

**UNIVERSITY OF ESWATINI  
FACULTY OF COMMERCE  
DEPARTMENT OF BUSINESS ADMINISTRATION  
BUS422 / BA436 CONSUMER BEHAVIOUR  
SECOND SEMESTER**

**MAIN EXAMINATION - JUNE 2020**

**TITLE OF COURSE: CONSUMER BEHAVIOUR (BUS 422 and IDE-BA 436)**

**DEGREE: BACHELOR OF COMMERCE - FULLTIME  
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.**

## SECTION A: (COMPULSORY)

### QUESTION 1:

#### **L'Oréal And The African-American Female Consumer**

L'Oréal and the African-American female consumer Over the past decade, one of the world's largest cosmetics companies, L'Oréal, has transformed itself from a French company focused on just one target market into a global business with skin, hair and cosmetic products tailored to consumers from Dallas to Delhi. L'Oréal has developed the knack for buying local cosmetics brands and changing them so that they have a more global appeal. While doing so, L'Oréal still maintains the product's appeal to the specific local tastes. In spite of its origins, L'Oréal is French only when it wants to be. The rest of the time it's satisfied with being African, Asian, or anything else that sells. In the late 1990s, L'Oréal turned its attention to the growing ethnic-beauty market in the United States. In 2008, this market had an estimated annual value of \$14.7 billion. Most companies that have dominated ethnic beauty care in the US have maintained close contact with their customers and are in tune with their desires and the trends in this market.

L'Oreal bought two such companies, SoftSheen and Carson, and integrated them into a single entity that the company sees as being very competitive for the African-American consumer. 'You can't pretend to be No. 1 in the world,' says Alain Evrard, L'Oréal's managing director for Africa, 'and forget about 1 billion consumers of African origin.'

In order to promote their new line, L'Oréal hired famous African-American celebrities, such as Beyoncé Knowles, as spokespersons. The singer signed a \$4.7 million endorsement deal in 2004 to promote the new line of products. L'Oréal recognised the importance of targeting different ethnic groups and is now reaping the financial rewards.

## QUESTIONS

- A. Does L'Oréal have an appropriate global marketing strategy? What, if anything, should they change? **(10 Marks)**
- B. L'Oréal used Beyoncé a celebrity as a spokesperson to promote their new line of products. Is this promotion strategy appropriate for L'Oréal? Does Beyoncé match the image that L'Oréal is trying to promote? **(20 Marks)**
- C. Define personality. Why is it important for a company like L'Oréal to understand the personality of their customers? **(10 Marks)**

## SECTION B

ANSWSE R ANY THREE (3) QUESTIONS FROM THIS SECTION

### QUESTION 2

- a. (i) Define consumer behaviour. (2 Marks)  
(ii) Discuss the bases for market segmentation. (8 Marks)
- b. Discuss the family life cycle indicating its significance to the study of consumer behaviour. (10 Marks)

**TOTAL: 20 MARKS**

### QUESTION 3

- a. (i) Define social class. (2 Marks)  
(ii) Briefly discuss the methods that a marketer can use to measure social class. (8 Marks)
- b. Discuss the six (6) major categories of social class indicating the significance of each class to marketers. (10 Marks)

**TOTAL: 20 MARKS**

### QUESTION 4

- a. (i) Define opinion leadership. (2 Marks)  
(ii) Briefly discuss the methods used to measure opinion leadership. (8 Marks)
- b. Define a family and discuss the eight (8) roles played by family members in decision making. (10 Marks)

**TOTAL: 20 MARKS**

### QUESTION 5

- a. Identify five (5) types of reference groups and indicate how they influence consumer decision making, giving an example in each case. (10 Marks)
- b. (i) Define personality. (2 Marks)

- (ii) Discuss the three (3) aspects of personality giving an example in each case. **(8 Marks)**

**TOTAL: 20 MARKS**