



MASTERING MARKETING METRICS

AUG 2022

MOCK EXAMS

Time: 5:30 PM – 8:30 PM

Date: NOVEMBER 11th, 2022

Three hours duration

The Mock will be 3 hours in duration

The mock has **TWO** Parts.

Task 1 is worth **40%** of the total marks available

Task 2 is worth **60%** of the total marks available.

You are required to give your answers in the GSM answer booklet provided. Do not repeat the task in your answer, but show clearly the number of the task attempted on the appropriate pages of the answer book. Please start each task on a new page.

Rough work and notes **must** be written in the answer book or on supplementary sheets and **must** be clearly identified.



SECTION A (COMPULSORY)

CASE STUDY

QUESTION ONE (1)

Context

In addition to being the largest and leading tech and mobile telecom company in Ghana, ranked first in voice market share (56.07%), and data market share (67.89%) (NCA, 2021), MTN Ghana is a great example of continuous innovation in its digital services.

MTN Ghana's vision, mission, and brand values

MTN Ghana's vision is to lead the delivery of a bold, new Digital World to our customers. MTN Ghana's mission is to make our customers' lives a whole lot brighter. MTN Ghana explains that it believes that the most effective, and ultimately the most profitable, way to accomplish its mission is to put the needs of its customers first. Offering a high-quality customer experience has led to strong word-of-mouth promotion and strong traffic growth on their flagship mobile application, myMTN App.

Notable tenets of the MTN Ghana brand values are:

Leadership

- Building a future for our people and the customers we serve.
- Leading the way through connectivity enablement.

Innovation

- Doing things differently.
- Making unlikely connections.
- The unexpected exceeds expectations.

The myMTN App – How Measuring the Wrong Thing Can Cause Brand Damage



In March of 2021, MTN Ghana introduced a new 'SuperApp' called the myMTN App. MyMTN is a self-service app that allows an MTN Customer to manage their account and perform services such as "top-up airtime", purchase data bundles, manage broadband

accounts and transact using the MTN MoMo wallet. Also, customers have an easy-to-use app for everything MTN and they will not have to memorise a wide range of USSD codes for various services. New features were scheduled to be added to the app every month to improve the digital experience of all MTN customers.

In an effort to gain the mobile digital market share in the Ghanaian telecom space, the mobile app was upgraded and uploaded onto both Play Store and Apple Store for customers to download and utilise. Some problems emerged in the early months after the update. A huge number of customers could not check their account balances, and do transactions on the mobile application due to app crashes, high loading time, and confusing user interface.

Although MTN Ghana had access to a new update that could have potentially solved the aforementioned issues, it chose not to implement the update, which would have cost GHS3.1 per download mobile app, despite evidence that the upgrade would have resulted in 1.2 million more installations.

The decision was based on a cost/benefit analysis that compared the costs of making the change (GHS3.37m) against the nominal costs to customers (i.e., inconvenience and loss of business) which was estimated at GHS1.9m. Subsequent legal cases brought against MTN Ghana resulted in GHS4.2 million in compensatory damages along with an initial GHS21 million in punitive damages.

Although the punitive damages were later reduced, the impact on MTN Ghana's reputation was significant and resulted in a series of other court cases and huge media coverage of MTN Ghana's unethical approach – measuring two very different outcomes, the cost of upgrades and the cost of customer inconveniences and loss of businesses using the same basis of measurement.

Q1.

- a.** Explain how MTN Ghana went wrong with the application of best-fit metrics in deciding the implementation of the myMTN App update. (10 Marks)
- b.** State three (3) best practices MTN Ghana can adopt in the implementation of metrics across their product management activities. (10 Marks)
- c.** Advise MTN Ghana on how to prepare a robust control system to monitor the progress of a marketing activity regarding the myMTN App. (10 Marks)
- d.** State three market and customer metrics that will assist MTN Ghana in measuring the performance of the myMTN App. (10 Marks)

SECTION B

Q2. In your recent role as the Chief Marketing Officer in your company, you are tasked by the CEO to prepare a robust implementation metric plan that will enable effective decision-making. Prepare an implementation metrics plan with examples for your company. (20 Marks)

Q3. In your recent role as a chief product officer of Ashfoam, you are tasked to ascertain the innovation rate of the firm and advice management on the next course of action.

Items	Units sold	Revenue
Adinkra Couch	258,000	GHS365,000
Gloria Dressing Mirror	198,000	GHS198,000
Adepa Bed	154,000	GHS105,300
Bamako HeadBoard	612,000	GHS98,700
Bob Pillow	1132	GHS5,124
Total		

- Compute the innovation rate of Ashfoam.
- What are the implications of this rate on Ashfoam's product innovation decisions?
- Identify the data sources of the innovation rate metric
- State one flaw of this metric and recommend an additional metric needed to ensure a more robust analysis regarding the measurement of Ashfoam's innovation efforts (20 Marks)

Q4. Whiles preparing your annual report for a management meeting in your company, you realised that the company started the new financial year with 36,000 customers. In the course of the year, your marketing efforts yielded 180,000 new customers and but the number of customers as of now (end of the year) is 200,000.

- Explain the concept of retention rate and explain one merit and flaw of the metric
- Compute the retention rate for your company
- Explain what is happening to management and suggest an appropriate strategy for the way forward. (20 Marks)

Q5. In your recent role as a marketing executive, you are tasked by your CEO to make use of the following customer data to make crucial decisions for the company.

Number of customers starting at the beginning of year 1: 1,500

	Retention rate	Survival rate	Survivors
Period 1	0.59		
Period 2	0.67		
Period 3	0.68		
Period 4	0.81		

- Explain the concept of survival rate and explain one merit and flaw of the metric.
- Compute the survival rate for each period
- Compute the number of survivors
- Advise management on what to do regarding the survival rate and the decline of survivors.

Q6. In your recent consulting undertaking with Multichoice Ghana, you are task estimate the income the firm accrues per month regarding their packages.

Monthly payment based-product	Number of customers	Monthly Subscription revenue
Access	258	GHS50
Family	198	GHS90
Compact	154	GHS179
Compact Plus	612	GHS265
Premium	1132	GHS430

- Compute for Multichoice Ghana's monthly recurring revenue
- Advise management on the marketing decisions to make concerning each product.
- Why is the MMR metric relevant to Multichoice Ghana? Are there any flaws with the MMR metric?
- Which industry is MMR best fit for? (20 Marks)