

# Marketing Analytics

## Einführung

Master-Studiengang Business Analytics an der  
HS Düsseldorf im Sommersemester 2019

Prof. Dr. Christian Schwarz

# *Introduction*

Are you an entrepreneurial spirit?



Are you thinking about how to build a new business?



... or to improve your organization?



Are you trying to find innovative ways of doing?



You're holding a handbook for visionaries, game changers, and challengers striving to defy outmoded business models and design tomorrow's enterprises. It's a book for the...

# Business Model Generation

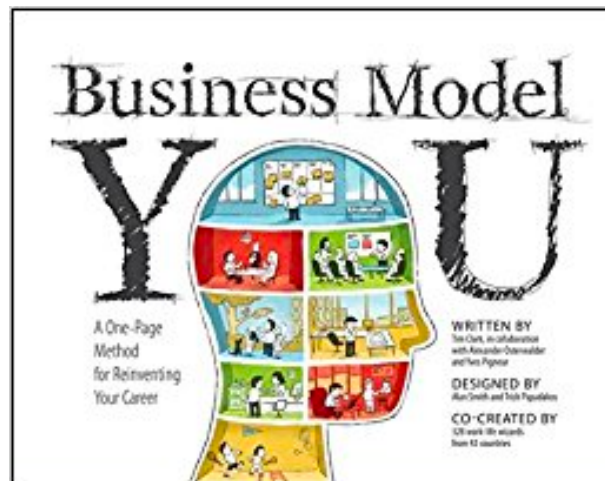
WRITTEN BY  
Alexander Osterwalder & Yves Pigneur

CO-CREATED BY  
An amazing crowd of 470 practitioners from 45 countries

DESIGNED BY  
Alan Smith, The Movement



... continued:





*Business Model*

*Generation*

*Framework („BMG“)*

*“A business model describes the rationale of how an organization creates, delivers, and captures value.”*

