

# Consumer Behaviour

## Solved Question Paper 2025-26

### SECTION-A

Answer any Five of the following sub-questions. Each sub-question carries 2 marks.

**a) Define Culture.**

Answer: **Culture** is the complex whole that includes knowledge, beliefs, art, law, morals, customs, and any other capabilities and habits acquired by an individual as a member of society. It represents the learned values, beliefs, and customs that serve to regulate consumer behaviour within a particular group.

**b) What is consumerism?**

Answer: **Consumerism** is a social and economic order that encourages the acquisition of goods and services in increasing amounts. It is often associated with the belief that personal well-being and happiness depend heavily on the level of personal consumption, particularly the purchase of material goods.

**c) Who is opinion leader?**

Answer: **Opinion leaders** are individuals who have social influence within their groups and typically serve as a hub of an interpersonal communications network. They are considered credible experts within a specific niche and their opinions and behaviours are well-respected and can influence the purchasing decisions of others.

**d) State the meaning of perception.**

Answer: **Perception** in the context of consumer behaviour refers to the process through which individuals select, organize, and interpret sensory stimuli (sight, sound, touch, taste, smell) to form meaningful impressions of the world around them. This psychological process affects how consumers understand and respond to marketing messages, brands, and products.

**e) Mention the two components of Attitude.**

Answer: According to the tri-component model, an attitude consists of three components (though the question asks for two, the model includes three keys, highly interdependent parts):

1. **Cognitive component:** An individual's knowledge, beliefs, and perceptions about a product or service.
2. **Affective component:** A person's feelings, sentiments, and emotions regarding the product or brand.
3. **Conative/Behavioural component:** The consumer's intention or likelihood to take a specific action, such as purchasing the product.

**f) Define online shopping.**

Answer: **Online shopping** is a form of e-commerce that permits consumers to directly purchase goods or services from a seller over the internet. This process, also called web-store or virtual store shopping, allows consumers to browse, compare prices, and make purchases remotely, offering convenience and a wide variety of options.

**g) List any two features of consumer behaviour.**

Answer: Two key features of consumer behaviour are:

1. **Diverse and Dynamic:** Consumer needs, preferences, and behaviours vary widely among different people and change constantly over time.
2. **Influenced by Multiple Factors:** Behaviour is shaped by a complex interplay of cultural, social, personal, psychological, and economic factors.

**h) Identify the two categories of social class and mention which class typically adopt innovation first.**

Answer: Social class can be broadly categorized in many ways (e.g., upper, middle, lower). The social class that typically adopts innovations first are the **upper classes** or elite people in a society. In diffusion of innovation theory, these individuals are known as "Innovators," who are venturesome and willing to take risks on new ideas.

### SECTION-B

**Answer any Four of the following questions. Each question carries 5 marks.**

**2. Describe the scope of consumer behaviour.**

Answer: The **scope of consumer behaviour** extends beyond the simple act of purchasing a product and encompasses the entire consumption lifecycle. Key aspects include:

- **Pre-purchase behaviour:** How consumers identify needs, search for information (internal and external), and evaluate alternatives.
- **Purchase behaviour:** The actual decision-making process and factors influencing the final choice in a given situation (e.g., in-store displays, time constraints).
- **Post-purchase behaviour:** The use and evaluation of products after purchase, which determines satisfaction, brand loyalty, and future purchasing decisions.
- **Disposal behaviour:** How consumers get rid of products, which has implications for environmental concerns and recycling.
- **Influence Factors:** The study covers the influence of psychological (motivation, perception, attitude), social (family, reference groups), cultural, and personal factors on these decisions.

**3. Explain the difference between culture and sub-culture.**

Answer:

Feature	Culture	Sub-culture
<b>Definition</b>	The fundamental, shared beliefs, values, and customs of an entire society.	A distinct group that exists as a segment within a larger culture, sharing a unique set of values and behaviors alongside the broader cultural values.

<b>Scope</b>	Broad and all-encompassing, providing overall guidance for behaviour.	Narrower in scope, offering specific identification and socialization for its members.
--------------	---	--

<b>Examples</b>	National values, shared languages, major holiday traditions.	Groups based on nationality, religion (e.g., Jain consumers seeking 100% vegetarian products), age, gender, or geographic region.
-----------------	--	---

- Culture is the societal "blueprint," while sub-culture is a more specific "subsection" of that blueprint, where individuals learn shared behaviours within a more tightly defined group.

#### 4. Explain the importance of problem recognition in the consumer decision process.

Answer: **Problem recognition** is the first and arguably most critical stage in the consumer decision-making process because it is the catalyst that triggers all subsequent steps. Its importance lies in:

- **Initiating the Process:** No purchase journey begins without the consumer first realizing a gap between their current state and a desired state (e.g., realizing their phone is too slow).
- **Directing Behaviour:** It gives a definite direction to subsequent stages, such as information search and evaluation of alternatives. The recognized need determines the type of information the consumer will look for.
- **Marketer Influence:** It offers marketers immense scope to influence buyer behaviour through stimuli like advertising, which can highlight an existing problem or even create awareness of a new desired state.

