



Kefi Bakehouse

Ad Campaign Report

April 2024

MGMT 59000 – Spring 2024

Mithila Chitukula, Pooja Kannuri, Rahul Kunku, Archita Ray, Akshita Sharma,
Srinija Srimamilla

1 Executive Summary

To gain insight into the consumer's behavior, we partnered with Kefi Bakehouse and conducted A/B testing to compare and understand the consumer's response to a vibrant-themed ad and a muted-themed ad. Our campaign ran for about a week i.e., from April 19th – April 24th for a specified geographic bound and age demographic. Various metrics were identified based on which we assessed the effectiveness of the ads and the consumer behavior identified. The focus was on identifying which ad resonates more compellingly with our target audience, thereby optimizing interaction and conversion rates.

1.1 Introduction to Kefi Bakehouse

Kefi Bakehouse is a small-scale operation that specializes in making unique, high-quality cakes and desserts. Founded in 2020, Kefi is a business that pays special attention to the artistry and detail of its cakes, offering personalized service and creative customizations compared to larger, more generic cakes and dessert stores. Kefi currently has a staff size of four who work on these orders and customizations. Running predominantly via its Instagram page and word-of-mouth marketing, each cake and dessert is a narrative of the customer's journey, and hence the bakehouse has delivered customizations for diverse occasions. These cakes and desserts can be classified under the “premium” category that begins at the competitive price of Rs. 2900, with variations reflecting the complexity and intricate nature of each design.

1.2 Advertisement Inspiration

In a niche business like Kefi's, reaching the right customer – someone who not only appreciates the finer details but is also willing to invest in them – is crucial. At Kefi, the cakes often feature a muted theme – soft pastels and delicate designs that speak volumes about the sophistication and elegance of the brand. These subtle tones reflect the care, attention to detail, and custom nature of the business. When it comes to advertising such a specialized product, the ads should be a mirror of what Kefi stands for.

However, when it comes to ads, bright colors are known to catch the eye quickly and grab attention in an instant on social media. But the real question is if these vibrant colors resonate with the audience that Kefi is aiming to attract.

We targeted to capture the subtle elegance of Kefi's cakes in our ads and our goal is to find out if our hypothesis about the muted color theme being preferred by the target audience is indeed valid.

1.3 Campaign Goal

Utilizing A/B testing, we targeted to capture the subtle elegance of Kefi's cakes in our ads and our goal was to find out if our hypothesis about the muted color theme being preferred by the target audience was indeed valid. Another drive behind our campaign was to expand Kefi Bakehouse's digital influence, captivate the audience's attention, and translate their online engagement into actionable outcomes, such as inquiries and cake orders. Through this digital endeavor, Kefi Bakehouse aims to not only increase its brand visibility but also to heighten its reputation as a creator of tailor-made desserts that cater to specific, refined tastes and celebratory events.

1.4 Target Customer

Our target audience comprises people from in and around Hyderabad (a city in India), belonging to the upper-middle to higher economic class, ages 25 to 40. Ideally these are those who appreciate and are willing to invest in luxurious culinary experiences. This demographic is characterized by its disposable income, need for refined experiences, and a taste for exquisiteness, aligning perfectly with Kefi Bakehouse's offering of elaborate and custom-crafted desserts. These customers are not just seeking a product; they are looking for a luxury experience that represents their high standards and enriches their festive occasions. This campaign is specifically tailored to gauge which theme these customers resonate with so that Kefi can base its further advertisements on the findings and benefit by reaching, conversing with, and converting the right audience.

