

WOMEN'S UNIVERSITY IN AFRICA



Addressing gender disparity and fostering equity in University Education

FACULTY OF MANAGEMENT AND ENTREPRENEURIAL SCIENCES

**BSc HONOURS DEGREE IN MANAGEMENT AND ENTREPRENEURIAL
DEVELOPMENT STUDIES SPECIALISING IN MANAGEMENT & MARKETING**

MAIN PAPER

BMM223: CONSUMER BEHAVIOUR

INTAKE 25: SECOND YEAR SECOND SEMESTER

DATE: DECEMBER 2020

TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATES

Answer Question **1** and any other **two**

Question 1

AVON: Consumer behaviour towards cosmetics

Founded in 1886, Avon products is the world's largest direct seller, with 6 million representatives in more than 100 countries, and the world's fifth-largest beauty company, reporting around \$ 10.7 billion revenues in the year 2012. The company market to women in more than 110 countries with a wide range of products ranging from skincare, fragrances, cosmetics, toiletries and jewellery. The company adopts direct sales in most countries and the approach has been successful in Asia, Latin America but not in the American market.

To keep trend with modern marketing, the company adopted digital marketing. The company website stated that, 'Every day, Avon brings beauty to the lives of women all over the world'. Avon invested about \$200 million to update its information system, embrace digital and social media as contemporary selling tools. The digital marketing tools enabled Avon to breakthrough in difficult markets and push premium brands like anti-aging Anew.

Culture is the major determinants of a person's and behaviour. As such, the culture of cosmetics buying falls on ladies. Moreover, Avon empowers women by making them the representatives of the giant cosmetic company, and the means of working in direct sales.

Consumer's preferences have changed over time and tis is related to cultural environment. Avon had to address this change by adapting products to different countries. For instance, moisturizers commercialised in USA may not work in countries with different climate. The company had to provide different product for other countries.

Another leading factor in purchase intention is to abide to the subculture of the country. In some countries, the market for halal cosmetics and toiletries is increasing gradually while the importance of using non animal based product cannot be overlooked. Animal testing in cosmetic causes a negative and negatively affects sales. Therefore the perception of using non animal based product among women cannot be neglected.

Other factors that contribute to the purchase of Avon products are demographic factors, income and the price of products. Thus, the company should adapt it strategies in order to succeed in the global market.

Source: Adapted from Azmi, A 2016. 'Consumer behaviour: A case study on Avon Malaysia', International Journal of Humanities and Social Science invention, Vol.5, No 12, pp 31-34

Required:

- a) Explain the cultural and sub-cultural factors that Avon must consider when going global. [20]
- b) Discuss how Avon may form positive attitude through learning process in order to promote. [20]

Question 2

Examine five reasons why opinion leaders are effective in influencing people to buy products and services. [20]

Question 3

Discuss how the theories of learning can be of practical value to marketing managers. [20]

Question 4

Explain the following terms used in consumer behaviour:

- i. Reference groups ; [5]
- ii. Membership groups; [5]
- iii. Adopter categories and [5]
- iv. Positive reinforcement. [5]

Question 5

- a) 'Consumer have both innate and acquired needs'. Discuss this statement using appropriate examples. [10]
- b) Discuss the marketing implications Abraham Maslow's hierarchy of needs theory in the consumer buying behaviour. [10]

Question 6

Kodak enterprise is planning to launch an innovative digital camera in the market.

- a) Discuss how Kodak enterprise may successfully commercialize the camera on the basis of the trait theory. [10]
- b) Explain how social class can be used to segment the market for the digital camera. [10]

END

