

Media buyer case assignment

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ecobee competes in the smart thermostat business with two other major firms - Nest and Honeywell (Lyric thermostat). We need to reach American and Canadian consumers, inform them about our product (ecobee3), its differentiators (from competitor's products) and convert them to sale. Post-purchase, we want our ecobee customers to evangelize our product and encourage their friends and family to learn about the ecobee3 smart thermostat in the hopes that they will buy as well.

Please answer the following questions (please do not allocate more than 1-2 hrs. of time to answering all of them and use bullets where possible)...

- 1. Based on your research, who is the target demographic for the product and where can they be found? [Assume USA + Canada only]**

As of 2010, the target audience is users who are 35 to 50 years old, live in dual-income households and are university-educated. ecobee also concentrates their advertising in extreme weather locations.

- 2. Based on the ecobee.com, nest.com and lyric.honeywell.com sites...**

- a. What are the key differentiators between the products?**

Nest: Connected to household brand "Google". Boasts itself as a learning thermostat, a device that can take care of itself. Integration with Nest Dropcam and Nest Protect. Physical Design: Circular Dial, light and bright colours.

ecobee: Remote sensors for every room - more information. Accessible self-installation. Physical Design: Square, dark contrast, large colour display.

Honeywell: Tied to a recognized household brand "Honeywell". Physical Design: round, physical dial (continuous rotation, uses audio feedback instead of tactile feedback)

- b. What are the key differentiators in advertising strategy?**

Nest: Learning thermostat, smart-home. Large and well-received video campaign (20 million views online) 30 second short video, quirky ad-campaigns, also viewed on national television spots. Big media push. "Everyone loves Nest! Except this guy ..." Big coverage after being bought out by Google in 2014.

ecobee: Advertised as for homes with more than one room. Lacks engaging video campaign (187 thousand views online).

Honeywell: no dedicated video campaign, youtube account.

- c. Are there any differences in keyword strategy?**

Nest: LEARNING, Google, smart, energy, home, control

ecobee: SMART, more than one room, programmable, remote,

Honeywell: PROGRAMMABLE, smart, control, lyric

from: deeperweb.com

3. What are some of the advertising channels (online + offline) that can be used to reach customers?

Magazines
Newspapers
Sponsorships
Networking
Billboards
TV
Point-of-purchase advertising
Radio/podcast ads
News Stories
Social Media
Twitter
Instagram
Facebook
Google AdWords

4. In terms of consumer demand, which are the most important months to advertise in? Please cite your data source and reasoning.

The first thing I did was collect data from the Bureau of Economic Analysis to look at personal consumption expenditures by major type of product. The reasoning behind this is to see which months yield the highest consumer spending for household utility products, and then figure out how much in advance the advertising would have to occur in to fully leverage the highest consumer spending month. This yielded unsubstantial data as all the results in the dataset reveal just a small increase in spending per month, which can be explained by inflation alone.

Based on a schedule of popular US/Canadian Holidays, the best months to advertise in are October - February. Black Friday, Cyber Monday, Christmas, Boxing Day, New Years Resolutions, Valentines day.

5. Offer some suggestions about how online and offline channels be leveraged in concert.

- Interactive printed advertisements. I.e. the use of QR codes, or discounts/offers that can only be found offline and used online. Social media campaigns found on the streets that propagate through the internet when shared. This deepens commitment and familiarity if the consumer goes through the campaign.

- Networking. If appearing at a convention or trade-show, online channels can be used to create awareness for the event, while in-person demos can be used to for the consumer to seriously consider your product.

6. How would you drive online traffic to retail locations and what are some of the tools that you would leverage to measure performance / effectiveness

- Create an experience that can't be offered online. Examples include: Live demonstration of hardware capabilities. Side-by-side comparison with competitors.

- Additional perks for retail purchases. Examples would include additional room sensors, additional/extended warranty, discounts, more convenient return/refund policies.

To measure the performance/effectiveness, we could purchase survey responses from Google Opinion Rewards.