#### 5. Describe the role of technology and social media in consumer behaviour.

Answer: Technology and social media have profoundly transformed consumer behaviour by empowering consumers and changing how they interact with brands.

- **Enhanced Information Search:** The internet provides a wealth of information, reviews, and price comparisons at consumers' fingertips, making them more informed than ever before.
- **Influence of Peer Reviews and UGC:** Consumers trust user-generated content (UGC) and online reviews as much as personal recommendations, which heavily influences purchase decisions.
- **Personalization and Targeting:** Technology allows companies to provide super-personalized content and product recommendations (e.g., Netflix/Amazon suggestions), enhancing customer experience.
- **E-commerce and M-commerce:** Online shopping via websites and mobile apps has made purchasing convenient 24/7, leading to shifts in purchasing behaviour and the rise of mobile commerce.

#### 6. Apply the Howard-Sheth Model of consumer behaviour to explain how a first-time home buyer goes through the decision-making process when purchasing property.

Answer: The Howard-Sheth model views consumer decision-making as a rational and methodical problem-solving process, particularly relevant for high-involvement, extensive problem-solving scenarios like buying a home.

1. **Input Stimuli:** The first-time buyer is exposed to external stimuli (ads for new houses, advice from family/friends, economic conditions like interest rates).
2. **Perceptual Constructs:** The buyer filters this information. They pay attention to relevant info (e.g., locality, price range) and may be perceptually biased towards certain builders based on reputation. They actively search for more information (online real estate sites, visiting properties).
3. **Learning Constructs:** As the search progresses, the buyer develops decision rules ("decision mediators," e.g., "must have 3 bedrooms"), forms beliefs about different properties, and develops a predisposition (attitude) towards certain options (e.g., preferring an apartment over a house).
4. **Outputs:** The process culminates in the final outputs: the purchase intention, the actual purchase (e.g., buying a flat), and satisfaction or dissatisfaction post-purchase, which provides feedback for future decisions.

### 7. Explain the different types of learning in the consumer context with example.

Answer: Consumer learning is the process by which individuals acquire knowledge and experience that they apply to future purchase decisions.

- **Classical Conditioning:** Learning through association.
  - *Example:* A car advertisement consistently features a popular, upbeat song. Over time, a consumer associates the positive feelings from the song with that specific brand of car, even when the song is heard elsewhere.
- **Operant (Instrumental) Conditioning:** Learning through rewards and punishments (reinforcement).
  - *Example:* A coffee shop offers a loyalty card where the 10th coffee is free. This **positive reinforcement** encourages the consumer to repeatedly visit that specific shop to receive the reward, building brand loyalty.
- **Cognitive Learning:** Learning through mental processing, reasoning, and problem-solving.
  - *Example:* When a person decides to buy a new laptop, they actively research specifications, compare processors, read expert reviews online, and process this complex information to make an informed choice, a knowledge-based approach.

## SECTION-C

Answer any Three of the following questions. Each question carries 15 marks.

### 8. Compare and contrast the Nicosia Model and Economic model of Consumer Behaviour.

Answer:

The **Economic Model** and the **Nicosia Model** offer different perspectives on consumer behaviour:

- **Economic Model:** This is a traditional, simplified model based on rational decision-making. It assumes consumers are rational actors seeking to maximize "utility" (satisfaction) given their income and price constraints. It focuses strictly on price and income factors. It's often criticized for being too simplistic and not accounting for psychological or social factors.

- **Nicosia Model:** This model is more comprehensive, depicting a circular flow of influences between the marketer and the consumer in a dynamic relationship. It is a flowchart-based model with four "fields" (Firm Attributes/Communication, Consumer Psychological Attributes, Purchase Search/Evaluation, and Feedback). It emphasizes the complex interplay of external stimuli (marketing messages) and internal consumer attributes (attitudes, motivation) that lead to a purchase decision and subsequent feedback to the firm.

Feature	Economic Model	Nicosia Model
<b>Assumption</b>	Consumers are perfectly rational utility maximisers.	Consumer behaviour is complex, dynamic, and influenced by communication and internal psychological processes.
<b>Focus</b>	Price, income, and maximizing value for money.	The flow of information, internal consumer attributes (attitudes, beliefs), and the feedback loop between consumer and firm.
<b>Decision Type</b>	Simple, rational choices based on limited variables.	Complex, multi-stage decision process, applicable to high-involvement products.
<b>Realism</b>	Less realistic for modern consumer choices.	More realistic, accounts for marketing communication and psychological factors.

### 9. Explain the role of social media in shaping consumer Attitudes.

Answer: **Social media** plays a pivotal role in shaping and changing consumer attitudes (learned predispositions to respond favourably or unfavourably toward a brand or product).

- **Information Source & Credibility:** Consumers increasingly use social platforms to gather information. Information from peers and trusted influencers is often perceived as more credible than traditional advertising. Positive reviews and user-generated content (UGC) significantly boost positive attitudes towards a brand.
- **Influencer Marketing:** Key Opinion Leaders (KOLs) and influencers can create authentic content that resonates with their audience. The expertise and trustworthiness of an influencer can transfer a positive attitude toward the endorsed brand (1.15.3).
- **Emotional Engagement & Social Proof:** social media facilitates emotional connections through visual storytelling and community engagement. **Social proof** (following the actions of others) encourages conformity and trend adoption, strengthening positive attitudes towards popular brands or products.
- **Real-time Interaction:** Brands can engage directly with consumers, gather real-time feedback, and quickly resolve complaints. Positive post-sale interactions can reverse negative attitudes and build long-term loyalty.