2 Campaign Details

2.1 Campaign Timeline

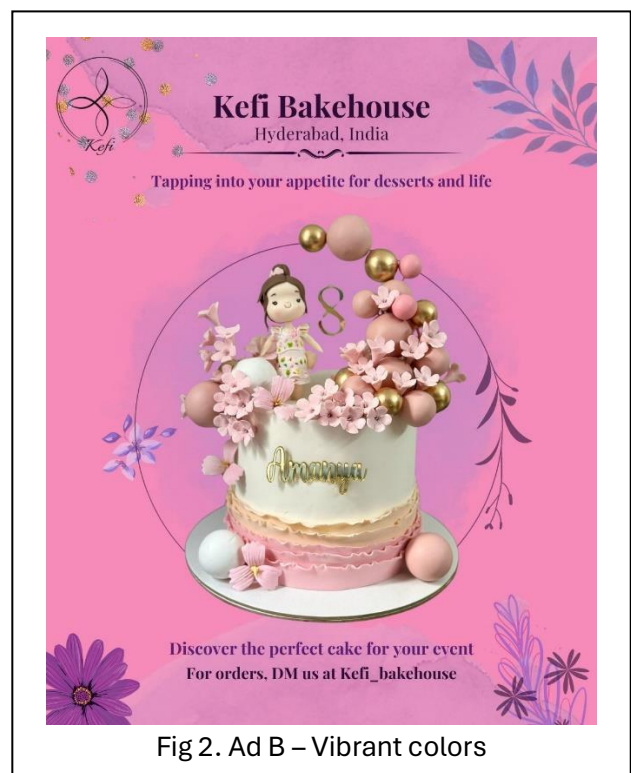
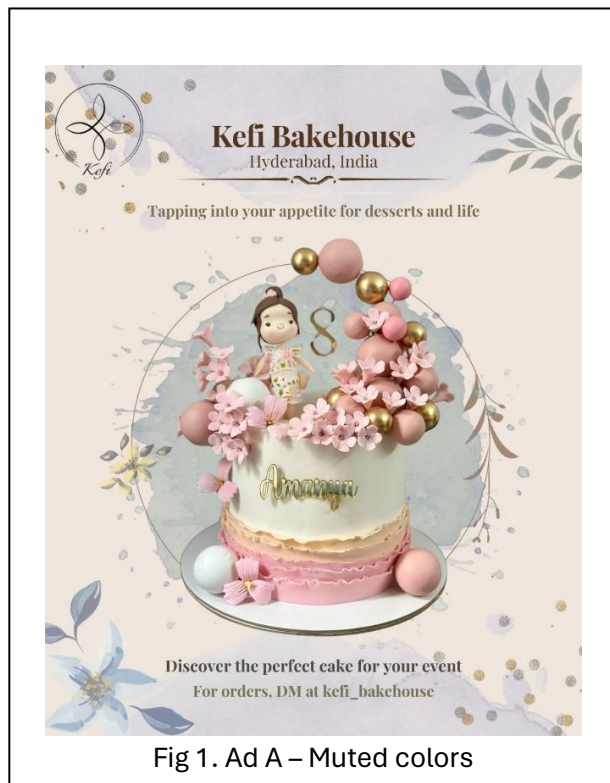
April 14th-15th	Designed the two ad variations (vibrant and muted color themes)
April 16th-17th	Reviewed and received approval from Kefi Bakehouse and uploaded to the Ad Manager
April 18th	Launched both ads on Instagram using the Ad Manager
April 18th - 23rd	Closely monitored both the ad variations
April 23rd	Analyzed the ads on key metrics and compared the performance

2.2 Methodology

To effectively evaluate the performance of the two ad variations and gather insightful data, a structured methodology was implemented using the A/B testing method. Two distinct ad creatives were developed, each featuring a unique visual theme – one with a vibrant color palette and the other with a muted, pastel color scheme. These ads were carefully crafted

to align with Kefi Bakehouse's brand identity and to test the hypothesis of which color theme resonates better with the target audience. The ads were deployed on Instagram using the platform's Ad Manager, ensuring equal distribution, and targeting parameters for both variations.

Both ads utilize color to communicate different aspects of the brand and to connect with different consumer emotions. Ad A might appeal to those who are drawn to understated elegance and want a cake that serves as a sophisticated centerpiece, while Ad B might resonate more with consumers looking for a fun, vibrant addition to their occasion.



2.3 Message

For the first advertisement(Ad A), we meticulously curated an experience that exudes sophistication and luxury, inviting viewers to immerse themselves in the indulgent world of our client's custom cake bakery. Our focus was on evoking emotions of celebration and joy through pastel colors, elevating the essence of opulence and refinement. At the heart of the ad lies a stunning portrayal of a meticulously crafted cake, adorned with delicate pastel hues, commanding attention as the epitome of luxury. The soft, sophisticated tones evoke

a sense of elegance, perfectly embodying the premium brand identity of our client. With a subtle yet powerful message, the advertisement extends a refined invitation to savor special moments, appealing to discerning individuals who appreciate the finer things in life.

