

UNIVERSITY OF COLOMBO, SRI LANKA

FACULTY OF MANAGEMENT AND FINANCE

Bachelor of Business Administration (Semester V) Examination –July 2022

MKT 3315 / HLM 3301 – Consumer Behaviour

Three (03) Hours

Answer Question 1 given in Part I and any three (03) Questions from Part II.

Part I

1. Scholars acknowledge that purchasing behaviour is not always a conscious act and consumers are known to vary their purchasing behaviour depending on the situation, without being limited to a single pattern. However, it is observed that in times of pandemics, people take more care to avoid purchasing products that are unnecessary.

The COVID-19 pandemic is known to have caused many uncommon consumer behaviours around the world. In Sri Lanka too, this was observed when people displayed panic buying behaviour as they rushed to purchase goods in bulk, creating deficits in the market, particularly in Fast Moving Consumer Goods (FMCG). In order to face up to the sudden demand, supermarkets had to struggle with large crowds of shoppers, long queues, and depleting stocks on supermarket shelves.

Panic buying, which is perceived as a form of herd behaviour, occurs when consumers purchase unusually large quantities of products (Naeem, 2021) in anticipation of a disaster or perceived disaster or in anticipation of a significant price increase or scarcity (Kaur & Malik, 2020). This kind of purchase behaviour results in real scarcity of goods, whether the threat of the shortage is actual or perceived (Arafat, Hussain, Kar, Menon, & Yuen, 2020; Yasir Arafat et al., 2020). In short, panic buying can be described as consumer behaviour in the form of people who buy large quantities of products to avoid future shortages (Shou, Xiong, & Shen, 2013).

A study conducted by Nawarathne and Galdolage (2022) on the FMCG sector during the Covid-19 pandemic observed a change in consumers' normal buying behaviour and reports that there were seven key changes observed when compared to normal circumstances of purchasing. These changes were observed in terms of quantity of goods purchased during a

transaction, changes in shopping locations, mode of purchase, less price sensitivity towards goods purchased, differences in shopping times and amount of time spent on a transaction, choice of brands/ability to go for preferred brands, and solo shopping behaviours (as opposed to family shopping).

Further investigations revealed several reasons behind the need to adopt panic buying behaviour. These include, fear (*fear of the unknown, fear of stockouts and supply shortages*) protective behaviour (*protection of oneself and family members*), social influence (*social trends, social pressure*), communication (*rumours, news/information, social media*), social trust (*trust in government and trust in suppliers*).

[Adopted from Nawarathne, N.D.D., & Galdolage, B.S. (2022), Do people change their buying behavior during crises? Insights from the COVID-19 pandemic in Sri Lanka. *Asian Journal of Marketing Management (AJMM)*, 01(01), 1-21]

Answer the following questions based on the case given above.

i) The study findings reveal several reasons behind the need to adopt panic buying behaviour. Discuss these factors in relation to any theory of motivation you have learnt in the classroom.

(20 Marks)

ii) A consumer with a high Optimum Stimulation Level (high OSL) personality trait would engage in panic buying behaviour more than a consumer with a low OSL.

Do you agree or disagree with this statement? Give reasons to justify your answer.

(15 Marks)

iii) Discuss how the online platform may have influenced panic purchase behaviour of consumers during the Covid 19 pandemic.

Use factors (given in the case) such as changes in shopping locations, less price sensitivity towards goods, differences in shopping times, amount of time spent on a transaction and solo shopping behaviour to explain your answer.

(20 Marks)

iv) Based on the information given in the case above, discuss both positive and negative implications of panic buying behaviour on marketers.

(15 Marks)

(Total 70 Marks)

Part II

Answer any three (03) Questions.

2. Explain how marketers can make use of **stimulus generalization** principles in classical conditioning, to achieve higher sales performance. Use a real-world example/s to explain your answer.

(10 Marks)

3. Explain how marketers can make use of **sensory thresholds** in the perceptual process, to achieve higher sales performance. Use a real-world example/s to explain your answer.

(10 Marks)

4. Using the same example, explain how a marketer can alternatively change consumer attitudes through the **utilitarian function** and the **ego-defensive function**.

(10 Marks)

5. List different **social classes of the Sri Lankan consumer market** and explain as to how their consumption behaviour would differ from each other, by using any product or service category of your choice.

(10 Marks)
