

**K. J. SOMAIYA INSTITUTE OF MANAGEMENT STUDIES AND RESEARCH,
Vidyavihar, Mumbai- 400077**

**Program: PGDM-RM (Batch 2018-20), Trim-III
Subject: Digital and Social Media Marketing**

(End Term Examination)

**Maximum Marks: 50
Duration: 3 hours**

Date: 28th April 2019

Instructions

1. Attempt all questions, all carry equal marks

QUESTION 1

	Time Lag in Days	Conversions	Conversion Value	Percentage of total	
				Conversions	Conversion Value
	0	51,146	\$48,447.05	76.50%	63.25%
	1	1,135	\$1,885.15	1.70%	2.46%
	2	715	\$1,237.20	1.07%	1.62%
	3	549	\$907.80	0.82%	1.19%
	4	488	\$628.25	0.73%	0.82%
	5	495	\$897.90	0.74%	1.17%
	6	538	\$1,197.25	0.80%	1.56%
	7	495	\$827.95	0.74%	1.08%
	8	371	\$898.30	0.55%	1.17%
	9	288	\$598.90	0.43%	0.78%
	10	274	\$718.85	0.41%	0.94%
	11	226	\$389.30	0.34%	0.51%
☒	12-30	3,721	\$6,325.85	5.57%	8.26%
☒	31-60	3,291	\$6,007.20	4.92%	7.84%

The above table has data about an ecommerce website. The same data set taken a year back showed that 85% of conversions happened on day zero as opposed to 76.5% happening as of today. However overall sales have grown by 25% year on year. If you were the CMO and this data was presented to you, would you say that your business is doing well? If not, how will you justify that your business is not doing well in spite of increase in sales? What is the reason for the same?

QUESTION 2

Sales have just closed a new deal, hooray! You, as a Client Success Manager, will get a new client in your portfolio. The first step is to create a strategy of what they should do first, what campaigns to try, what targeting, what types of creatives etc. The client is waiting for your recommendations to start.

Info about the client:

<http://sivvi.com>

Budget: \$60,000 / month

Goal: 2/3 of the budget to be spent on performance, achieving ROI (Rev/Cost) =3x; 1/3 on branding activities reaching as many people as possible

- If you had to choose Facebook as the platform of advertising, what bid method will give you maximum clicks and what will be the sale to click conversion rate that will be needed to give 3X ROI. The average value of a purchase is \$112.
- For the branding campaign, which objective will you use to reach as many people as possible? Mention the targeting and the number of people that you can reach with the available branding budget

QUESTION 3

Category	Avg. Daily Ticket Value (INR)
Nursing	1500
Attendant	1200
Physio	600
Pregnancy Care	30
Nutrition	5

Category	Avg. Customer Lifespan (Days)
Nursing	15
Attendant	60
Physio	5
Pregnancy Care	300
Nutrition	30

Category	Gross Margins
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	(%)
Nursing	20
Attendant	25
Physio	10
Pregnancy Care	18
Nutrition	12

Category	Purchase to Click Conversion (%)
Nursing	0.1
Attendant	0.2
Physio	0.5
Pregnancy Care	0.05
Nutrition	0.01

- What Max CPC will you go ahead with for each category on Google Search based on the data points given above?
- What's the ROI for each category assuming a monthly spend of INR 500,000 for each category?

QUESTION 4

Evernote is a private company. The rough data we have about the company (as of early 2015):

105M registered users; 340 employees; paid subscribers pay \$45 for an annual subscription.

Assume that the cost of servicing a non-paying user is \$0.05 per month, and that of a paying customer is \$1.00 per month. Also, assume that each employee costs the company \$170K a year (loaded cost - including all overheads). Also (for simplicity) assume that there are no additional fixed costs.

a. What % of the 105M registered users need to become paying customers for Evernote to break even?

b. If Evernote manages to convert 5% of its user base, what would be its profit margin?

NOTE: Just for the purposes of this analysis, assume that all the incoming revenue is only from the B2C business, and that there are no other products or services that are being offered. (For full credit, you will need to show how you arrived at your numbers for both a and b. Also, be precise to at least 2 decimal places).

QUESTION 5

1. Lenovo - <https://www3.lenovo.com/in/en/desktops-and-all-in-ones/lenovo/lenovo-v-series-tower-desktops/c/v-series-towers> wants to increase sales of their tower PCs and have decided to use LinkedIn as a platform for this. What targeting will you use in case you decide to go ahead with running text ads on LinkedIn? Please specify the exact number of people in the targeting. If historical CTR of all Lenovo campaigns has been 0.1%, which bidding method will you use? For a total budget of INR 25 lacs for a period of 3 months, how much traffic can you drive to the above landing page?

-----End of Paper-----