In crafting the second advertisement(Ad B), our objective was to appeal to individuals seeking everyday moments of joy and spontaneity, rather than reserving cake indulgence solely for special occasions. The advertisement bursts forth with a vibrant and lively color palette, reminiscent of carefree nostalgia and universal appeal. Against this lively backdrop, a bold and captivating custom cake takes center stage, radiating an infectious aura of excitement and playfulness. The accompanying message emphasizes accessibility and enjoyment, inviting viewers from all walks of life to partake in a delightful culinary adventure at any time. By leveraging bright colors to evoke a sense of nostalgia and inclusivity, this advertisement aims to captivate a diverse audience, fostering a connection with those seeking to infuse their daily lives with moments of sweetness and celebration.

2.4 Metrics

For analyzing Instagram ads, we used the following metrics :

- Reach - the number of unique users who saw your ad.
- Impressions - the total number of times your ad was displayed.
- Clicks - the total number of clicks on your ad.
- Click-through rate (CTR) - the percentage of users who clicked on your ad after seeing it.
- Conversion actions - the number of further actions taken by users after interacting with your ad, such as requesting for a quote.

Out of these metrics, we evaluated our performance focusing more on valuable action-based measurements including clicks, click-through rates, and conversations started. These were our key performance indicators to determine the accuracy of our hypothesis.

2.5 Hypothesis

The hypothesis was that the muted color palette in Ad A (Muted Colors) will resonate more strongly with the target demographic of Kefi Bakehouse — individuals aged 25 to 45 from the upper-middle to higher economic classes in Hyderabad — leading to higher engagement and conversion rates compared to Ad B (Vibrant Colors). This demographic is hypothesized to prefer subtlety and sophistication in visual marketing, which aligns with their taste for luxury and exclusivity. Consequently, Ad A is expected to perform better in terms of generating inquiries and cake orders for events that are planned and value-driven, as opposed to the impulse purchases that might be elicited by the vibrant colors in Ad B.

2.6 Concepts Tested

As part of the ad campaign for Kefi Bakehouse, several consumer behavior concepts were effectively applied:

A/B Testing: We altered only one variable between the two ads – color, to see which ad our target customers resonate more with. AB testing allowed us to attribute the results to one factor which can become an important element for capturing attention and call for action.

Targeting and Segmentation: By clearly defining our target segment and specifying geographic boundaries, our ads were tailored to ensure the ads are relevant and effectively reach potential customers.

Consumer Motivation and Perception: The campaign utilized consumer motivation by associating the cakes with luxury and exclusive celebrations, catering to the desires of consumers who seek unique and high-quality culinary experiences.

Hedonic and Utilitarian Motivations: The ads cater to hedonic needs by emphasizing the joy and exclusivity of using Kefi's products for special celebrations. They also touch on utilitarian aspects by highlighting the customization and quality of the cakes, which provide practical value for money.

Visual and Emotional Appeal: The choice of colors (vibrant vs. muted) directly engages with visual and emotional appeal strategies, attempting to connect on an emotional level with consumers' desires for either fun or sophisticated celebrations.

3 Data Analysis and Recommendations

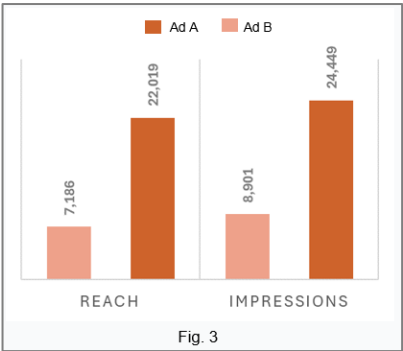
3.1 Results

Ad B outperformed ad A in both reach and impressions as depicted in Fig. 3. This outcome aligns with our strategy for ad creation. We designed ad A to evoke feelings of happiness, targeting casual scrollers who are typically in a relaxed and positive mood, drawn to enjoyable content. Casual scrollers are less inclined to make immediate purchases; instead, they tend to engage with ads out of curiosity or to simply see what they're about. This is evidenced by the significantly lower number of conversations initiated by ad B, despite its broader reach.

