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**Presidency University**

**Bengaluru**

**School of Management**

**Summer term End-Term Examination – August 2024**

**Date**: 06-08-2024

**Time**: 9:30am-12:30pm

**Max Marks**: 100

**Weightage**: 50%

**Semester**: IV

**Course Code**: MBA4052

**Course Name**: Digital Consumer Behavior

**Department:** SOM

**Instructions:**

1. *Read the all questions carefully and answer accordingly.*
2. *Do not write any information on the question paper other than roll number.*
3. *Question paper consists of 3 parts.*

**PART A**

**Answer any 10 Questions. Each question carries 3 marks. (10Qx 3M= 30)**

1. Question (CO:01 Knowledge)

Explain how personalization for the digital consumer impacts marketing

1. Question (CO:02 Knowledge)

Define ‘prosumer’ with an example

1. Question (CO:03 Knowledge)

List the types of digital consumers and state the characteristics of any 2 types

1. Question (CO:04 Knowledge)

Differentiate between digital and physical goods

1. Question (CO:05 Knowledge)

Define ‘rational’ consumer

1. Question (CO:01 Knowledge)

Identify and define any two behavioral biases in emotional consumers

1. Question (CO:02 Knowledge)

Define the term "digital consumer" and differentiate it from a traditional consumer.

1. Question (CO:02 Knowledge)

Explain the concept of the "black box" in the context of consumer decision-making and how digital marketing attempts to open it.

1. Question (CO:03 Knowledge)

State few points on the role of social media in shaping consumer behavior with reference to at least two specific platforms.

1. Question (CO:04 Knowledge)

Describe the concept of online consumer journey and its stages.

1. Question (CO:05 Knowledge)

Define the term "digital divide" and discuss its implications for businesses and marketers.

1. Question (CO:03 Knowledge)

State how businesses can leverage consumer reviews for their benefit?

**PART B**

**Answer any 4 Questions. Each question carries 10 marks. (4Qx 10M= 40)**

1. Question (CO:01 Application)

Explain the digital consumers’ purchase process and write about how digital consumers can be targeted and attracted during the various stages

1. Question (CO:02 Application)

Discuss the 3 types of business models applicable to online consumers with examples.

1. Question (CO:03 Application)

Explain the techniques available for targeting online consumers through digital advertisements with suitable examples.

1. Question (CO: 04 Application)

Differentiate the various pricing strategies used for online consumers

1. Question (CO:05 Application)

Differentiate between general and targeted advertisements with examples

1. Question (CO:01 Application)

Analyze how social factors influence digital consumers with examples

**PART C**

**Answer the following Questions. (2Qx 15M= 30)**

1. Question (CO:04 Analysis)

In the heart of Bengaluru, a millennial-driven startup, 'GreenChoices', has been making waves in the digital consumer landscape. The company specializes in curating and delivering eco-friendly products directly to consumers' doorsteps. With a strong emphasis on sustainability and ethical sourcing, GreenChoices has managed to build a loyal customer base in a short span.

The company's digital platform offers a seamless shopping experience, providing detailed information about the environmental impact of each product. It also incorporates features like product recycling and carbon footprint calculators. To engage with its target audience, GreenChoices maintains a strong presence on social media platforms, sharing stories of sustainable living and running campaigns that resonate with the conscious consumer.

**Challenges**

Despite the initial success, GreenChoices is facing new challenges. The increasing competition in the eco-friendly market, coupled with evolving consumer preferences, has led to a plateau in growth. Additionally, the company is struggling to accurately measure the long-term impact of its sustainability initiatives and to quantify the return on investment (ROI) for its digital marketing efforts.

**Questions**

* Analyse the key factors that have contributed to the success of GreenChoices in targeting and engaging digital consumers. (5 marks)
* Discuss the challenges faced by GreenChoices in sustaining its growth and maintaining a competitive edge. (5 marks)
* Propose strategies to help GreenChoices overcome its challenges and further expand its market reach. (5 marks)

1. Question (CO:X05 Analysis)

**Dash**, a popular online fashion retailer, has experienced rapid growth in recent years. Their business model revolves around offering trendy, affordable clothing directly to consumers through their website and mobile app. Dash has successfully built a strong brand image and a loyal customer base by leveraging social media platforms and influencer marketing.

Dash has an average order value (AOV) of $75 and a customer lifetime value (CLTV) of $450. The company generates approximately $50 million in annual revenue with a gross profit margin of 40%. To further expand their reach and drive sales, Dash has invested heavily in digital advertising.

In the past year, Dash spent $5 million on digital advertising across various channels. SEM campaigns generated 30% of website traffic and contributed to 25% of total sales. Social media advertising accounted for 45% of website traffic but only 15% of sales. Display advertising and video advertising combined generated 25% of website traffic and 10% of sales.

Despite the significant investment, Dash has struggled to achieve a consistent ROI from its digital advertising efforts. The click-through rates (CTRs) and conversion rates for different campaigns vary widely. Moreover, customer acquisition costs (CAC) have been increasing steadily.

Dash is facing increasing competition from other online fashion retailers like Trendsetter and StyleZone. To maintain its market position, the company needs to optimize its digital advertising strategy and allocate its budget effectively.

**Questions**

* Analyse the challenges Dash is facing in achieving a consistent ROI from its digital advertising efforts, considering the provided data points. (5 marks)
* Evaluate the performance of different digital advertising channels for Dash based on the given metrics. (5 marks)
* Develop a comprehensive digital advertising strategy for Dash, including recommendations for targeting, messaging, and measurement, taking into account the provided data and the competitive landscape. (5 marks)