



NikeID

Cascade Data Labs

Presentation by Ben Chu

Meet the team



Hello there! My name is Ben Chu, a current Senior at the University of California Berkeley studying Economics with a double minor in Music and Data Science.



Problem Statement

Nike and their senior executives are concerned that the NIKEiD business missed sales forecast targets for the last **2 fiscal months**.

How can we diagnose the recent divergence from sales forecast?

What actionable recommendations can we propose to senior leadership to help improve the NIKEiD business?

Presentation Roadmap

1. Internal Analysis within NikeID
 -  a. Evaluating Marketing Channels
 -  b. Deconstructing the Customer Purchase Journey
2. Conclusion

1a.

Evaluating Marketing Channels

Internal inspection of NikeID's marketing returns

Current Marketing Channels

Organic - Search Engine

Consumers obtain awareness from word of mouth or natural searches for our product.

Media

Through televised, print, and social media, we are able to acquire new customers in the digital sphere. .




Online Ads

Online advertisements for blogs, websites, and Google Adwords fuel consumer awareness.

Email Lists

From current store memberships and individual subscription we can attract returning customers to buy new products.

Calculating Change in Return on Investment



Return on Investment Formula

$$= \left(\frac{\text{Net Profit}}{\text{Cost of Investment}} \right) \times 100$$

Example Google AdWords




Investment = 240,000 $ROI_0 = 250,000/240,000$

January Profit = 250,000 $ROI_0 \approx 1.04$

February Profit = 170,000 $ROI_1 = 170,000/240,000$

$ROI_1 \approx .708$

%



Relative change Formula

$$= \frac{(\text{Final value} - \text{Initial value})}{\text{Initial value}} \times 100\%$$

Relative Change in ROI Google AdWords

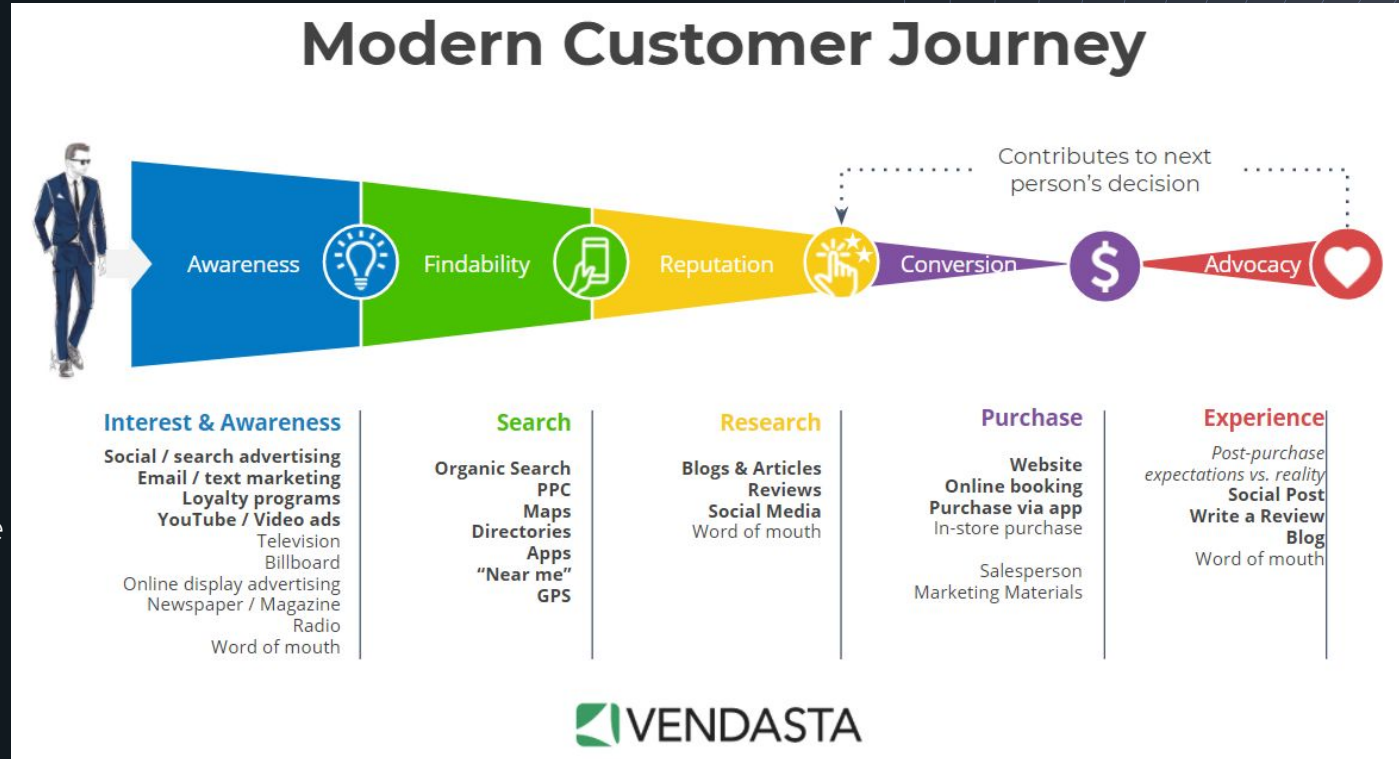
Relative Change = $(.708 - 1.04) / 1.04 \times 100$

