

MARKETING ANALYTICS: Case Study

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Name: _____

Date: _____

Case No.	Chapters	Case Title
11	11	Sales: Acme.com Online Electronics Sales

You are the marketing manager for Acme.com online electronics sales. Acme.com sells premium consumer electronics goods. One hot seller is the “3 for 3D” bundle, which includes a 50 inch Samsung AMOLED television, wireless 3D glasses, and an advanced speaker setup for 3D sound.

You sell to three segments:

- Segment 1: High-income early adopters. This group wants the very latest. It is relatively price-insensitive.
- Segment 2: Mid-income pragmatists. This group waits for the verdict of Segment A before buying.
- Segment 3: Value-conscious shoppers. This group care more about price than about the latest features.

You drive traffic from prospective customers (prospects) to Acme.com using three sales campaign tools:

- Campaign A: Newsletter: Online newsletters discussing new promotions, sent to list of opt-in prospects
- Campaign B: PPC: Pay Per Click (PPC) search engine marketing (SEM), like Google AdWords.
- Campaign C: Social Media: Facebook and Twitter accounts discussing consumer electronics news

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

Input: Sales	Annual Data (averaged)
Sales Forecast	\$200,000
Average revenue/order	\$1,000
Segment 1: % of Sales	50%
Segment 2: % of Sales	30%
Segment 3: % of Sales	20%

Table 1: Sales history data, Acme.com online electronics sales

After analyzing campaign sales performance, you assemble the data shown in Table 2.

Input: Campaigns	Campaign % of Sales	Conversion Rate	Cost per Lead
A: Newsletter	40%	2.0%	\$2.20
B: PPC	35%	1.0%	\$1.00
C: Social Networking	25%	1.5%	\$1.40

Table 2: Sales campaign effectiveness data, Acme.com online electronics sales

1. Calculate the budget required to reach Acme.com’s Segment 1 prospects.

Data Requested	Results
Required budget	<i>Budget = _____</i>

2. Calculate the expected sales for Segment 1 for each type of sales campaign.

Data Requested	Results
Sales by campaign	<i>Sales via Newsletter: _____</i> <i>Sales via PPC: _____</i> <i>Sales via Social Networking: _____</i>

3. Calculate the sales campaign effectiveness (spend/ sales ratio) for Segment A for each type of campaign.

Data Requested	Results
Spend/ Sales	<i>Spend/Sales, Newsletter: _____</i> <i>Spend/Sales, PPC: _____</i> <i>Spend/Sales, Social Media: _____</i>