For homework you can be part of the management team of brand 2 and analyse the brand choice of the average customer, as well as the different segments.

You can analyse a competitor brand, for instance brand 1 and see if this brand is a substitute for your own brand. Can you think of reasons why comparing brand 1 and 2 is a good idea?

You can use the framework from the lecture and change the code where necessary to reflect that you’re now working for brand 2.

You can then analyse the brand choice for each of the four segments. As mentioned in the lecture, this time around the Standard and Fewer-Opportunities segments will be of particular interest. Think of strategies to target their customers and attract them to your own brand.

And what about the remaining two segments?

You can try to complete the task on your own or check out the following hints:

1. Make sure to examine price changes in brand 2. Create a data frame df\_own\_brand\_2 and think about at which position to insert the price\_range variable.

2. In order to predict the elasticity for brand choice you will use the same formula for own-price elasticity from the lecture. However, keep in mind that you’re choosing brand 2 this time, so make sure you select the correct coefficient from the brand choice coefficients data frame.

3. For modelling cross-brand elasticity, you can choose brand 1 to be your competitor brand. You need to create a data frame df\_brand2\_cross\_brand1 and make sure to reflect that you are examining price changes in brand 1.

4. In order to predict the cross-price elasticity for brand choice you will use the formula for cross-brand elasticity from the lecture. You’re choosing brand 1 as the competitor, so you’ll need to select the correct coefficient from the brand choice coefficients data frame.

Good luck!