

Business Analytics Capstone Framework for Strategy

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Problem Statement

Problem Statement—

Describe the Problem Adblockers present to GYF

GoYaFace, Inc. (GYF) provides digital services (with 3 core business units) and relies majorly on income from companies who buy advertisements to be put up on their digital services (available on both desktops and wireless handheld devices). But the advent of the use of adblockers by users on the internet poses a threat to the revenue of GYF since it provides content for free.

Problem Statement—

Describe the Problem Adblockers present to GYF

Companies paying to put up advertisements are now apprehensive to continue business as a good number of end users are not even seeing the ads due to the adblockers. To earn enough revenue, GYF will be unable to provide free services but this now might lead to a loss in the number of users of these digital services.

Problem Statement—

Describe the Problem Adblockers present to GYF

Adblockers might seem like a total loss for GYF (or any other company for that matter) but using these might lead to an increase in audience for the website due to better user experience and even lead to faster load times for the websites.

Thus, it is now important to analyze the impact of adblockers on the satisfaction of the users and the income of GYF and predict the outcome if GYF disallows adblockers or introduces paid subscription to their services.

Problem Statement—

Application Exercise 1 – Research Methods and Tools (Optional)

We have a clearly defined problem to understand the impact of the decisions on user engagement and the reactions of the companies working with GYF so we can use causal research methods to carry out our research and analysis. Focus groups, internet communities and surveying users are good ways to collect data and insights.

Strategy

Strategy

Describe your proposed strategy

GYF will have to think about balancing the needs of its partners, the customers and themselves. Balancing the number of advertisements with what is tolerable for the customers and beneficial for themselves.

A few actions that GYF could take-

- Filling up the entire page with ads is as bad as putting up no ads for GYF as there would not be any user engagement to lead to potential sales for the companies paying to have their ads on GYF's webpages. So, the key is having only the right number of useful, relevant ads on the webpage that do not obstruct the view or flow of the user and improve click-through rates, looking at which the users may not feel the need to use an adblocker. This way adblockers will not be used and ads could still be shown in a good number to the users, increasing revenue for GYF and its partners. This could be easily implemented by shortlisting suitable ads and monitoring what ads are displayed.

Strategy

Describe your proposed strategy

- Surveying the users to know which ads are helpful, which ones are problematic and what could improve the websites could improve user engagement and in turn lead to profits for GYF and its partners even in the long run. Users can be given a short survey as soon as they visit the website and other internet users can be sent short surveys to collect better and inclusive data. This data can then be analyzed to find the right kind of ads which could be used to educate its partners the same.

Additional steps to take and lesser ads to display would mean lesser revenue for GYF at the moment but the usage of adblockers would worsen the situation. Thus, it is necessary to tackle adblockers efficiently to overcome its consequences.

Strategy

Application Exercise 2 – Hiring a Team Leader (Optional)

A good candidate to hire would be one who could fit into GYF, has a good experience in this field, could work well in a group as working with data means coordinating with various departments and groups of people to take a decision. Looking at the details given, I would prefer to hire Peggy to Carrie.

- Peggy has experience in online advertising and adblockers which prove her to be a better fit to enhance the quality of the digital advertising team. She also has a better GPA which has been declared a good measure of the performance of the candidate by a few companies.
- Peggy does seem to be behind Carrie if looking at work samples or the cognitive ability test, but her performance wasn't that bad too.
- Being aware of the duties of the job, having the necessary knowledge for it and being able to work in a team make Peggy stand out.
- Peggy has been said to be “too focused on the short term rather than the long term” but that too is useful and would prove to be of use when working in a group.

Effects and Measurement

Effects

Describe the anticipated effects of your strategy

The strategy has been developed to tackle the problems caused by adblockers to the revenue earned by GYF while paying heed to the interests of users of their services and its partners.

- **Effects on Customers (Users)**

Customers would have a better experience with the websites as there would be lesser ads which would be relevant to the webpage and would not be obstructing the content. This might lead to an increase in the number of users interacting with the websites and thus with the advertisements too. Conducting short surveys might not be preferable to some but making it easy to fill and as short as possible could be ways to ease the discomfort caused.

