



# PRESIDENCY UNIVERSITY

BENGALURU

Roll No.														
----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

## End - Term Examinations – MAY 2025

Date: 24-05-2025

Time: 01:00 pm –04:00 pm

School: SOM-PG	Program: MBA	
Course Code: MBA4051	Course Name: Digital Startups	
Semester: IV	Max Marks: 100	Weightage: 50%

CO - Levels	C01	C02	C03	C04	C05
Marks	25	25	25	25	-

### Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Do not write anything on the question paper other than roll number.

### Part A

Answer ALL the Questions. Each question carries 3marks.

10Q x 3M=30M

1	What is the role of <b>IoT</b> in improving business operations for startups?	3 Marks	L1	C01
2	What is the purpose of conducting <i>user research</i> before developing a product?	3 Marks	L2	C01
3	Identify two examples of digital-age business models.	3 Marks	L2	C02
4	Why is customer retention more profitable than customer acquisition?	3 Marks	L1	C02
5	List any three types of referral incentives commonly used	3 Marks	L1	C01
6.	What role does social media play in spreading referral programs?	3 Marks	L1	C01
7.	Define bootstrapping with one example.	3 Marks	L1	C01
8.	State two major criteria investors look for in a startup pitch.	3 Marks	L2	C02
9.	Explain how a merger differs from an acquisition.	3 Marks	L2	C02
10.	Describe online sentiment analysis	3 Marks	L1	C01

### Part B

Answer the Questions.

Total Marks 40M

11.	a.	Analyze how emerging technologies like AR/VR can transform traditional education startups.	10 Mark	L3	CO 2

12.	a.	Develop a <i>low-cost validation plan</i> for a startup idea about eco-friendly packaging	10 Mark	L3	CO 2
-----	----	-------------------------------------------------------------------------------------------	---------	----	---------

13.	a.	Critically examine why certain traditional revenue models fail in the digital age	10 Mark	L4	CO 3
-----	----	-----------------------------------------------------------------------------------	---------	----	---------

**Or**

14.	a.	Critically assess how incorrect interpretation of A/B testing results can harm business outcomes.	10 Mark	L4	CO 3
-----	----	---------------------------------------------------------------------------------------------------	---------	----	---------

15.	a.	Evaluate the pros and cons of offering cash vs. product-based incentives in referral programs.	10 Mark	L3	CO 4
-----	----	------------------------------------------------------------------------------------------------	---------	----	---------

**Or**

16.	a.	How would you advise a startup planning to use crowdfunding to launch a new consumer product?	10 Mark	L3	CO 4
-----	----	-----------------------------------------------------------------------------------------------	---------	----	---------

17.	a.	Develop a simple exit strategy plan for a digital edtech startup aiming to maximize shareholder value within five years.	10 Mark	L4	CO 3
-----	----	--------------------------------------------------------------------------------------------------------------------------	---------	----	---------

**Or**

18.	a.	Imagine you are advising a digital health startup. Create a checklist to prepare the company for a successful acquisition.	10 Mark	L4	CO 3
-----	----	----------------------------------------------------------------------------------------------------------------------------	---------	----	---------

### Part C

**Answer all the Questions. Each question carries 15marks**

**2Q x 15M=30M**

19.	a.	<p>Case Study: Monitoring Online Sentiment at FreshBlend Café</p> <p>FreshBlend Café, a popular chain of smoothie and coffee shops, prided itself on offering fresh, organic products and a cozy environment for customers. For years, the brand enjoyed a loyal following and glowing reviews. However, one morning, the marketing manager, Priya, noticed a sudden spike in negative mentions on social media.</p> <p>A well-known food blogger had posted a video criticizing the hygiene standards at one of FreshBlend's outlets. Within hours, the video went viral, attracting comments ranging from mild disappointment to strong outrage. Priya quickly realized that if not addressed properly, the incident could spiral into a full-blown reputational crisis.</p> <p>First, Priya activated their online sentiment monitoring tool, <i>BrandPulse</i>, to track the volume, sentiment, and spread of the mentions across platforms like Instagram, X (formerly Twitter), and Google Reviews. She noted that although the initial</p>	15 Marks	L5	CO 4
-----	----	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------	----	---------

