2):**ISLAMIC BANK: RESPECTING THE PROPHET'S WORD**

Bank Islam, a bank in Malaysia, operates by the principles of Islam. Its customers deposit money with the bank, but do not receive any interest on it. The reason is that; Islam prohibits any interest as usury. So instead of being paid interest on their money, customers receive a share of the bank's profit. The bank was founded in Egypt about three decades ago simply to give religious Muslims a way to keep their money safe. Today, Islamic banks are common in the Middle East and they are spreading in the Philippines, Europe and the United States (US). In these countries, many countries, many customers like the availability of a bank that follows Islamic principles. Islamic bank pools deposit and in turn invest them in construction, commodities and other businesses that do not pay any interest on these investments. Instead, these commercial borrowers pay the bank share of their own profit. In turn, the bank shares the profit with their individual depositors. The combined assets of all the Islamic now totals about \$70 billion. The leader of the pack in Malaysia is Bank Islam, with a total deposit of 3 billion ringgits, or \$1.2 billion

Islamic banks have devised new ways of lending and investing money. A customer who wants a car loan for example, agrees to make a series of payments totaling more than the sticker price of a car, which remains the bank property until all the payments have been made. In business market, importers and exporters employ a technique they call **Murabaha**. A bank buys goods and sells them to a customer who then pays the bank at a future date a total sum more than what the customer would have had to pay if the goods were bought with cash. This technique was approved by New York Fed. In Malaysia where the banks are expanding financial services most aggressively, Arab-Malaysian Bank has issued the first Islamic credit card-an interest free Visa Card. The bank charges no interest, but customers pay an annual fee that is a percentage of their purchases. The credit limit is equal to the amount in their deposit accounts in the bank.

The Malaysian government is pushing for a country's financial services to go global and attract foreign capital. A member of Malaysian Islamic Investment funds hold shares worth \$780 million, most of them in foreign companies. However, these companies are carefully screened to ensure that stocks are not linked to liquor, gambling, or other activities regarded as sinful by Islamic teachings. Conservative Muslims criticize the government for allowing banks to conduct both Islamic-oriented and interest paying services under the same roof. According to these critics, some Islamic stockbrokers are handling companies that make some of their profits from interest received. Some argue that, it is impossible for Islamic financial institutions to become a major player in the global financial industry because the interest-paying services are an inevitable part of modern day financial business. ***"That concern is true"***, says Nik Ramlah, an official of the Malaysian Securities Commissions, ***"but it just underlines the need to introduce the necessary Islamic Financial Products to meet the needs of modern day investors"***.

Questions

- What role does religion play in customer behavior? Illustrate with the behavior of customers who follow the Islamic religion. **(4 marks)**
- What is a market value? Which of the market values do Islamic banks offer to Muslim customers, specific to each of the **buyer, user and payer**? **(7 marks)**
- Under what circumstances would Islamic bank products, such as the practice of Murabaha, be of value to non-Muslim customers? **(4 marks)**

- of

[illegible]

2. Briefly explain any *four* (4) main circumstances under which customers become competitors of business organizations and indicate the marketing implications of each. (6 marks).

3. For businesses to be able to serve the needs of their customers better, they need to be democratic. Briefly explain business democracy and justify the need for companies to be democratic. **(4 marks).**

4. Marketers are more interested in individuals who are more likely to try new products since the market response of such innovators is crucial to the success or otherwise of new products. State and explain personality traits which are useful in distinguishing between innovators and non-innovators indicating their marketing implications. **(6 marks)**

[illegible]

Index Number..... Signature Date.....

5. Motivation is a highly dynamic phenomenon that is constantly changing in reaction to life experiences. Needs and goals are constantly changing and growing in response to an individuals' physical condition, environment, interaction with others and experiences. Explain any **four (4)** reasons why need-driven human activity never ceases **(8 marks)**

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins or other markings on the paper.

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[illegible]

SECTION C (10 MARKS)

THERE ARE 20 MULTIPLE CHOICE QUESTIONS. ATTEMPT ALL QUESTIONS

Circle the correct answer to each question on the question paper.

Each question carries ½ mark

1. Consumer behaviour has borrowed its ideas from the following disciplines except
 - a. social psychology
 - b. economics
 - c. anthropology
 - d. climatology
 - e. rockology
2. Mr. Baffour Addo went to a showroom at Kpogas Group of Companies and spent time making inferences from an advert he had seen about a product. Which of the following best describe his behaviour?
 - a. Physical activity
 - b. Mental activity
 - c. Product intelligence
 - d. Unique behaviour
 - e. Customer intelligence
3. Which of the following best defines a customer?
 - a. The buyer, user, and the purchaser
 - b. Any person who visits the company's premises to inquire about the product
 - c. Household and individual buyers of a particular product
 - d. Anyone who transacts business with the vendor
 - e. The purchaser and the user
4. Which of the following customer roles will be more interested in the features of the product?
 - a. Payer
 - b. User
 - c. Buyer
 - d. User and buyer
 - e. All of the above
5. The creation of satisfied customers by better understanding their needs and wants, the competition and the nature of the market is best referred to as
 - a. Strategic marketing
 - b. Competitive strategy
 - c. Customer analysis
 - d. Customer orientation
 - e. Deontological behaviour

6. Mr. Amankwa gave money to a friend who was travelling from Kumasi to Accra to buy him a nice suitcase. Which of the following is the best description of his action?
 - a. User is neither payer nor buyer
 - b. User is payer but not the buyer
 - c. User is buyer but not payer
 - d. User is buyer and payer
 - e. User, payer and buyer
7. People who belong to some religious sects see the use of contraceptives as against their beliefs and therefore would not succumb to the use of birth control pills for example. Which of these factors accounts for that behaviour with regards to determination of wants
 - a. Economy
 - b. Technology
 - c. Cultural context
 - d. Institutional context
 - e. Christian community
8. The marketing mix element, “place” is very crucial when dealing with
 - a. User
 - b. Payer
 - c. Buyer
 - d. User and payer
 - e. Buyer and payer
9. Which of the following influences the behaviour of customers in terms of what they wear, the kind of car they drive etc?
 - a. Self-actualization
 - b. Social needs
 - c. Safety needs
 - d. Esteem needs
 - e. Physiological needs
10. If the performance of the product/ or company exceeds the expectation of the customer, he or she is
 - a. Motivated
 - b. Dissatisfied
 - c. Not bothered
 - d. Satisfied
 - e. Delighted

11. Mr Steve Osei is having problems with getting a particular brand of product to buy. He has combed all the shops in Kumasi but to no avail. Which of the following marketing mix variables is the owner of the brand not managing effectively?
- Product
 - The brand itself
 - Place
 - Promotion
 - Price
12. A marketer of shower gel decided to divide his market into normal skin, oily skin, sensitive skin and dry skin. Different offers were tailored to these sub segment. The marketer must be ascribing to
- Mass marketing
 - Niche marketing
 - Micro marketing
 - Segment marketing
 - No segmentation
13. The decision to use push or pull strategies or both depends to a large extent on
- The company the marketer finds him or herself in
 - The kind of orientation in the business
 - The nature of the industry
 - Which of the customer roles is making the decision
 - The type of product being marketed
14. The process of segmentation where the marketer divides the market into groups based on factors such as sex, income and family size is best known as
- Psychographic segmentation
 - Geographic segmentation
 - Customized segmentation
 - Behavioural segmentation
 - Demographic segmentation
15. The process of ensuring that the company and or its product occupy a distinctive place in the minds of customers relative to competing products is best known as
- Market segmentation
 - Competitor analysis
 - Competitive advantage
 - Market positioning
 - Strategic marketing