Assignment 5 - Final

Group 4
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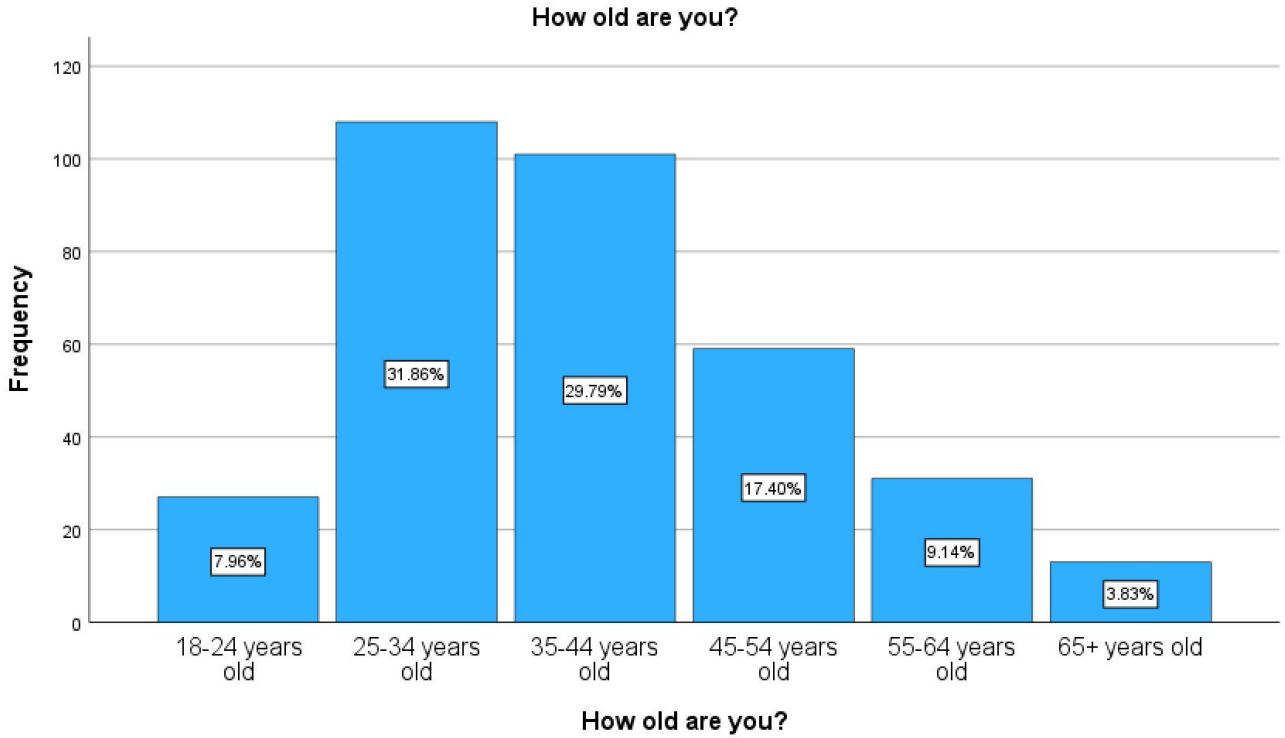
Introduction

