

**UNIVERSITY OF ESWATINI
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
BUS 422 CONSUMER BEHAVIOR
EXAMINATION 2019**

TITLE OF PAPER:	CONSUMER BEHAVIOR
COURSE:	BUS 422
DEGREE AND YEAR:	BCOM4
TIME ALLOWED:	THREE HOURS

INSTRUCTIONS:

1. This Paper Consists of Sections A and B.
2. Section (A) Is Compulsory. Answer All Questions
3. Section (B): Answer either Question #1 Or #2 and either #3 Or #4.
4. Lay out Your Work clearly Using **Provided** Headings, E.G. A), B)...
5. Ensure that Your ID Number is Indicated on Your Examination Cover Page. No Names should be recorded Anywhere on the Examination Book.

SIX PAGES, TOTAL 90 MARKS

**THIS EXAMINATION PAPER SHOULD NOT BE OPENED UNTIL
INVIGILATOR HAS GRANTED PERMISSION**

CONSUMER BEHAVIOR 2019

SECTION A

Read the case and answer all questions in this section (60 marks)

Where can one go and relax while having a thrill-seeking adventure? Ever heard of vertical yoga? Would you, could you, imagine being 30 feet off the ground in a tranquil state of mind, knowing you have just reached a new high? Ndumiso Dlamini began an adventure of a lifetime when he bought out two partners of Rock Sport Indoor Rock Climbing. It is a small-scale facility with varying degrees of difficulty ranging from beginner to advance bouldering. The setting may be small in square meters but it fills the desires of experienced climbers. Never having owned his own business, this high school graduate powdered his hands and held on tight, taking his venture to new levels ten years later. With over 16 years of rock climbing experience, Ndumiso has experienced destinations on a global scale, including two expeditions to the Himalayas.

Running a business of passion could be overwhelming, so Ndumiso kept things relatively manageable. He never really tried to outdo or grow the business beyond modest proportions, satisfied to be a “hobby business.” However, the situation has changed and Ndumiso has decided now is the time for adjustment and with good reason. A few weeks ago, a newer, bigger, upgraded rock climbing gym opened just 20 minutes away and is drawing excitement from Rock Sports’ current customer base as well as the public. Now, Ndumiso must use market research to determine how to increase Rock Sport’s target market and client base through innovated new programs.

Climbing is both physically challenging and psychologically rewarding. For example, major progress can be made in improving one’s cardiovascular health, muscle tone, and weight loss. But one of the great benefits of rock climbing is the thrill and joy it brings, as well as a pure sense of achievement. Children love the challenge in a risky environment, while parents enjoy the safety features in today’s indoor gyms. Having fun with family, friends, or finally reaching one’s personal “trail” goal is satisfying. A simple focus group conducted at a gym eve revealed customers speaking of “peak performances and experiences,” conditions indicative of the intrinsically satisfying “flow” state of motivation.

However, there are some negative perceptions in society regarding rock climbing, many stemming from cautious people born between 1946 and 1964. Survey research revealed the following possible obstacles: fear of falling, fear of heights, low self-image while climbing (embarrassment), and even the fear of failure. All were cited as reasons why adult participation in rock climbing has declined over the years. On top of this, cost and time limitations were also mentioned by survey respondents.

Ndumiso's biggest challenge is drawing in new people or markets to try rock climbing. In fact, he has made it a personal mission to get more people born between 1965 and 1979 like himself to try the sport. The children's market is not the problem. Hundreds of millennial parents (born between 1980 and 2000) are bringing their kids to the facility for birthday parties and non-competitive meets. In addition, students from the local colleges are also regular customers who share their experiences on social media like Facebook. No, the younger demographic segments are not the issue. As such, Ndumiso is now challenged to change this negative attitude among the people born between 1964 and 1979.

