Group 2 Post notes:

1. **"Why is understanding consumer behavior so critical to creating value?"**

Marketing is about creating and communicating value. Value comes from increasing benefits and/or minimizing costs. These can include monetary cost (how much you spend), time & energy costs (evaluating alternatives, selecting and buying the product, disposing of it after use, etc), and psychological costs (feeling deficient, learning something you didn't want to know). Customers buy a product to fulfil a specific need! Good marketers find out what that need is and design their product to fill that need, and to do this effectively, marketers must research their customer's needs

Consumers can vary quite a bit in deciding whether to buy a product, when to buy a product, from what store, how often, and even what to buy, and this can vary by product category, context, and each consumer's personal idiosyncrasy; some consumers hyper analyze even the most minute purchase decision, including what to buy for lunch, while others have no problem buying the same things every day to avoid having to make those decisions.

However, consumer behavior is not completely random, and in fact can be model to predict patterns of buying behavior. Understanding these patterns is important, because anticipating what is important to a customer when purchasing something like a brand new car allows the business to tailor their selling effort to that buying process. Another technique highlighted in the reading is companies involving their customers in the co-creation of products.

A good example of this is [Uniqlo's global t-shirt design competition](#), where participants can submit t-shirt designs; the grand prize is $30,000 for the winner. The goal of the competition is to foster imagination and artistic talent in people all over the world, and it keeps customers engaged in the Uniqlo brand.

Here are the [winners](#) from the contest two years ago, where they partnered with Nintendo; some of the designs are really creative!

2. **"What are some examples of companies that seem to pay attention to consumer behavior?"**

One example that immediately came to me that was referenced in this week's reading was The Pepsi Refresh project that was launched back in 2010 (I first read through the Pepsi Refresh case during MSBA 6250: Analytics for Competitive Advantage, and would be happy to share with anyone who wants to learn more). I highlight this example as a company that **seemed** to have their customers in mind, but the end result showed that Pepsi had not done enough background research on their customer base before launching it.

Pepsi's intention with the Refresh Project was to increase brand awareness and social media engagement, which they did - they generated 3 million *new* Facebook fans and registered about 2.5 million visitors per month on their website. However, this increased engagement didn't actually lead to an increase in sales, and Pepsi actually ended up slipping from second to third place in sales of soft drinks by the end of the project!

Here is a link where marketing professors across different business schools across the country give their opinion about the project:: https://adage.com/article/viewpoint/a-teaching-moment-professors-evaluate-pepsi-refresh-project/237629

What stands out to me the most was that it shows that people **will** respond to an effective "social awareness" campaign, especially when this week's reading points out that 9 in 10 Americans describe themselves as "conscience consumers" and are more likely to buy from companies who prove responsible social & environmental stewards. However, the result of the campaign made it pretty clear that loyal Pepsi drinkers aren't interested necessarily interested in social types of causes (I am not accusing Pepsi followers of not supporting the environment, but the main reason they drink soda isn't because they are socially conscious consumers).

I think this highlights that a company should know what its objectives are before starting a new campaign like this; if the goal is to sell more products, then that should be the focus. If the goal is to improve the communities that it is serving, then the focus should be on social goodwill. Pepsi eventually killed the Refresh Project two years later, but when reviewing the case, my team felt Pepsi could have pivoted the remaining marketing dollars allocated for PRP on cultivating brand and product awareness among *health-conscious* consumers, switching from "Pepsi Refresh Project" to simply the "Refresh Project". I'm curious to hear what others think Pepsi should have done to make this a success.

3. **"Where do you see high involvement/low involvement emotional/cognitive playing out?"**

As mentioned in the reading, high involvement / low involvement and emotional / cognitive purchasing really depends heavily on three factors: product type, context, and individual differences. I would argue that emotion is the strongest influencer in a purchase, especially now when people around the world can share their feelings and reactions to products in real time. I found this article regarding how emotion influences buying decisions, and some things really struck me.

https://www.impactbnd.com/blog/emotion-influence-buying-behavior

- Positive content or new is more likely to be shared; marketers can use this to their advantage by highlighting increased usage of a new product to show that more people are adopting it
- Sad or upsetting news does lead to more click throughs
  - As a sports fan, this is very evident by the news of Kobe Byrant's passing this past week
    - ESPN has been re-running highlight his personal highlight reels, and interviews with sports stars who admired him, both as an homage but also to keep people watching
    - Nike reported that it had sold out of all Kobe memorabilia on its Nike.com store

Some other techniques that marketers have available to them are adding humor to their campaigns, like Volkswagen with its precision parking ad, or offer their customers a price match guarantee, like Best Buy, to demonstrate their level of service and coverage is better than their competitors.