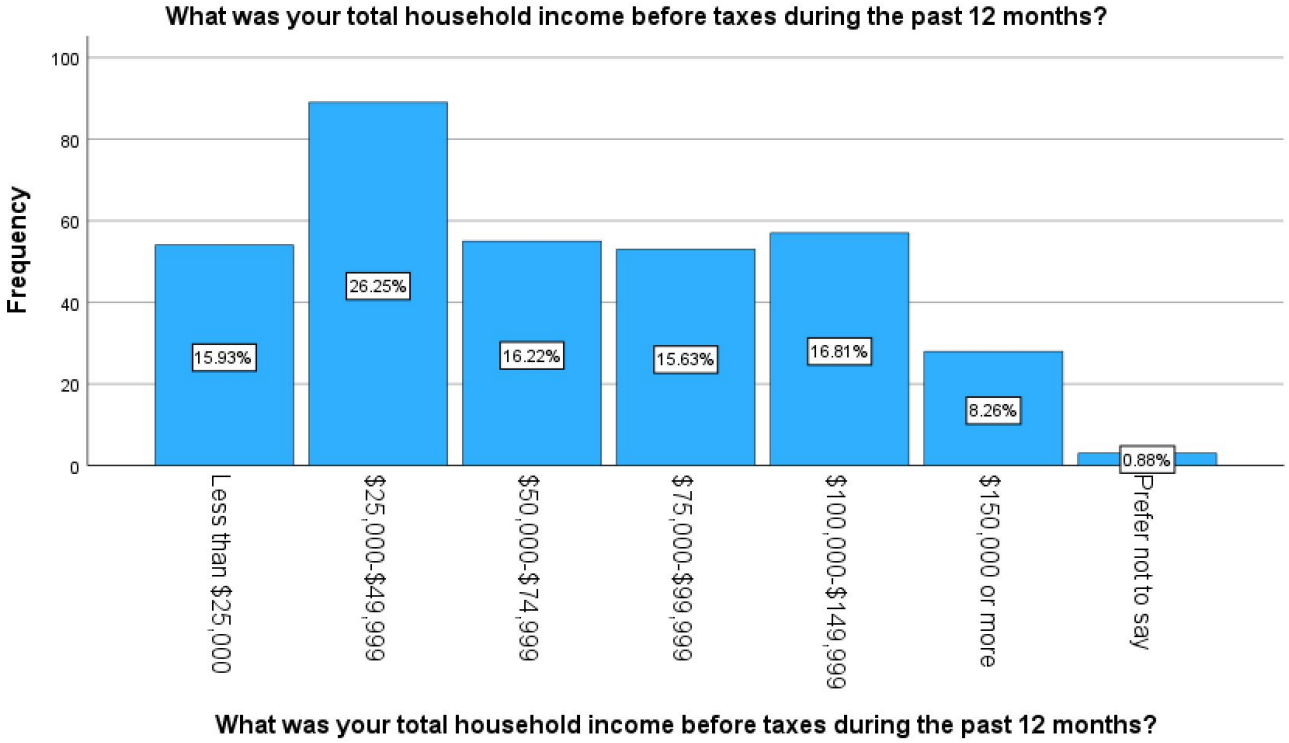
We looked at Chipotle's loyalty program - Chipotle Rewards to understand what they offer currently and how they can improve the program to better retain their regulars

Demographic - Age



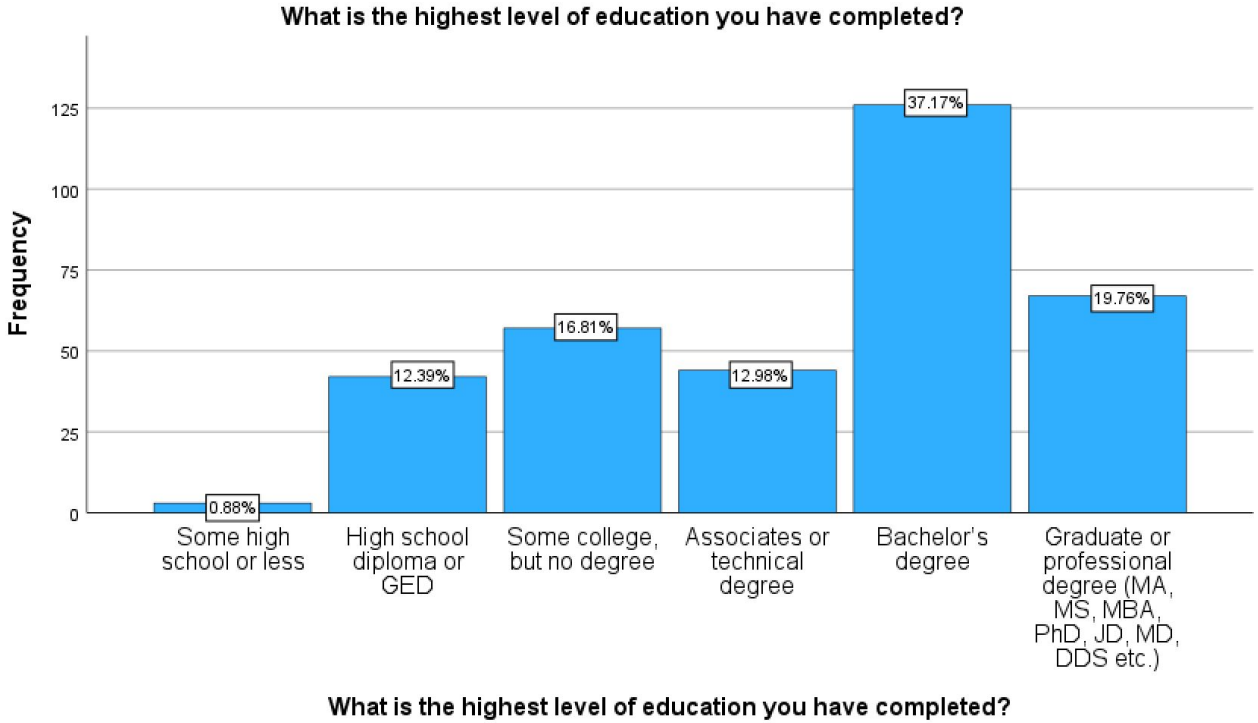
- More than half of survey participants are in their mid 20s - mid 40s.
- +65 year old age is less than 5% of survey participants.

