

Business Analytics Capstone Framework for Strategy

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Problem Statement

Problem Statement—

Describe the Problem Adblockers present to GYF

- Use this space for describing the problem. Be as specific as possible! You should focus on the implications of adblockers on GYF's ad-buying customers; in exploring this, you might also consider the implications for GYF's end users, operations, and/or internal organization.*
- Implications for GYF's Customers:** GYF's major revenue is generated from advertisement. Ad-blocking software would harm the company's profitability and also threaten its survival as a company. The company's 70 % of the revenue is generated from mobile advertisements which will decrease due to adblockers.
 - Reduced Ad Visibility:** Adblockers prevent ads from being displayed to users, leading to a decrease in the number of impressions and views that ads receive. This diminishes the effectiveness of advertising campaigns, as fewer users are exposed to the ads.
 - Decreased ROI:** With ads being blocked, the return on investment (ROI) for ad-buying customers decreases. They pay for ad space but do not receive the expected engagement, leading to lower conversions and sales.
 - Low CTR:** Adblockers are preventing customers from gaining reach for the products which companies pay for advertisement. This will result in reduced ad impressions lower click-through rates (CTR), and ultimately, diminished return on investment (ROI) for advertisers.
 - Eroded Trust:** Persistent ad-blocking issues can erode the trust between GYF and its ad-buying customers. Advertisers may question the value of investing in GYF's platforms if a significant portion of their audience is not reachable.
 - Implications for GYF's End Users:** For GYF's end users, adblockers present a different set of challenges:
 - User Experience:** Many users install adblockers to avoid intrusive and annoying ads. While adblockers can enhance the user experience by removing unwanted content, they also deprive users of potentially useful and relevant advertisements.
 - Content Access:** As GYF offers its services free of charge, revenue from ads supports the creation and maintenance of high-quality content. Adblockers undermine this model, potentially leading to reduced content quality or the introduction of paywalls.
 - Implications for GYF's Operations and Internal Organization:** Internally, adblockers impact GYF's operations in several ways:
 - Revenue Loss:** With a significant portion of revenue coming from mobile advertising, adblockers directly affect GYF's financial health. Reduced ad revenue can limit GYF's ability to invest in new technologies, content, and services.
 - Strategic Shift:** GYF may need to reallocate resources and shift its strategic focus to counter the effects of adblockers. This might involve investing in new ad formats, developing anti-adblocker technologies, or exploring alternative revenue models.
 - Internal Challenges:** The prevalence of adblockers can lead to internal challenges such as pressure on the sales team to meet revenue targets, increased workload for the tech team to develop solutions, and strategic dilemmas for the management team.

Problem Statement—

Application Exercise 1 – Research Methods and Tools (Optional)

- *Use this space for to answer the questions set out in Application Exercise 1: 1. Given your definition of the problem faced by GYF, what type(s) of research will you employ to learn more about the strategy the DATA Team should pursue? 2. What research tools could you use to conduct that research?*

Based on the problem I believe the most suitable types of research I would choose **Descriptive research** and **casual research**.

1. **Descriptive Research:** The reason for choosing GYF know about the threat and aims to find out the methods which need to be implemented to tackle adblocking software and also what other strategies to take which will show ads to the customers.
2. **Casual Research:** The research will show the effect if the company wants to change the strategy such as letting the end users the ability to hide ads after a certain amount of time or choose their preferred types of ads or choose whether to see ads or not with a subscription fee.

The tools which GYF should choose are:

- **Mobile surveys:** This will help GYF to understand the attitude of end-users about showing ads to what extent they are comfortable seeing them and if they are more willing to see only their preferred advertisements.
- **A/B testing:** This will allow GYF to understand whether they should uphold new strategies such as creating their own web browser and introducing subscription facilities to remove ads for the subscribers.
- **Price Testing:** This will allow GYF to choose the most cost-effective solution to the adblocking problem such as whether the company should introduce subscription facilities to the end-users or make a deal with the adblocking companies.
- **Data Analytics:** Advanced data analytics and machine learning algorithms can be used to monitor ad performance, detect patterns, and optimize ad delivery.