Alexander Osterwalder

*Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.*

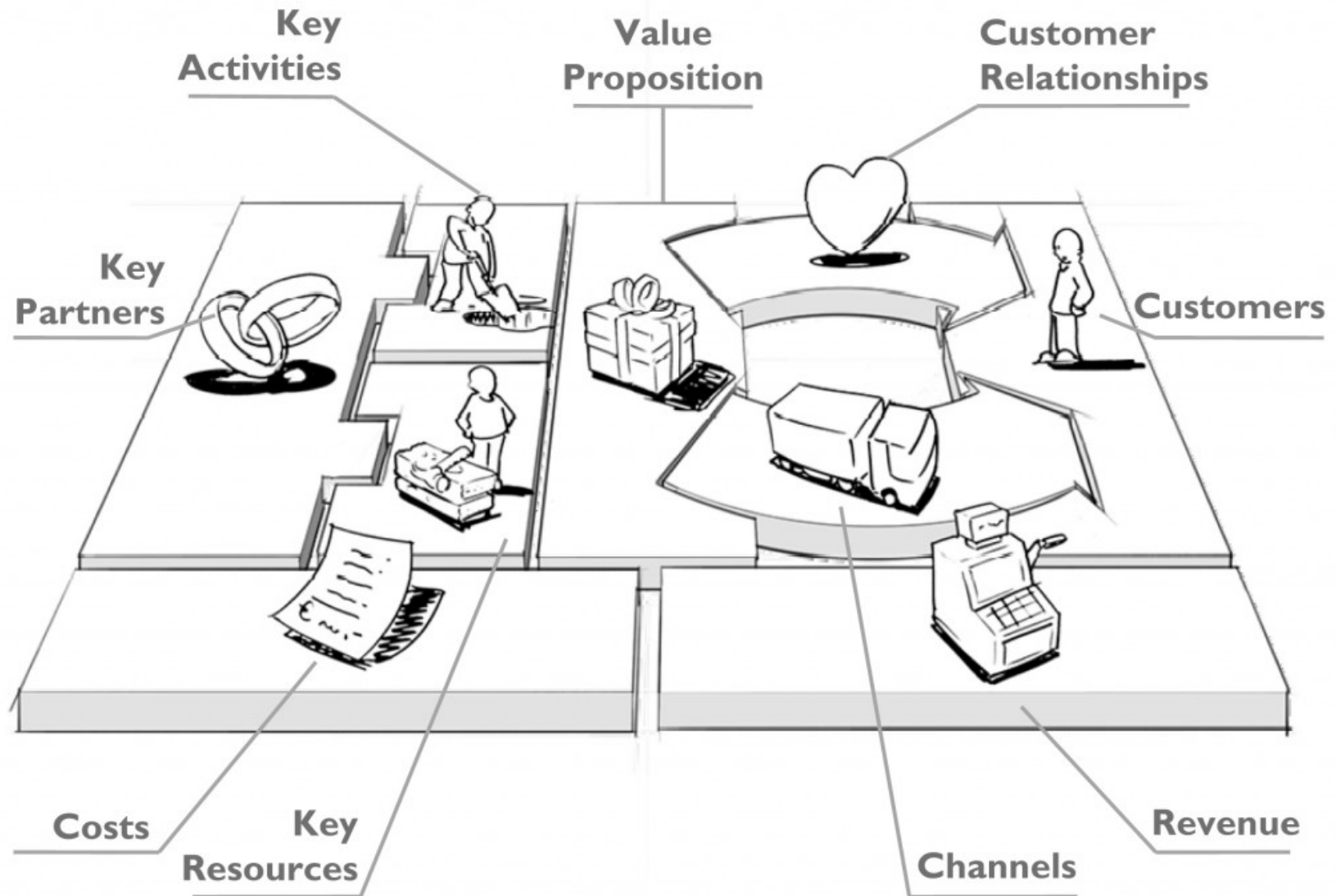
AMA = American Marketing Association

## Business Model Generation Objectives

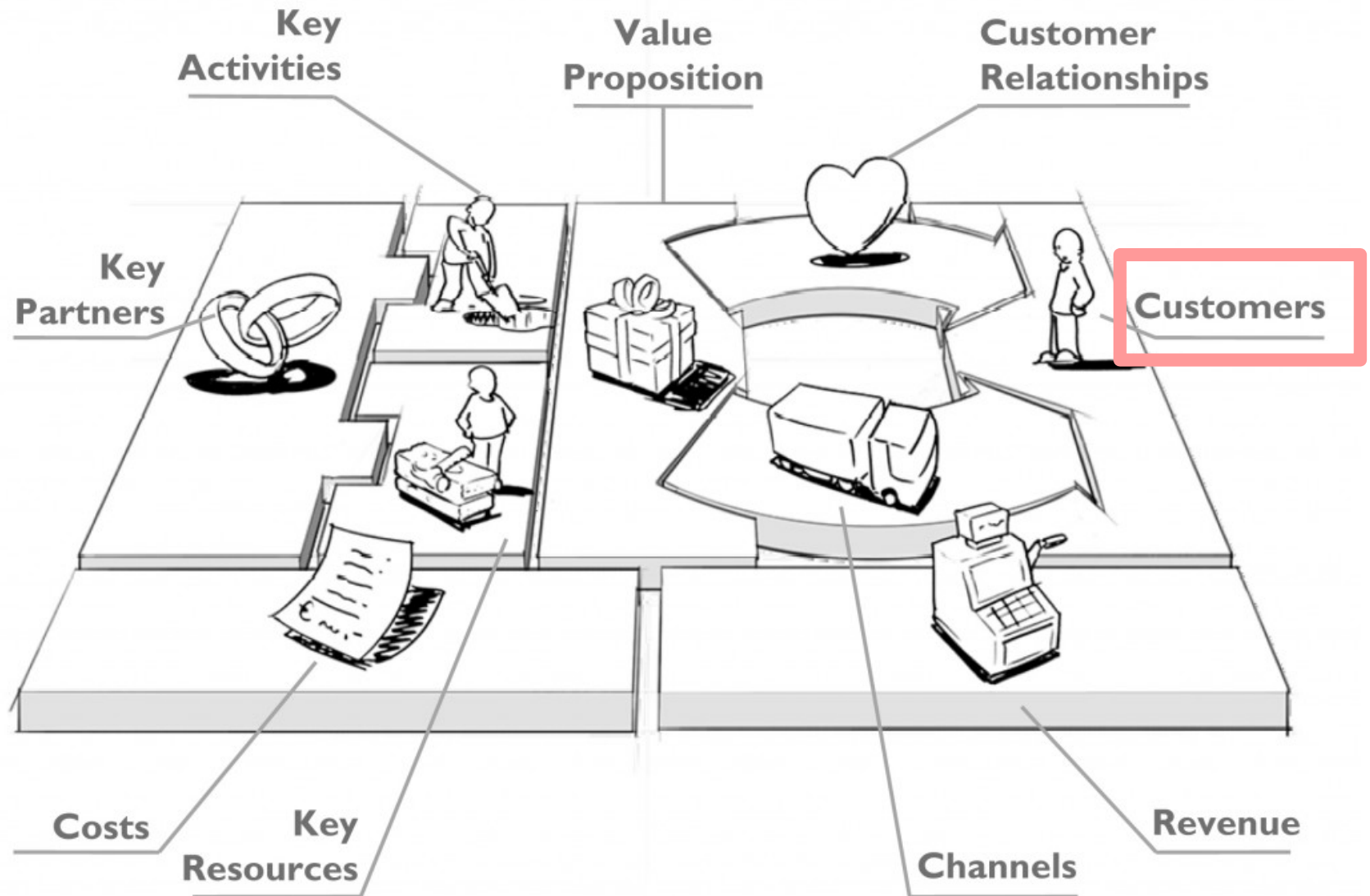
After studying Business Model Generation, you should understand:

- what a business model is,
- why it is important to understand your business activities,
- why companies in the same industry or the same product/service might have different business models, and
- how a company's business model affects how it operates.

# Business Model Generation Canvas



# Business Model Generation Canvas



## 1) Customer Segments

***Q: Which customers and users are you serving? Which jobs do they really want to get done?***

Examples:

- Mass market: Consumer electronics
- Niche market: Gluten-free products
- Segmented: Banking
- Diversified: Amazon
- Multi-sided: Ebay, Etsy, Credit Cards

