

# Business Analytics Capstone Framework for Strategy

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# Problem Statement

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Describe the Problem Adblockers present to GYF

As per a recent research, approximately 30% of all internet users have started using Adblockers for various reasons (in 2018, numbers might have increased now).

This poses a grave threat to GYF and its business model that could potentially lead to great losses. GYF has provided its three core businesses to everyone for free, in return for their data. This data was collected and leveraged by advertising companies to target ads. This model could facilitate the free offering. However, as more and more users started using adblockers, it has become increasingly hard for GYF to stay profitable. The customers of GYF will not host their ads on the platform if their data tells them that the users have installed adblockers. Nevertheless, the reasons for using Adblockers by its users are more than justified. GYF, is thus presented with this conundrum and must find a solution.

# Problem Statement—

*Application Exercise 1 – Research Methods and Tools (Optional)*

The data analytics team of GYF must conduct a mix of descriptive, causal and exploratory analysis to dive deep into just how adblocking is affecting the profitability of GYF, and what the reasons for it are.

1. Sentiment Analysis: They must find out what the public image of their brand is, and what they think about privacy, by collecting twitter/mobile data (**Media Planning**)
2. They must give the option to dismiss the ad and then ask why they did not like the ad. (**Customer self-reporting/Survey**)
3. They must check what kinds of advertisements are users okay with (**MROCs**)

# Strategy

# Strategy

Describe your proposed strategy

## **Partner with Adblockers**

The reason why adblockers are so popular are because how annoying and off-putting the ads are. Nobody wants to watch ads in the middle of a GYFTube video. However, people might be more receptive of ads on their email service. GYF can enter into a partnership with popular adblocking softwares to curate the kinds of ads that can be displayed, and select the appropriate platform. Instead of driving the user to install adblocker with frustration, they can themselves make the user experience with ads so smooth, they wouldn't want to not see ads. By introducing a standard, companies will make sure that their ads are pleasing to look at.

## **Freemium model**

Along with the above mentioned strategy, if they find people being repulsed by ads, then they can introduce a pay per use model where they get 16 hours of ad-free browsing per month for a fixed amount, for example. This will ensure revenue and users will have a choice. Hypothesis: Users are more likely to pay a small amount for a short time of browsing than look at hordes of advertisements and slow down their computer.

# Strategy

## *Application Exercise 2 – Hiring a Team Leader (Optional)*

I would go with Peggy Prospective for a couple of reasons:

- Granted, Peggy didn't graduate from a Top 10 undergraduate institution, but she has an incredible work experience in the similar domain, which is what is the need of the hour
- Carrie did score more than she did in the cognitive exam test and her work product was skilled as well, but there is no reason to believe that Peggy can't be trained the same way under our guidance
- Her personality fits well with the DATA team, and her deep knowledge of digital advertising landscape can be leveraged to ameliorate the current situation.
- She has a good idea about our business model, which is very crucial for mitigating this crisis.
- Her referee mentioned that she is too focused on the short term than the long term, which is good for us, because she will then shift her entire focus on the problem we have currently on hand.

I will not hire Carrie because:

- She might have a good background, but it doesn't fit with our needs.
- We do not know her weaknesses, and the fact that she didn't tell us her weaknesses means that she either doesn't know them herself, or she is over-confident.
- She doesn't have domain specific knowledge, which is what we need right now.

# Effects and Measurement



# Effects

Describe the anticipated effects of your strategy

## Following can be the anticipated effects:

- Research can cost a huge sum of money and the already annoyed users might get even more annoyed. Surveys must be designed carefully
- Partnering with Adblocking softwares can cause a tension with the companies who host their ads on our platform, and the whole process will have to be worked out, and guidelines will have to be laid out, which might take a lot of time and experienced personnel.
- We might find that the revenue from the freemium model isn't as large as we get from advertising firms, but in the long run, it is sustainable.

# Measurement

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

Following is how we can measure the effects:

- Compare the **YoY growth** by replacing revenue from companies with revenue of freemium model, after implementation. (to measure the success of the freemium model)
- Conduct **another sentiment analysis** a few days/months after the partnership with adblocker companies and implementation of freemium model. (**to measure user satisfaction**)
- Collect **Usage statistics** and clickthrough rates after implementing these strategies and compare them with that of just before the new changes. (**to measure user interaction**)
- Measure customer satisfaction (**self-report and net promotor score**) by asking a small question beside each ad that does get displayed (**to see if ad curation works or not**)

# Measurement

## *Application Exercise 4 – Identifying Key Drivers*

Following are the key drivers:

- NPS and survey score
- Sentiment analysis metric
- Replacement Profitability (Compare just the revenue from freemium model with that of just the previous year revenue from advertising company)

# Conclusion

We are faced with this growing problem, which was impending, because of its very nature of being problematic: not user friendly. In order to increase the revenue from digital marketing, facilitated by the growing use of smartphones, companies get greedy and place ads anywhere and everywhere. GYF has been extremely profitable from this but this threat can be converted into an opportunity if we play our cards right. In the end, customer is king. The customer will reject what they do not like and this should hardly come as a surprise. The time has come for GYF to change their model, or atleast, tweak it a bit to grow with the changing times. Implementation of such strategies will tell us what needs to be done next.