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**CHUKA****UNIVERSITY**

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**UNIVERSITY EXAMINATIONS****EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF COMMERCE****BCOM 325: CONSUMER BEHAVIOUR****STREAMS: BCOM Y3S2****TIME: 2 HOURS****DAY/DATE: WEDNESDAY 08/04/2020****11.30 A.M. – 1.30 P.M.**

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**INSTRUCTIONS:**

- Answer question ONE and any other TWO questions.
- Do not write on the question paper.

**QUESTION ONE (COMPULSORY)**

CBC is a company that manufactures consumers goods in Kenya. The company has thirty branches in Kenya and commands a market share of 80%. In the last two years the company has recorded a decline in performance in terms of profits and customer base. Some of the companies brands are making losses and the number of customers visiting the outlets has reduced tremendously. The company has not engaged in marketing research for the last eight years and new brands have not been developed. However, the management has observed that the competitors are receiving more customer than usual. The CEO contracted a research firm to establish the causes of the current performance. A study by the consultants established that the consumers behaviour towards CBC products was influenced by several underlying factors within the operating environment and consumer related factors.

- Briefly explain why CBC Company should understand consumer behaviour. (7 marks)
- Identify and explain two external environmental factors that are likely to have influenced the behaviour of consumers of CBC products. (10 marks)
- Discuss the influence of consumer's personality an CBC products. (8 marks)
- Advise the management on how to deal with the current status. (5 marks)

**QUESTION TWO**

- (a) The way consumers perceive products and service will have a direct effect on purchase behaviour. Describe the key influence of consumer perception. (10 marks)
- (b) Discuss the importance of learning in the study of consumer behaviour. (10 marks)

**QUESTION THREE**

Assume you have been appointed as a procurement officer in Nairobi City County. The county government has decided to replace the old motor vehicles and upgrade their internal control systems. Advise the county government on the most suitable way to carry out the task. (20 marks)

**QUESTION FOUR**

- (a) Differentiate between consumer and buyer behaviour. (5 marks)
  - (b) Discuss the concept of corporate social responsibility and its significance in the study of consumer behaviour. (15 marks)
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