

**NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**FACULTY OF COMMERCE**

**DEPARTMENT OF MARKETING**

**CONSUMER AND INDUSTRIAL BUYER BEHAVIOR – CBU 5103**

**SUPPLEMENTARY EXAMINATION JULY 2014**

**TIME ALLOWED: 3 HOURS, 15 MINUTES**

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**INSTRUCTIONS TO CANDIDATES**

Question **one** is compulsory. Answer **one** question in section B and **two** questions in section C

**INFORMATION TO CANDIDATES**

- i) Question one carries **40** marks.
- ii) Questions in section B and C carry **20** marks each.
- iii) Questions may be answered in any order.
- iv) Credit will be given for the use of appropriate examples.

**SECTION A**

**Question 1**

Read the case study attached at the end of this paper, and answer questions that follow.

**S.C. Johnson Company:**

S. C. Johnson, formerly JohnsonWax, is a private "family company." It makes and markets a broad array of household goods under the Fantastik, Saran, and Edge brands, among others. Beginning in 1886 as a parquet flooring company, the company earned a reputation for consumer-driven innovation through a product specially formulated to care for parquet floors—Johnson's Prepared Paste Wax. The company passed through five generations of the Johnson family. Today the company has more than 9,500 employees in nearly 70 countries.

The corporate mission is stated as follows:

*Employees*—We believe our fundamental strength lies in our people.

*Consumers*—We believe in earning the enduring goodwill of the people who use and sell our products and services.

*General Public*—We believe in being a responsible leader in the free market economy.

*Neighbors and Hosts*—We believe in contributing to the well-being of the countries and communities where we conduct business.

*World Community*—We believe in improving international understanding.

Family values are the kind of values that promote the propagation of families, family nurturance, and healthy communities. Families are said to make up the basic unit of society, not the individual. Social critics argue that many of our social ills (crime, violence, sexual promiscuity, and rampant materialism) are directly and indirectly related to values that promote the individual self over and above the family. Family values are the kind of cultural values that are high on the American list of ideal cultural values. Politicians tout themselves as standing up for family values. Churches, synagogues, mosques, temples, and other places of worship lay claim to the notion that family values are at the heart of good society, humanity, and the spiritual life. Companies that position themselves as representing family values are successful in creating an aura of trust and commitment. One such company is the S. C. Johnson Company.

S. C. Johnson has run many advertising campaigns such as the Pledge Grab-It mop and Ziploc. One of their ad campaigns touts "family values" in which Johnson (great grandson of the company's founder and chief executive over the period of its great expansion) emphasizes the fact that the company is not only family-owned but also dedicated to serve the family. He says, "in many ways taking care of one's home is just like taking care of a family, and we've never lost sight of that."

Not only does the company emphasize the notion that they are a family company promoting family values in advertising, but they also do so in packaging. The company's name is on the package of every product with the tag "A Family Company." Reinforcing the customers' image of S. C. Johnson as a family company standing up for family values is a good marketing strategy. Grimm reports that the company's own consumer research showed 80 percent of Americans considered products from family-owned companies trustworthy, versus 43 percent who say the same of those from publicly traded companies. This image breeds trust, which, in turn, affects customer loyalty and commitment. More recent research conducted by S. C. Johnson showed that 62 percent of surveyed adults said their trust in large family companies has stayed the same during the recent corporate scandals and 21 percent said their trust has decreased. Compare these figures with public companies. The same survey showed that 33 percent said their trust has remained the same for public companies, while 61 percent said it has declined.

More recently, the company launched Scrubbing Bubbles Automatic Shower Cleaner. This gadget sprays the cleaner on the whole shower at the touch of a button. So far, sales reports show this product as the best-selling new product in company history. The product is promoted through TV and print advertising, extensive PR, and buzz marketing.

The company won the Ron Brown Award for Corporate Excellence for its environmental programs. The award is usually given annually by the Conference Board (a New York-based nonprofit management organization) to companies for the exemplary quality of their relationships with employees and communities. The award was given based on the firm's "Greenlist" program, an initiative under which more environmentally sound raw materials are used in its products. The company changed the resin used to make its Saran Wrap plastic film for food, making it more environmentally friendly when the chlorine-based packaging is incinerated. Currently the company uses low-density polyethylene to make Saran Wrap. The switch was made in mid-2004.

The award honors the late and former U.S. Secretary of Commerce Ron Brown. Secretary Brown died in a 1996 plane crash.

The moral of this story is that the promise of a good brand is a reflection of the people behind it. Consumers make attributions about the quality of the brand and the company service aspects by the image of the people behind that brand, especially corporate executives. The more they feel they trust these people the more they feel the company products and services are of high quality and can be trusted to deliver on their promises.

**Adapted from:-"Spain - Spanish Geert Hofstede Cultural Dimensions Explained for Espana." Geert Hofstede Cultural Dimensions. 2009. Web. 05 Apr. 2011**

- a) 'Consumption could to a large extent be considered as a group activity'. Discuss the effectiveness of the group used by CS Johnson Company to influence the purchase of its products.

[10 marks]

- b) The ideal consumer for CS Johnson Company is predominately of the traditional perspective. Discuss.

[15 marks]

- c) What advertising strategy should CS Johnson Company adopt if its objective is to differentiate itself as a firm that appeals to family members as influencers.

[15 marks]

## **SECTION B**

### **Question 2**

'Within each culture, there are usually beliefs or a set of underlying goals most people agree are important'. Explain how culture influences consumer behavior.

[20 marks]

### **Question 3**

Discuss how marketers should deal with inner-directed and other-directed consumers since they differ in terms of their inclination to purchase new products.

[20 marks]