7. What do you think are the key drivers in a purchase-decision for consumers?

- Price. Will it save the consumer money in the long-run? How much will it cost in the short-run?
- Useful. Will it provide me with useful information?
- Accessible. Will it be accessible and easy to use?

a. List out how would you influence those key drivers

In my capacity as a Business Analyst/e-Commerce Media buyer, I could influence these drivers in the following ways:

- For price, conduct analysis on current customers and see how long it takes for different consumers to break-even, so the information can be used when potential consumers call in for a consultation.
- For usefulness and accessibility, compare what kind of information consumers want with what we currently have, and what our competitors are offering

8. Using a table, map-out a conversion funnel (from impression to sale).

a. Guesstimate numbers based on prior experience and information you can find online (it's more about the approach than the actual numbers)

Using benchmarks found online and adjusting for nature of the product. Using a benchmark of 80% of people that then view the product, I surmised that a significantly lower number would view ecobee3's specifications because smart thermostats are a new product category. Many visitors to the main page will be judging whether or not the idea of a smart thermostat is right for them, and not actually evaluating the product in comparison with competitors, like in other product categories. I adjusted this to 20%.

Using a benchmark of 20% of people that add product to basket, I revised this to 5% because unlike other product categories, a smart thermostat is seen by many as a luxury good. It also requires a larger initial investment.

The rest of the benchmark conversion ratios remain the same.

Funnel Stage	% per stage (benchmark)	% per stage (hypothetical ecobee)	% total
Main Page	100%	100%	100%
Viewed Product	80%	20%	20%
Added to Cart	20%	5%	1%
Started Checkout	60%	60%	.6%
Completed Checkout	80%	80%	0.48%

b. Provide an optimistic and realistic workback to a dollar CPA (cost per acquisition) assuming the following: We are buying on CPM and the product sells for \$249

- i. Include an eCPM in the table**
- ii. Assume a period of one month or a quarter**

Assumptions: CPM 1.44 (Google Adwords Estimate), Conversion rate 0.0048 (from above funnel), 5 000 000 impressions per month.

Dollar CPA is \$0.30

eCPM = (earnings/impressions)*1000 = \$1 195.2

CPM (Google Adwords Estimate)		1.44
# of Conversions Per M	.0048*1000=	4.8
# of views per Conversion	1000/4.8=	208.33
Cost of 208 views (CPA)	1.44*(208/1000)=	0.30
Number of impressions per month (estimate)		5 000 000
Total units sold	5 000 000*0.0048=	24000
Total earnings (... revenue)	24 000*249=	5 976 000
eCPM	5 976 000/5 000 000* 1000=	\$1 195.2

c. List out 1-2 suggestions per section of the funnel about how ecobee could improve its performance

Main Page - Reduce clutter. Remove social media buttons (twitter, facebook etc) on first panel because the colour contrasts with the sleek grey/green of ecobee.

Product page - Increase easy to consume informational content. Current content is a burden on the eyes, the consumer will only look through it if they are looking for something specific. Use more contrast, video/pictures to grab attention.

Checkout (1 of 2) - Include path to switch to Canadian shopify site. Country form field with one country is redundant.

9. Looking at ecobee.com can you suggest the top-three barriers to purchase and recommend some methods for addressing them?

Lack of Urgency. Consumer can always wait and buy it later because they do not realize they have a problem. The site needs to let the consumer know ecobee is offering a solution to a problem they have.

Installation woes. While the ecobee3 has done much to console this, the necessity to properly install the device is a barrier. Can be addressed by emphasizing the ease of the installation process, and shedding more light on the cost of using a professional to install the device (there is currently no range of prices, best guess as to what a consumer can expect, or additional resources to point the consumer in a proper direction)

Large initial investment barrier. Can be addressed by offering a payment plan, or a convenient refund policy/trial period.

10. Describe what you would do in your first 30 days at ecobee

- Introduce myself to the ecobee family. Fit into company culture
- Familiarize myself with our working dataset, key performance metrics and insights
- Learn marketing aspects of e-commerce
- Learn data collection and database integration
- Contribute to discussions on useful insights, work on own ideas to help the team

11. Describe how your prior work experience can be applied to:

a. Your first 30 days

I have had many experiences joining new teams, from a small-mid sized companies such as Kanetix to large organizations like the Federal Government. I know how different team dynamics work and can adapt to each one.

b. Improving the conversion funnel (relate back to question 8 e.)

Analytical Expertise. I am very comfortable with numbers and their relation to one another. Though I am more familiar with them in a financial sense, I believe it relates highly to marketing and conversion funnels in the same way that costs can be used to explain revenues in accounting.

c. Influencing consumer behaviour (relate back to question 7 a.)

Past experiences cold-calling companies to gain sponsorships would help in talks with retailers to sell our product.

d. Leveraging online and offline channels (relate back to questions: 3, 5 & 6)

Analysis to find out which channels are more effective for our specific product, when, and why.