May 2015

Bachelor of Business Administration (BBA) Examination

VI Semester

Consumer Behaviour

Time 3 Hours] [Max. Marks 80

Note : Attempt any five questions (out of seven questions) from Section A. Each question of Section A carries'12 marks. Section B is compulsory and carries 20 marks.

Section A

1. What are buyer motives ? Why is it marketer are concentrating on buying motives while analysing consumer decision making process ? Explain.
2. How can a multinational company can use cross cultural research to design each factor in its marketing mix ? Illustrate your answer with examples.
3. What do you understand by "Reference Group" ? Is there a correlation between reference group conformity to group norms ? Explain.
4. Describe the correlation between social status and income. Which is more useful segmentation variable ? Discuss.
5. Explain Tri-component model of attitude. What is the relevance of this model to advertising objectives ?
6. (a) Which important factor influence the consumer perception ?
   (b) Highlight basic areas of cross-cultural marketing.
7. Mention three marketing situations where the principle of grouping can be used with advantages.

Section B

8. Read the case and answer the questions :

LIFELINE

There are some things that even the well informed are ill informed about. Emergency services,, for example. Particularly ambulance services, and the life saving difference that speedy first aid and specialised equipment can make, *enroute*, when a critical case is being rushed to hospital.

In a country where healthcare systems are overloaded and so many 'essential services' are given to lethary and fatalism, a highly efficient private sector player ought to find a neat opportunity in providing reliable and high quality ambulance services. For a small annual subscription fee, it could even run like an insurance plan - made viable by the idea of using the pooled resources of many to help the few in need.

In 1997, Mohit Sagar, an Indian doctor returned from U. S. to Delhi with the idea of starting a network of emergency services on America's famous '911' pattern. After a quick survey of Delhi, he set up Lifeline Services; the first of its kind in India, offering medical emergency transportation services in the capital. The city's hospitals had their own ambulances, but Sagar found that these were overburdened and slow, often taking an hour to reach the trouble spot. Also, their equipment was not as good as the best available in the developed markets.

Quality had remained poor because nobody was ensuring stringent standards. Hospitals were lax, and consumers who did use ambulances did so under such anxiety that they were thankful just to get hold of a vehicle. Yet, demand was growing. At its launch, Lifeline estimated that Delhi had an average monthly figure of 6000 emergency cases (including road accidents), involving people with an ability to pay for ambulance services.

Lifeline decided to invest in a fleet of ambulances equipped with IV tubes, oxygen tanks and masks, a defibrillator, combibag, oximeter, vacuum splint kit, ventilator, and a lung resuscitator, apart from a mobile phone and CB wireless radio to co-ordinate activity with hospital. The firm also hired a staff that included qualified paramedics and doctors to accompany the patient to the hospital and administer first aid.

Simultaneously, it decided to send out a sales team to enrol families as subscribers. For an annual fee of Rs. 1500, the subscriber was promised about four free trips for anyone in the family (or otherwise), depending on the plan chosen. The pricing was steep, but the justification was the service's unique selling proposition (USP): a commitment to reach the site within just 9 minutes.

Lifeline started operations in 1997 with about 25 ambulances, mostly Maruti Omni vans, costing around Rs. 10 lakh each. The idea was to cover South Delhi first. About a year later, it added 10 more vehicles. Staff costs were high, with 10 doctors and 25 paramedics on the rolls, apart from two-three drivers per vehicle (working in shifts). To meet the brand promise, the vehicles had to be placed at key junctions throughout Delhi - with Lifeline's call centre at Kalkaji, co-ordinating all movements and making arrangements over mobile phone at the hospital specified by the customer.

It was an interesting idea. Lifeline enlisted about 350 subscribers at the onset, and saw the number rising for at least a year efter that. But 1999 saw a trail-off, and by the end of 2000, Lifeline was off the hook - for good. The business had failed.

Questions :

1. Was it a good business idea ? Which consumer needs Lifeline aimed to fulfil ?
2. What consumer behaviour related infomation Lifeline needed before its launch of service ?
3. How do consumers make decisions for buying such a service ?

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