

**FINAL
ALTERNATIVE ASSESSMENT**

(COVER PAGE)

Session : April 2021

Programme : Diploma in Business (DIB)
Diploma in Marketing (DMKT)

Course : **MKT2105: Consumer Behaviour**

Date of Examination : 28 July 2021 (Wednesday)

Time Start : 28 July 2021 (Wednesday) @ 12.00 noon

Time End : 29 July 2021 (Thursday) @ 12.00 noon

Duration : 24 Hours

Special Instructions :

This assignment consists of **TWO (2)** case studies. Answer **ALL** questions in both case studies.
Relevant examples must be given in relation to the case studies.

Material permitted : Nil

Materials provided : Nil

Examiner(s) : **Muhammad Rajaie Mustafar, Nurhidayah Khalid**

Chief Moderator : Amirudin Awang

This paper consists of 5 printed pages, including the cover page

DIPLOMA IN BUSINESS PROGRAMME (DIB)
 DIPLOMA IN MARKETING PROGRAMME (DMKT)
 MKT2105: CONSUMER BEHAVIOUR
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Case Study 1 (for Question 1 & Question 2)

Trivago Advertisement

If you're familiar with Trivago, chances are you're also familiar with the Trivago Guy, the sometimes disheveled, sometimes clean-cut, spokesperson who's starred in many of the hotel search site's TV commercials. Indeed, he's hard to miss because Trivago dedicates a great deal of resources toward making him, and the brand he represents, well known. According to the German company's latest earnings report, Trivago invested €260.1 million on advertising in the second quarter of 2017 — an amount that equals 87% of its total revenue (€298.3 million) during the same time period.

Furthermore, data from the analytics firm iSpot.tv estimates that between June 21 and July 4 of this summer alone, Trivago dedicated \$18 million to commercials on national US television. By comparison, rivals TripAdvisor spent \$6.8 million and Priceline spent \$2 million. The results of such heavy advertising are apparent. In January 2014, YouGov data shows that the US public's awareness of Trivago's various advertising and marketing efforts was lower than that of Priceline and TripAdvisor. After a steady climb over the last few years, however, Trivago's ad awareness score has now surpassed its two competitors. At present, 38% of US consumers recall seeing a Trivago advertisement in the past two weeks, while only 17% can say the same about Priceline and TripAdvisor.

This rise in Trivago's ad awareness has been accompanied by spikes in other YouGov brand health metrics, such as overall impression and, perhaps more importantly, purchase consideration. As expected, the company's revenue has benefited from this boost in consumer sentiment, growing from €179.0 million in the second quarter of 2016 to €298.3 million in the second quarter of 2017. But not everything is ideal. As already mentioned, Trivago invests a significant portion of its earnings back into marketing, and, as a result, has raised its brand profile considerably. At the same time, however, YouGov numbers show that Trivago might be missing an opportunity to drive even more sales through advertising due to inefficiencies in targeting the right audience.

Source: Forbes. 2017. *Trivago's Ads Are Reaching Plenty Of Consumers, But Not Necessarily The Right Ones*. [online] Available at: <<https://www.forbes.com/sites/brandindex/2017/08/14/trivago-s-ads-are-reaching-plenty-of-consumers-but-not-necessarily-the-right-ones/?sh=ee25a8a4e41e>> [Accessed 21 April 2021].

Question 1

a) Based on the *spreading activation* method, explain any **FOUR (4)** approaches that Trivago uses in its advertisements to strengthen the consumers' brand recall. Provide relevant examples to support your answer.

(16 marks)

b) Sensory adaptation can reduce attention. Describe any **THREE (3)** factors that can lead to sensory adaptation in Trivago advertisements. Provide relevant examples to support your answer.

(9 marks)

Question 2

a) Imagine you are the Advertising Manager for Trivago. Discuss any **FOUR (4)** strategies that you can use to increase the message involvement of Trivago's advertisements. Provide relevant examples to support your answer.