Strategy

Strategy

Describe your proposed strategy

- *Make sure your strategy is clear, well-defined, and feasible*

Development of user-friendly ad formats:

By utilising insights taken from mobile surveys GYF can understand user-preferred and intensity of ads by which the company can create less intrusive ad formats that are more likely to be tolerated by users. This will result in higher engagement and reduced likelihood of adblocker usage.

Invest in Anti-Adblocker Technology:

By implementing technologies by which GYF can detect and counteract adblockers, using findings from causal research to target the most effective solutions. This will increase ad visibility and improve ad performance metrics.

Investing in creating a web browser:

Creating a web browser can provide the company with an opportunity to counter ad-blocking software and also provide user-based ad preference.

Enhance User Experience:

Use data from MROCs, self-reporting, and social media analytics to continuously improve user experience on GYF platforms. This can result in higher user satisfaction and reduced incentive to use adblockers.

Strengthen Advertiser Relationships:

Provide detailed analytics and insights from descriptive research to advertisers, demonstrating the value and effectiveness of their campaigns on GYF's platforms which will increase trust and investment from advertisers.

Explore Alternative Revenue Streams:

Based on A/B testing and research GYF can identify and develop new monetization strategies, such as premium content or subscription models. This will reduce GYF's dependency on traditional ad revenue and diversified income sources and also the company can have the opportunity to expand its business.

Strategy

Application Exercise 2 – Hiring a Team Leader (Optional)

- *Based on the information provided in Application Exercise 2, describe here why you would hire Carrie Candidate or Peggy Prospect to be the second-in-command of the DATA Team.*

Based on the qualifications of both candidate it can be seen that both have remarkable educational backgrounds and also have their strength in their own prospects. As I have to choose one of them, I would choose to hire Peggy Prospect as my second in command.

Her direct experience with adblocker challenges would lower the cost of training a new employee.

Referencing does not indicate performance and as well as there is a risk that Peggy is in a new team which might take time to adjust with the team and sync with them and to reach the level of working efficiently.

Effects and Measurement

Effects

Describe the anticipated effects of your strategy

- Please describe the anticipated effects of your strategy. Make sure you address the effects on customers, revenue, and the internal organization.*

1. Development of User-Friendly Ad Formats

- i) Increased User Engagement:** GYF can enhance user interaction with ads by creating less intrusive and more user-preferred ad formats. This will benefit both GYF and also ad busying customers because it will lead to higher CTR (click-through rates) and improved ad performance metrics.
- ii) Reduced Adblocker Usage:** Users are less likely to turn to adblockers as they have more bearable ad experiences. As a result, more people will see the advertisements, which will raise the general efficacy of the campaigns running on GYF's platforms.
- iii) Improved User Experience:** Better ad formats will contribute to a more pleasant user experience, potentially increasing user retention and satisfaction with GYF's services.

2. Investment in Anti-Adblocker Technology

- i) Enhanced Ad Visibility:** Ads will be shown to users more often if technology is put in place to identify and block adblockers. As a result, there will be more ad impressions, which will help advertisers by giving them the anticipated reach and engagement.
- ii) Higher Revenue:** GYF can preserve and maybe grow its advertising revenue by lessening the effects of ad blockers. By doing this, the business's financial stability will be maintained and additional content and technological expenditures will be possible.
- iii) Increased Advertiser Confidence:** Demonstrating the ability to effectively counter adblockers will build trust with advertisers, encouraging them to continue investing in GYF's advertising programs.

