Hamilton Beach Brands Report

By: Kamya Khera, Nam Kim, Kiran Vamaraju, & David Yuan
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Executive Summary

In the period between 2013 and 2019, Hamilton Beach Brands (HBB) showed a downward trend in the average review score of their Automatic Drip Coffee (ADC) maker when compared to its competitors in the coffee machine market. During that same period, Cuisinart began improving their review scores, catching up and then taking over Hamilton Beach Brands. In 2018, Cuisinart introduced a photo register system for their products. Based on the review data provided by Hamilton Beach, and research into the market, our team concluded that the introduction of this marketing technology was responsible for Cuisinart overtaking Hamilton Beach in the coffee maker review score. As potential buyers take reviews into consideration before making a purchase, this would be the best approach for HBB.

Our recommendation to HBB is to implement a simple way to register products with a smart recommendation system. Hamilton Beach Brands could design their own system or look into a third-party company to provide this service for them. With a system similar to Photoregister, HBB could increase revenue by approximately $48,000 - $160,000.

Results

  In the period between 2013 and 2019, Hamilton Beach Brands (HBB) showed a downward trend in the average review score of their Automatic Drip Coffee (ADC) maker when compared to its competitors in the coffee machine market. During that same period, Cuisinart began improving their review scores, catching up and then leading ahead of Hamilton Beach Brands. In 2018, Cuisinart introduced a photo register system for their products. Cuisinart includes a slip in the instruction manual for their products. Customers can take a photo of this and upload it to register their product. Cuisinart can then market to these customers based on the product they bought, or through demographics collected by the system. Cuisinart uses a third party to run the photo register system, Registria. Based on the review data provided by Hamilton Beach, and research into the market, our team concluded that the introduction of this marketing technology was responsible for Cuisinart overtaking Hamilton Beach in coffee maker review score. As potential buyers take reviews into consideration before making a purchase, this would be the best approach for HBB and would add value to the company.

  Hamilton Beach Brands' main competitor is Cuisinart, which began overtaking their ratings in recent years around 2018. As mentioned earlier, the introduction of the photoregister system led to an increase in their ratings by providing better customer service in product registration.
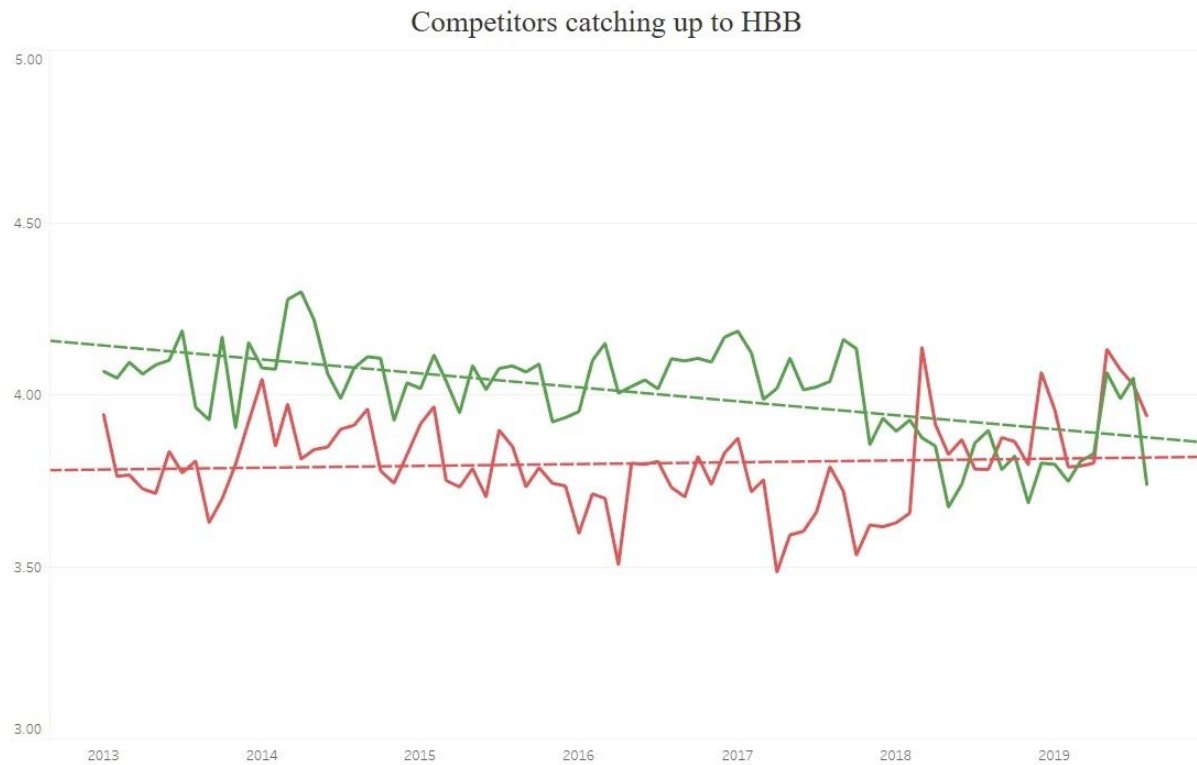
  As depicted in Graph 1 below, the average rating throughout all the years of data provided for Hamilton Beach Brands was a 4.00 out of 5.00. HBB remained on top when solely examining their average review ratings over time compared to its competitors within the coffee machine market.