Demographic - Income



- Overall income level is evenly distributed except $25,000 - $49,999 bracket account for ¼ of all survey participants.

Demographic - Education



- Participants with a bachelor's degree or higher education comprised more than half of all survey respondents.

Experimental Design

Independent Variable

Social Aspect/Community:

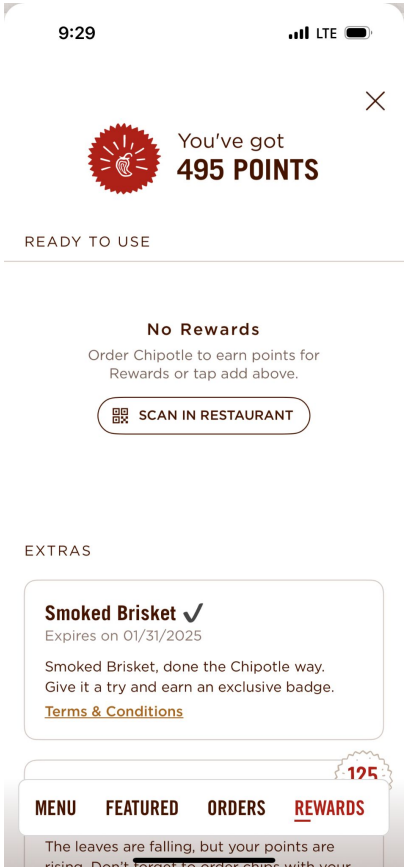
- Tracking amount of interaction between users within the app, share progress
- This variable taps into the need for relatedness by fostering a sense of belonging and community

Competitive Opportunity:

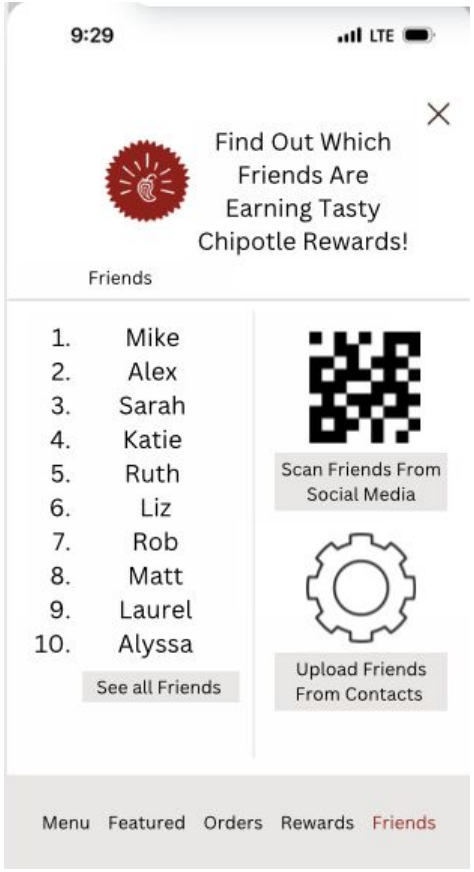
- User are motivated to engage more with the app to interact with friends and gain recognition
- The sense of connections strengthens emotional ties to the brand, encouraging repeat visits.

Stimuli:

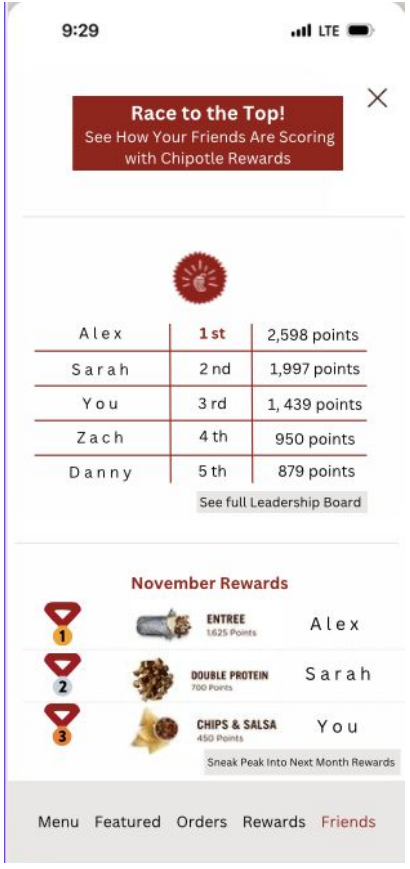
Control



Social/Community



Competition



Dependent Variable

Extrinsic Motivation

- Utilize external motivators to lead Chipotle customers to interact more with the rewards program
- Ranking higher on the leaderboard and gaining rewards from accumulating reward points

