



DEDAN KIMATHI UNIVERSITY OF TECHNOLOGY
EXAMINATION FOR BBA AND BCOM
HCB 2205: CONSUMER BEHAVIOUR

DATE:

HOURS:

INSTRUCTIONS:

- i. Answer Question 1 and any other two questions.***
- ii. Question 1 is compulsory and carries 30 marks.***
- iii. The other two questions account for 40 marks.***

QUESTION ONE:

Millennium Household Stores deals with household products. They have stores in Kenya, Uganda, Rwanda and Burundi. Their products are known to be of very high quality. The prices of their products are higher than other household stores in the mentioned countries. However, their customers always come back bringing along their friends and peers. They mostly depend on referrals from satisfied customers. Their advertisements are usually through the National Televisions and they even sell their products online. Their sales persons are carefully selected and well trained for the task and are stationed at all their stores. Other sales persons usually go out to look for customers as well as to meet existing customers to foster good relations with them. They also have service people who help the customers in case of any challenges in installation or in case any repairs are required for their products.

- a) Define consumer behavior and explain why the understanding of consumer behavior is important to marketers of Millennium Household Stores (6 marks)
- b) Discuss the segmentation strategy used by Millennium Household Stores (4 marks)
- c) You have been called in as a consultant to advice the company on the new product adoption and diffusion process. Discuss the diffusion process in relation to Millennium Household products in Rwanda (5 marks)
- d) Explain how personality would affect an employee's attitude working at Millennium Household Stores (4 marks)
- e) How would you improve the perception of consumers of Millennium Household Stores that it is a great place to put your money (6 marks)
- f) Define consumer satisfaction and explain four causes of consumer dissatisfaction in a product (5 marks)

QUESTION TWO:

- a) Discuss the stages of consumer decision making process and the role of the marketer at each stage (10 marks)
- b) Explain any four rights of a buyer (4 marks)
- c) Discuss briefly the theories of learning in consumer behavior (6 marks)

QUESTION THREE

- a) Analyze any five Positioning strategies that may be adopted by a marketer of fast moving consumer goods (8 marks)
- b) Discuss the factors and their respective components affecting consumer buying behavior and the role of the marketer in each case (12 marks)

QUESTION FOUR

- a) Researchers have advocated a *needs-based market segmentation approach* and Roger Best proposed the seven-step approach. Explain the seven step approach and the need for this approach (10 marks)
- b) Consumers go through five stages in process of adopting a new product. With a well labeled diagram discuss the adopter categories and the role of the marketer in influencing adoption of the product (10 marks)

QUESTION FIVE

- a) Using relevant examples, and a well labelled diagram, explain the various types of consumer buying behaviors that a consumer may face when undertaking a purchasing activity (12 marks)
- b) A house hold intends to buy an LCD TV. Show the roles that family member might play in this buying decision (8 marks)