In contrast, ad A targets consumers with a genuine interest in purchasing the product. For this audience, a visually appealing and entertaining ad alone isn't sufficient to sway their purchasing decision. The key lies in creating an ad that resonates with their individuality or aligns with their preferences. The results further support this notion, with ad A

demonstrating a higher conversion rate per impression. This suggests that when an ad strikes a personal chord with the audience, they are more motivated to make a purchase. Additionally, the click-through rate for ad A surpassed that of ad B across different demographics, indicating a stronger engagement with the content and a higher likelihood of converting into sales.

In summary, while ad B excelled in attracting attention from a broader audience, ad A proved to be more effective in appealing to potential buyers on a personal level, ultimately leading to higher conversion rates.

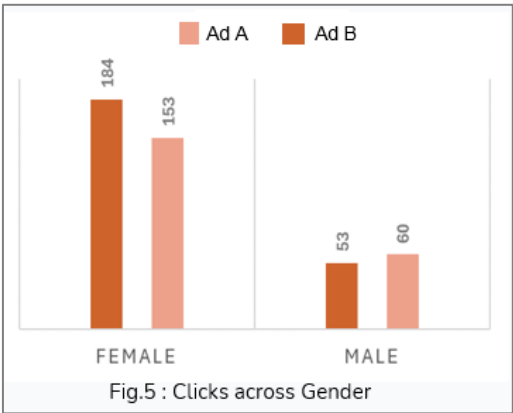
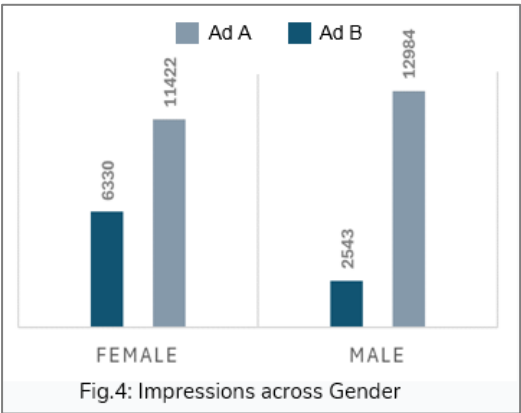


Ad A:

- Conversations started: 21
- Results per impression: 0.24%

Ad B:

- Conversations started: 14
- Results per impression: 0.06%



CTR	Female	Male
Ad A	2.91%	2.08%
Ad B	1.34%	0.46%

Fig 6: CTR across genders



Upon examining the Click-Through Rates (CTR) by both age and gender for the two ads, we see that Ad A yielded a higher Click-Through Rate (CTR) for females at 2.91% compared to males at 2.08%, suggesting a gender-specific appeal for the more understated color palette. Ad B while overall less

effective, still engaged females at a 1.34% CTR, notably higher than the 0.46% CTR observed with males.

These results indicate that the muted colors of Ad A have a stronger resonance across both genders, particularly with females. Vibrant colors in Ad B attracted less attention, but when they did, females were more responsive than males. This suggests that while the muted color palette is generally more effective, gender nuances play a significant role in the ad's reception. Future campaigns should consider these gender differences in engagement when choosing color themes.

3.2 Additional Findings

A widespread reach is not inherently synonymous with campaign success. While Ad B achieved a significantly higher reach (3 times more than Ad A), it failed to initiate meaningful conversations or drive desired actions from the target audience. These findings highlight that a larger reach alone is not indicative of an ad's effectiveness in resonating with and converting the intended customers.

Furthermore, an advertisement's role extends beyond the initial capture of attention; it must be able to showcase the client's unique offerings and skills. For Kefi Bakehouse, this involves highlighting the artistry and unique customizations of the cakes. Their advertising must communicate more than just an image; it must narrate the story of their craftsmanship and the tailored experience they provide. Through just ad posters, Kefi's dedication to custom-designed, luxurious desserts may not be painted vividly. The client has to focus on video ads ensuring that the essence of their brand—exclusivity and elegance in dessert form—is conveyed not as a mere backdrop but as the central theme.