Effects

Describe the anticipated effects of your strategy

- Please describe the anticipated effects of your strategy. Make sure you address the effects on customers, revenue, and the internal organization.*

3. Investment in Creating a Web Browser

- i) Direct Control Over Ad Delivery:** Having a web browser gives GYF greater control over the delivery of ads and the ability to actively combat ad blockers. By doing this, a larger proportion of advertisements will be viewed by users.
- ii) Enhanced Data Collection:** A proprietary web browser can provide GYF with richer data on user behaviour and preferences, enabling more targeted and effective advertising strategies.
- iii) User Customization:** By enabling users to personalise their ad experience, the browser can lessen the need for adblockers and increase user satisfaction.

4. Enhancing User Experience

- i) Higher User Satisfaction:** Continuously improving the user experience based on data insights will lead to happier users who are less likely to use adblockers.
- ii) Increased Loyalty and Retention:** Customers that are happy with GYF's platforms are more likely to stick around, which increases retention rates and creates a steady user base.
- iii) Positive Brand Perception:** By emphasizing user experience, GYF may draw in more users and advertisers by solidifying its reputation as a user-centric business.

Effects

Describe the anticipated effects of your strategy

- Please describe the anticipated effects of your strategy. Make sure you address the effects on customers, revenue, and the internal organization.*

5. Strengthening Advertiser Relationships

i) Better Campaign Performance: Giving advertisers access to thorough statistics and insights will enable them to improve the performance of their ads. Because of the increased return on investment, advertisers will be more inclined to invest in GYF's platforms.

ii) Increased Trust and Investment: Building closer connections with advertisers through open communication and demonstrated ad performance will boost confidence and encourage long-term investment in GYF's advertising campaigns.

iii) Enhanced Competitive Advantage: GYF may attract more ad buyers by differentiating itself from competitors and offering advertisers a superior value proposition.

6. Exploring Alternative Revenue Streams

i) Diversified Income Sources: GYF will become less reliant on traditional ad revenue by creating innovative monetization tactics like premium content or subscription models. This will provide financial stability and resilience against adblocker impacts.

ii) Expanded Business Opportunities: New business options brought forth by alternative revenue streams will enable GYF to broaden its product offerings and appeal to a wider range of clientele.

iii) Sustainable Growth: A diversified revenue model will support sustainable growth, enabling GYF to invest in innovation and maintain its competitive edge.

Effects

Application Exercise 3 – Designing a Deterministic Optimization Model

Based on the calculation done in MS Excel Solver

GYF's net productivity will increase by \$ 42,823.50 if the company spend on training where \$ 26,764 needs to be spent on Internal soft skills and \$38,235 on External Hard skills

Business Analytics Capstone by Omar Hamza Application Exercise 3

Net Productivity Increase (in \$ per \$ spent on training)

| Training | Hard Skills | Soft Skills |
|----------|-------------|-------------|
| Internal | 0.2 | 0.6 |
| External | 0.7 | 0.4 |

Total Net Productivity Increase (in \$ thousands)

| |
|----------|
| 42823.50 |
|----------|

Spending Amounts (in \$ thousands)

| Training | Hard Skills | Soft Skills |
|----------|-------------|-------------|
| Internal | 0.00 | 26764.00 |
| External | 38235.00 | 0.00 |

| |
|--|
| |
|--|

Total Spending Budget (in \$ thousands)

Productivity Increase in Hard

Productivity Increase in Soft

Productivity Increase Internal v. External

| Requires | | Constraint |
|----------|----|------------|
| 65000.00 | <= | 65000.00 |
| 26764.50 | >= | 20000.00 |
| 16059.00 | >= | 12000.00 |

Measurement

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

- Please outline your plan for measuring these effects using data. Make sure you use techniques you learned about in the courses*

To measure the success of the proposed strategy for GYF, it is essential to identify key performance indicators (KPIs) that reflect the effectiveness of each strategic initiative. Here are the KPIs organized by each strategic approach:

1. Developing Less Intrusive Ad Formats

KPIs:

- i) Ad Engagement Rate:** Measure the percentage of users who interact with the new ad formats.
- ii) Ad Viewability:** Track the percentage of ads that are viewable on the user's screen for a certain amount of time.
- iii) User Feedback Scores:** Collect and analyze user feedback on the new ad formats to gauge satisfaction.
- iv) Ad Click-Through Rate (CTR):** Monitor the ratio of users who click on an ad to the number of total users who view the ad.