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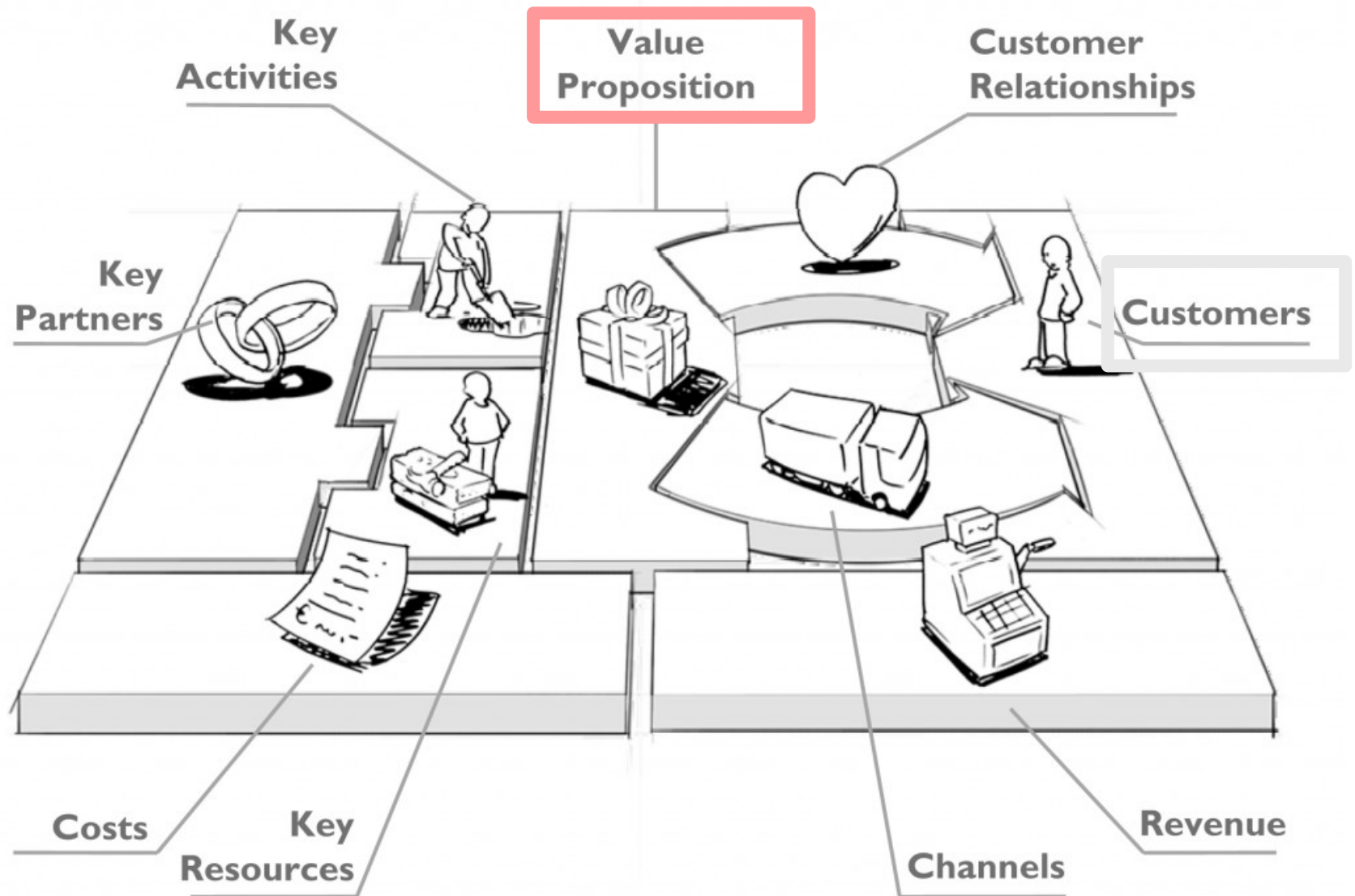
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# Business Model Generation Canvas



## 2) Value Proposition

***Q: What are you offering you customers? What is that you are getting dine for them? Do they care?***

Examples:


- Newness: Cell phones
- Performance: PCs
- Customization: Cereals
- Design: Apple
- Price: Walmart
- Risk Reduction: Service guarantee
- Cost Reduction: UPS, Salesforce
- Accessibility: Caresharing
- Convenience: iTunes

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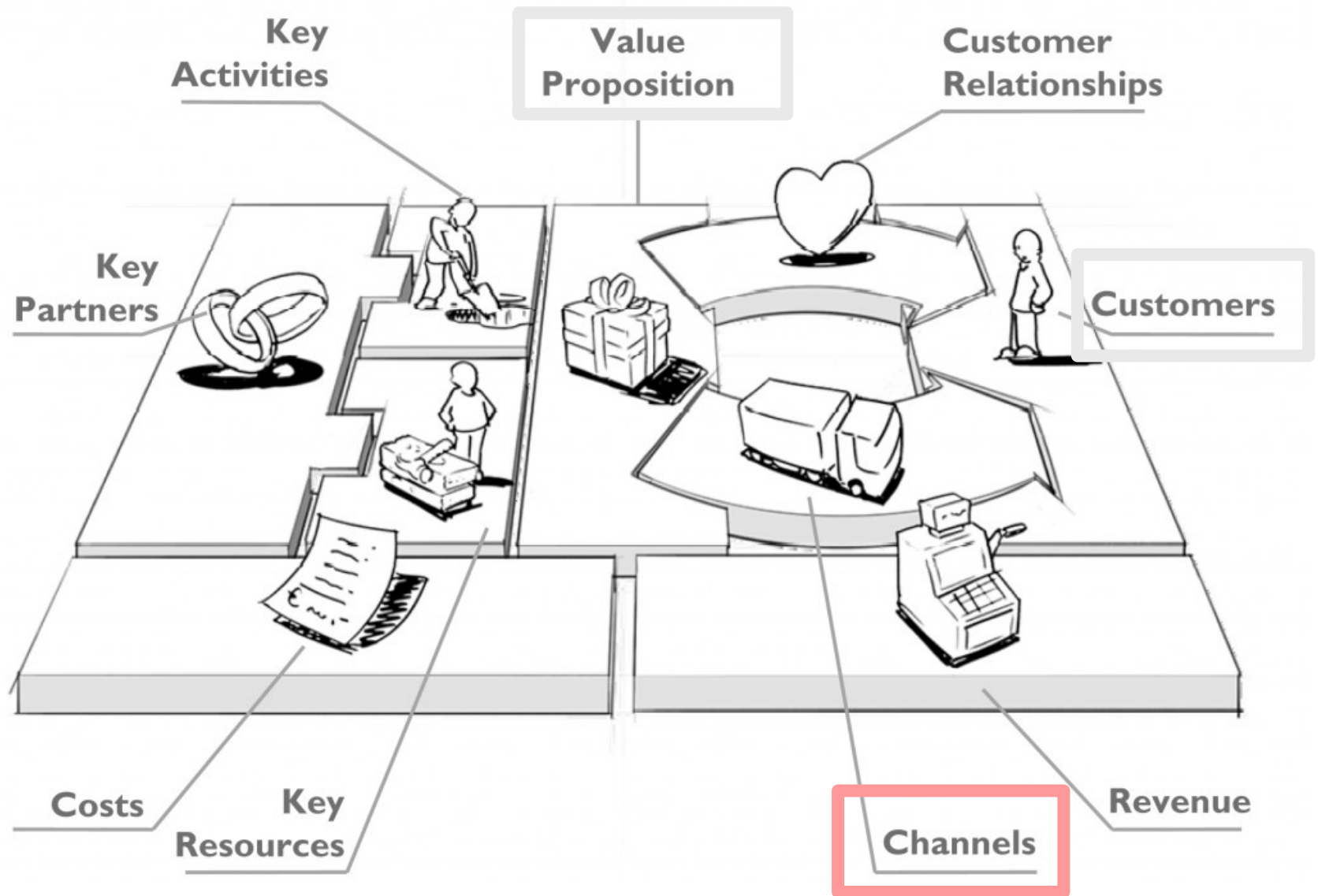


Conjoint Analysis



Factor  
Analysis

# Business Model Generation Canvas



### 3) Channels

***Q: How does each customer segment want to be reached? Through which interactive points?***

Remark: Channels are all customer touch points: Awareness, Evaluation, Purchase, Delivery, After-Sales.

