

Eastern University, Sri Lanka  
Faculty of Commerce & Management  
Third Year Second Examination in BBA-  
Specialization in Marketing Management  
2012/2013 (Proper/Repeat)  
MKT 3033 Consumer Behaviour

Answer all questions

Time: 03 Hours

Q1. Read the following case study and answer the questions given below.

**Procter & Gamble**

*Febreze "Breathe Happy Campaign Launch"*

**Strategic Challenges**

**Febreze was once a breath of fresh air in the category, but the competition caught up.**

In 1998, Febreze entered the air care category with a revolutionary product. Rather than simply perfuming the air, its unique formula actually eliminates odors on fabrics and replaced them with a fresh scent. Febreze became known as THE odor – eliminating brand and enjoyed great success. Recognizing a good thing when they saw one, the competition responded by launching similar products that provided the same benefit. "Brand Health" data indicated that P&G had lost its distinct positioning. The company once "owned" odor elimination, but now shared this equity with competitors Glade "category leader by dollar share" and Airwick (third in the category by dollar share).

**Air care brands became indistinguishable.**

As competitors expanded to offer products similar to Febreze, the category became nebulous. Innovation from any camp was replicated and marketing efforts were immediately counted. Products became increasingly similar with indistinguishable claims. Almost all advertising featured generic imagery, presenting freshness fantasies in idealized worlds. Toxic levels of advertising diluted P&G's marketing efforts and made people unable to tell the brands apart.

**Cynical consumers ceased to believe brand claims and Febreze growth declined.**

Research revealed that the company's audience (25-to 65-year-old moms who want constant assurance that their homes are clean and fresh) had grown cynical about the category's advertising. Because many cheaper, less advanced brands were making similar claims but did not live up their promises, people struggles to know whom to believe, and became skeptical about all air care products. Consumers concluded that all brands' claims were over inflated and bought lower-priced products. With Febreze hosting up to three times more than its competitors, P&G struggles to sustain sales.

### **Objectives for repositioning:**

1. Restore faith in Febreze's odor eliminating capabilities in a way consumers will remember.
2. Generate buzz for the Febreze brand and its advertising.
3. Restore the distinctiveness of the Febreze brand.

### **Insights**

#### **People's reactions to bad smells are stronger than their reactions to nice ones.**

Focus groups re-affirmed that P&G's audience wanted to create a 'welcoming home' by keeping it clean, tidy and fresh, and that they were concerned about bad smells destroying this atmosphere. The thread of mal-odors did not only made them uncomfortable, but triggered passionate descriptions of unpleasant smells, reflecting their disguised of uncleanliness. P&G realized that focusing on the problem rather than the solution could help Febreze stand out among the other brands.

#### **What we smell can be more important than what we see.**

In-home interviews helped P&G understand Febreze's role in creating a 'welcoming home' in greater depth, uncovering the most influential insight: When judging if a home is 'welcoming', a messy looking home can still be clean, but a smelly home can never be clean. This was best encapsulated by one respondent's comment on the issue: "When you walk into an unappealing room, you can close your eyes, but you can't turn off your nose."

#### **Smelling is believing**

Observations of shoppers in stores revealed that consumers were spraying the product in the aisle, after picking it off the shelf. This indicated that first-hand experience of the product is vitally important in influencing the consumer's choice of a brand.

#### **The Big Idea**

Involve real people in visceral experiences to prove Febreze makes even the filthiest places smell nice, no matter what they look like.

#### **Questions:**

- i. "Consumers form new attitude and also change existing attitude". Briefly explain the sources of attitude formation. (Marks 04)
  - ii. Apply the principles of perception to the three insights listed in the case. (Marks 06)
  - iii. Are the three objectives aimed at repositioning Febreze? Explain your answer. (Marks 06)
  - iv. How would P&G determine whether the campaign objectives have been achieved? (Marks 06)
  - v. Evaluate how consumers' attitudes can be altered? (Marks 06)
- (Total 28 Marks)

Q2. i) "Cultural Beliefs Reflect Consumers' needs". Reflect on this statement.  
(Marks 04)

ii) Briefly explain how to control the Negative Word of Mouth with examples.  
(Marks 04)

iii) Explain the term 'Perceptual Mapping' and briefly state the importance of Perceptual Mapping 'to Marketers'.  
(Marks 05)

iv) How does the family influence the consumer socialization of children? Explain with an example.  
(Marks 05)

(Total 18 Marks)

Q3. i) "Consumer behaviour is interdisciplinary". Discuss this statement with your own experiences.  
(Marks 04)

ii) 'Marketers of different brands in the same category **differentiate their labels** effectively by stressing the benefits that their brands provide'. Explain the concept of positioning and analyse the steps in positioning.  
(Marks 04)

iii) 'Needs and goals are interdependent'. Explain this statement with an example.  
(Marks 04)

iv) There is another framework for organizing human needs is known as **the trio of needs**. Explain how marketing manager can adopt this in his/her promotional effort.  
(Marks 06)

(Total 18 Marks)

Q4. i) Discuss on **consumer ethnocentrism** with your own experience. Whether this concept is entertained in developing countries. Give supportive answers to this.  
(Marks 04)

ii) Recall two advertisements that depict two different defense mechanisms and discuss their effectiveness.  
(Marks 06)

iii) Discuss the differences between the absolute threshold and the differential threshold. Which one is more important to marketers? Explain your answer.

Q5. i) You are the Marketing Vice President of a large soft drink company. Your company's advertising agency is in the process of negotiating a contract to employ a superstar female singer to promote the products. Discuss the reference group factors that you would consider before the celebrity is hired.

(Marks 06)

ii) Marketers measure their communications' **persuasion effects**. Explain the ways how persuasion effects can be measured?

(Marks 06)

iii) How can the principles of (a) classical conditioning and (b) instrumental conditioning be applied to the development of marketing strategies?

(Marks 06)

(Total 18 Marks)