Driving Success: A Marketing Experiment for the 2023 Volvo XC40 Recharge Pure Electric Ultimate



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Introduction

This report outlines sample design for a marketing experiment for the 2023 Volvo XC40 Recharge Pure Electric Ultimate. The campaign will focus on promoting the features and benefits of the electric vehicle to potential customers, many of whom are moving away from traditional gaspowered vehicles. The experiment will help establish causality between the marketing efforts and customer interest in the Volvo XC40 Recharge Pure Electric Ultimate.

Experiment Design

In this experiment, the independent variable is the marketing campaign itself, and the dependent variable is customer interest, purchase intent, or sales for the Volvo XC40 Recharge Pure Electric Ultimate. The experiment will be conducted in two cities: Chicago, IL, and Houston, TX. These cities were selected because they represent large and diverse markets with a significant population and potential customer base for expensive, electric vehicles.

The experiment will follow a before-after design. Sales or customer interest will be recorded before the marketing campaign and compared to sales or customer interest during and after the

campaign. The duration of the experiment will be six months, starting from July to December 2023, to capture a substantial period for data collection and analysis.

To ensure statistically significant results, a sufficiently large sample size of at least 1,000 consumers will be used in both cities. Randomization will be employed to allocate participants to the control and test groups. The control group will not be exposed to the marketing campaign, while the test group will be targeted with various marketing initiatives, such as digital advertisements, social media promotions, and test drive events.

The experiment aims to satisfy the four rules of causality, also known as the Bradford Hill criteria. It establishes a clear relationship between the marketing campaign and customer interest by comparing the results before and after the campaign. Survey and focus group data will be evaluated before and after the campaign to ascertain change in attitude, intent, or perception. This data will be triangulated with sales data to determine both causality and correlation. However, it is noteworthy to remember that external factors such as competitor activities and market conditions might influence customer interest and should be considered during the analysis, too.

Anticipated Issues

One potential issue is the time gap between the experiment results and the actual field implementation. The experiment's outcomes may not be immediately reflected in real-world sales or customer interest due to various factors such as delayed decision-making or market dynamics. It is essential to consider this gap and monitor the long-term impact of the marketing campaign.

Another issue to consider is the difference between the experimental setting and the actual campaign implementation. Factors like market saturation, competitor responses, consumer behavior outside the controlled experiment due to such factors as seasonality, etc., may affect the campaign's effectiveness. It is crucial to interpret the experiment's results with these factors in mind and consider the broader context when making decisions based on the findings.

Experiment 2.0

To adapt the experiment to another medium, a television advertising campaign can be implemented in addition to the existing digital and social media initiatives. The television campaign will target the same cities of Chicago and Houston.

Changing the medium to television advertising would impact the experiment by potentially reaching a broader audience and creating more extensive brand exposure. It would allow Volvo to leverage the power of visual storytelling and engage with potential customers through a different channel. The television ads can highlight the unique features of the Volvo XC40 Recharge Pure Electric Ultimate and evoke emotional responses from viewers.

Comparing the two versions of the experiment, the combined approach of digital and television advertising would likely yield more informative results. By incorporating television ads, Volvo can reach a wider audience and assess the impact of different media channels on customer interest and purchase intent. The combination of digital, social media, and television advertising can provide a comprehensive understanding of the marketing campaign's effectiveness and its influence on customer behavior.

Conclusion

In conclusion, the marketing experiment designed for the 2023 Volvo XC40 Recharge Pure Electric Ultimate offers a valuable opportunity to establish causality between the marketing campaign and customer interest or purchase intent. By selecting Chicago, Illinois, and Houston, Texas as the test markets, Volvo can gather data from diverse geographic locations, allowing for a more comprehensive assessment of the campaign's impact.

Anticipating potential issues, such as seasonal variations or external factors like new competitors or price fluctuations, is crucial to ensuring the validity of the experiment's findings. By conducting the experiment during a specific timeframe and monitoring external influences, Volvo can better isolate the effects of the marketing initiatives on customer behavior.

Furthermore, the adaptation of the experiment to include television advertising as an additional medium provides an opportunity to assess the relative effectiveness of different marketing channels. This expansion enables Volvo to gather insights into how television advertising complements other marketing efforts and contributes to overall campaign success.

The findings of this experiment will offer valuable insights to Volvo in understanding the effectiveness of their marketing campaign and making informed decisions for future marketing strategies. By establishing a causal relationship between the marketing initiatives and customer response, Volvo can optimize their marketing investments and enhance their ability to meet customer needs and preferences.

Overall, this marketing experiment serves as a crucial step in Volvo's marketing strategy, providing actionable insights that can drive success in promoting the 2023 Volvo XC40 Recharge Pure Electric Ultimate and further strengthen the brand's position in the market.