Having just finished McMillions on HBO (Links to an external site.)

(I definitely recommend this if you're out of Netflix shows to watch!), promotion I really wanted to highlight was the Monopoly game by McDonalds but this was already covered in this week's lectures. Instead, I wanted to share an ad/campaign for Ciroc that features Puff Daddy called "Let's Get It" that I feel is a very effective equity promotion.   Here's a link to the ad:
Cîroc Let's Get It
 (Links to an external site.)

I found it very effective because the ad doesn't do anything to highlight any of the benefits of Ciroc as liquor, or how it distilled from grapes vs. potatoes, or how its priced, etc. To me it is the perfect example of an equity promotion because it serves as motivation to consumers to continue working towards and pursuing their dreams, whatever those might be. At the same time, the ad and campaign elevate the Ciroc brand by associating it with the message that hard work will pay off. The ad also connects Ciroc as a brand to the community that Puff Daddy came from and represents - a young man coming up in NYC in the 1990s trying to make a name for himself in the entertainment industry. I interpreted the message in the ad as a call to other would-be entrepreneurs who are following in his footsteps to keep pushing forward, and would love to see if others agree or have a different perspective.

Businesses can be data rich but insight poor. In your opinion, which metrics are the most important for marketers' decision making? Which are not? Why? Discuss ways in which marketing strategies can benefit from metrics. Feel free to post examples.

I have been waiting for this module/week's lesson since I saw on the agenda; as a data & reporting analyst at the University, my entire focus is built around taking data/metrics and making them meaningful for leaders at the University. For me, one of the critical points made during this week's lectures are the fact that misused metrics drive a lot of the disconnect for marketing managers, and I have seen this problem crop up during many of the cases I have completed as part of the MSBA program. Data is powerful but it needs to be transformed into *actionable* insight.

In my opinion, I don't think any one metric (or particular metrics) is more important than the other; I think the most important thing to do is to start with setting a goal or objective. As a data analyst, it is almost impossible to do any useful type of analysis without understanding what the business strategy is and *knowing the problem you are trying to solve*. The other component that I find critical for reporting is that the information is easy to understand and take action with; for example, if you want to display the percentage of spend for different marketing activities, the most effective way to display this information is still a pie graph (despite all the dislike of this particular chart in the analytics community).

One of my favorite examples of how an effective analysis with a clear business objective can deliver a lot of meaning comes from when I was working as a data analyst at Indeed.com, and working with a marketing manager on how to improve the overall customer service experience for Indeed clients (at the time, this was still mostly small businesses looking to post their jobs online for the first time). The

business decision/objective was to identify customer representatives who were demonstrating low Net Promoter Scores after their interactions with clients. Net Promoter Score is a very powerful metric because it helps companies understand their overall customer satisfaction and helps predict business growth. It is calculated based on the answer to a very simple question: *On a scale from 0-10, how likely is it that you would recommend this brand to a friend or colleague?*

The hope was to determine *why* these customer reps were under-performing - was it due to a lack of appropriate training, lack of understanding of the product / website, or some other factor that no one at the company had uncovered prior to the analysis? If the manager could understand why his reps were under-performing, he could the appropriate changes to their marketing materials and training sessions for new reps.

We grabbed the raw NPS scores (scaled from 0 to 10, 10 being the highest) and then performed a sentiment analysis to uncover the specific reasons around the poor ratings; for many advertisers (companies posting jobs), they were very small brick-and-mortar stores and many of them were learning to use the internet for the first time. These companies needed a lot more dedication and hand-holding to learn how to navigate the site and post jobs than a large firm with dedicated IT resources.

