

EXAM: CONSUMER BEHAVIOR
LECTURER: JUN.-PROF. DR. HOLGER MÜLLER

WINTER TERM 2013/14
ID: 20322

- INFORMATION SHEET -

Before you receive the stapled question sheets:

Please fill in your **name as well as your matriculation number and faculty with clearly readable writing** on the answer sheet on the back of this information sheet as well as the already handed out booklet.

Permitted aid:

Non-programmable pocket calculator (according to the instructions given by the examination office)

Dictionaries (English ⇔ your native language) without any handwritten comments/entries!

Conceptual formulation:

You will receive the exam paper shortly. The exam consists of two parts. All questions must be answered! Available time is 60 minutes.

Part I:

This part contains 35 multiple-choice-questions. Please note:

- For each question, four possible answers (A, B, C, D) are provided of which only one is correct!
- For each correct answer you will receive a point.
- For incorrect and missing answers you will receive 0 points.
- To answer the questions please use the answer sheet provided on the back of this information sheet! Please fill in the alphabetic character of the answer, which you think is correct, at the corresponding question number in the answer sheet!
- *Only entries in the answer sheet will be evaluated.*

Part II:

This part contains a total of 15 calculations. Please note:

- For each correct answer you will receive a point.
- Incorrect and missing answers will be marked with 0 points.
- Interim solutions will not be evaluated. Subsequent faults will not be considered.
- Please use the booklet for your calculations!
- To answer the questions please use the answer sheet provided on the back of this information sheet! Please fill in the calculated answer/result to the question or sub question at the corresponding question number in the answer sheet!
- *Only entries in the answer sheet will be evaluated.*

When handing in your exam paper:

Please assure that you have filled in your **name as well as your matriculation number and faculty with clearly readable writing** on

- the answer sheet (on the back of the information sheet),
- the stapled question sheets,
- and the booklet!

Place the information sheet with the answer sheet on the back as well as the stapled question sheet in the booklet and submit it to the supervisory staff!

THANK YOU!

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- ANSWER-SHEET -

Last name:

Matriculation Number:

First name:

Faculty:

Question	Answer
Question 1	
Question 2	
Question 3	
Question 4	
Question 5	
Question 6	
Question 7	
Question 8	
Question 9	
Question 10	
Question 11	
Question 12	
Question 13	
Question 14	
Question 15	
Question 16	
Question 17	
Question 18	
Question 19	
Question 20	
Question 21	
Question 22	
Question 23	
Question 24	
Question 25	

Question	Answer
Question 26	
Question 27	
Question 28	
Question 29	
Question 30	
Question 31	
Question 32	
Question 33	
Question 34	
Question 35	
Question 36a	
Question 36b	
Question 36c	
Question 36d	
Question 36e	
Question 37	
Question 38	
Question 39	
Question 40a	
Question 40b	
Question 41	
Question 42a	
Question 42b	
Question 42c	
Question 43	

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Questions

Last name:

First name:

Matriculation number:

Faculty:

PART I: Multiple Choice

Question 1 According to J. McCARTHY, the marketing mix consists of the following four elements:

- A. Product, place (distribution), price, packaging
- B. Packaging, place (distribution), product, promotion
- C. Product, planning, promotion, packaging
- D. Product, place (distribution), price, promotion

Question 2 As per definition, the primary goal in marketing is ...

- A. ...the realization of substantial profits.
- B. ...the ongoing optimization of production processes.
- C. ...to provide customer value and create customer satisfaction.
- D. ...the quickest possible penetration of markets.

Question 3 The abbreviation "USP" describes a...

- A. ...unique, objective feature of a product offering.
- B. ...unique, communication-based image of an offering.
- C. ...uniformly distributed sales profile over time.
- D. ...unlimited sales promotion budget.

Question 4 A change in the percentage of the value added tax is likely to induce a...

- A. ...first degree price discrimination.
- B. ...temporary price variation.
- C. ...permanent price variation.
- D. ...second degree price discrimination.

Question 5 In general, a product variation induces the following change in a supplier's production program (product range):

- A. The product range becomes broader.
- B. Structurally, the product range remains the same.
- C. The product range becomes narrower.
- D. The product range becomes deeper.

Question 6 The abbreviation POS means:

- A. Point of sampling
- B. Point of sale
- C. Product on sale
- D. Product of satisfaction

Question 7 As for the proper definition of consumer behaviour, the totality of consumers' decisions on goods, services, activities, experiences, people, and ideas by human decision-making units over time does not include the...

- A. ...acquisition of goods.
- B. ...consumption of goods.
- C. ...disposition of goods.
- D. ...production of goods.

Question 8 According to W.KROEBER-RIEL: Which of the following psychological processes is rather cognition-based?

- A. Motivation
- B. Attention
- C. Involvement
- D. Perception

Question 9 Which of the following issues is not a component of a consumer's lifestyle?

- A. Activities
- B. Opinions
- C. Interests
- D. Personality

Question 10 Consider low-priced items (e.g., candy bars): As compared to absolute discount formats, relative discounts induce...