Examples:

- Partner channels versus owned channels
- In person
- Telephone
- Internet
- On-site
- Physical delivery or Pick up
- Social or traditional media

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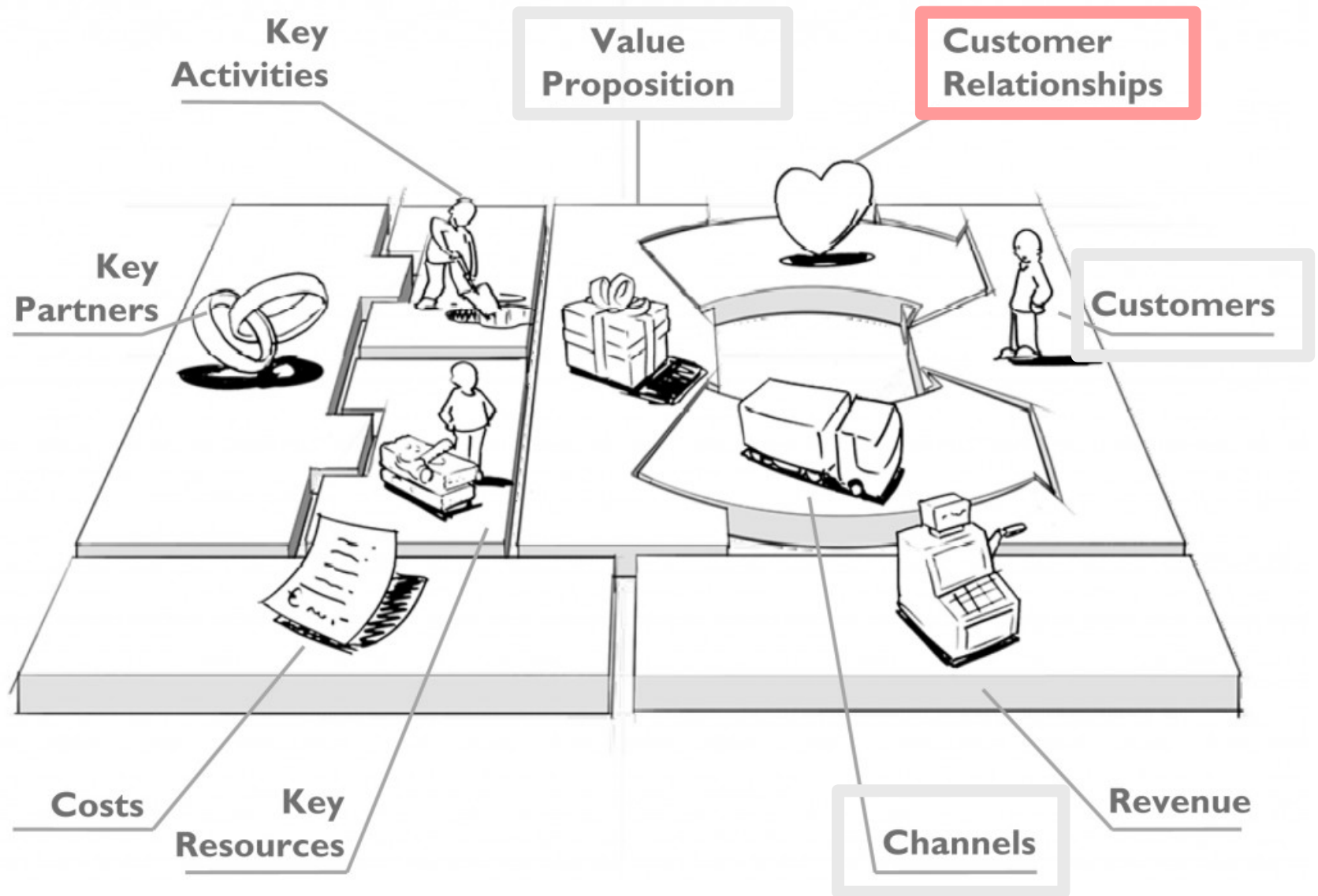
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# Business Model Generation Canvas



