



ALLAMA IQBAL OPEN UNIVERSITY
Semester Terminal Exam Autumn 2020

Program /level:	BBA/Graduation	Maximum Marks	100
Title /Course Code	Consumer Behavior (8428)	Pass marks	50

Instructions for Exams:

1. Attempt All Questions.
2. Write answers in your own words and avoid copying from an internet source or any book.
3. Be precise, avoid unnecessary details, answer to each question must be between 600-800 words.
4. Students are advised to upload their answer sheets/solutions on LMS portal as soon as they complete their answers and not to wait for 8:30 PM.
5. Submissions after due date & time will not be entertained. Attach undertaking with each course code which were allowed to attempt in Urdu.
6. If plagiarism found, Student may be declared fail.

Q. No.	Questions	Marks
1	<p>In the early 1980s, a format war took place between VHS and Betamax videotapes for video storage. VHS ultimately won. History always repeats itself. Between 2000 and 2008, another format war took place between Sony's Blu-Ray and Toshiba's HD DVD (high density optical disc for video storage). Blu-Ray ultimately won. But why? HD DVD had several advantages over Blu-Ray. HD DVD was the pioneering brand, or the first brand to enter the market, plus it was less expensive than Blu-Ray. Initially, almost as many movie titles appeared in HD DVD as did in Blu-Ray. How would you compare and evaluate these differences?</p> <p>In January 2008, an important event tipped the scale in favor of Blu-Ray when Warner Brothers Studios decided to support Blu-Ray exclusively. Because Sony Blu-Ray already had the exclusive support of Sony Pictures, Disney (including Touchstone and Miramax), Fox, and Lions Gate, the Warner decision gave Blu-Ray the support of 70 percent of the movie studios. Toshiba was unable to overcome this advantage. In addition, Blu-Ray discs hold more data than HD DVD discs (50 GB versus 30 GB). The Sony PlayStation 3 can also play PS3 games, Blu-Ray discs, and standard DVDs. How would you compare and evaluate these differences?</p> <ol style="list-style-type: none">1. What strategies could HD DVD have used to beat Blu-Ray?2. What strategies could Blu-Ray have used to beat HD DVD more quickly?3. After Warner Brothers decided to support only Blu-Ray in January 2008, Toshiba reduced the price of HD DVD players to \$150. Explain why this was too little too late. In February 2008, Net Flix, BestBuy, and Walmart announced that they would phase out HD DVD. After these announcements, Toshiba announced that they would stop producing HD DVD players. Explain why Toshiba needed the support of Warner Brothers, Net Flix, BestBuy, and Walmart.	35

2	<p>The most recent recession is encouraging consumers to focus more on price in their decision making. One major consequence of this price focus is an increase in the market share of private labels at the expense of name brands. The same thing happened in the U.K. and Canada in the 1970s. Tom Falk, CEO of Kimberly-Clark, says, “One thing you don’t want to do is create a consumer who shifted to private label and then have to spend a lot to get them back.” A. G. Lafley, CEO of Procter & Gamble, says, “Of course there’s a shift to private label at this point, but it’s not nicking us.” In the past, P&G has fought against private labels by increasing promotions advertising, but in the current recession, consumers are buying private labels in categories that have been resistant to them in the past, such as skin care products. Furthermore, even relatively wealthier households with annual incomes greater than \$100,000 have spent more on private labels. Across package-goods categories and retailers, private-label market share increased by 0.8 percent to 21.9 percent in 2008. This trend is likely to continue until the economy improves significantly.</p> <p>Required:</p> <ol style="list-style-type: none"> 1. If you were a brand manager at P&G, what strategies would you pursue to encourage consumers to focus less heavily on price? 2. If you were a brand manager at P&G, what strategies would you use to protect product categories that are usually resistant to private labels? 3. If you were a manager at The Kroger Co. (a private label), what strategies would you pursue to encourage consumers to focus more heavily on price? 4. If you were a manager at The Kroger Co., what strategies would you use to encourage consumers to buy private labels in more product categories? In what product categories do you see opportunities for private labels? 	35
3	<p>Discuss your most favorite and least favorite web shopping experiences. What were the key factors that lead to these experiences? Use a search engine to find information for a product that you have never shopped for and that you know little about. Although you know little about this product, could you use the web to learn a lot relatively quickly?</p>	30