GL BAJAJ Institute of Management & Research Greater Noida FIND YOUR SPARK

Roll No…………

Plot No. 2, Knowledge Park-III, Greater Noida (U.P.) –201306

POST GRADUATE DIPLOMA IN MANAGEMENT (2025-27)
MID TERM EXAMINATION (TERM -III)

Subject Name: **Consumer Behaviour**	Time: **01.00 hrs**
Sub. Code: **PGM33**	Max Marks: **20**

Note: All questions are compulsory. Read both case studies and answer the questions.

Kindly write all the course outcomes as per your TLEP in the box given below:

CO1- Familiarise students with the essential concepts, scope, and evolution of consumer behaviour as a key discipline in marketing and business strategy. (L1, L2)
CO2- Develop a deep understanding of how consumers make decisions, including both cognitive and emotional factors, by examining established and contemporary models. (L2, L4)
CO3- Equip students with the ability to translate consumer behavior knowledge into practical marketing strategies that align with consumer needs and drive business success. (L3, L4)
CO4- Facilitate students' understanding of consumer behaviour through case studies from Indian corporate houses, allowing them to design targeted marketing strategies for diverse market segments. (L3, L5)
CO5- Explore the influence of digital tools, AI, machine learning, and analytics on consumer behaviour, empowering students to use these technologies in personalized marketing and data-driven decision-making. (L4, L6)
CO6- Foster awareness and understanding of ethical consumerism, sustainable marketing practices, and the importance of advocating for socially and environmentally responsible consumer behaviour. (L2, L5, L6)

Read both case studies and answer the questions

CASE LET 1: THE RISE OF DIGITAL BANKING ADOPTION IN SEMI-URBAN INDIA

Over the past decade, the Indian banking sector has undergone a significant transformation driven by digitalization and policy initiatives such as financial inclusion and cashless transactions. Public and private sector banks have increasingly invested in self-service technologies (SSTs), including mobile banking applications, internet banking portals, and ATM networks, to enhance accessibility and reduce operational costs.

In this context, a leading public sector bank launched a simplified mobile banking application specifically designed for customers in semi-urban and rural regions. The application featured regional language options, voice-assisted navigation, minimal steps for transactions, and enhanced security features such as OTP-based authentication. The primary objective was to shift customers from branch-based transactions to digital platforms.

However, the initial response to the application was lukewarm. A large segment of customers exhibited resistance to adoption, primarily due to:

- Low levels of digital literacy,

- Fear of financial fraud and security breaches,
- Habitual dependence on branch banking, and
- Lack of confidence in using mobile-based technologies.

Recognizing these behavioural barriers, the bank shifted its strategy from mere technology deployment to consumer-centric engagement. It initiated:

- Financial literacy campaigns in local communities,
- On-site demonstrations by bank staff and digital ambassadors,
- Interactive workshops explaining app usage and safety features, and
- Personalized assistance for first-time users.

Over time, these efforts led to a gradual increase in adoption rates. The bank observed distinct behavioural patterns across demographic groups. Younger customers, particularly students and working professionals, adopted the application quickly due to higher digital familiarity and perceived convenience. In contrast, older customers continued to prefer face-to-face interactions at bank branches, citing trust and ease of understanding.

A notable insight was the role of family dynamics in influencing adoption. In many households, younger members acted as technology facilitators, guiding parents and grandparents in downloading and using the application. In several cases, the decision to adopt digital banking was not taken individually but emerged from collective family discussions, where trust was transferred through interpersonal relationships.

Furthermore, continued usage of the application was strongly influenced by perceived ease of use and perceived security. Customers who found the interface simple and experienced error-free transactions developed confidence and gradually shifted their behaviour toward digital channels. On the other hand, even minor negative experiences (such as transaction failures) led to hesitation and discontinuance among less tech-savvy users.

The bank's marketing team, therefore, reoriented its strategy around three core pillars:

- Customer education to enhance digital literacy,
- Trust-building measures to reduce perceived risk, and
- User-friendly interface design to improve the overall customer experience.

As a result, the bank not only increased adoption rates but also strengthened customer engagement and satisfaction, particularly among younger and digitally adaptable segments.

Question:

Q1. Analyse the above case using the foundations of consumer behaviour and explain how:

(a) The evolution and importance of consumer behaviour contribute to marketing success. (5 marks)

(b) The roles of consumer vs. customer, decision-making units (DMU), and family influence shape adoption behaviour. (5 marks)

<u>CASE LET 2: TECH-DRIVEN BUYING DECISIONS AT STYLESPHERE</u>

StyleSphere, an online fashion retailer, launched a new mobile app to enhance customer experience. The app integrated advanced features like AI-based recommendations, virtual try-on using AR, and gamified rewards for frequent users.

Neha, a college student, wanted to buy a dress for an upcoming event. Initially, she casually browsed the app (Limited Problem Solving – LPS), but soon got influenced by personalized suggestions based on her past searches and lifestyle preferences (AIOs – interest in fashion and social events). The app's AR feature allowed her to virtually try outfits, reducing uncertainty in her decision-making.

At the same time, StyleSphere used predictive analytics to track user behavior and recommend products that matched consumer psychographics and preferences. The company also designed its marketing strategy based on models like Kotler's Black Box Model, analyzing how external stimuli (ads, discounts) influenced internal consumer responses.

Neha compared multiple options, read reviews, and finally selected a dress that balanced style, price, and peer influence. Her decision reflected a combination of technological inputs, psychological factors, and marketing stimuli, highlighting the evolving nature of consumer decision-making.

Questions

Q2. Analyse the above case using the foundations of consumer behaviour and explain how:

a) Explain the concept of Limited Problem Solving (LPS) and identify two factors from the case that influenced Neha's decision-making process. ***(*5 Marks)**

b) Analyse how StyleSphere applied technology and consumer decision-making models to influence Neha's purchase. Critically evaluate whether these strategies are more effective than traditional marketing approaches, giving logical reasons based on consumer behaviour concepts. ***(5 Marks)***

Kindly fill the total marks allocated to each CO's in the table below:

COs	Blooms Taxonomy Levels	Marks Allocated
CO1	L2	10 Marks
CO2	L4	10 Marks