Relative Change = -31.92%

Data Driven Recommendations

Given a low ROI for some marketing channels, decrease funding towards inefficient advertising.

Increase funding towards marketing channels with the highest ROI to increase awareness through proven successes.

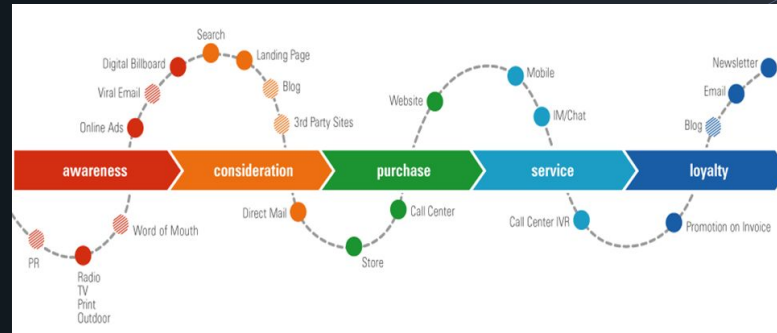
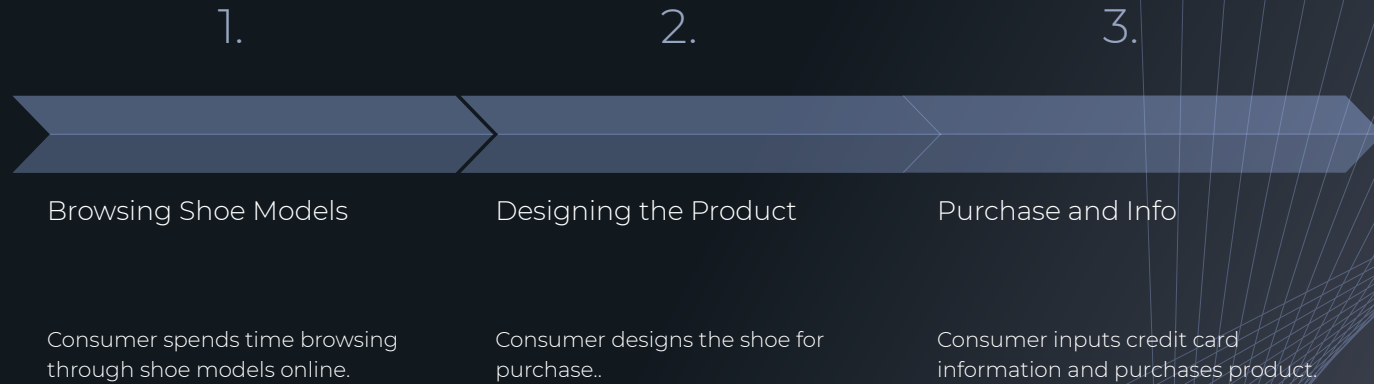


1b.

