

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

**POST GRADUATE DIPLOMA IN MANAGEMENT (2022-24)
END TERM EXAMINATION (TERM - III)**

Subject Name: **Marketing Analytics**

Time: **02.00 hrs**

Sub. Code: **PGM33**

Max Marks: **40**

Note:

All questions are compulsory. Section A carries 5 marks: 5 questions of 1 mark each, Section B carries 21 marks having 3 questions (with internal choice question in each) of 7 marks each and Section C carries 14 marks one Case Study having 2 questions of 7 marks each.

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

Cos	Statement of Course Outcomes	Bloom's Taxonomy
CO-1	Understand the importance of data and analytics in marketing decisions and the marketing decision-making process and the role of marketing analytics in better decisions.	Remember- L-1 Understand- L-2
CO-2	Ability to apply key marketing analytics tools and techniques	Understand- L-2 Apply- L-3
CO-3	Ability to apply marketing analytics procedures to business problem solving	Analyze-L-4 Evaluate- L-5
CO-4	Awareness of ethical issues related to marketing data collection and use of analytics	Evaluate- L-5 Create- L-6

SECTION – A

Attempt all questions. All questions are compulsory.

1×5 = 5 Marks

Questions	CO	Bloom's Level
Q. 1 (A): Name a few companies in the business of collecting and selling consumer data. Q. 1 (B): Why has been interest in the analytics and data science is on rise? Q. 1 (C): Explain key tasks in descriptive analysis Q. 1 (D): Explain Conjoint Analysis in detail with suitable examples. Q. 1 (E): Define Customer Analytics and classify its types with appropriate examples.	CO1	L1, L2

SECTION – B

All questions are compulsory (Each question have an internal choice. Attempt any one (either A or B) from the internal choice)

7 x 3 = 21 Marks

Questions	CO	Bloom's Level
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<p>Q. 2: (A). “How do you decide your home page if your design team has given you three home page designs, all of which equally look great to you, you believe them to be better than your current home page. Answer this question if you were marketing manager (for website and brand experience) for</p> <p>(a) State Bank of India (b) Upgrade (a coaching platform)</p> <p style="text-align: center;">OR</p> <p>Q. 2: (B). How do retailers like Shoppers Stop improve their cross-sell rate? Can it reliably determine it churn rate, cross-sell, and upsell rates? What can be the challenges in reliably measuring chum rate?</p> <p>Q. 3: (A). You are a designer and hired someone to design a website for your brand. Your differentiation on the website is to let your users try be accessories on themselves. If such a system were to be designed, what would be its competent- assume you would let the user take their pact and your system can use that picture/vides to show how accessories will look like on them Any parallels do you see with the virtual reality augmented reality games?</p> <p style="text-align: center;">OR</p> <p>Q. 3: (B). A hotel chain is interested in understanding which customers to send loyalty points redemption for the next vacation. The customers with shortfall in points can avail the deal by the shortfall filled by attractive purchase offer for loyalty points. How does hotel chain decide who to extend this offer? What data will you collect and what model will you build?</p> <p>Q. 4: (A). A retailer is interested in analyzing how much price elastic its private label is in Ketchup category. Ketchup category is generally marked by a few national brands in India like Kissan, Maggie, Heinz and Del Monte; the category is also characterized by high loyalty to brand (due to its taste or repeat experience to consumer). How will you use choice models to provide elasticity analysis to retailer? How will you set up the data – what data you will need from the retailer and what unit of analysis?</p> <p style="text-align: center;">Or</p> <p>Q. 4: (B). If you are a jewelry shop, and you want to implement recommender system, what may be a reason to implement content-based filtering for recommendations? What are the concerns about using AI marketing? Explain with suitable examples from products marketed with AI techniques- say credit approvals, or movies recommended or display ads shown to you.</p>	<p>CO3</p> <p>CO2</p> <p>CO4</p>	<p>L4 L5</p> <p>L3 L4</p> <p>L5 L6</p>
<p><u>SECTION – C</u></p> <p>Read the case and answer the questions 7×02 = 14 Marks</p>		
<p>Questions</p>	<p>CO</p>	<p>Bloom’s Level</p>
<p>Q. 5: Case Study:</p> <p style="text-align: center;"><u>How Netflix Utilizes CLV to Increase its Revenue</u></p> <p>Have you subscribed to Netflix? Even if you are then the chances are that you will be there for 25 months only. The data recorded on Netflix’s lifetime value metric indicate that an average customer stays on for as long as 25 months average providing a customer lifetime value of \$291.25 per customer. The importance of this number comes from the fact that based on them. Netflix determines how much money to spend on each customer.</p> <p>First, an average customer pays around \$11.65 a month and \$139.80 a year. Assuming that Netflix pays \$150 to get a new customer, had you been at the company’s place., would you spend the same amount of money? The revenue it earns per year from each customer is \$139.90 and is spending \$150 on each of them; therefore, it would lose \$10.2. but because an average customer stays for</p>	<p>CO4</p>	<p>L5 L6</p>

around 25 months, the company can easily compensate for the losses.

However, during this whole process, it must be made sure that CLV is known if it is worth losing the money in the short run because then you would know that you can cover up the losses in the long run.

Now, all customers are not the same; some might subscribe for 6 months and some might even go as long as 6 years without even canceling the subscription. To make sure of this, Netflix tracks every customer individually. For example, it knows very well that you are not renting movies continuously, you might cancel the subscription sooner or later. To tackle this, the company has a particular feature where it asks you to make a queue of the movies you want to watch. Once you are done watching that movie, it suggests you the next.

Moreover, it knows that not all customers are as patient. A lot of them simply cannot wait for their movie to arrive in the mail, so the company has added another feature where customers can stream movies on the web. This way Netflix continuously tracks the customer's performance and predict what customers will do next and hence provide customers with what they want. This strategy is great for identifying the moves of customers and hence fulfill their needs accordingly. Netflix has reduced its churn rate to 4% by simply tracking such behaviors.

Second, Netflix pays around \$16 to affiliate marketers for each customer they bring. It might seem a little amount to you, but it is not. A lot of new customers who subscribe tend to use the free 1-month trial and then cancel the subscription. So, \$16 has been paid for bringing a customer who might not even stay for 2 months. It is obvious that Netflix would not have paid this amount if it was not receiving any benefits. Netflix is a big company, and it knows its lifetime metrics well, which is why it spends so much into marketing Hence, if Netflix was not well versed with its CLV metrics, it would not have stayed in the game for so long and would not have been such a big company. Hence, it is imperative to keep track of your CLV to achieve more revenues.

Questions:

Q. 5: (A). How does Netflix determine how much money to spend on each customer? Explain how Netflix analyzes customer personas. Explain how Netflix uses affiliate marketers to their advantage.

Q. 5: (B). Overall, how would you analyze Netflix's CLV strategy? Is it effective or not? What changes would you make in the existing CLV policy of Netflix?

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

COs	Marks Allocated
CO1	5 Marks (1A, 1B, 1C, 1D, 1E)
CO2	7 Marks (3A, 3B)
CO3	7 Marks (2A, 2B)
CO4	7 Marks (4A, 4B)
CO5	14 Marks (5A, 5B)

(Please ensure the conformity of the CO wise marks allocation as per your TLEP.)

Blooms Taxonomy Levels given below for your ready reference:

L1= Remembering

L2= Understanding

L3= Apply

L4= Analyze

L5= Evaluate

L6= Create