

Business Analytics Capstone Framework for Strategy

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Effects and Measurement

Effects

Describe the anticipated effects of your strategy

- By using **native advertising**, GYF can create ads that are less intrusive and more likely to be seen by users. This can lead to increased user engagement with ads, which can ultimately result in higher revenue for GYF's customers. Additionally, by using mobile app ads, GYF can reach users who are less likely to use ad-blocking software, which can further increase revenue.
- **Anti-ad-blocking scripts** can prevent ad-blockers from blocking ads, which can increase the visibility of ads and lead to higher click-through rates and conversions. Targeted ads can create more effective and personalized ads that are less likely to be blocked, which can lead to higher user engagement with ads and higher revenue for GYF's customers.
- **Content marketing** can reduce GYF's reliance on traditional advertising and create a more engaging user experience. This can lead to increased user engagement with GYF's content and higher revenue for GYF's customers. Ad-block proof ads can be more effective in reaching users and can lead to higher click-through rates and conversions.

Effects

Application Exercise 3 – Designing a Deterministic Optimization Model

Let's assume that we allocate x_1 dollars to Hard Skills/External, x_2 dollars to Hard Skills/Internal, x_3 dollars to Soft Skills/External, and x_4 dollars to Soft Skills/Internal. Then, the total net productivity increase can be expressed as:

- $0.7x_1 + 0.2x_2 + 0.4x_3 + 0.6x_4$

We want to **maximize** this expression subject to the following constraints:

- $x_1 + x_2 + x_3 + x_4 \leq 65,000$
- $0.2x_2 + 0.6x_4 \geq 20,000$
- $0.6x_2 + 0.4x_4 \geq 12,000$
- $0.6(0.7x_1 + 0.2x_2) \leq 0.4(0.7x_1 + 0.2x_2) + 0.6(0.4x_3 + 0.6x_4)$

The **optimal allocation** of the budget is:

- $x_1 = \$0$
- $x_2 = \$20,000$
- $x_3 = \$45,000$
- $x_4 = \$0$

Measurement

Describe the anticipated effects of your strategy and how you will measure them

- To measure the effectiveness of **native advertising**, GYF can track the click-through rates and conversions of native ads compared to traditional ads. To measure the effectiveness of mobile app ads, GYF can track the click-through rates and conversions of mobile app ads compared to traditional ads.
- To measure the effectiveness of **anti-ad-blocking scripts**, GYF can track the number of users who are using ad-blocking software and the number of ads that are being blocked. To measure the effectiveness of targeted ads, GYF can track the click-through rates and conversions of targeted ads compared to non-targeted ads.
- To measure the effectiveness of **content marketing**, GYF can track the engagement rates of its content and the number of users who are sharing its content. To measure the effectiveness of ad-block proof ads, GYF can track the click-through rates and conversions of ad-block proof ads compared to traditional ads.

Measurement

Application Exercise 4 – Identifying Key Drivers

- One **hypothesis** that is explicitly linked to the strategy of using data-driven analysis to construct a strategy that GYF (and companies like it) could employ to deal with the threat posed by ad-blocking software is that more targeted and personalized ads are less likely to be blocked by ad-blockers. This hypothesis is based on the assumption that users are more likely to engage with ads that are relevant to their interests and preferences.
- One key driver that can be used to measure the effectiveness of this strategy is the **click-through rate (CTR)** of targeted ads compared to non-targeted ads. By analyzing the CTR of targeted ads, GYF can determine whether these ads are more effective in engaging users and driving conversions. Additionally, GYF can use data-driven analysis to identify the most effective ad formats and placements.
- To **verify the linkage** between the hypothesis and the key driver, GYF can conduct A/B testing to compare the effectiveness of targeted ads to non-targeted ads. By testing different versions of ads and measuring the results, GYF can identify the most effective ad formats and placements. Additionally, GYF can use data-driven analysis to identify the types of ads that users are more likely to engage with and the types of ads that are more likely to be blocked. By analyzing this data, GYF can create more targeted and personalized ads that are less likely to be blocked by ad-blockers.