Brand Loyalty

- Metric measuring the loyalty of Chipotle app and rewards program users who are repeat customers
- Users find value in both using the app and in using the rewards program, therefore are returning customers

Data Analysis

Manipulation Checks

These results confirm the effectiveness of the experimental manipulations, with the "Competition" condition consistently driving the highest levels of excitability across all scenarios.

Please rate your excitability about the following potential additions to the Chipotle app. – Ability to compete with friends in a monthly competition for points.

Duncan[a,b]

		Subset for alpha = 0.05		
Condition_Num	N	1	2	3
Control	113	1.1062		
Social/Community	115		1.7043	
Competition	113			2.1770
Sig.		1.000	1.000	1.000

Means for groups in homogeneous subsets are displayed

Please rate your excitability about the following potential additions to the Chipotle app. – Ability to add friends to a friends list.

Duncan[a,b]

		Subset for alpha = 0.05	
Condition_Num	N	1	2
Control	113	1.1681	
Social/Community	115		1.7217
Competition	113		2.0354
Sig.		1.000	.136

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 113.659.

b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

Please rate your excitability about the following potential additions to the Chipotle app. – Opportunity to earn EXTRA rewards based on ranking in monthly competitions.

Duncan[a,b]

		Subset for alpha = 0.05	
Condition_Num	N	1	2
Control	113	1.9646	
Social/Community	115	2.2522	2.2522
Competition	113		2.6018
Sig.		.227	.143

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 113.659.

b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

Dependent Measures

Loyalty Passed the Reliability Test being well above the 70% threshold

Extrinsic barely missed the 70% threshold. Since it only missed it by .2% it was still deemed acceptable

Reliability – Loyalty

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	341	100.0
	Excluded[a]	0	.0
	Total	341	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.836	3

Reliability – Extrinsic

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	341	100.0
	Excluded[a]	0	.0
	Total	341	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.698	2

Test & Summary

One-way ANOVA

ANOVA

Extrinsic

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	65.484	2	32.742	11.527	<.001
Within Groups	960.055	338	2.840		
Total	1025.538	340			

Extrinsic Significance: With a significance level of less than .001, the experiment was successful in developing Extrinsic motivation for Chipotle customers.

ANOVA

Loyalty

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.625	2	1.312	.518	.596
Within Groups	856.259	338	2.533		
Total	858.884	340			

Loyalty Significance: The experiment failed to develop Brand loyalty for Chipotle customers, having a significance level well above the .05 threshold.

Duncan Post Hoc Tests

Post Hoc Tests

Homogeneous Subsets

Extrinsic

Duncan[a,b]

Condition_Num	N	Subset for alpha = 0.05 1	2
Control	113	35.1150	
Social/Community	115		35.8174
Competition	113		36.1726
Sig.		1.000	.113

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 113.659.

b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

Extrinsic- The Post Hoc analysis shows that there is a difference between the conditions and the control

Loyalty- On the other hand, Loyalty did not show any difference between the conditions and the control

Post Hoc Tests

Homogeneous Subsets

Loyalty

Duncan[a,b]

