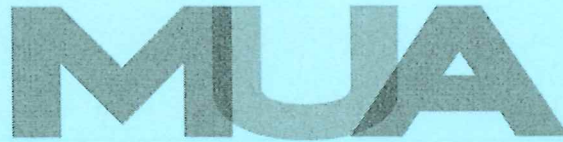


The
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UNDERGRADUATE UNIVERSITY EXAMINATIONS
SCHOOL OF MANAGEMENT AND LEADERSHIP
DEGREE OF BACHELOR OF MANAGEMENT AND
LEADERSHIP/BACHELOR OF COMMERCE

MKT 203/MKT 302/ MKT 311: CONSUMER BEHAVIOUR

DATE: 19TH DECEMBER 2024

DURATION: 2 HOURS

MAXIMUM MARKS: 70

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. Write all your answers in the Examination answer booklet provided.

QUESTION ONE

Read the Case below carefully and answer the questions that follow:

GOING DIGITAL TO RESHAPE THE HEALTHCARE SYSTEM

Novartis International AG's (Novartis) investment in the start-up Proteus Digital Health (Proteus) in 2010 gave the pharmaceuticals giant access to a technology that allowed the embedding of sensors in medicinal pills that could be ingested. The sensors enabled the collection of drug-compliance data and its wireless transmission to a healthcare provider to facilitate a review of the patient's health status. Once swallowed, the pill used stomach fluid as a power source to broadcast signals back to its battery-powered companion patch. The data received included important information such as the time the pill was ingested, body temperature, the patient's heart rate, etc. That data was then sent to a smartphone app used by physicians to measure a patient's existing condition. Thus, it was easy to make sure that a patient was taking his/her pills on time and to spot adverse reactions to other drugs. The major application of this technology was the improvement of drug adherence behaviour by the patients.

Novartis was an innovator in implementing new technology and had been using wireless technology since the year 2000. In 2008, when migrating to version 9 of Emerson's DeltaV system, the company benefited from developments including integrated Wi-Fi and wireless security. In 2009, Novartis stretched the wireless architecture with additional Wi-Fi access points, applying a complete mobile wireless solution with the DeltaV system in its production levels. Philippe Heitz, head of engineering, Novartis, said, "In 2000, we introduced wireless technology and recognized that it was well suited to our needs. Later in 2014, Novartis announced that its eye care division Alcon had entered into an agreement with a division of Google Inc. (Google) to license its 'smart lens' technology for all ocular medical uses like helping diabetics to track their blood glucose levels or restore the eye's capability to focus. Novartis entered into a contract with the US investment company Qualcomm Ventures in 2015 to create a joint firm to support the digitalization of clinical trials. The US\$100 million alliance would focus first on supporting start-up companies with technologies, products, and services.

Required:

- a) The Novartis digital revolution is a clear case of trying to match the current increase in consumer demand. Discuss the global trends in consumerism that has driven Novartis to do this. (10 Marks)
- b) Improving technology to this level may be perceived by consumers to be harmful. Examine any five factors that may influence perception of consumers during marketing messaging of Novartis Services. (5 Marks)
- c) Discuss how the digital revolution has changed consumer behaviour towards Novartis services. (10 Marks)

QUESTION TWO

- a) Consumer information can be attained through consumer research. Describe the stages of consumer research process. (6 Marks)
- b) Evaluate the three main internal factors that influence consumer response to marketing communication stimulus. (9 Marks)

QUESTION THREE

- a) Examine any four reasons why consumers sometimes do not behave consistently with their attitudes towards a product i.e. they may buy a product even when they have a negative attitude. (4 Marks)
- b) Discuss the factors that influence the consumer whilst in a broader social setting (7 Marks)
- c) Explain why some cultures tend to adopt new products more quickly than others. (4 Marks)

QUESTION FOUR

- a) Write short notes on the following three learning theories used by marketers to achieve positive consumer behavior.
- i. Classical conditioning (5 Marks)
 - ii. Operant conditioning (5 Marks)
 - iii. Vicarious learning (5 Marks)

QUESTION FIVE

- a) Companies suffer from consumer churn ie they gain new customers only to lose many of them (high customer defection rate). One key to retaining customers is relationship marketing. Discuss the customer development process in relationship marketing. (9 Marks)
- b) Examine the term Consumer protection and clearly explain its importance (6 Marks)

QUESTION SIX

- a) Organization consumers tend to be more organized in their buying decisions than the individual consumers. Explain the roles of the various members of the decision making unit of an organization. (10 marks)
- b) Discuss the two main components of consumer disposition and explain the factors that been associated with disposition of used goods. (5 Marks)