

Assignment #5

Due November 15, 2004 – 10:30 a.m.

(A trip to the grocery store will help!)

1. What is the price differential between branded Nyquil and private label substitutes? Are close substitutes available for Nyquil? Do you think that Nyquil is a valuable brand?
2. Discuss the product positioning and pricing for white bread.
3. How would you determine the brand value of Contadina tomato products vs. Kellogg cereals as compared with private label substitutes?
4. Collect data on at least 15 brand products that have private label substitutes. Estimate the price differential and explain the price differential in terms of observed features of the products using regression analysis.
5. With respect to the material in chapter 4 explain the relationship between branded vs. private-label or generic goods and the elasticity of demand. Is it a puzzle that the empirical estimate of the demand elasticity for Coffee-Mate is larger (in absolute value) than the estimate for the private-label creamer? Explain your answer.
6. Read the Dubin/Noll report in the reading package. What model did Dubin and Noll use to explain Caltech admissions? In what ways have factors changed since 1982/1983 that possibly effect the decision to admit Caltech students? What additional factors would you suggest to model this decision? How would you measure these factors? Where would you get the data? Why did the authors use a logit model? What measures would you suggest to measure performance at Caltech after a student has come to study at Caltech?