## 4) Customer Relationships

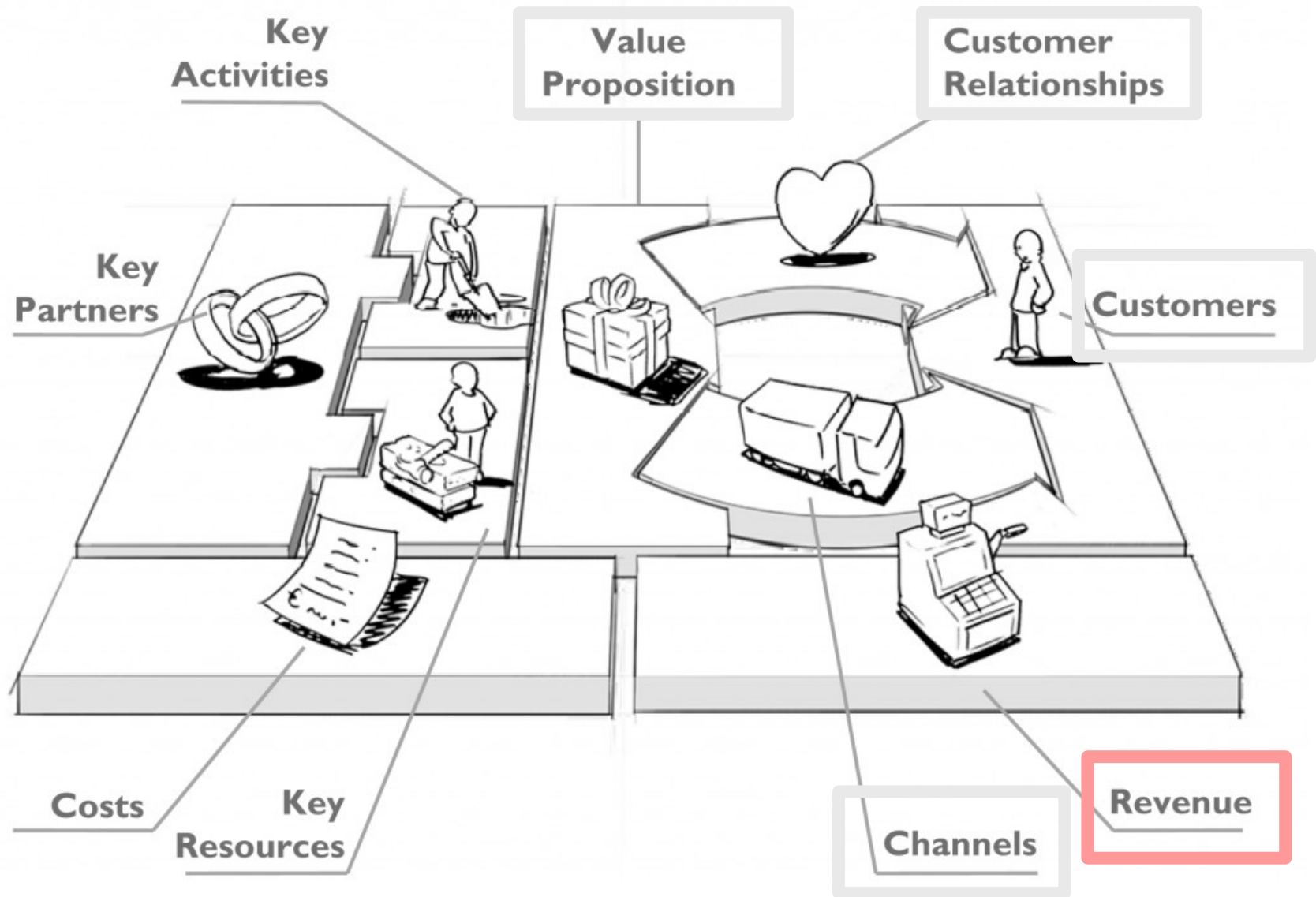
***Q: What relationships are you establishing with each segment?  
Personal? Automation? Acquisitive? Rententive?***

Examples:

- Personal assistance: fitness trainer
- Dedicated personal assistance („most intimate“): tax consultant
- Self service: Grocery store
- Automated services: Amazon
- Communities: social networks
- Co-creation: Youtube, online reviews



# Business Model Generation Canvas



## 5) Revenue Streams and Pricing

***Qs: What are customers really willing to pay for? How? Are you generating transactional or recurring revenues?***

i) Revenue streams:

- transaction based one-time-revenue versus
- recurring revenues from on-going payments.

ii) Pricing:

- Fixed pricing: prices are determined in advance of any sales based on static variables
- Dynamic variable pricing: The prices can change based on market conditions

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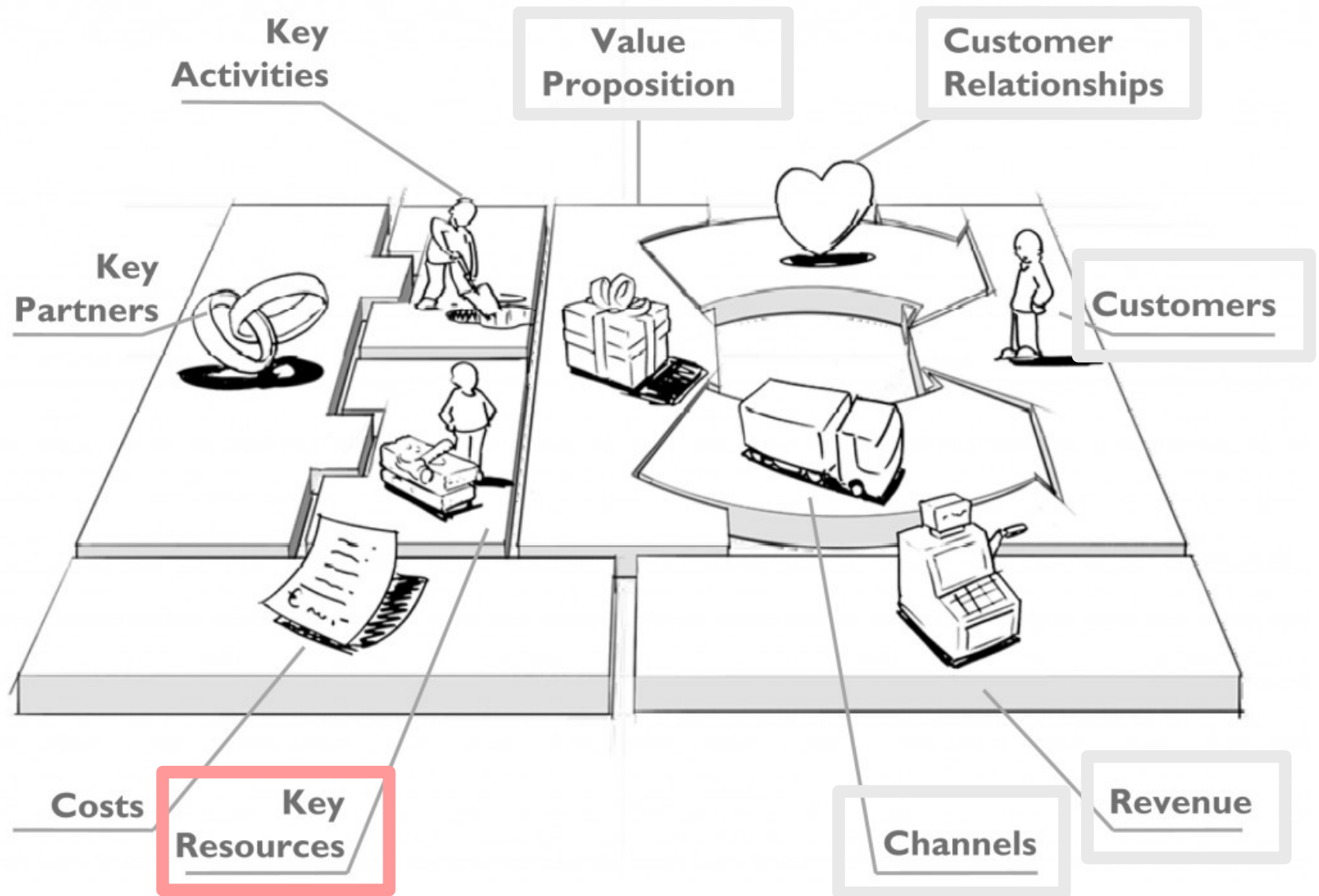
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# Business Model Generation Canvas