Halfway through the analysis, the business objective/direction changed, which is something that happens quite often - as you dig deeper into the information, you start to redesign your approach. In this instance, the marketing manager instead wanted to go out directly to advertisers who had a negative experience, and see what we could do differently to improve their experience. The marketing manager realized that if they focused more of their resources towards additional training and enhancing customer support documentation for representatives who were struggling to communicate effectively, it would improve scores dramatically. In addition, his team modified something of the banners and buttons on the sites to make them "pop" or stand out - one of the biggest criticisms for the site was that it was hard to navigate.

The results were pretty outstanding, and I had the pleasure of sitting in on calls with reps who were reaching out to these advertisers to answer each and every one of their questions. We saw a dramatic improvement in NPS scores, and I even saw an advertiser who had originally given his experience with Indeed a 0 turn around and give a 10 after this proactive outreach.

Here is a slide demonstrating some of the NPS score improvements before and after the analysis started:

In three months, NPS scores for small business customer reps went from a 6.0 to a 8.0 average, and it improved the overall customer experience for many advertisers. I apologize for the length of the post, but I hope this anecdote is useful, and demonstrates how a marketing strategy can benefit from the use of metrics!

Post notes:

- As a data & reporting analyst, my entire focus is built around taking data/metrics and making them meaningful for leaders at the University
- Misused metrics drive part of the disconnect for marketing managers - this is something that I have seen crop up many times during my time in the MSBA program. Data is powerful but it needs to be transformed into *actionable* insight.
- Marketers being data rich but insight poor was very striking; with the wealth of information available to a marketer, it makes sense that this deluge of information would be impossible to track.
- Most important attributes as a data analyst:
  - Linked to business strategy - know the problem you are trying to solve
  - Information must be easy to understand and take action with
  - ***Embedded into organizational process to take action* (this is the biggest problem for any org - getting buy-in from other part of the organization**
  - Which strategy is the most effective: depends on the end goal
    - **Campaigns** - great when they came around (like FIFA World Cup)
    - **Business/brand objectives** - new product launch
    - **Buyer's journey** - trying to generate brand loyalty during a challenging time for a market
- **This is what I do every day! Having all these things in mind is the biggest challenge as a DA: how do I tell this story the most effective way possible with the information that I have on hand?**

Please discuss which marketing tool or idea has been most insightful for you. Why? How can you implement it in your current or future job? How can you build on it?

This was my fifth marketing course after taking four courses as an undergraduate at UCONN, and marketing has always been one of my favorite subjects in business because it compromises so many things: human psychology, creativity, analytics, experimentation, problem solving, communication, and demonstrating how to effectively provide value to consumers.

The marketing idea that has been the most insightful to me comes from all the way back to the conclusion of Week 1's *Framework for Marketing Strategy*, which was this quote from Ted Levitt (widely considered one of the founders of modern marketing):

"...*The natural tendency of relationships, whether in marriage or in business, is entropy—the erosion or deterioration of sensitivity and attentiveness… A healthy relationship requires a conscious and constant fight against the forces of entropy*."

This quote has stayed with me through the rest of the course because it is a very simple message that is also extremely profound; I believe this is something that I can use in all aspects of life, not just in my job. In my role as a data analyst (and future roles working as an analyst), this is something that I will continue to use as my mantra after every successful dashboard release or when items that I am working on never get to see the light of day (for whatever reason that may be). I always want to be cognizant that although we may have delivered a reporting tool or dashboard that provided great value to our University leaders, we shouldn't stop working on and building relationships with them every day to ensure we are meeting their needs. Our customers and our relationships with them should be at the forefront of every decision that we make as a team. In today's hyper-connected

world, change is happening constantly and at an increasingly rapid pace, and relationships have never been more important than they are today because a healthy relationship built on strong foundations will weather any disruptions that may come from internal or external forces.

Marketing's purpose is about delivering and communicating value to a customer, and this quote shows me that although a company/entity may have done *just enough* to demonstrate the value of their product or service to obtain one customer/follower/proponent/devotee one time, that is no guarantee that the customer will remain loyal to the brand or product; indeed, because of the availability of information at our fingertips every day, our ability to switch from one brand to another has never been easier.