Assignment #1

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1. Forum Chosen

I crawled the "Entry Level Luxury Performance Sedans" from Edmunds.com (http://forums.edmunds.com/discussion/2864/general/x/entry-level-luxury-performance-sedans) to fetch 200 pages of discussions – 5940 posts.

2. Ten Brands Selected

An initial analysis of the extracted data revealed that a lot of models were mentioned. To simply further analysis, I replaced most of the models to brand names. This way, I was able to identify the 10 most popular brands. Find below a summary of the number of mentions for each of them:

Brand	Number of mentions
Hyundai	1055
Kia	1027
BMW	546
Toyota	454
Pontiac	257
Audi	238
Honda	219
Acura	138
Nissan	101
Infiniti	94

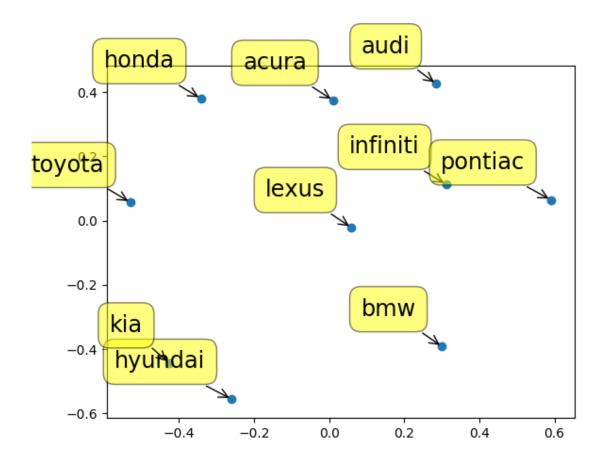
3. Lift Calculations between Brands

Lift calculations were performed for all pairs of brands to compare associations. Find below summary of lift ratio calculations:

Brand 1	Brand 2	Lift	
hyundai	kia	3.060209	
hyundai	bmw	1.37368	
hyundai	toyota	1.415366	
hyundai	pontiac	1.103729	
hyundai	audi	1.154432	
hyundai	acura	1.206158	
hyundai	honda	1.416519	
hyundai	lexus	1.477996	
hyundai	infiniti	1.203047	
kia	bmw	1.387812	
kia	toyota	1.407362	
kia	pontiac	1.115745	
kia	audi	1.15663	

kia	acura	1.234452	
kia	honda 1.40067		
kia	lexus	1.456127	
kia	infiniti	1.173151	
bmw	toyota	1.300512	
bmw	pontiac	1.402626	
bmw	audi	1.608558	
bmw	acura	1.39175	
bmw	honda	1.276065	
bmw	lexus	2.059043	
bmw	infiniti	1.859565	
toyota	pontiac	1.268181	
toyota	audi	1.332469	
toyota	acura	1.400522	
toyota	honda	1.671054	
toyota	lexus	1.648381	
toyota	infiniti	1.360387	
pontiac	audi	1.549689	
pontiac	acura	1.713526	
pontiac	honda	1.507848	
pontiac	lexus	1.347734	
pontiac	infiniti	2.766592	
audi	acura	2.058077	
audi	honda	1.423185	
audi	lexus	2.133214	
audi	infiniti	2.233493	
acura	honda	2.321193	
acura	lexus	2.408297	
acura	infiniti	2.896588	
honda	lexus	1.451857	
honda	infiniti	1.451857	
lexus	infiniti	3.26073	

4. Multi-dimensional Scaling (MDS) map



5. Five Attributes Selected

Attributes were selected based on their popularity among the discussions posts. The 5 most popular attributes of sedans were found through a word frequency analysis. These are the following:

Attributes	Number of mentions
Performance	244
Handling	108
Price	105
MPH (fuel economy)	89
Power	77

Lift Calculations between Brands and Attributes

Lift calculations were performed for all pairs of top five brands and attributes to compare associations. Find below summary of lift ratio calculations:

Attribute	Brand	value	
performance	hyundai	1.592615835	
performance	kia 1.452454337		
performance	bmw	1.622067901	
performance	toyota	1.420780367	
performance	pontiac	1.483552273	
handling	hyundai	1.517533976	
handling	kia	1.543918919	
handling	bmw	1.620076354	
handling	toyota	1.600288566	
handling	pontiac	1.591210129	
price	hyundai	1.23927876	
price	kia	1.250547285	
price	bmw	1.102863634	
price	toyota 1.4106824		
price	pontiac 1.76364179		
mph	hyundai	1.331961829	
mph	kia	1.373941396	
mph	bmw	1.037814766	
mph	toyota 1.721934814		
mph	pontiac 1.694389089		
power	hyundai 1.4043976		
power	kia 1.403856209		
power	bmw	1.488555803	
power	toyota	1.589066973	
power	pontiac	1.755188605	