		<p>reactions were overwhelmingly negative, a large number of loyal customers were still expressing support for the brand.</p> <p>Next, she crafted a response strategy:</p> <ul style="list-style-type: none"> <li>• FreshBlend posted a public apology within three hours of the incident.</li> <li>• They promised an immediate, third-party hygiene audit across all outlets.</li> <li>• They offered a “Fresh and Free” weekend event where customers could visit any outlet for a complimentary smoothie and see the new hygiene protocols in action.</li> </ul> <p>Meanwhile, Priya personally responded to concerned customers on social media and Google Reviews, providing updates on corrective actions.</p> <p>Within a week, the positive sentiment began to return. Influencers who had earlier criticized FreshBlend acknowledged the company's quick response and transparent measures. FreshBlend managed not only to mitigate the reputational risk but also to reinforce trust among its customers.</p> <p>By proactively monitoring online sentiment, addressing feedback swiftly and transparently, and turning a crisis into an opportunity for engagement, FreshBlend demonstrated the importance of digital reputation management in today's world.</p>			
		<p>Questions</p> <ol style="list-style-type: none"> <li>1. What steps did FreshBlend Café take to monitor and respond to the negative online sentiment effectively?</li> <li>2. How did addressing customer feedback in a timely and transparent manner help FreshBlend mitigate reputational risks?</li> <li>3. If you were Priya, what additional strategies would you recommend to further strengthen the brand's image after the incident?</li> </ol>			
20.	a.	<p>Case Study : <i>The SwiftKart's Checkout Optimization</i></p> <p>SwiftKart, a growing Indian e-commerce startup, had been experiencing a worrying problem: while traffic to their website was booming thanks to their social media campaigns, their checkout conversion rate was stuck at just 1.8% — much lower than the industry average.</p> <p>The founder, Aarav Mehta, suspected that something in the checkout process was confusing or annoying customers. Rather</p>	15 Marks	L5	CO 4

	<p>than guessing what needed fixing, Aarav decided to implement A/B testing.</p> <p>The Experiment:</p> <ul style="list-style-type: none"><li>• Hypothesis: A faster, cleaner checkout page would improve conversions.</li><li>• Variation A (Original): The traditional 5-step checkout (Cart → Sign-in → Shipping → Payment → Review).</li><li>• Variation B (Tested): A single-page checkout, where all information was filled out on one page without needing to jump between steps.</li></ul> <p>SwiftKart used an A/B testing tool to randomly split incoming users between Variation A and Variation B. The team carefully defined the success metric: a <i>successful purchase</i>.</p> <p>After two weeks and collecting data from 20,000 visitors, the results were clear:</p> <ul style="list-style-type: none"><li>• Variation B (Single-page checkout) increased the conversion rate to 2.7% — a 50% improvement!</li><li>• Not only that, but users spent 25% less time during checkout and cart abandonment dropped by 18%.</li></ul> <p>Excited by the success, Aarav and his team started to apply continuous experimentation across other areas: product recommendations, homepage banners, and even the wording on their "Add to Cart" button. Every time they made a decision, they tested it — letting data, not intuition, lead the way.</p> <p>SwiftKart's data-driven culture soon became one of its biggest strengths, helping the company double its revenues in just a year.</p> <hr/> <p>Questions for Students:</p> <ol style="list-style-type: none"><li>1. Why was A/B testing a better approach for SwiftKart than immediately redesigning the entire checkout process based on assumptions?</li><li>2. What key factors should SwiftKart consider before trusting the results of their A/B test? (Hint: think about sample size, time frame, and external factors.)</li><li>3. Suggest another area (besides checkout) where SwiftKart could apply A/B testing to improve user experience or business performance.</li></ol>			
--	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--	--