

MARKETING ANALYTICS: Case Study

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Name: _____

Date: _____

Case No.	Chapters	Case Title
10	10	Promotion: Acme Restaurants: UPDATED

You are the marketing manager for the hottest new restaurant in town, Acme. Acme's top entrees include:

- Dish A: Braised Alaskan wild salmon with rice pilaf and grilled asparagus
- Dish B: Grass-fed organic beef tenderloin with baked potato and sautéed mushrooms in Cabernet sauce
- Dish C: Vegetable melee, with red and green peppers, organic beets and artichoke hearts, over a bed of spinach, served with a spicy balsamic vinaigrette

You use two promotion tools to drive business to Acme. The first tool is Foursquare (F) to target local diners. The second tool is Groupon (G) to increase trial rate of new customers.

After analyzing historic sales and promotion data, you assemble the data shown in Table 1.

Promotion Vehicle	Audience/ Ad	Cost/ Ad
F: Foursquare	60	\$40
G: Groupon	70	\$50

Table 1: Promotion effectiveness metrics, Acme Restaurants

You face several constraints, as summarized in Table 2. Due to limited bandwidth (ability to produce) of your advertising agency, you cannot create more than a certain number of new advertising campaigns per month. You also can not exceed a certain marketing spend (budget) per month.

Promotion Vehicle	Maximum Ads/ Month	Maximum Budget/ Mo.
F: Foursquare	30	
G: Groupon	30	
Total Promotion Spend		\$2000

Table 2: Budget constraints, Acme Restaurants

1. Develop the objective equation to maximize audience exposure.

Data Requested	Results
Objective Equation	$Z =$

2. Develop the relevant constraints equations.

Data Requested	Results
Constraints Equations	

3. Calculate the optimum value for F and G. Calculate the budget used. Use Microsoft Excel Solver.

Data Requested	Results
Optimum values	$F =$ $G =$ <i>Budget Usage:</i>