Task A

For the 10 brands chosen based on popularity in the discussion forum, I calculated the lift ratio for the associations between the brands. A MDS map was created to help view the similarity between the brands. The following are the insights that I can offer to brand managers:

- One of the most surprising findings from the analysis was that an entry-level luxury performance contained many brands that one does not usually associate with the category such as Honda, Toyota, Kia, Hyundai. This tells us that now more than ever, users are comparing economy cars to luxury cars. It is becoming harder for entry-level cars from traditionally luxury brands to differentiate themselves. I would advise a product manager from one of these luxury brands to consider adding features that are not included in the 'economy' brands to help drive customers towards their products.
- The informal clusters that were formed tell us about the different "types" of cars that are being discussed on the forum. The four economy brands Honda, Toyota, Kia, and Hyundai were grouped in a large cluster towards the left.
- Infiniti and Pontiac customers were shown to be similar and thus users are more likely to switch between the two. I would advise brand managers from these firms to increase marketing towards the other brand as these can potential lead to increased switching.
- Toyota and Honda were more similar to each other, while Kia and Hyundai were close to one another. This tells us that users are more likely to switch between the respective pairs of brands. Again, I would advise the product managers to advertise more towards the other.
- Lexus seems to have the smallest average lift association with all the other brands. This tells us that it is being compared the most to other cars.
- BMW seems to have differentiated itself relatively well amongst all the brands.
 Although this means that customers are less likely to switch from the brand, it is surprising that it is so dissimilar to Audi and Acura.

Task B

The top 5 most frequently mentioned attributes in the forum were performance, handling, price, mph (fuel economy), and power. Lift calculations were performed for the top 5 brands. The brands with the highest associations for each attribute are the following:

- Price Pontiac (1.7636)
- Power Pontiac (1.7552)
- MPG (fuel economy) Toyota (1.7219)
- Performance BMW (1.6220)
- Handling BMW (1.6200)

The following are the insights that I can offer to brand managers:

- Pontiac had the highest association with both power and price. This tells us that there is a perception that there is a good balance between the attributes (i.e. good power for the price). The brand should continue to maintain a high level of power at their price point.
- Toyota had the highest association with fuel economy. It is likely entry-level luxury cars
 are being compared to Toyota for their mph levels. That being said, Toyota had the
 lowest performance association. If possible, the product manager should attempt to
 increase the performance of the cars without sacrificing fuel economy.
- BMW had the highest association with both performance and handling. As stated
 earlier, this really differentiates the brand from other cars and so the product manager
 should continue focusing on these attributes. BMW scored the lowest association with
 price and fuel economy though they should consider introducing a more economical
 version to their lineup.
- Hyundai & Kia did not have either the lowest or highest associations for any of the
 attributes. This tells us that the brands seem to have a more well-rounded brand image.
 Although this can be a good thing for the products they should invest more into
 marketing their brands towards the segment of the market they want to target.

Task CTo identify the most aspirational brand, I reorganized the information collected in Task B:

	Performance	Handling	Price	MPH	Power
Hyundai	1.592615835	1.517533976	1.23927876	1.331961829	1.4043976
Kia	1.452454337	1.543918919	1.543918919	1.373941396	1.403856209
BMW	1.622067901	1.620076354	1.102863634	1.037814766	1.488555803
Toyota	1.420780367	1.600288566	1.410682494	1.721934814	1.589066973
Pontiac	1.483552273	1.591210129	1.76364179	1.694389089	1.755188605

An average association was calculated for the top five most frequently attributes to identify the brand with the largest average association:

- Hyundai 1.417158
- Kia 1.462618
- BMW 1.374276
- Toyota 1.548551
- Pontiac 1.657596

Simply comparing the average attribute association would be unfair without factoring in the frequency of mentions of each brand itself. Therefore I multiplied the average association score with the number of mentions for each brand:

Brand	Average Attribute Score	Frequency of Mentions	Weighted Total
Hyundai	1.417158	244	345.78
Kia	1.463618	108	158.07
BMW	1.374276	105	144.29
Toyota	1.548551	89	137.82
Pontiac	1.657596	77	127.63

By combining the frequency of mentions with the average associations of the top five attributes, I was able to compute a weighted total on which to compare the brands with. As seen, Pontiac has the highest attribute score but is not mentioned very often. Hyundai actually turns out to be the most aspirational brand because even though it has a medium average attribute score, it is mentioned the most and therefore can be seen as the most aspirational brand. This finding is surprising as it is a brand that one does not usually consider an entry-level luxury performance sedan but the data shows that is one that is being considered the most.