

What you put in...

Marketing Engineering with Excel (ME^{XL}) Tool

What you get out...

- Market potential for new products
- Historical sales data OR selection of an analogous product
- Advertising and pricing plan

Bass Forecasting Model

- Sales/adoption rate forecast for new product
- Sensitivity of sales forecast to marketing activities
- Ability to link to revenue and profit projections

- Customer ratings of a set of real or potential product offerings, defined by their key attributes
- Market share of existing products
- New product profiles

Conjoint Analysis

- Customers' preferences and responses to new products
- Relative worth of product attributes
- Optimal product design
- Market share estimates for alternative products
- Drivers for purchase choices
- Customers' willingness to pay for product attributes
- Potential incremental revenue from new offerings/features

- Customer's choice data for alternative offerings
- Customer ratings of alternative offerings on their key attributes

Customer Choice (Logit)

- Purchase probabilities, predicted and observed choices of customers
- Factors influencing customer choice, including brand as well as performance attributes

- Observed churn rates
- Customer Acquisition Cost
- Number of customers/segments
- Gross margins by segment
- Customer transition probabilities across segments

Customer Lifetime Value

- Value of current customer base
- Time required to recoup customer investments
- ROI on customer/segment investments
- Size and profitability of customer segments over time; sensitivity to marketing investment plan

- SBU, product or segment ratings on key attributes
- Importance of these attributes to the firm

GE Portfolio Matrix

- Visual representation of relative attractiveness of SBUs, products or market segments on a 2-dimensional map
- Sensitivity of map to attribute importance scores

- Customers' rating of focal brand and key competitors on dimensions of merit
- Individual customer preference ratings of all competitors

Positioning

- Perceptual map, showing which brands are closest to one another
- Attributes that differentiate brands
- Locations of individual customer preferences
- Projected market share associated with current and new positions on the map

- Number of market segments, products, geographies or other basis for resource allocation
- Current level of spending and associated sales
- Profit margins
- Response functions—how sales would change if spending were higher or lower than current spending
- Constraints (minimum or maximum) for each basis unit

Resource Allocation

- Optimal level of total spending
- Optimal allocation of spending across units
- Profit associated with optimal plan versus current plan
- Incremental gain or loss associated with changes from current or optimal plan

- Customers' importance ratings for each measure of value for offerings in a product class
- Customer descriptors (demographic or firmographic variables)

Segmentation/Targeting

- Number, size and profile of needs-based market segments
- Identification of factors that differentiate segments, both in terms of needs and descriptors
- Classification tool to allocate any potential customer to a segment based on customer-descriptors