Deconstructing the Customer Purchase Journey

Internal evaluation of the customer purchase process

Customer Purchase Journey



Evaluating Metrics

Mean and Median Time Spent at Each Phase

By considering these metrics we can answer a few questions:

1. Browsing Shoe Models
 - a. Is there a time block with the number of designs listed?
2. Designing the Product
 - a. Does the design process need to be simplified or more flexible?
3. Purchase and Info
 - a. Do we need to investigate expediting this process?

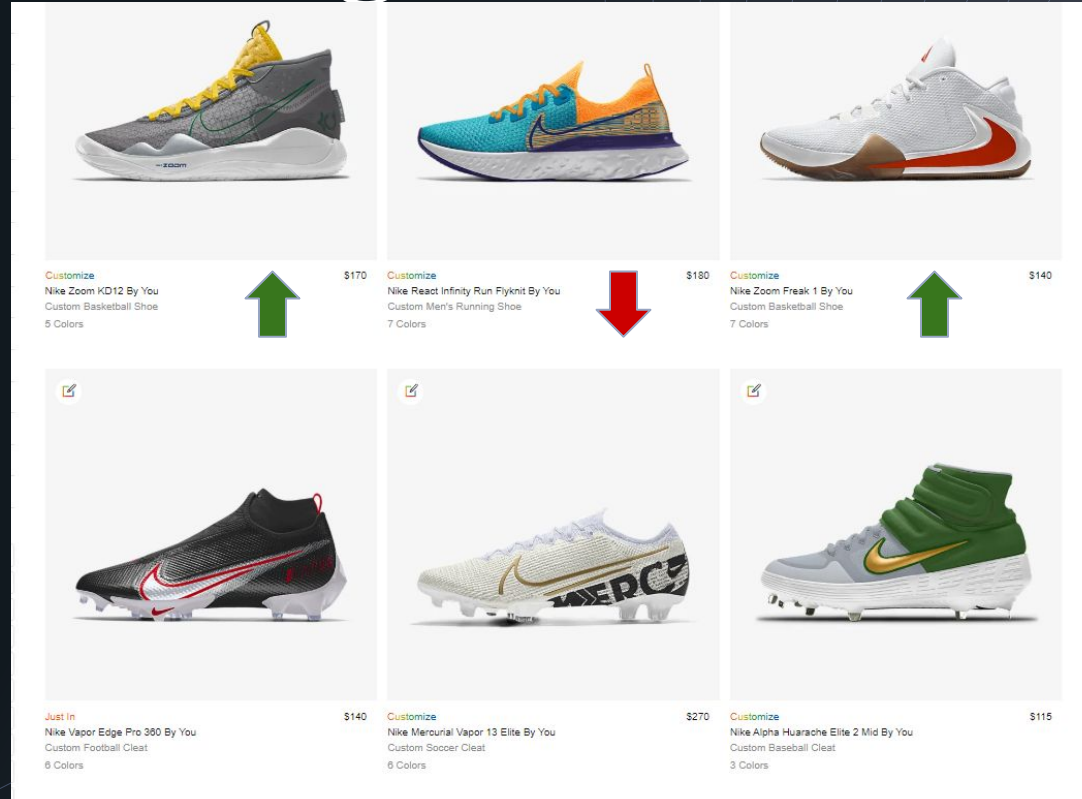
Mean Customer Departure at Each Phase

By considering these metrics we can answer a few questions:

1. Browsing Shoe Models
 - a. Are the prices and designs distancing new/returning customers?
2. Designing the Product
 - a. Are a majority of consumers having UX issues with the design process?
3. Purchase and Info
 - a. Are consumers having difficulty with logging their credit card information?