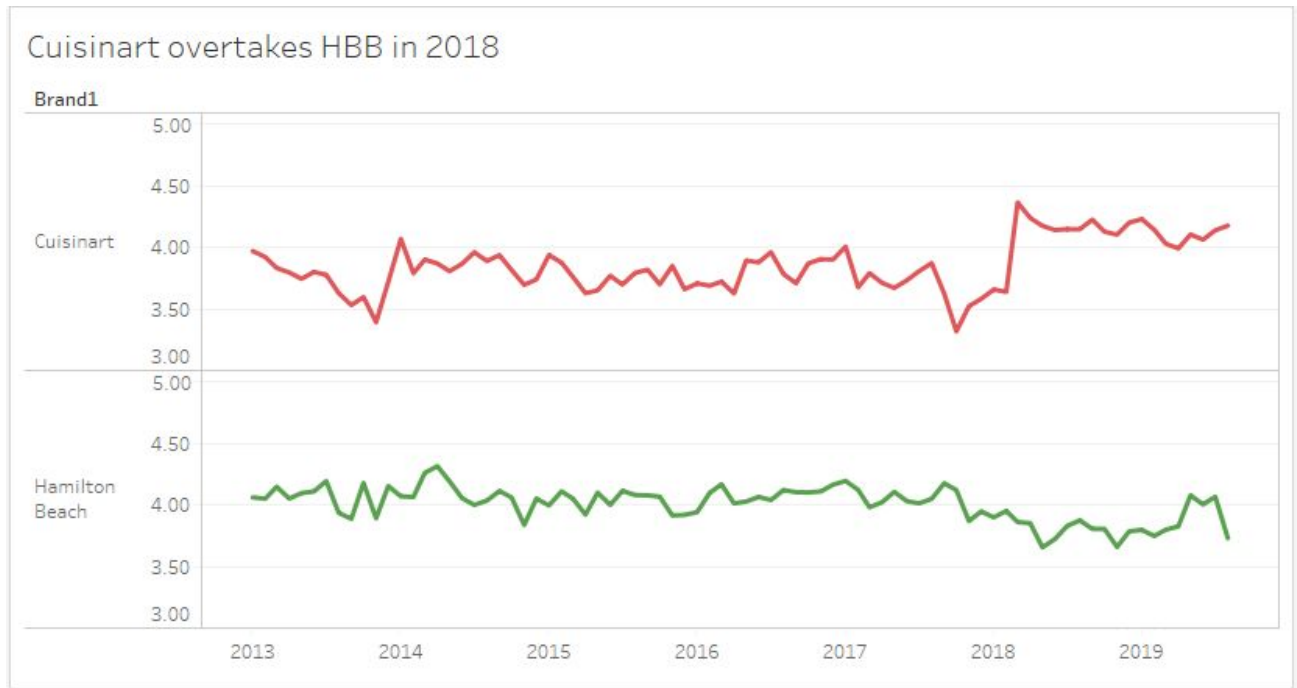HBB's Average Ratings leading over Competitors

Graph 1: HBB's Average Ratings leading over Competitors

     In Graph 2 below, Hamilton Beach's ratings have been trending downwards while its competitors have been pretty stable with a slight increase. It is noticeable that in 2018 the competitors' ratings significantly increased while Hamilton Beach is still slowly trending down.

Graph 2: Competitors catching up to HBB

In Graph 3 below, it is shown that Cuisinart's ratings spiked in comparison to Hamilton Beach in 2018. This was because of Cuisinart's marketing program where they used a mobile photo product register application to increase sales and recommend products.

Graph 3: Cuisinart overtakes HBB in 2018

Recommendation

"Coffee is the most popular beverage in the world, with more than 400 billion cups consumed each year. More than 450 million cups of coffee are consumed in the United States every day" (Coffee Facts). Reviews play a large part in a customer making a potential purchase. Our recommendation to Hamilton Beach Brands is to implement a similar way to register products with a smart recommendation system, just as Cuisinart did. Hamilton Beach Brands could make their own proprietary system, if they are liquid enough, or look into a third-party company to provide this service for them. This type of system has the potential to increase customer service which could inherently result in improved sales and ratings which would only add value to the company as a whole. Cuisinart saw a 70% increase in registrations after implementing their system and receive up 6,000 registrations per day. Registria, the company providing this photo registration service, estimates that each registration generates an additional $15-$50. If Hamilton Beach Brands were to implement a similar system, the revenue generated could increase by $48,120 - $160,400.

Data Methodology

We started with over 3 million individual reviews. Our team split up the data into four parts to ease the process of cleansing the data. Our original data contained all the numbers of products and product families across many brands. To cleanse it, duplicates were eliminated using Microsoft Excel and missing values were rectified using Tableau. We also made sure to only keep the reviews of the Automatic Drip Coffee (ADC) makers with the help of Tableau. Once this was done, we trimmed this data set down to a little over 131,000 automatic drip coffee machine reviews. We imported this data into Tableau to create visualizations. We analyzed the data and noticed an abnormality in 2018. We conducted research on the companies to see if they made any strategic changes during that time period that could affect our data. We found that Cuisinart implemented a marketing strategy that could have increased sales and ratings among their coffee makers. With this in mind, we were able to calculate a possible increase in revenue for HBB if they were to also implement a similar system. After looking over 130,000 reviews of ADC makers, we concluded that 32,080 of those reviews were for Hamilton Beach Brands' coffee makers. If HBB could get 10% of their customers who wrote a review to also register a product, this would account to 3,208 product registrations. With similar estimates of Photoregister generating an additional $15-$50 in revenue per product registration, we came to the conclusion that HBB could expect an additional increase in revenue from $48,120 - $160,400.

Citations

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