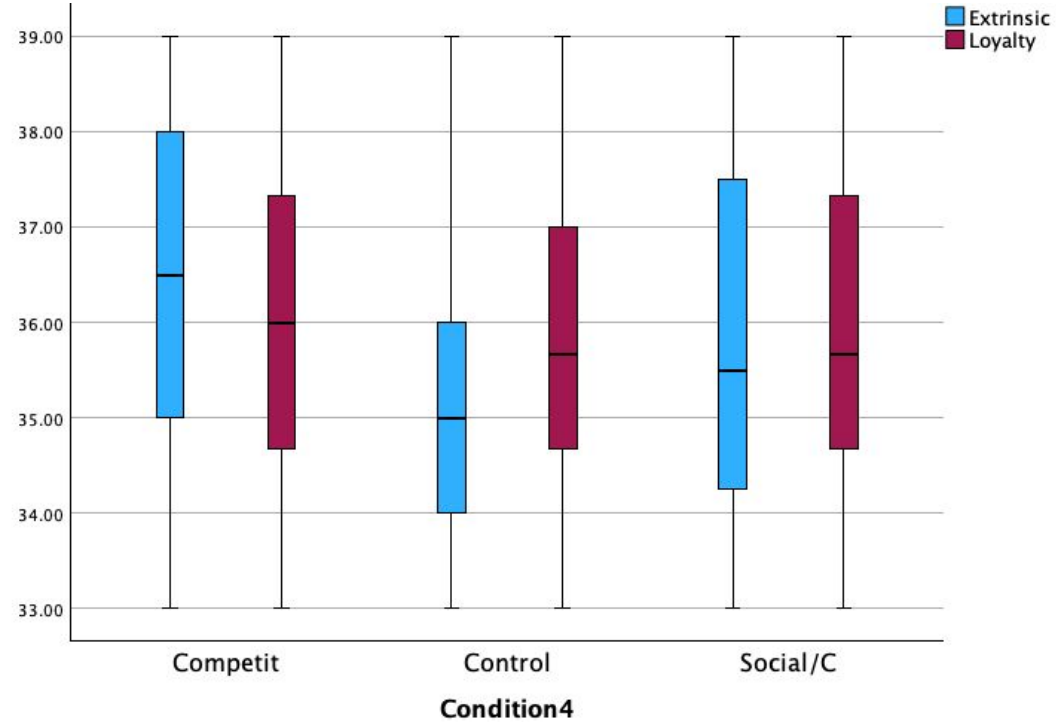
Condition_Num	N	Subset for alpha = 0.05 1
Control	113	35.7699
Social/Community	115	35.8696
Competition	113	35.9853
Sig.		.340

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 113.659.

b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

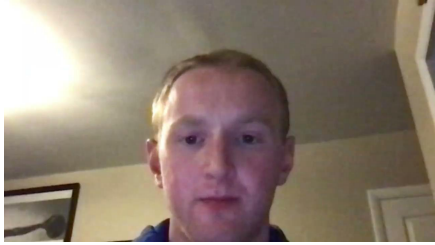
ANOVA Comparison



From the visualization of the means from the the manipulation tests, there is a noticeable difference between the means of the Extrinsic Variable (Blue).

Loyalty (Red) does not show much of a difference between the means.

Implementation of Idea



Based off the results of the data, we can conclude that it favored our proposed idea. Below is how we are going to implement that idea into practice using a 6 step implementation program:

1. Enhance the Chipotle App
    a. Add friends list features to integrate a contact list and social media. We will include an updated settings panel where consumers will be able to include privacy settings so they can control who can see there activity.
    b. Add a competition dashboard feature that is that is visually engaging with consumers that highlights rankings, points earned, and a countdown to the monthly end of the competition.
2. Pilot Program and Feedback
    a. We will launch the new rewards program with a select group of people (select region) to test the new features, test user engagement, and fix potential issues.
    b. We will gather feedback through in-app reviews to refine and rework features to better serve our consumers and address pain points before the full-scale launch.
3. Launch and promotion
    a. Create a month by month reward structure (static or ever-changing) and use this structure to create motivation from user engagement.
    b. Add features like push notifications that notify people in the same competition group about updates to the leaderboard and opportunities to gain a higher ranking in order to keep engagement levels high from month to month.

Implementation of Idea (cont.)

4. Marketing

a. Through social media we will promote the new features with ads showcasing friends rivaling and community building through the competition board, highlighting the rewards, the achievements, and the ease of use from just scanning your Chipotle Rewards.
b. We will target regular consumers (app holders, current rewards users) and send personalized emails to encourage these existing members to participate and invite them to challenge their friends. (these consumers will be the backbone in getting there friends to participate as they will want someone to compete against).

5. Community Engagement

a. In order to kick off the new features and incentivize participation, we will offer bonus points for inviting friends to join via consumers contact lists or social media, to join the loyalty program or participate in their first competition.
b. We want to highlight winners (especially during rollout), on Chipotle's social media or offer additional perks like limited edition rewards during first couple promotional months

6. Measure Success

a. We will want to track metrics such as app engagement rates, participation in competitions, and customer retention to evaluate the effectiveness of the program to see if additional improvements needs to be made.
b. We will also want to track if the added loyalty program is making consumers purchase Chipotle more frequently due to wanting to get higher rankings, along with if the consumers average purchase spend per visit is also increasing.
    i. Lower significance on brand loyalty - The concept of brand loyalty may require more nuanced measurement tools to capture long-term engagement and customer satisfaction rather then short-term interactions.
        1. Enhance community building, value based features, and personalization.

Thank You