2. Anti-Adblocker Measures

KPIs:

- i) Adblocker Detection Rate:** Measure the percentage of users with adblockers detected.
- ii) Ad Visibility Rate:** Track the percentage of ads successfully displayed despite the presence of adblockers.
- iii) User Whitelist Rate:** Measure the number of users who add GYF to their adblocker's whitelist.
- iv) Revenue Recovery Rate:** Monitor the revenue recovered from implementing anti-adblocker measures.

Measurement

Application Exercise 4 – Identifying Key Drivers

- *Apply the “causal business model” performance measurement framework to your strategy*

3. Creating a Proprietary Web Browser

KPIs:

- i) Browser Adoption Rate:** Track the number of users downloading and actively using the GYF browser.
- ii) User Retention Rate:** Measure the percentage of users who continue to use the GYF browser over time.
- iii) Ad Performance Metrics within Browser:** Monitor ad viewability, engagement rate, and CTR specifically within the GYF browser.
- iv) User Satisfaction Scores:** Collect feedback on the browsing and ad experience within the GYF browser.

4. Enhancing User Experience

KPIs:

- i) Page Load Time:** Measure the average time it takes for content and ads to load on GYF platforms.
- ii) User Satisfaction Scores:** Collect and analyze user feedback on overall experience and satisfaction.
- iii) Bounce Rate:** Track the percentage of users who leave the site after viewing only one page.
- iv) Session Duration:** Measure the average time users spend on GYF platforms.

Measurement

Application Exercise 4 – Identifying Key Drivers

- *Apply the “causal business model” performance measurement framework to your strategy*

5. Strengthening Advertiser Relationships

KPIs:

- i) Advertiser Retention Rate:** Measure the percentage of advertisers who continue to invest in GYF’s platforms.
- ii) Advertiser Satisfaction Scores:** Collect and analyze feedback from advertisers regarding their experience and satisfaction.
- iii) Revenue from Existing Advertisers:** Track the revenue generated from repeat business with existing advertisers.
- iv) Ad Performance Metrics:** Monitor ad impressions, CTR, conversion rates, and ROI for advertiser campaigns.

6. Exploring Alternative Revenue Streams

KPIs:

- i) Subscription Conversion Rate:** Measure the percentage of users who convert to paying subscribers for ad-free content.
- ii) Revenue from Subscriptions:** Track the total revenue generated from subscription services.
- ii) Customer Lifetime Value (CLV):** Monitor the total revenue expected from subscribers over their lifetime as customers.
- iv) Diversification of Revenue:** Measure the proportion of total revenue coming from alternative streams like subscriptions and cloud services.