Other indoor gyms have grown their businesses by making the needed changes in facility offerings and programs. In the past, strong athletic men were the avid climbers. Today the average climber is in his or her mid-20's, with the number of children participants growing rapidly. There are stories of toddlers climbing indoor rock walls in just diapers, and even five- and six- year olds on open mountain ranges climbing better than most adults. Women have slowly gained interest in the sport, mainly due to themed nights and special events. There has even been an international marketing campaign introduced to stress the safety of climbing.

Currently, most of Rock Sport's customers are the children of people born between 1965 and 1979 in and some college students. Ndumiso would like to encourage all people born between 1946 and 1979, including parents of the children that use his facility to give indoor climbing a try. Convincing the older generations of the health benefits and the fun and exciting adventures is tricky. Their opinion of adventurers is young and fit, not parents and grandparents. Changing the views of these age groups is challenging and can cost quite a bit of money and time if not implemented correctly.

Soon Ndumiso will pass the business off to his daughter, but not without leaving her a strategy that ensures sustainable growth forward. Ideas include moving into a larger facility, revamping the website, increasing social media use, and bringing in yoga and

Pilates instructors to lead classes. Creating large competitive events that showcase the facility and spread awareness are other possible ideas. As such, Ndumiso is challenged by what the future holds and eager to turn ideas into action plans.

Total of THREE QUESTIONS
Answer all questions in this section (60 Marks)

QUESTION# 1

Explain two types of programs, campaigns, or tactics you would suggest to the owner of the institute in order to reduce the older generations' fear of and to change their attitude toward rock climbing? Please use a theory of attitudes to support your answer.

- a. Program 1 (10 MARKS)
Describe the supporting theory (5 MARKS)
- b. Program 2 (10 MARKS)
Describe the supporting theory (5 MARKS)

QUESTION# 2

What do you think motivates one to rock climb or try this sport? Please use a theory of motivation to support your answer. (10 MARKS)

QUESTION# 3

Using the multi-component approach to attitudes in consumer behavior, create a chart which would predict someone's propensity to rock climb as opposed to other pleasurable diversions such as bicycle riding and kayaking. (20 MARKS)

SECTION B
MARKS

Choose either question #1 or #2; and choose either question #3 or #4

QUESTION 1
(20 MARKS)

When Blu-ray players were introduced, they cost over E9600 per unit. Many complained that they didn't have televisions with good enough picture quality to see the difference between DVD and Blu-ray quality. Describe at what point in the

product life cycle each group would adopt a Blu-ray player; and provide a valid argument which would convince them to buy Blu-ray players:

- a) Innovators (4 Marks)
- b) Early adopters (4 Marks)
- c) Early majority (4 Marks)
- d) Late majority (4 Marks)
- e) Laggards (4 Marks)

QUESTION 2 (20 MARKS)

Swaziland has a pervasive culture and an intricate socialization process. Hofstede's cultural dimensions describe the extent a culture portrays specific characteristics. Based on Hofstede's theory,

Define **four of the six** cultural characteristics below, using an example based on Swazi Culture, then rate Swazi culture on a scale of 1 to 5 (one is the lowest rating while 5 is the highest for that characteristic)

(5 MARKS EACH OF FOUR RESPONSES)

- a) Individualism
- b) Masculinity
- c) power distance
- d) uncertainty avoidance
- e) long-term orientation
- f) indulgence

QUESTION 3 (10 MARKS)

We know that eating greasy, caloric fast food is unhealthy. However, we still eat it. It is widely thought by vegans that meat and dairy food is not good for us, but many of us eat and drink it.

- a) Explain a possible cause of this behavior, which is clearly against the theory of reasoned action? **(7 Marks)**
- b) Explain one type of advertising/persuasion attempts can we use to take advantage of this phenomenon? **(3Marks)**

QUESTION 4
(10 MARKS)

Blind taste tests in the 1980s showed that most Coke drinkers preferred a cola that was sweeter than the current product. When Coca-Cola attempted to make its product sweeter, brand loyal customers revolted and demanded the old product be returned. Explain how Coca-Cola marketers could have used the principles of relative thresholds to introduce the new Coke without creating these problems. **(10 Marks)**

TOTAL 90 MARKS