

MANAGEMENT PROGRAMME

(MP)

Term-End Examination

December, 2025

MS-61 : CONSUMER BEHAVIOUR

Time : 3 Hours

Maximum Marks : 100

Weightage : 70%

Note : (i) Attempt any **three** questions from
Section A.

(ii) Section B is compulsory.

Section—A

1. Describe the role played by different people around you in influencing the first time purchase of the following products : 20
 - (i) Bike/Car
 - (ii) Services of a specialist doctor

2. Describe the characteristics of organization buying behaviour and explain how it differs from individual buying behaviour. 20
3. Critically analyse the Maslow's Hierarchy of Needs Theory. How do psychogenic motives have superiority over the physiological ones ? 20
4. How does problem recognition stage vary between low involvement and a high involvement purchase ? How can the marketers benefit from these variations ? Explain by taking suitable examples. 20
5. Write short notes on any *two* the following :
2×10=20
 - (a) Difference between instrumental learning and classical learning approach
 - (b) Different types of reference groups in consumer behaviour
 - (c) Family role structure and buying behaviour

- (d) Difference between information processing and learning
- (e) Types of problem solving behaviour

Section—B

Case Study : 40

Read the case carefully and answer the questions given below :

CASE

C. K. Ranganathan, 50, founded CavinKare is a partnership firm back in 1983. Today it is a legend—the David of the fast moving consumer goods, or FMCG, sector, which successfully took on Goliaths like Hindustan Unilever, or HUL, and Procter and Gamble, or P & G. CavinKare's first and most memorable innovation, in 1983, was the sachet : it sold 'Chik' shampoo in tiny, low-priced sachets at a time when the big palyers only marketed it in high-priced bottles. By doing so it discovered a vast, untapped market and forced its big rivals to follow suit.

Today 87 percent of shampoos sold in India are in sachets, of which CavinKare has a 30 per cent share. In 2010/11, it grew a respectable 22 per cent, with revenues touching ₹ 1,040 crore. Yet Ranganathan was worried. He was concerned that around seven of every 10 innovations presented to him were aimed at the relatively low-end segment of consumers. No doubt it was this segment that brought CavinKare its initial success, and still provided about 60 per cent of the company's revenues, but Ranganathan wanted to target the premium segments, where margins were much higher.

Profitable growth was chosen as the theme for the company's annual conference in April 2011. The 'creators' were asked to come up with innovations that targeted the high end of the market. "We want 60 per cent of our revenues to come from the premium segment", says Ranganathan. CavinKare launched Indica 10, a hair dye which can be washed off within 10

minutes of applying it. Rival hair dye brands require at least 30 to 45 minutes to take effect. Not surprisingly, Indica 10's offtake has been growing at 45 per cent every quarter. The company has set itself a revenue target of ₹ 5,200 crore by 2017/18.

Ranganathan's reforms have already started yielding results. The product development time has shrunk to 11 months from 12 months earlier. CavinKare is also making a conscious effort to expand its pan-Indian presence. Pursuing Ranganathan's new thrust towards tie-ups, as well as towards improving premium market presence, the company has entered into a strategic alliance with Coty Inc.—the world's largest fragrance company. But threats remain. Even as he eyes wider horizons, Ranganathan remains careful not to lose touch with his regional base. Some of his company's most successful practices, especially its ability to visualise and create products from observing

local habits, have stemmed from its proximity to its customers. For instance, its Shikakai powder brands—Meera and Karthika—geared for the Tamil Nadu market command, 95 per cent market share in the state.

And innovation has been the cornerstone of its success. When CavinKare entered the market, the only way it could stand up to the likes of HUL and P & G, with their deep pockets, was by offering something different. After introducing shampoo sachets, for instance, CavinKare took on HUL's most profitable brand, the 'fairness cream' Fair & Lovely by launching Fairever. To get a competitive edge, Ranganathan included milk and saffron among Fairever's ingredients—both are traditionally associated with fairness in South India. The product immediately connected with consumers and snapped up a market share of 12 per cent at the cost of Fair & Lovely. "Innovation helped us take on big players with minimal marketing and distribution costs," says

Ranganathan. More innovations, such as Nyle Herbal Shampoo and Meera Herbal Oil, have followed.

Questions :

- (a) What should Ranganathan do to understand his consumers' changing preferences ?
- (b) Which factors in your view influence consumer behaviour for personal grooming products ? How should the company apply this knowledge ?
- (c) Which product categories may be added in the CavinKare's product mix ?

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