## 6) Key Resources

***Qs: Which resources underpin your business model? Which assets are essential?***

Examples:

- 1. Physical:** manufacturing facilities, but also large retailers like Amazon rely on capital-intensive warehouses or its infrastructure
- 2. Intellectual:** brands, knowledge, patents, partnerships, customer databases, e.g. Google on the search engine
- 3. Human:** prominent in knowledge-intensive and creative industries, e.g. a skilled scientist or a motivated sales force
- 4. Financial:** banking

## 6) Key Resources

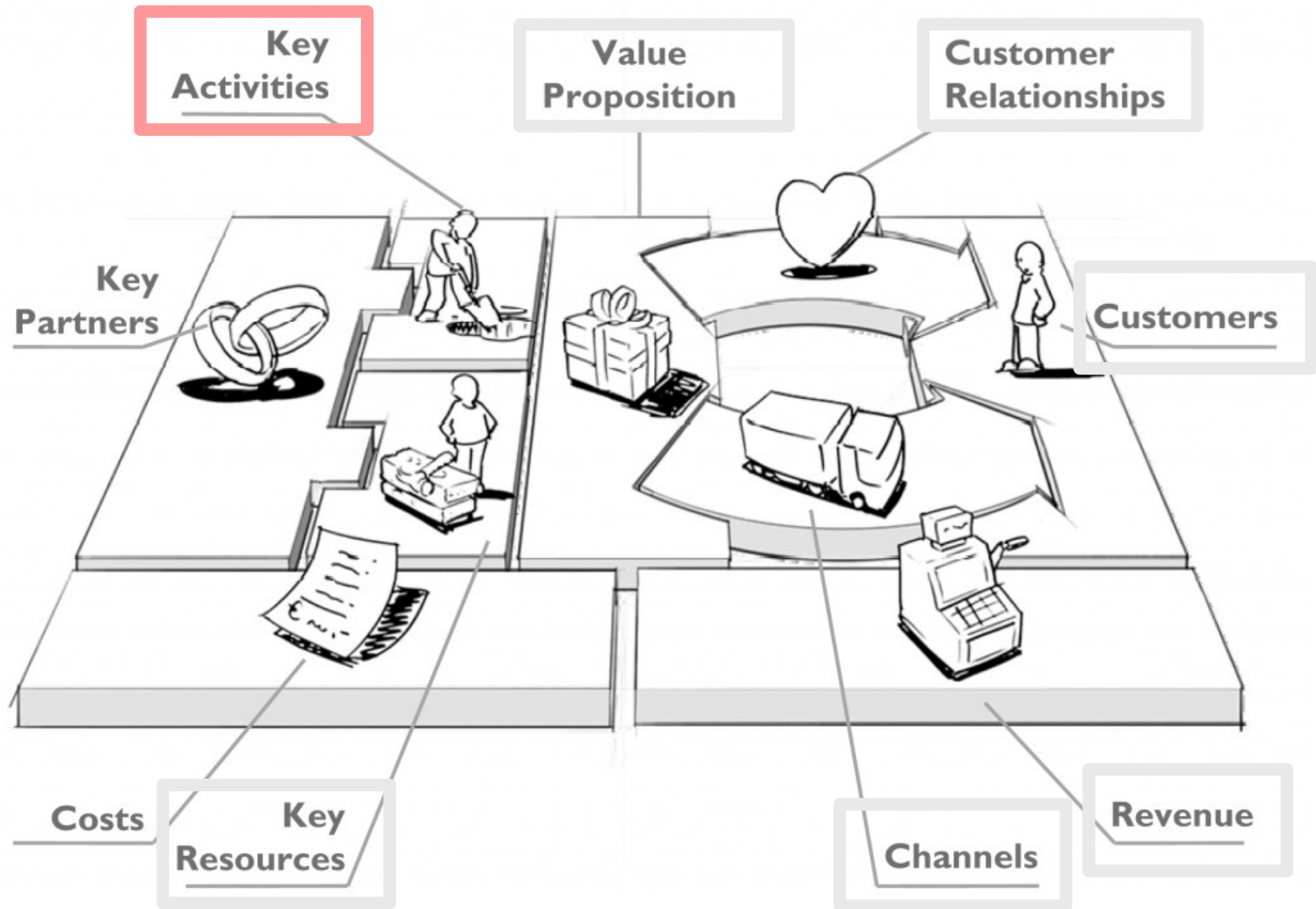
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# Business Model Generation Canvas