- A. ...a higher increase in sales!
- B. ...a slightly lower increase in sales!
- C. ...a much lower increase in sales!
- D. ...the same increase in sales!

Question 11 From the perspective of the consumers, sales promotion activities of retailers provide:

- A. ...a reason to buy.
- B. ...a campaign to protect a retailers' image.
- C. ...an incentive to buy.
- D. ...a programme to educate the retailers' business partners.

Question 12 Which of the following features is not a characteristic of a service?

- A. Multiplicity
- B. Intangibility
- C. Variability
- D. Perishability

Question 13 Which of the following is not among the five senses of human beings?

- A. Sight/Vision
- B. Think
- C. Touch
- D. Smell

Question 14 The fact that human beings are unable of hearing a dog whistle is due to...

- A. ...differential thresholds.
- B. ...absolute thresholds.
- C. ...relative thresholds.
- D. ...virtual thresholds.

Question 15 Which of the following stages is not a part of the psychological process of consumers' perception?

- A. Interpretation
- B. Attention
- C. Sensation (Exposure)
- D. Storage

Question 16 What is a saccade?

- A. A position at which the visual focus rests (fixation).
- B. A movement of the visual focus from one fixation to another.
- C. A zoom out with respect to the visual focus.
- D. A zoom in with respect to the visual focus.

Question 17 Attention as the process that determines to which stimuli we allocate mental activity has the following three features:

- A. divided, limited, selective
- B. divided, unlimited, selective
- C. divided, unlimited, not selective
- D. undivided, unlimited, not selective

Question 18 The consumers' ability to perceive an incomplete picture as complete refers to the Gestalt psychology principle of

- A. Grouping
- B. Closure
- C. Ebbinghaus illusion
- D. Figure-ground

Question 19 Perceived risk is a main driver of motivation. Which of the following issues does not reflect a type of perceived risk?

- A. Financial risk
- B. Physical (safety) risk
- C. Social risk
- D. Gambling risk

Question 20 According to K. LEWIN, a person who must choose between two or more equally desirable options that fulfil different needs experiences...

- A. ...an approach-approach conflict of needs.
- B. ...an approach-avoidance conflict of needs.
- C. ...an avoidance-approach conflict of needs.
- D. ...an avoidance-avoidance conflict of needs.

Question 21 Consumers who are motivated to act in ways to achieve positive outcomes are having...

- A. ...prevention-focused goals.
- B. ...cognition-focused goals.
- C. ...promotion-focused goals.
- D. ...emotion-focused goals.

Question 22 Which of the following issues is not a main characteristic of a consumers' attitude towards an object?

- A. Resistance
- B. Confidence
- C. Prudence
- D. Valence

Question 23 When a person forms a product attitude not because of the objective benefits, but because of what the product says about the person, then the attitude serves a...

- A. ...utilitarian function.
- B. ...ego-defensive function.
- C. ...value expressive function.
- D. ...knowledge function.

Question 24 The set of options that a consumer considers as relevant when making a product choice is part of the...

- A. ...unavailable set.
- B. ...inert set.
- C. ...inept set.
- D. ...awareness set.

- Question 25** According to NELSON/DARBY/KARNI (the information economics based good classification), there are:
- A. Ranges/categories/lines/brands/products/items
B. Convenience goods/shopping goods/speciality goods
C. Tangibles/services/information/rights
D. Search goods/experience goods/credence goods
- Question 26** Which of the following is not a type of purchase decisions in the classification of KANTONA/HOWARD/SHETH?
- A. Habitual buying decisions
B. Unlimited buying decisions
C. Impulse buying
D. Extensive buying decisions
- Question 27** What is typically not among the information typically recalled in consumers' internal information search?
- A. brands
B. determinant attributes
C. exact product prices
D. product experiences
- Question 28** The inclusion of a high-priced, premium quality option to a core set consisting of a low price-quality option and a medium price-quality option is likely to induce a:
- A. Similarity effect
B. Compromise effect
C. Asymmetric dominance effect
D. Phantom effect
- Question 29** The lexicographic model of decision-making is based on a...
- A. ...compensatory processing by brand.
B. ...compensatory processing by attribute.
C. ...non-compensatory processing by brand.
D. ...non-compensatory processing by attribute
- Question 30** With respect to MASLOW's pyramid of needs, low-price guarantees (probably) address...
- A. ...safety needs.
B. ...egoistic needs.
C. ...social needs.
D. ...self-actualizing needs.
- Question 31** In consumer research, a consumer's need for trying something different from the usual habit is referred to as ...
- A. ...variety seeking.
B. ...primacy looking.
C. ...spin-off searching.
D. ...diversity hunting.
- Question 32** According to the POS-Marketing Report 2012, the percentage of consumers who use shopping lists in their grocery purchases is approximately:
- A. 50%
B. 30%
C. 70%
D. 90%
- Question 33** The fact that students enjoy lower lunch prices in the university's refectory than assistant professors constitutes a ...
- A. ...first degree price discrimination.
B. ...second degree price variation.
C. ...third degree price discrimination.
D. ...price variation.
- Question 34** The cosmetics brand "Dove" who became well-known for the "Campaign for real beauty" belongs to the group:
- A. Unilever
B. Procter&Gamble
C. Henkel
D. L'Oreal
- Question 35** As a rather general rule of thumb in advertising, the type size of writings on posters should not be smaller than...
- A. ...5% of the poster size.
B. ...10% of the poster size.
C. ...15% of the poster size.
D. ...20% of the poster size.

