The German Mamwer brothers have made a lot of money in recent years with innovative online business models, which they now want to invest in new areas. Their latest plans are causing great surprise among international analysts: they believe that stationary fashion retail is – due to the Corona crisis – financially undervalued. Therefore, investors can get a bargain by investing in a brick-and-mortar fashion store.

Specifically, the brothers are considering acquiring the long-established French luxury department store L'été – a world-renowned brand with a strong heritage – from its current Arab owners. L'été has 25 stores throughout France, where it offers mainly luxury brands in fashion and cosmetics in very attractive locations on a large sales area (> 10,000 square meters). It does not have an online sales channel.

Do you think this is a good idea? Please answer the following questions:

1. Please rate the attractiveness of the industry in which L'été operates. Do you think that the attractiveness of the industry will change in the long term as a result of the Corona crisis, even after it has ended? (30 points)

2. Which innovative measures would you recommend to L'été as part of the marketing mix to attract customers? (10 points)

3. The European Central Bank decides to pursue a restrictive monetary policy. (30 points)
   a. What could be the reason for the central bank's decision? Explain!
   b. How can the restrictive monetary policy affect companies in France?
   c. Describe the macroeconomic effects of the restrictive monetary policy in an adequate economic model of your choice!

GOOD LUCK!