3.3 Campaign Constraints

During the campaign, our team faced multiple constraints that provided valuable lessons. One primary limitation was the scheduling of the campaign launch. Due to the personal commitment of the client, we could not start our ad campaign earlier as we had to wait for an approval on the ad from the client. This approval process, a testament to the client's dedication to brand alignment and quality control, inevitably shortened the ad campaign duration to a window of just five days. This abbreviated timeframe potentially impacted the depth and breadth of consumer engagement that could be achieved.

Furthermore, our client's business operations are predominantly conducted through Instagram, with orders being placed directly via the platform's direct messaging feature. This intrinsic link between the client's sales process and the platform dictated our decision to focus the campaign exclusively on Instagram. While this allowed for a direct approach tailored to current sales channels, it also inadvertently narrowed our potential reach. The implications of this are twofold: we may have missed opportunities to engage with demographics active on other platforms, and we could have benefited from the network effects that a multi-platform strategy offers.

Additionally, despite the careful selection of our audience, the broader reach did not translate into targeted engagement, indicating that further refinement of audience selection criteria and targeting methods is needed.

3.4 Ad Effectiveness

The A/B testing for Kefi Bakehouse's campaign strategy provided insightful data on the effectiveness of high-level versus low-level construal ads, directly associated with the sophistication of visual elements used and the color themes. Ad A (Muted Colors) harnessed a pastel color scheme to subtly appeal to the target demographic's preference for luxury and exclusivity, aligning with the expectation that this group would be drawn to understated elegance. The assumption was that the nuanced sophistication of the ad would elicit a deeper cognitive engagement, encouraging contemplative decision-making consistent with high-level construal processes, which focus on abstract and aspirational attributes of the product. On the other hand, Ad B (Vibrant Colors), characterized by its vivid and bold palette, was crafted to elicit immediate, sensory-driven reactions from the audience, typical of low-level construal thinking, where the focus is on the concrete, present-moment attributes of the experience. The hypothesis was that while Ad B might capture immediate attention with its brightness and joyfulness, Ad A, with its muted, premium aesthetic, would resonate more profoundly with the target audience's desires for refined experiences, thus driving higher engagement and conversion rates. The campaign's key metrics were designed to not just capture superficial interactions but to measure meaningful engagement that aligns with the strategic marketing goals and the brand's high-end positioning.

3.5 Recommendations

Kefi Bakehouse had not run any ad or marketing campaign on any platform and all of the customers so far were via word-of-mouth advertising. This ad campaign was the first one run, and the results look promising because of the reach it had. This ad campaign tested the effectiveness of two different color themes—vibrant and muted—on consumer engagement and response. Based on the observations throughout the campaign and the client's vision for the business, we have the following recommendations:

- Extended AB testing: Kefi should continue to experiment by varying messaging and adding different visual elements or imagery styles. Since this is the start of its advertising journey, it is important that Kefi identifies which elements do its customers relate more to and if the ads reach potential new customers.
- Try new platforms: Since many users have started spending more time on apps such as Facebook, Pinterest, TikTok, YouTube, etc., Kefi can create content for those platforms as well to increase their reach. Since our target age group is 25-40 years old who might be frequent users of this set of apps and repeated exposure to an ad by Kefi can help in retaining the brand in memory. This mere exposure effect can benefit Kefi as customers will be reminded of Kefi whenever they are planning a celebration.
- Add a personal touch: Since these cakes are premium priced, the customer would carefully evaluate the quality of the product before making a purchase decision. To aid this decision-

making process, we can build trust by adding text or video testimonials by loyal customers who showcase the true capabilities of Kefi.

- Targeted campaign: Since the cakes are made on a theme for a wide range of celebrations like birthdays to weddings to anniversaries, for different age groups like children to adults, and all genders, it is important that Kefi advertises this range via its ads. This would inform the consumers of the capabilities of the bakehouse and the variety it has to offer.

These recommendations would refine the advertising approach, ensuring that Kefi's promotions not only capture attention but also resonate deeply with consumers, ultimately driving both engagement and most importantly, conversions.