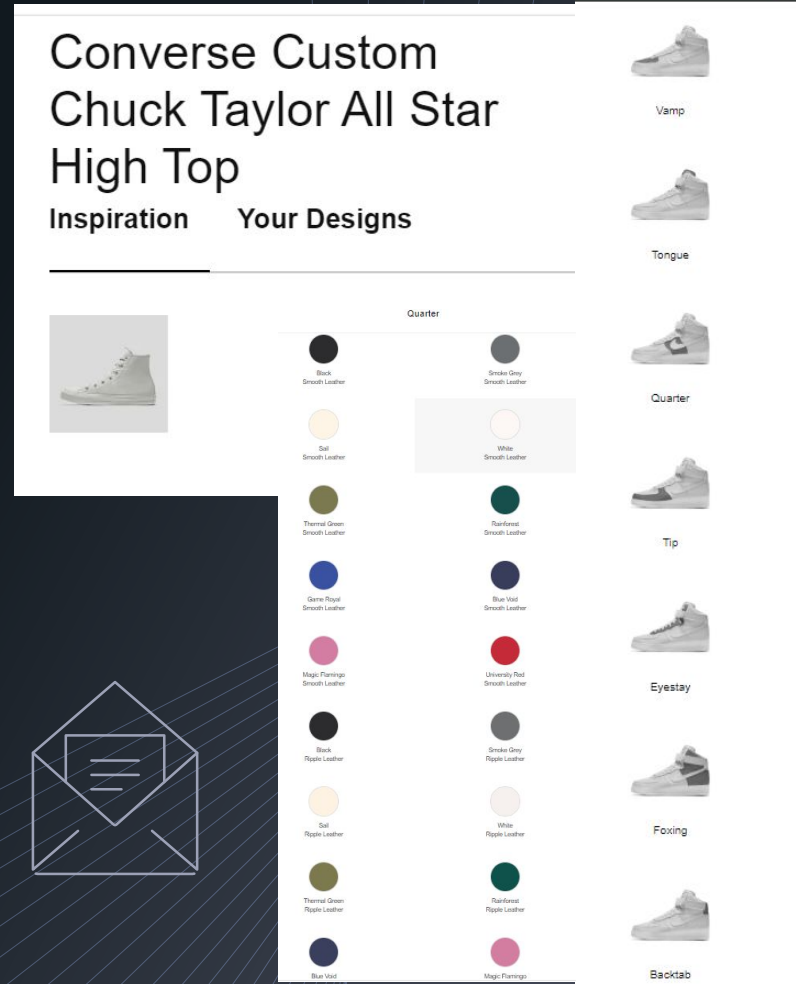
Further Investigation

1. Browsing Shoe Models
 - a. Are the prices and designs distancing new/returning customers?
 - i. Observe the change in sales from each individual product to identify lackluster designs, and optimal pricing lines for target audiences.
2. Designing the Product
 - a. Are a majority of consumers having UX issues with the design process?
 - i. Observe the number of consumers choosing inspiration designs
 - ii. Observe the loss of customers during or after the design process



Data-Centric Decisions

1. Browsing Shoe Models
 - a. Given a large number of customers exiting during the shoe browsing phase and a decrease in sales primarily for expensive shoes, introduce new designs with lower prices to attract more consumers.
 - b. Reorganize the website to feature top-selling products first and remove items that are consistently failing.
 - c. Utilize javascript alert boxes to attract attention to sales and new deals during the purchasing process.
2. Designing the Product
 - a. Given a surplus of customers exiting while designing, increase the number of inspiration designs to facilitate better options to build off.
 - b. Alternatively, if a majority of consumers are departing after finishing a product, provide email reminders to consumers so that they can return to their item.



Conclusion

Through analyzing current marketing strategies and repositioning for changing trends in consumer traffic, we will be able to acquire more awareness and additional customers every month.

After deconstructing the current blocks in the consumer purchase journey, we are able to eradicate bottlenecks, adjust product lines, and expedite processes to increase the number of monthly sales.

Thanks!

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Questions?