

UNIVERSITY OF SWAZILAND
DEPARTMENT OF BUSINESS ADMINISTRATION
FINAL EXAMINATION MAY 2010

TITLE OF COURSE: CONSUMER BEHAVIOUR (BA 521)
DEGREE AND YEAR: BACHELOR OF COMMERCE YEAR 5
IDE BACHELOR OF COMMERCE YEAR 6
TIME ALLOWED: THREE (3) HOURS

INSTRUCTIONS:

1. TOTAL NUMBER OF QUESTIONS ON THE PAPER IS 5
2. ANSWER QUESTION 1 IN SECTION A AND ANY THREE (3) QUESTIONS FROM SECTION B
3. MARKS AWARDED ARE INDICATED AT THE END OF EACH QUESTION
4. MARKS WILL BE AWARDED FOR GOOD COMMUNICATION IN ENGLISH LANGUAGE AND FOR ORDERLY PRESENTATION OF YOUR WORK

SPECIAL REQUIREMENTS: NONE

THIS PAPER IS NOT TO BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR.

INSTRUCTIONS

ANSWER SECTION A AND ANY THREE (3) QUESTIONS FROM SECTION B.

SECTION A: (COMPULSORY)

QUESTION 1: CHILDREN'S INFLUENCE IN FAMILY DECISION MAKING

It is Thursday afternoon and Phil Collins has just left the insurance company he works for and is on his way home to his apartment on his bike. He finds that a couple of the gears are difficult to use when he approaches the big hill. It is something he has noticed a few times during the past week and he will ask John, his son, to fix this when he comes home from his studies at the University of Swaziland over the weekend. After all, it was John who talked him into buying the bike and he knows a lot about them after spending most of his teenage years in the woods training and competing on bikes. Phil kept saying to John that he did not need a new bike, his old one with no gears worked just fine. However, after hearing about all the benefits of having a new bike and trying out John's a couple of times, he became convinced that it was time for a change.

Since he bought the bike a few months ago, he has noticed a big difference in how much more he enjoyed cycling, in particular when climbing big hills like the one on their home from work. Phil really likes the bike, but it takes time to get used to the 24 gears. He is only using a few of the gears, but keeps telling himself that he needs to practice using all of them. When purchasing the bike, John wanted him to choose the purple colour, but Phil is glad that he did not give in, choosing instead the dark blue.

He loves his children, but he cannot let them influence everything. His two teenage children, Pat and Pearl, who live with him, have a lot of influence on family meals as well as the music played, not only in their rooms but in the entire apartment, it seems. At first, he did not really care for reggae, R&B and, in particular, rap music, but he is surprised that he has begun to like it, up to a certain limit of course. He has always been keen to cook food which the children like, adapting to their wishes because he wants them to eat well. However, lately he has noticed that both Pat and Pearl have learned new recipes from their friends which they want to try out at home.

The kitchen has become more international, especially the spice shelves. The children certainly introduce new consumption trends. It is something he enjoys, but he must admit that he gets a bit frustrated when the designer's label on the sports shoe is more important than the function. These shoes cost quite a lot and it seems it is not enough just to have one pair, but you have to have separate pairs for jogging, cycling, walking, aerobics, etc. He sighs, but also realises that it probably makes sense. It is good that they are paying attention to their physical health. He thinks that children today sometimes possess knowledge about purchasing and consumption which their parents lack. Instead of 'keeping up with the Joneses,' life has become more like 'keeping up with the children.'

The children introduce new products and understand technical gadgets. Pat helped him when he bought his latest mobile phone and the fantastic iPod which enables him to listen to music when travelling. Anna, his ex-wife and the children's mother, lives a few streets away with her husband, Magnus, and their newborn baby, Oskido. They are all good friends and he remembers how, when they were last over there for dinner, Anna asked the girls to programme the video because it is much easier than reading the manual. The children also learn a lot of new things at school. He remembers when fair trade issues were discussed at school the children came home and tried to influence both him and Anna to buy such products. It resulted in them starting to buy fair trade coffee, which they had not considered buying before.

Also, jeans are something Anna, Magnus, and he consult the children about. There is a remarkable difference in the number of brands of jeans available today compared to when he was young and bought mainly Levi's. He heard a researcher on the radio talking about jeans and brand culture. Magnus says he has always bought Levi's, but is now really pleased with Nudie, a Swedish brand the children told him about, and Anna likes Diesel. John keeps talking about her We jeans so perhaps next time Phil will consider buying them. Pat buys Cheap Monday or second hand jeans and Pearl has lately been buying HM's ecological jeans.

The rapid change in our society regarding technology, information processing, transport, etc, makes it possible for children to experience purchasing and consumption at a much faster rate than their parents. This may result in children sharing their experience and knowledge with their parents and parents may learn about consumption from their children. Margaret Mead discussed, as far back as 1970, the development of our society into a culture in which adults learn not only from adults but also from their children.

Questions:

- 1. Do you think children's influence on their family's purchases and consumption has changed over time? Discuss the positive and negative impact of this influence. (15)**
- 2. Research has found that the perception of influence often differs in families. For example, different family members might overstate or understate influence. Why do you think this is the case? (10)**

TOTAL: 25 MARKS

SECTION B

ANSWER ANY THREE (3) QUESTIONS FROM THIS SECTION

QUESTION 2

- a. **Discuss the three levels of consumer decision making, indicating the differences with regards to the following: (15)**
1. **Experience with the product**
 2. **Information search**
 3. **Level of involvement**
 4. **Criteria for evaluating product**
 5. **Brand loyalty.**
- b. **Discuss the five types of reference groups. (10)**

TOTAL: 25 MARKS

QUESTION 3

- a. **Briefly discuss the NEW Values and Lifestyle (VALS) types. Indicate the major characteristics of each category. (15)**
- b. **Discuss the five main methods that a researcher can use to study culture. (10)**

TOTAL: 25 MARKS

QUESTION 4

- a. **What is an attitude? Assume that you are the Marketing Manager of MTN, Swaziland. How can you use the three methods of changing attitudes to convince consumers that Samsung cellular phones are better than Nokia? (15)**
- b. **There has been an increase in the trend towards higher education and business career interests on the part of women. How will this affect their choice of influence strategies in decision making? (10)**

TOTAL: 25 MARKS

QUESTION 5

- a. **Discuss the five most frequently used single-variable objective measures of social class, indicating one major advantage and one major disadvantage of using each variable. (15)**
- b. **What are the major advantages and major disadvantages of using the following advertising strategies? (10)**
1. **Humour to advertise cars.**
 2. **Sex to advertise clothes.**

TOTAL: 25 MARKS