## 7) Key Activities

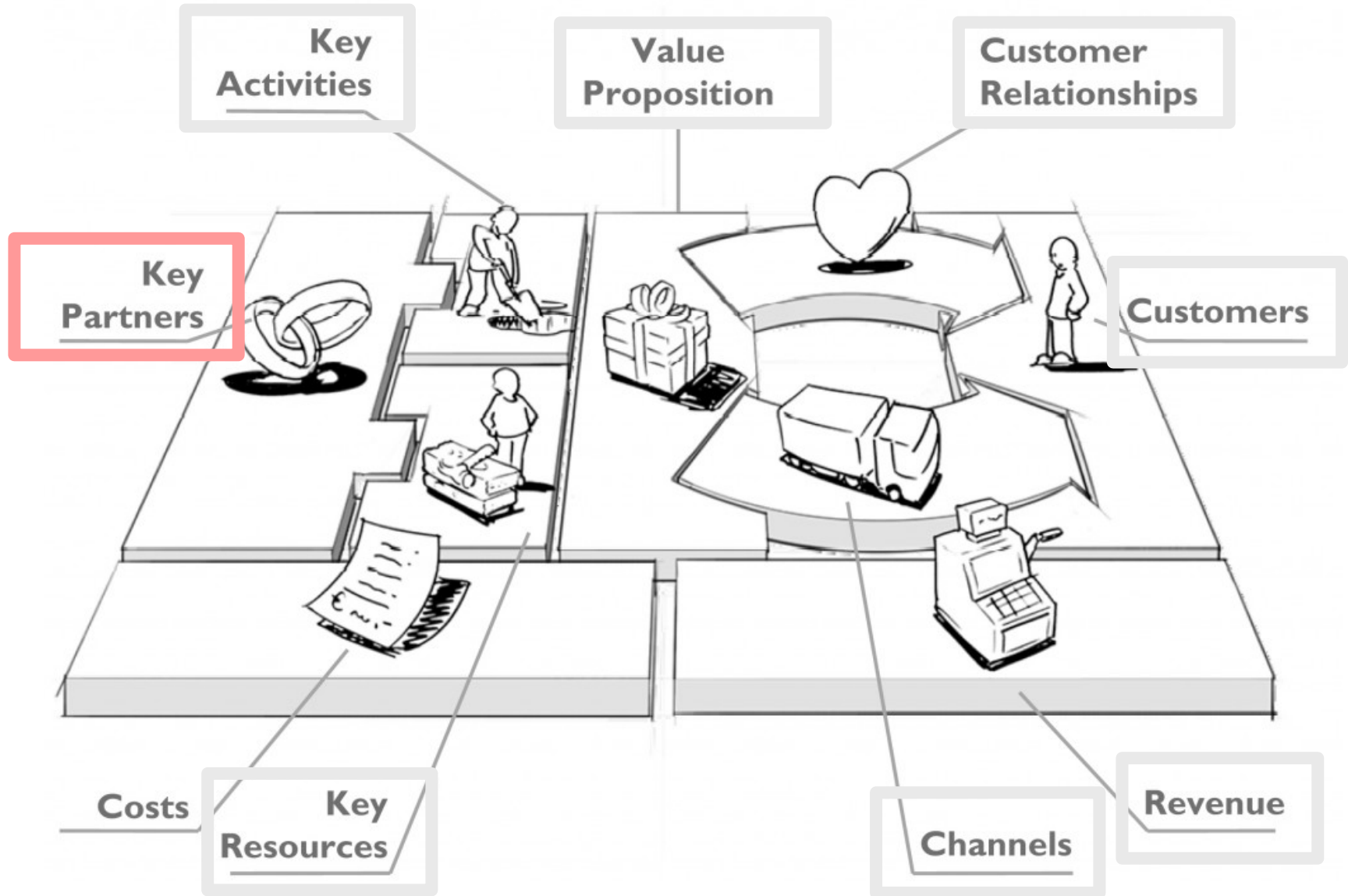
***Qs: Which activities do you need to perform well in your business model? What is crucial?***

Examples:

- Making: Microsoft (software developing) versus Dell (supply chain management)
- Selling: Promotion versus education
- Supporting: finding HR, customer services, platform/network management



