



TEACHING CASE LETS AND CASE-STUDY

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Case Title : Advertising Impact Analysis for United Colors
Benetton
Case in the Subject : Business Statistics
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Advertising Impact Analysis for United Colors of Benetton

United Colors of Benetton is a retail chain in the business of casual and formal wear. Using the pull strategy, the company has been investing in advertising to attract more customers. The top management wants to know how the impact of the advertising on the sales in the past. For this purpose, a research agency was consulted, who collected data from the finance department of the company. The research agency collected information on sales (\$ 1000) and advertising expenditure ((\$ 1000) for the last 30 months.

Month	Advertising Expenditure (X)	Sales(Y)
1	49	14
2	40	9
3	50	15
4	46	13
5	44	12
6	52	15
7	54	15
8	58	16



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9	56	15
10	60	18
11	49	14
12	40	9
13	50	15
14	46	13
15	44	12
16	52	15
17	54	15
18	58	16
19	56	15
20	60	18
21	49	14
22	40	9
23	50	15
24	46	13
25	44	10
26	52	15
27	54	15
28	58	16
29	56	13
30	63	16

1. Carry out regression relationship between the two variables, Sales and the advertising expenditure.
2. What are the independent and dependent variables?
3. Construct scattered diagrams based on the relationship of Sales and the advertising expenditure and interpret the diagram.
4. Estimate the value of sales approximately if an amount of \$ 4000 is spent on Advertising.
5. Calculate the coefficient of the determination and state its interpretation.