

Business Analytics Capstone Framework for Strategy

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Problem Statement

Problem Statement

- *GYF is a large internet based company whose core business involves Email Messaging, digital search engine and internet content. Being large-scale and digital, its name is included within the renowned companies.*
- *A lot of Small Companies and Organizations with an intention to grow, put up their business's online advertisement on GYF's digital platforms to showcase their business to attract more customers, for which GYF charges these small business's, a certain amount. This amount adds up to the revenue of GYF and is like a CASH-COW for its business.*
- *But, due to the advent of the AD-BLOCKING software, many small business's now prefer traditional advertisements (similar to Word-of-Mouth techniques) to grow their business rather than online advertisement since traditional advertisements are much less in cost as compared to the online advertisements.*
- *This has led to a decline in the ads- revenue of GYF, which is the main problem that ad-blocking software poses to its business's profits.*
- *This decline in revenue is affecting its business, as in an economy with a Walking Inflation, cost keep on increasing. This might lead to a point when the company might break-even and eventually report losses in its balance sheet.*
- *This loss in revenue might lead to many layoff's in the company to reduce costs, which will affect the company structure and in – turn lead to rise in unemployment.*

Problem Statement

- *Causal Research type is the most convenient form of research type that can be used to tackle this problem since the problem statement is clearly defined and also because the strategy will be deduced based upon the root cause of the AD-BLOCKING Software.*
- *Some questions regarding the advent of the software still linger around as to what is the purpose of this software, Will this software be beneficial to any kind of business and how much is this software truly useful to the end-user or the customer ?*
- *Online Surveys, Point-of-Sales data and Social Media are the best tools of research that can be employed to conduct a customer survey regarding the usefulness of Ad-Blocking Software in their daily lives.*

Strategy

Strategy

Describe your proposed strategy

- *The strategy involves three aspects which are the Technical, the Design and the Managerial .*
- *Technical Aspect*
 - *The ad-blocking software works as follows :*
 - *Communication Blocking: This blocks communication to ad servers/ ad resources i.e. every HTTP request is matched to your ad-block filter list and if the URL of the request matches an entry on the list, the resource will be blocked.*
 - *Element Hiding: The page is downloaded but certain elements like ‘ elements with class = ad ’ are hidden (even if they have loaded correctly) .*
 - *Considering the first method, we can tweak the request URL in a manner that it does not appear to be matching to any of them listed in the Ad-Blocking Filter List.*
 - *Also instead of pasting the ads on the webpage before loading, we can link it to paragraphs or words and dynamically fetch the script from the server and run the advertisement script on the browser when the user HOVERS on that word or paragraph.*
 - *This will also ensure that no scripts will come under the inspection of the Ad-Blocking Script.*
 - *This will also solve the problem of increased website loading latency since the advertisement will not load along with the website until the occurrence of an HOVER event. Also the User Interface will remain intact and also the load on the server will remain same.*

Strategy

Describe your proposed strategy

- *Design Aspect*

- *GYF must tell all the customers who want to project their ad on their digital platform to make the add appealing for the target audience since nil-valued ads not only use up the space on the digital platform but also prove to be a major weakness for the company owning the ad .*
- *There are many ways to make the advertisement to look appealing in designing sense.*
- *The ads can start by saying “DISCOUNT DISCOUNT DISCOUNT”. This one line written in bold, capital and dark color with a lighter background can attract many people to ponder over the ad and spend time looking at it.*
- *If it is a video ad, then the start of the ad can include short phrases or songs that are very much eye-catching and not derived from somewhere. This is one of the most positively tested strategy used for the promotion of a web-series using YouTube Ads.*
- *Also alignment of the main ad content in the center with bold and capital fonts makes a strong impression and gives the ad many views and hits.*
- *The ads can include a nicely designed feedback in the end asking whether the ad was good or what are the improvements to be made to improve the ad quality if the user decides not go ahead .*
- *The ads can have a creatively designed registration form in the end, which will enable the business to attract customers at the point-of-sales and the number of registrations will indicate whether the customer has understood the ad in the correct context and will also give an idea about the demand of the product or service offered.*

Strategy

Describe your proposed strategy

- *Managerial Aspect*
 - *The GYF Company can come up with a premium version which will include an AD-FREE experience. For general users, the ads will be shown.*
 - *This basically suggests a **paywall strategy**.*
 - *For the general users, the advertisement can be embedded as explained in the technical aspect.*
 - *Thus the revenue loss from not showing the ads to the premium customers will be recovered from them itself.*
 - *This strategy has been implemented by many start-ups as well as multinationals such as Google and Gaana.com which has introduced its new Gaana+ version for premium customers that gives an ad-free experience.*

Strategy

Application Exercise 2 – Hiring a Team Leader (Optional)