Measurement

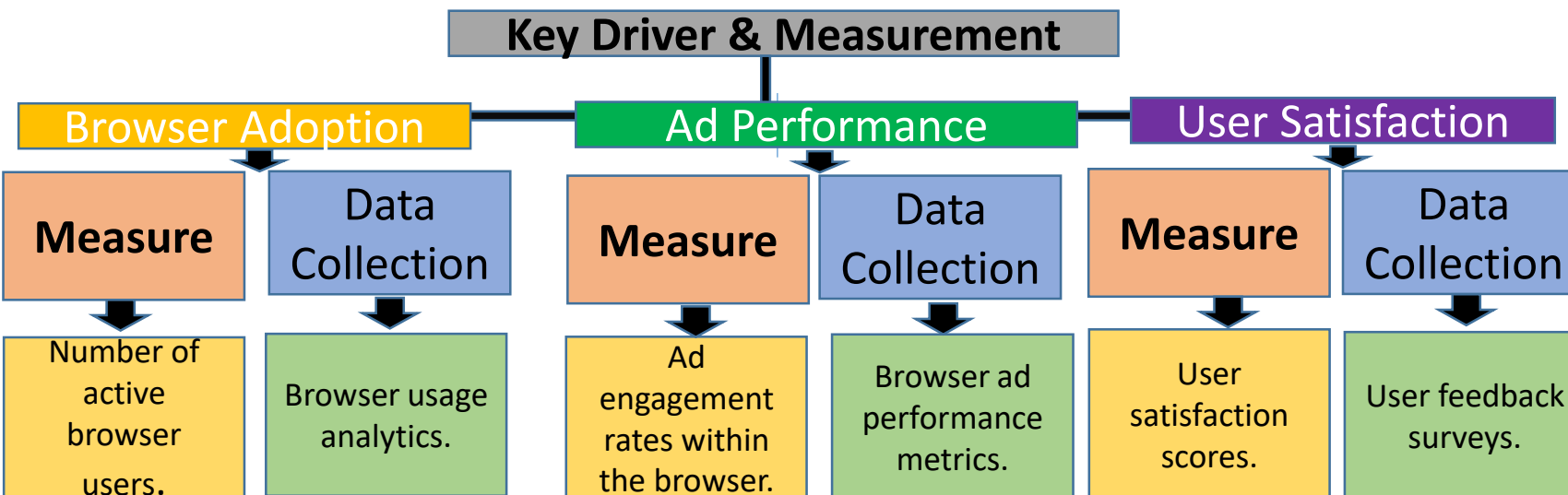
Application Exercise 4 – Identifying Key Drivers

- *Apply the “causal business model” performance measurement framework to your strategy*

Investing in Creating a Web Browser

Hypothesis:

- A: Develop and launch a proprietary web browser.
- B: Browser adoption leads to controlled ad environment.
- C: Controlled environment results in higher ad performance and user satisfaction.



Verification:

- Analyze user growth trends and engagement metrics within the browser.
- Conduct user satisfaction surveys to validate improved experiences.

Conclusion

GoYaFace, Inc. (GYF) has devised a comprehensive strategy to tackle the issues caused by adblockers. The strategy focuses on improving user experience, implementing anti-adblocker technologies, developing a proprietary web browser, fortifying advertiser relationships, and investigating alternative revenue streams. This multipronged strategy seeks to enhance user engagement, guarantee advertisers' continuous contentment, and lessen the detrimental effects of adblockers on GYF's ad revenue.

- GYF hopes to boost ad engagement and lower the chance of adblocker usage by creating less obtrusive ad forms based on user preferences. This strategy's key performance indicators (KPIs), such as user satisfaction ratings and ad engagement rates, will shed light on how effective it is.*
- By putting anti-adblocker technologies into place, GYF will be able to identify and disable adblockers, improving ad visibility and making up for lost revenue. To evaluate the effectiveness of this endeavour, it will be essential to track the rates of income recovery and adblocker detection.*
- Making a GYF web browser gives you the chance to manage the advertising experience and block ad-blocking programs. KPIs including user retention, browser adoption rates, and in-browser ad performance will be used to gauge the effectiveness of this approach.*
- Improved Advertiser Relationships: GYF can show advertisers the worth and efficacy of their campaigns by giving them access to comprehensive statistics and insights. The important performance metrics in this area will be advertiser satisfaction ratings and retention rates.*
- GYF will be able to diversify its revenue streams by looking into subscription models and other monetization techniques. The effectiveness of this strategy will be assessed primarily by looking at the subscriber conversion rate and subscription revenue.*

Through a systematic approach to measurement, GYF can verify the causal linkages between strategic actions and outcomes. Using correlation and regression analysis, controlled experiments, and continuous data monitoring, GYF will be able to adjust its strategies in real-time, ensuring that the company remains resilient and competitive in the face of adblocker challenges.