GL BAJAJ
Institute of Management & Research, PGDM Institute
Greater Noida

FIND YOUR SPARK

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

POST GRADUATE DIPLOMA IN MANAGEMENT (2023-25)
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). Explain Market Basket Analysis. **Q. 1 (B):** What is NLP. Give details for applications of NLP and its impact on day-to-day productivity in general. **Q. 1 (C):** Define Market Mix Modeling. **Q. 1: (D).** Explain Conjoint Analysis in detail with suitable examples. **Q. 1: (E).** Why has been interest in the analytics and data science is on rise?	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**

	CO	Bloom's Level
Q. 2: (A). "Data resulting from conjoint analysis studies is more realistic and reliable than competing methods". Justify with example. **Or** **Q. 2: (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?	CO2	L2, L3
Q. 3: (A). "Customer Lifetime Value allows one to evaluate the performance of your marketing channels while giving them an insight into the KPIs that drive the company's value". Analyze the statement with Amazon as an example. **Or** **Q. 3: (B).** 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?	CO2	L2, L3
Q. 4: (A). "Advertising elasticity of demand (AED) measures a market's sensitivity to increases or decreases in advertising saturation". Analyze the advertising elasticity measures for the effectiveness of advertising campaigns in generating new sales. **Or** **Q. 4: (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?	CO3	L4, L5

SECTION – C

Read the case and answer the questions   **7×02 = 14 Marks**

Questions	CO	Bloom's Level

Q. 5: Case Study:
 	
 How Netflix Utilizes CLV to Increase its Revenue
 	
 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.
     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 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.
	CO4	L5, L6

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 ethically Netflix uses affiliate marketers to their advantage.
Q. 5: (B). Overall, how would you analyze Netflix's CLV strategy? Is it ethical 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
CO2	14 Marks (Q No.2 & 3)
CO3	7 Marks (Q No.4)
CO4	14 Marks (Q No.5)

Blooms Taxonomy Levels given below for your ready reference:

L1= Remembering
L2= Understanding
L3= Apply
L4= Analyze
L5= Evaluate
L6= Create