- **Effects on Internal Organization**

The organization would have to work extra to conduct surveys on the focus groups and internet communities and analyze data regarding the ads preferred by the users. It will have to invest time and money into this research, but it would definitely improve the revenue in the long run when the usage of adblockers increases. Departments should coordinate to conduct the surveys and discuss the results of the surveys to implement the strategy efficiently.

Effects

Describe the anticipated effects of your strategy

- **Effects on Revenue**

Conducting surveys and reducing the number of ads would lead to some expenditure and loss of revenue but this is better than losing users by making the services paid. Implementing the strategy could retain users and even attract potential users and thus lead to profits and better revenue. Good user engagement could attract other companies to put advertisements on GYF's digital services too. All this could cover the expenses incurred, could avoid possible losses caused by adblockers and could even lead to a good revenue if not higher than before.

Effects

Application Exercise 3 – Designing a Deterministic Optimization Model

- Optimization Model- GYF, used Solver in Excel
- Decision Variables- Spending amounts for internal and external programs for hard skills and soft skills
- Objective- Total Net Productivity Increase $((HSTI*HSSI) + (HSTE*HSSE) + (SSTI*SSSI) + (SSTE*SSSE))$
- Constraints- 1) Budget is 65000

$$HSSI + HSSE + SSSI + SSSE \leq 65000$$

- 2) The Hard Skills training program must achieve at least \$20,000 in the total net productivity increase

$$(HSTI*HSSI) + (HSTE*HSSE) \geq 20000$$

- 3) The Hard Skills training program must achieve at least \$20,000 in the total net productivity increase;

$$(SSTI*SSSI) + (SSTE*SSSE) \geq 12000$$

- 4) The Internal program should achieve at least 60% of the net productivity increase realized for the External program

$$(HSTI*HSSI) + ((SSTI*SSSI) \geq ((HSTE*HSSE) + (SSTE*SSSE)) * 0.6$$

Net Productivity Increase (in \$ per \$ spent on training)			Total Net Productivity Increase			
Training	Hard Skills (HST)	Soft Skills (SST)				
Internal (I)	0.2	0.6	42823.53			
External (E)	0.7	0.4				
Spending Amounts						
Training	Hard Skills (HSS)	Soft Skills (SSS)				
Internal (I)	0.00	26764.71				
External (E)	38235.29	0.00				
Total Spending Budget						
	65000.00	<=	65000			
Productivity Increase in Hard	26764.71	>=	20000			
Productivity Increase in Soft	16058.82	>=	12000			
Productivity Increase Internal v. External	16058.82	>=	16058.82			

Measurement

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

Customers- A good sample of customers should be surveyed to know their ad preferences and this qualitative and quantitative data (textual answers and maybe likert scale data) could be analyzed to know about their preferences and to implement the same. The time users spend on each webpage and how it correlates with the number of ads on the webpage is another useful measure to understand their choices.

Internal Organization- GYF would have to ensure coordination between departments, satisfaction of its employees during an increase in workload and be wary of its spending and revenue. It would also be good if GYF could also conduct regular surveys to know about employee satisfaction to make sure turnover rates do not rise.

Revenue- Implementing a new strategy involving raising expenditure but cutting back on money earned (due to lesser ads) would mean losses in the beginning but carefully analyzing the data collected to cutting back on costs and spending wisely would lessen the impact and lead to higher revenues in the future.

Measurement

Application Exercise 4 – Identifying Key Drivers

Business Model

Hypothesis- Lesser and relevant advertisements could improve user experience and lead to better revenue and decrease in the use of adblockers.

Key driver- Collecting quantitative information from the surveys and calculating screen time on webpages with different number of advertisements are useful measures of customer satisfaction.

Linkage- An increase in the screen time in the webpages with better and lesser ads, textual answers from the surveys confirming the same and a decrease in the use of adblockers with increase in revenue could all validate our hypothesis.

Conclusion

In conclusion, GYF could tackle the problems that come with adblockers without having to make their services paid which could have potentially led to lesser users interacting with their services, decrease in interested advertisers and less revenue. Advantages and disadvantages of the consequences of the strategy should be weighed based on intuition, experience and data collected. Identifying the problem, formulating a strategy to deal with it, causal research and analyzing the right and necessary data to go about could solve most business problems and also improve business plans.