Exam Marketing Strategy Mondeling

Question 1. Marketing Strategy in Turbulent Times (8pts.) - Prof. Dr. L. Lamey

Six-up is a beverage manufactured by Soda ltd., an international company. It has always been a well-performing brand and it can be found in most Belgian retailers (Carrefour, Delhaize, Spar, Colruyt, …). Lately, however, signs of an economic recession have begun to arise: the economy starts to turn sour.

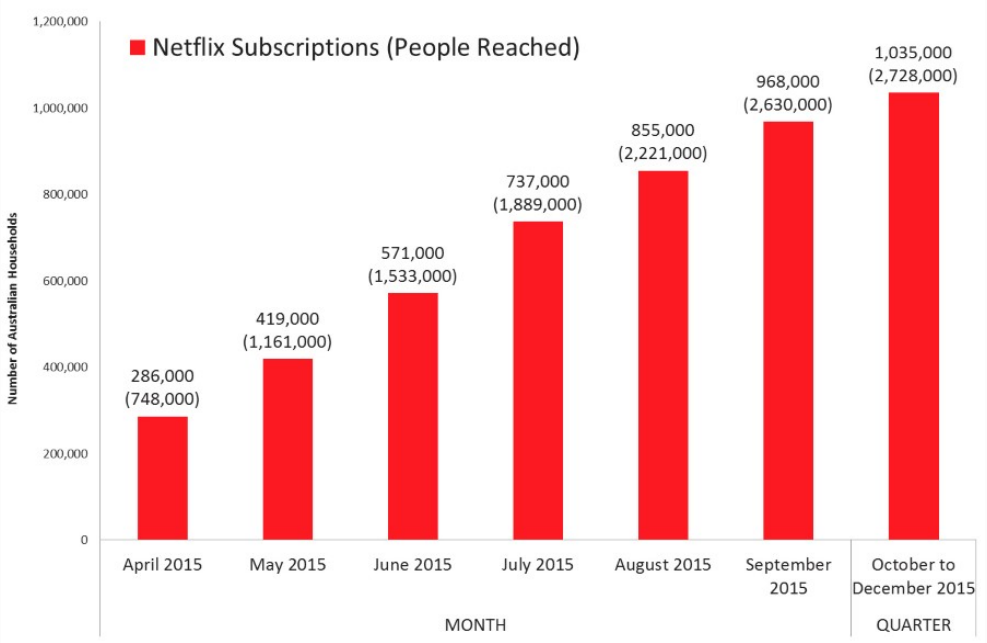
a. Which Soda brands must Six-up fear the most during an economic contraction and why is this the case?

b. So as to maintain its brand sales during the recession, should Six-up focus on advertising investments or price decreases? Explain.

c. Assume that one wants to model the relationship between Six-up's market share and the business cycle? How should this question be approached? (Hint: Discuss the 2-step model).

Question 2. Customer Lifetime Value (4pts.) - Prof. Dr. L. Lamey

Recently, a joint-venture launched a brand new idea: the concept of Palflix. More specifically, Palflix is an online social network at which movies and series can be rented and shared. In the table below, the customer subscriptions (sales figures) of the last few months can be found. The concept was thus already launched a couple of months ago.



Palflix has recently approached you and they would like to know how their firm value can be estimated using the information provided by the bar chart (a proxy will thus have to be used).

a. Which formula can be used to estimate pallix' firm value? Write down this formula.

b. Identify all the input variables that will be needed to calculate Palflix' firm value using the proxy.

c. One of the input variables that will be needed are the newly acquired customers at time t (t = 0, 1, …, T). Which model can be used to estimate the total number of customers that will eventually adopt the product, and why?

Question 3. Omni-Channel Marketing (8pts.) - Prof. Dr. K. Melis

A grocery store has recently launched a new website with a web store. More specifically, customers will be able to order products online and collect them at a collection point afterwards. The payment will

be have to be done at the moment the customer collects the products at the collection point. If a customer wishes to make use of this service and do his or her groceries online, a number of tasks will have to be completed:

- Open the web page;
- Create an account at the retailer's website or log in in case the customer already has an account;
- Browse the online assortment and put those items that he wishes to buy in the shopping cart;
- Pick a collection point;
- Pick a collection time;
- Request a loyalty card (optional);
- Review his/her order;
- Confirm his/her order:
- Collection and payment of the groceries at the collection point.

Please answer the following subquestions carefully.

a. Identify the all the NUTS (nominal user tasks) that will have to be completed to do groceries whilst making use of the web store. For each NUT, identify the variables derived from within-site activity that could have an effect on the likelihood that this NUT will be completed. (Hint: There are a maximum of four NUTS, meaning that not every task that has to be completed corresponds with a NUT).

b. Taking into account the NUTS you've mentioned under point a), develop a model that can estimate the likelihood that one will make a purchase at the store. Identify all the variables and explain the assumptions this model makes.

c. Now consider the market for cars. A car dealer has just set up a web-store through which consumers can order their beloved car.

i. What is the difference in the likelihood estimated by the model that a car will be bought online compared to the online purchase of groceries? What causes this difference?

ii. Which of the variables that you have earlier identified under point a), are likely to have a greater or lesser importance when buying a car compared to when doing groceries? Explain why.