## 10. Explain the impact of personality on consumer choices.

Answer: **Personality**, defined as an individual's unique psychological characteristics and consistent response patterns, significantly impacts consumer choices. Marketers use personality theory to segment markets and position their products.

- **Product and Brand Preferences:** Specific personality traits align with certain product types. For example, consumers high in **openness to experience** are adventurous and early adopters of new tech gadgets, while **conscientious** consumers prefer reliable, long-lasting products.
- **Brand Alignment (Brand Personality):** Consumers gravitate toward brands whose *brand personality* (human traits attributed to a brand, e.g., rugged, sophisticated) matches their own self-concept. This alignment builds stronger emotional connections and loyalty.
- **Decision-Making Style:** An individual's personality influences how they approach the decision process. A neurotic person might be cautious and seek reassurance, whereas an extroverted person might be more influenced by social factors and brand image.
- **Shopping Behavior:** Personality impacts whether a person views shopping as an enjoyable social activity or a necessary, efficient task.

## 11. Elaborate the reasons why consumer behaviour is considered a complex and dynamic process.

Answer: Consumer behavior is a **complex and dynamic process** because it involves a multitude of constantly changing variables and interactions that vary widely across individuals, time, and situations.

- **Multiple Influencing Factors:** A single purchase decision is rarely due to one factor. It results from an interplay of cultural, social, personal, psychological, and economic factors. For example, a person may want a hybrid car (attitude), but their income (economic factor) or lack of availability (situational factor) may prevent the purchase.
- **Individual Differences:** Every consumer is unique, with different needs, preferences, beliefs, and perceptions. The same marketing message can be interpreted differently by two people.
- **Constant Change (Dynamic):** Consumer trends, technology, economic conditions, and cultural norms are always evolving. Marketers must continuously update their understanding to stay relevant (e.g., the rapid shift to online shopping).
- **Situational Influence:** The context of a purchase matters significantly. Buying a bottle of water out of urgency while thirsty is different from deliberating over a case of water for home delivery.
- **Non-Predictability:** Consumers do not always act predictably or rationally. Impulse buying, emotional decisions, and brand switching make behaviour hard to model accurately.

## 12. Explain the nature and significance of consumer behaviour.

Answer:

### Nature of Consumer Behaviour

- **Goal-Oriented:** It is a purposeful process aimed at satisfying specific needs and wants.
- **Interdisciplinary:** It draws concepts from psychology, sociology, anthropology, and economics to provide a holistic view.

- **Both Rational and Emotional:** Decisions can be based on logical evaluation (e.g., price comparison) or emotional appeal (e.g., brand loyalty, impulse buys).
- **Process-Oriented:** It is a sequence of steps: need recognition, information search, evaluation, purchase, and post-purchase evaluation.

### Significance of Consumer Behaviour

- **Effective Marketing Strategies:** Understanding *why* consumers buy enables marketers to develop targeted and effective marketing mixes (Product, Price, Place, Promotion) that resonate with their target audience.
- **Customer Satisfaction and Retention:** By meeting customer needs effectively, businesses can enhance customer satisfaction, build long-term loyalty, and encourage repeat purchases.
- **Product Innovation:** Insights into unmet needs and changing trends help companies innovate and develop products that are highly relevant to the market.
- **Market Segmentation:** It helps identify distinct consumer segments based on demographics, lifestyle, or behavior patterns, allowing for precise targeting.

## SECTION-D

Answer the following question. Question carries Five marks.

**13. Analyse the impact of culture on consumer buying behaviour with examples from the Indian market.**

Answer: **Culture** is a fundamental determinant of a person's wants and behaviours, and it has a deep impact on consumer behaviour, often operating at an subconscious level.

- **Values and Beliefs:** Culture defines core values that influence lifestyle choices and product perception. In India, traditional values often emphasize family orientation and respect for elders. This might translate into purchase decisions favouring large cars suitable for families or products advertised as family-friendly.
- **Rituals and Festivals:** Indian culture is rich in festivals (Diwali, Holi, Eid) which are significant consumption rituals. These drive massive purchasing cycles for specific goods like traditional clothing, sweets, gold jewellery, and home decor. Marketers strategically align their campaigns with these cultural events.
- **Food Preferences:** Regional and religious subcultures heavily dictate food consumption. Jain consumers often require 100% vegetarian products, which has led marketers to clearly label products as "Jain-friendly" or "pure vegetarian". Brands like Patanjali leverage cultural beliefs about natural and herbal products to build a strong brand perception.
- **Status and Conspicuous Consumption:** While needs are basic, culture translates them into wants and desires. In many parts of Indian society, owning luxury cars or branded goods is a symbol of social status. This drives consumption patterns for high-end items to reflect or achieve a certain social standing.