



(The University of Choice)

**MASINDEMULIROUNIVERSITY OF SCIENCE  
AND TECHNOLOGY (MMUST)**

**MAIN**

**UNIVERSITY EXAMINATIONS  
2022/2023 ACADEMIC YEAR**

**FIRST YEAR SECOND SEMESTER EXAMINATIONS**

**FOR THE DEGREE**

**OF**

**Bachelor of Commerce & Bachelor of Science in Cosmetology**

**COURSE CODE: BCB 311/**

**COURSE TITLE: CONSUMER BEHAVIOUR**

**DATE: THURSDAY 13<sup>TH</sup> APRIL 2023 TIME: 12:00 - 2:00PM**

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**INSTRUCTIONS TO CANDIDATES**

- Section A is compulsory. Attempt any three questions in section B

**TIME: 2 HOURS**

This Paper Consists of 3 Printed Pages. Please Turn Over 

## **Part A: Compulsory**

Chapter 12 of Chris Daffy's book, once a Customer. Always, a customer (Oak Trees Press, 1996) is entitled, "From Success to Failure: The Danger of Complacency". What follows is a slightly adapted version of the chapter's opening section.

I first heard the phrase "success creates arrogance-arrogance creates Complacency - Complacency leads to failure" used by Tom Peters at one of his seminars. It really made me think at the time and has stuck with me ever since because it is so true. He went on to say that the old saying "Success breed success" had been proved wrong by so many businesses that it perhaps should be re-written as "Success breeds failure".

He's right. There are numerous examples of how easily it can happen to organizations that achieve success through customer service. There are many companies that once had reputation for being leaders in service delivery that have been overtaken by competitors or are under such severe attack that they are likely to be beaten.

One example is Marks & Spencer (M & S) which has for many years been regarded as the top service provider in UK clothing retailing, with perhaps the best returned goods policy of any UK retailer. But today, an ever-increasing number of people say that M & S is not as good as it used to be.

Yet the M & S policy has not substantially changed for the worse over the past few years. However, this is possibly the key reason for the change in people's perceptions. Whilst M & S has stood relatively still, other retailers have developed ways to provide even better service levels with superior returned goods policies. So, by comparison, M & S now seems worse than it used to be.

Equally, there was a time when IBM was considered to be world's top company for service in computers. It once even ran advertisements that suggested that "nobody ever lost their job for ordering IBM". IBM still provides excellent service, but it does not seem to have retained that top slot for service in people's minds. It appears now to have lost that position to new companies such as Dell, who have won numerous awards for being the World's best service provider in computer suppliers and services.

In our local case, Akamba Bus Company was once considered a leader in the transport and dominated western and the northern corridor transport. During its times, Akamba won many awards including best accident record, the most reliable transport company, the best parcel services company among others. But today, Akamba is no more and other leaders in transport like Easy Coach have emerged. The same may be said about Nakumatt and Tusky's supermarket.

So yesterday's and today's winners can easily become tomorrow's losers. It's all too easy to find that the road that led to success can also lead to failure. It is therefore important to ensure that the Success - Arrogance - Complacency - Failure cycle is not allowed to run.

*This case is adopted for the purpose of examination and may not in any way reflect the reality*

### Question One

- a). What are the typical causes of organizational arrogance and complacency in organizations? (10 marks).
- b). The Chief Executive of your company has read chapter 12 of Chris Daffy's book and is painfully aware about the dangers of arrogant and complacent behavior towards customers. He has asked you to produce a business report (for circulation among all Senior Managers) outlining some cost-effective ideas, recommendations and implementation mechanisms aimed at preventing the onset of arrogance and complacency in the organization (15 marks).

### Question Two

- a) Discuss the concept of 'Absolute threshold' as used in marketing. What is the relevance of this concept in marketing (6 marks)
- b) Manufacturers and marketers endeavor to determine the relevant Just noticeable Difference (JnD). What is the marketing application of J.n.D (6 marks)
- c) Identify and explain factors that tend to distort individual perception. (8 marks)

### Question Three

- a) Diffusion of innovation is critical to the success of a new product in the market. Identify and explain **FIVE** product characteristics that influence the rate of diffusion (10 marks).
- b) Identify and explain **three** characteristics that distinguish innovators from late adopters and non adopters (6 marks).
- c) What criticism would you level against the adoption model (4marks)

### Question Four

Prepare notes for presentation to be given to colleagues explaining the nature and the role that attitudes play in buyer behavior. In particular you should;

- a) Explain the different components of attitudes (6 marks)
- b) Discuss factors that affect change in attitudes ((6 marks)
- c) Suggest reason why the development of positive attitudes in the target audience is important for those involved in the management of brands. (8marks)

### Question Five

- a). Describe the concept of the family life cycle (8 marks)
- b). Why is the family an important concept for marketers? (6 marks)
- c). Celebrities are widely used marketing. Explain why and how they are used in marketing (6 marks).