PART II: Calculations

Question 36: Attraction models

The modified attraction model (or modified BTL model) can be expressed as follows:

$$prob_{ik} = \frac{u_{ik}^{\beta}}{\sum_{j=1}^J u_{jk}^{\beta}}$$

where:

- k = consumer
- i, j = product options (1,2,...,J)
- β = parameter of rationality
- u_{ik} = utility of option (i) in the eyes of consumer (k)
- $Prob_{ik}$ = Probability that consumer (k) will choose option (i) out of the overall set of (J) options

A survey was used to elicit a particular professor's evaluations of five HONDA car models (A, B, C, D, E) with respect to five evaluative attributes inclusive of the relative attribute importance. The results are depicted in the table below.

Evaluative criteria	Importance	HONDA car model				
		A	B	C	D	E
Horse Power	40	5	3	5	3	2
Maximum speed	25	4	3	4	2	2
Sound system quality	20	4	4	2	1	1
Car trunk size	10	2	5	4	3	4
Number of air bag sets	5	4	3	4	4	2

Determine the resulting choice probabilities for the five HONDA car models! As for the calculations of the required utility values of the models, use a common multi-attribute scoring model!

Assume that the parameter of rationality in the modified BTL model equals 2 ($\beta = 2$)!

- a) Calculate the **choice probability for car A!**
- b) Calculate the **choice probability for car B!**
- c) Calculate the **choice probability for car C!**
- d) Calculate the **choice probability for car D!**
- e) Calculate the **choice probability for car E!**

Question 37: Decision rules

Which brand would the professor choose given that he applies a lexicographic decision model?

Question 38: Decision rules

And which brand would the professor choose given that he applies an elimination-by-aspects rule based on an acceptable cut-off level of 3?

Question 39: Involvement

A multi-item scale to measure involvement is the purchase decision involvement (PDI) as introduced by MITTAL in 1995. By means of three dimensions, the PDI measures on seven point rating scales (1=not at all, 7=very much) the applied degree of carefulness, the perceived importance, and the degree to which the subjects would be concerned about the decisions outcome.

Assume that a consumer X in a post-purchase survey rated the dimensions regarding his last purchase decision on a car as follows: Carefulness = 6, importance = 5, outcome concern = 7.

Based on the assumption of equally weighted dimensions, calculate the **PDI score** for X!

Question 40: Unit discounts

Assume that a person wants to buy in a do-it-yourself-store a total of 13 brooms. The normal price of a broom is 1.00€ However, the store offers the following discounts (d) per quantity ranges:

Quantity range	offered discount
<11	0%
11-20	20%
>20	50%

- Calculate the **selling price for the 13 brooms when an incremental discount** is offered!
- Calculate the **selling price for the 13 brooms when an all-units-discount** is offered!

Question 41: Consumer climate index (CCI)

The well-known consumer climate index (CCI) is a monthly released report that is provided by the market research company GfK. One of the indicators presented in the CCI is the personal financial expectation (PFE) of the interviewed persons. Specifically, subjects are asked “*How do you expect the financial position of your household to change over the next 12 month?*” with the possible answers being *a lot better, a little better, stay the same, a little worse, or a lot worse*. In the table below you find an example for how a total of 2.000 subjects responded to this question on the PFE.

PFE answer categories	Frequency	Percentage
a lot better	200	10%
a little better	500	25%
stay the same	1000	50%
a little worse	100	5%
a lot worse	100	5%
Don't know!	100	5%

Based on the data, calculate the **unadjusted PFE indicator** using the **balance-based calculation**!

Question 42: Attitudes

In an image study, a consumer evaluated the car brands HONDA, OPEL and VW along three attributes using five-point rating scales and additionally provided the attributes importance:

Attribute	Importance	HONDA	OPEL	VW
Cars made by...are reliable.	50	5	1	5
The company...provides a good service.	30	4	3	3
The company...engages in many social projects.	20	4	3	3

Based on a FISHBEIN/ROSENBERG-model,

- Compute the **consumers' attitude towards HONDA!**
- Compute the **consumers' attitude towards OPEL!**
- Compute the **consumers' attitude towards VW!**

Question 43: Sensory thresholds

In a product package test conducted among consumers, researchers found that it requires a 2 ounce increase in the weight of a 20 ounce product package box to make sure that a change is noticed by the consumers.

Consider now a 50 ounce box of that product. Given that WEBER's Law holds, **how much ounces must be added** for that the consumers notice a difference in the weight of the box?

Good luck!