

UNIVERSITY OF SWAZILAND
DEPARTMENT OF BUSINESS ADMINISTRATION
SUPPLEMENTARY EXAMINATION JULY 2014

TITLE OF COURSE: CONSUMER BEHAVIOUR (BA 436/ BA 521)

DEGREE AND YEAR: BACHELOR OF COMMERCE YEAR 4
FULL TIME
BACHELOR OF COMMERCE YEAR 5
FULL TIME

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: SELLING CELL PHONES TO CHILDREN

What do Nokia, Samsung, Sony Erickson, and Motorola have in common? They will all soon be joined by Disney Land to market cell phones to children worldwide. Over 80 percent of all adults have cell phone these days. Roughly half of all teenagers aged 12 to 17 are also using the technological talk boxes. The growth market for the cell phone industry in the near future is children aged 8 to 12, or even younger. Many in the industry see grade school children as the final frontier if companies are to continue to grow.

Already, children as young as five years old are being given cell phones by their parents, grandparents or guardians. The cutting edge products in this category hit the market in early 2005. Firefly Mobile had a phone that came in eight colours including Blue, Green, Yellow and Pink. Tic Talk was loaded up with games like the educational toymaker. Both of these phones were designed for smaller hands. In both phones the parents can control incoming calls, outgoing calls, and call minutes.

Do children need a cell phone? There are many children advocates and various politicians, who say that they do not. Claims are being made that cell phone makers are declaring "opening season" on children with their marketing tactics and that this practice is harmful. Many are even petitioning the US Congress to investigate this hot marketing trend that seems to be using kids to get to parents' money. But cell phone companies defend their actions. Many have released statements saying that their products are not marketed to children, but to the parents.

Disney Land management said the Disney Mobile is being developed as a service to address the needs of family. They also said that its products and services will be available for all members of the family including adults. Suzanne McLean, a spokeswoman for the Canadian wireless provider Rogers Wireless, said the company has found that both parents and their children demand a service such as the five-key parent-programmable Firefly.

Of course, children want the phones because they are "cool", their friends have them, and because they want to be more grown-up. But these reasons alone are usually not good enough for parents to give in and buy one of the gadgets for their kids. However, marketers have positioned cell phones for kids as a safety need. When parents are convinced that the increased ability to stay connected with their children enhances safety, the purchase decision is simple. "Suddenly, you are not an indulgent parent. You are a caring parent," says Margaret Campbell, an associate professor of marketing at the University of Colorado.

If companies can get younger children in the habit of using phones, the kids will probably be consumers for life. Whether or not this is a good thing is still open to debate.

QUESTIONS

- 1. When it comes to cell phones for kids, who are the customer? Discuss the dynamics of this scenario. (10)
- 2. How do current trends in the family life cycle affect the marketing of cell phones to children? (15)

TOTAL: 25 MARKS

SECTION B

INSTRUCTIONS

ANSWER ANY THREE (3) QUESTIONS FROM THIS SECTION

QUESTION 2

- a. Discuss the major disciplines that form the basis of consumer behavior highlighting their relevance to a discussion of the behavior of consumers. (15)
- b. Describe the five dimensions of attitudes? (10)

TOTAL: 25 MARKS

QUESTION 3

- a. Compare and contrast the Freudian and the Transactional Theory of Personality indicating which one you would prefer to use as a marketer. (15)
- b. For each of these products (coffee; soup; home exercise equipment; cell phones and non frozen yogurt), identify the best base for segmenting the market. Explain your choice. (10)

TOTAL: 25 MARKS

QUESTION 4

- a. Discuss the characteristics of culture highlighting their importance in the study of consumer behavior. (15)
- b. Briefly discuss the factors that determine the ability of a reference group to influence consumer preferences. (10)

TOTAL: 25 MARKS

QUESTION 5

- a. Define perception. Discuss the significance of perception in the development of marketing strategy. (15)
- b. Briefly discuss the significance of the output stage in the consumer decision making process. (10)

TOTAL: 25 MARKS