(16 marks)

b) Imagine that you are searching for the best hotel deals on Trivago, TripAdvisor and Priceline's website. Explain any **THREE (3)** non-compensatory rules that you can use to compare these websites. Provide relevant examples to support your answer.

(9 marks)

Case Study 2 (for Question 3 & Question 4)

Internet Banking Among Baby Boomers

The market potential is important as internet banking is capable not only of meeting the needs of professionals anytime, anywhere, but also of reaching out to those who do not already use internet banking (Asian Finance Institute, 2016). Bank Negara Malaysia (2019) found that in 2019, 90.7% of Malaysians (29.4 million people) were willing to use internet banking services as the services are available. However, the Malaysian Communications and Multimedia Commission (2017) showed that most non-internet users' unwillingness to go online was attributed to age, 74.3% of whom were Baby Boomers. As per Gilliam, Chatterjee and Zhu (2010) definition, Baby Boomers denote to a group of people who are moderate to acknowledge unused innovation and battle to get it the ways to utilize it when they acknowledge, and they were born between 1946 and 1964 (McLeod, 2009; Poon, Yong & Lam, 2009; Mashal & Ahmed, 2015).

Rejection of internet banking is one of the most important problems that faces banks in developing countries (Al-Ajam & Nor, 2013). Therefore, a few studies were done on internet banking in Malaysia, and the previous studies have only focused on generations other than Baby Boomers. Banks began introducing internet banking in the year 2000 and have worked to convince the public to adopt it, but Baby Boomers are still reluctant to adopt it. The non-internet banking users are likely older (Ahmed & Phin, 2016). According to Camilleri and Grech (2017), most non-user respondents in their study fell within the 50-68 years of age group. Older people may need to face the challenges in using the new technologies (Morris, Venkatesh & Ackerman, 2005).

The issue of increasing the adoption rate of internet banking among Baby Boomers has grown in importance considering recent trends. In addition, Baby Boomers also feel insecure when using internet banking (World Health Organisation, 2015; 2010; Camilleri & Grech, 2017). In consonance with Goh, Yeo, Lim and Tan (2016), confidentiality is an essential element which always concerns customers as customers often doubt that the banks can protect their personal and financial information, especially when they do transactions via internet banking. According to the MCMC (2017), most non-internet users refuse to go online due to privacy concerns. Moreover, Bradley and Stewart (2003) and Suh and Han (2002) pointed out that internet banking trust is important since the transaction consists of sensitive information and the people who did the transactions are worried about when deals with the internet.

Source: Pei Xin, Y., Devamanickam, V., Ismail Marzuki, N., Wan Ahmad Daknam, S., Adnan, S., Muhammad Khairul, N., Ramli, N., Krishnan, I., Mello, G., Kanan, V., Baskaran, S. and Muthutamilselvan, K., 2020. Internet Banking Among Baby Boomers: A Case Study on Customer Satisfaction in Bangsar, Kuala Lumpur. *Malaysian Journal of Social Sciences and Humanities (MJSSH)*, 5(5), pp.24-43.

Question 3

- a) Based the *Functional Theory of Attitude*, explain the **FOUR (4)** functions of attitude that might influence Baby Boomers to have a negative attitude towards internet banking. Provide relevant examples to support your answer. (16 marks)
- b) Discuss the **THREE (3)** components of *Theory of Reasoned Action (TRA)* that can be used to understand Baby Boomers' behavior in adopting internet banking. Provide relevant examples to support your answer. (9 marks)

Question 4

- a) Reference group can lead to a change in individual's behavior. Discuss any **FOUR (4)** ways reference groups can influence Baby Boomers to adopt internet banking through social power. Provide relevant examples to support your answer. (16 marks)
- b) Based on the **THREE (3)** stages in consumption process, explain the issues that marketers need to understand when it comes to the consumption of internet banking among Baby Boomers. Provide relevant examples to support your answer. (9 marks)

~THE END~

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