**AEM 6700 Economics of Consumer Demand, spring 2016**

**In-class Activity #3: “Paper Towel Demand”**

You are a newly MS graduate from AEM and a data analyst in a famous Market Research firm. One of your clients, KIMBERLY CLARK, approaches to your firm and asks your company to shed light on the demand for paper towels. Your client wants to know which attribute(s) consumers care the most for paper towel and to understand what competitive advantage KIMBERLY CLARK has in comparison to its major competitor KOCH INDUSTRIES INC. The attributes that KIMBERLY CLARK are interested in are price, brand name, color, and displays. The company gives you scanner data for a 50 weeks period. The data reflects consumer choices among 5 brands (see excel file). Choice 6 means that consumers did not purchase any of the 5 brands (the outside choice). Here is the description of the data (the Excel file is uploaded on BB):

***DATA : " Paper\_Towel\_500Samples.csv "***

* Product Category : Paper towel
* 5 different product UPCs
* Variables :
* Choice : 1~5 for the choice of UPC 1~5, 6 for others (outside goods)
* Price 1~5 : Price ($) for UPC 1~5
* D1~5 : 1 if UPC 1~5 is on display, 0 otherwise.
* Brand1~5: KIMBERLY CLARK or KOCH INDUSTRIES INC
* Color1~5: Print or White
* Random\_id : individual customer id
* Average number of purchases per customer : 6.2

Your project manager calls you and a colleague to her office and asks for ideas of how to analyze the data. You really want to impress your project manager and you remember you examined a similar problem in Economics of Consumer Demand at Cornell. How would you use these data to shed light on the demand for KIMBERLY CLARK’s products?