- *As the leader of the data team at GYF, I would hire PEGGY PROSPECT for the job role of Senior Associate Director for Digital Marketing Strategy.*
- *Reasons include :*
 - *A higher GPA, good university, along-with work – experience in a digital content start-up and knowledge regarding ad-blocking technology.*
 - *Good Organizational Mindset and also possession of traits like Open-Mindedness, Detail-Oriented and also a good team player.*
 - *Above Average Scores on the Job Knowledge and Cognitive Ability Test.*
 - *Deep Knowledge in Digital Advertising Landscape and a personality fitting well with other DATA team-members thereby improving the work culture.*

Effects and Measurement

Effects

Describe the anticipated effects of your strategy

- **Customer**
 - *The strategy will help customers to see advertisements that are of good value and design.*
 - *It will also increase the reputation and trust of people over GYF, as people will laud its innovative way of showing ads on hover which do not affect loading time of website and also do not disrupt its look and feel.*
 - *GYF indirectly makes more customers and market its company by making people aware about their digital platforms along with posting different advertisements of other companies.*
- **Revenue**
 - *By its innovative idea of showing ads on hover, GYF will again resume its ads-business and earn good revenue.*
 - *Also, it will start a premium version which will disable ads. Thus that will make the additional revenue for the company if people purchase the premium version.*
- **Internal Organization**
 - *It will create more job opportunities since the business will expand with increased revenue.*
 - *Also the CEO of the Ad-Blocking Software company will be nominated as a board member. This will cause a change in the organization structure.*

Effects

Application Exercise 3 – Designing a Deterministic Optimization Model

Optimization Model Scenario:

- Our budget is equal to the Internal plan + the External plan which is $\leq 65k$
- Hard Skills Internal Expenditure*.2 + Hard Skills External Expenditure*.7 $\geq 20k$
- Soft Skills Internal Expenditure*.6 + Soft Skills External Expenditure*.4 $\geq 12k$
- Hard Skill Internal Expenditure*.2 + Soft Skill Internal Expenditure*.6 $\geq$ (Hard Skill External Expenditure *.7 + Soft Skill External Expenditure*.4)*60%
- All numbers are required to be an integer and greater than 0

	A	B	C	D	E	F	G	H
1	Business Analytics Capstone							
2	Application Exercise 3							
3								
4	Net Productivity Increase (in \$ per \$ spent on training)				Total Net Productivity Increase			
5	Training	Hard Skills	Soft Skills	Total Net Productivity Increase				(in \$ thousands)
6	Internal	0.2	0.6	35.88				
7	External	0.7	0.4					
8								
9	Spending Amounts (in \$ thousands)							
10	Training	Hard Skills	Soft Skills					
11	Internal	9.53	19.31					
12	External	26.58	9.47					
13								
14								
15	Total Spending Budget (in \$ thousands)	64.88	<=	65				
16	Productivity Increase in Hard	20.51	>=	20				
17	Productivity Increase in Soft	15.37	>=	12				
18	Productivity Increase Internal v. External							

Measurement

Describe the anticipated effects of your strategy and how you will measure them

- *Customers*

- *The increased network traffic on the website will depict that customers are taking interest in the ads posted.*
- *Customer survey and ratings for their ads- experience on the platform.*
- *Customer sentiment section on the website for recording whether customer is happy and will visit the website again.*

- *Revenue*

- *The increment in the balance sheet revenue collection from ads .*
- *Per day increment in number of premium customers.*
- *An increased “WILLINGNESS TO PAY” attitude among customers through surveys.*

- *Internal Organization*

- *More employee interactions and employee enthusiasm.*
- *More job openings related to digital marketing and ad-blocking expertise.*

Measurement

Application Exercise 4 – Identifying Key Drivers

- *Hypothesis*
 - *Improved customer experience and customer engagement on the website.*
- *One key driver and how to measure it*
 - *User sentiment records taken from the website and customer satisfaction levels by collecting data such as time spent on the website, click-thru rate, customer traffic, improvement in customer value attained, long customer feedbacks indicating interest of customer in the website.*
- *Verification*
 - *More customer traffic on the website due to relevant ads being displayed without any hassles of increased loading time and many more.*

Conclusion

- *The problem statement was to find a solution for the problem of ad-blockers that block the advertisements owned by other companies that are posted on GYF's digital platforms. Due to this blocking, companies do not pay GYF to post ads which leads to loss in revenue.*
- *To tackle this problem, the solutions put forward considered all the three aspects of avoiding ad-blocking which were the design, technical and managerial aspects.*
- *We also pondered over the effects of the proposed strategies on the customers, internal organization and the revenue.*
- *We found an increase in revenue through the proposed model and also a much more increase in the market-awareness of GYF and the ad-owning company.*