# Business Model Generation Canvas



## 8) Key Partnerships

***Qs: Which partners and suppliers leverage your business model? Who do you need to rely on?***

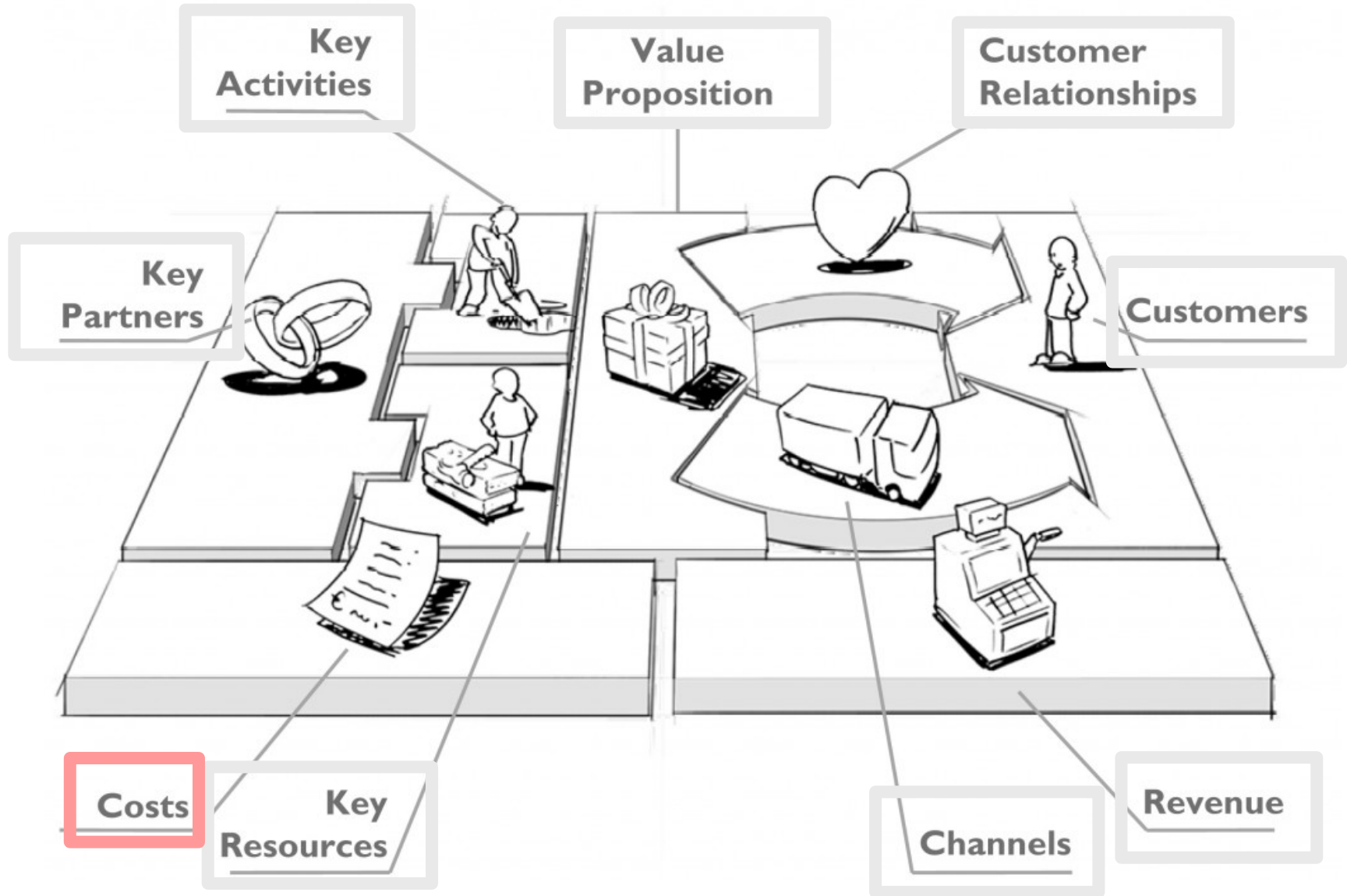
Examples:

- Optimization and Economy of Scale: Outsourcing of infrastructure
- Reduction of risk and uncertainty: BluRay
- Acquisition of resources and activities: brokers versus sales force

Types:

- Strategic partnerships with non-competitors: Microsoft and KPMG
- Strategic partnerships with competitor (“coopetition”): Ford and Toyota on hybrids
- Joint venture to develop to new businesses: Sony and Erricson in cell phones
- Buyer-supplier relationships: McDonalds licensing only Coke

# Business Model Generation Canvas



## 9) Cost Structure

***Q: What is the resulting cost structure? Which key elements drive your costs?***

Examples:

- Cost driven: Walmart
- Value driven: Luxury hotel

Types:

- Fixed versus variable costs
- Economies of Scale
- Economies of Scope
- Is your business model scalable?

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Marketing  
Controlling

*Your Case Study...*





LEGO, HASBRO, MATTEL

## Die Spielzeugriesen müssen ihre Strategie ändern

Datum: 01.04.2018 10:08 Uhr

Lego, Hasbro und Mattel verlieren allesamt Umsatz – und die Pleite des Großabnehmers Toys ‚R‘ Us macht es nicht besser. Was läuft schief bei den Spielzeugkonzernen?

**New York.** Die Stimmung in der Spielzeugbranche ist nicht erst seit der Pleite von Toys ‚R‘ Us am Boden. Lego, Hasbro  und Mattel , die drei größten Spielzeughersteller der Welt, haben im extrem wichtigen Weihnachtsgeschäft Absatzrückgänge verzeichnet. Und der Ausblick auf 2018 ist nicht viel besser.

Einst verlässliche Geldbringer, wie die Batman-Sets von Lego oder „Star Wars“-Produkte von Hasbro, kommen bei der jungen Zielgruppe nicht mehr an. Und etablierte Marken wie Barbie sind in die Jahre gekommen. Viele Verbraucher kaufen lieber billigere Puppen oder Plüschtiere.

Im schnell wachsenden Sektor der Smartphone-Spiele sind die Konzerne kaum vertreten. Dabei macht das Segment laut Euromonitor bereits 20 Prozent des 152 Milliarden Euro schweren globalen Spielzeugmarktes aus.












# The Business Model Canvas

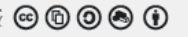
Designed for:

Designed by:

On: Day Month Year

Iteration: No.

<h3>Key Partners</h3>  <p>Who are our Key Partners? Who are our key suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform?</p> <p><b>KEY PARTNERS</b> Partners who help us perform our Key Activities, provide us with Key Resources, or assist us in reaching our Customer Segments.</p>	<h3>Key Activities</h3>  <p>What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue streams?</p> <p><b>KEY ACTIVITIES</b> Activities that our Value Propositions require, our Distribution Channels require, or our Customer Relationships require.</p>	<h3>Value Propositions</h3>  <p>What value do we deliver to the customer? Which one of our customer's problems are we helping to solve? Which bundles of products and services are we offering to each Customer Segment? Which customer needs are we satisfying?</p> <p><b>VALUE PROPOSITIONS</b> Bundles of products and services that create value for a specific Customer Segment.</p>	<h3>Customer Relationships</h3>  <p>What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established? How are they integrated with the rest of our business model? How costly are they?</p> <p><b>CUSTOMER RELATIONSHIPS</b> Types of relationships that we establish and maintain with each Customer Segment.</p>	<h3>Customer Segments</h3>  <p>For whom are we creating value? Who are our most important customers?</p> <p><b>CUSTOMER SEGMENTS</b> Groups of customers that we are creating value for.</p>
	<h3>Key Resources</h3>  <p>What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?</p> <p><b>KEY RESOURCES</b> Resources that our Value Propositions require, our Distribution Channels require, or our Customer Relationships require.</p>		<h3>Channels</h3>  <p>Through which Channels do our Customer Segments want to be reached? How are we reaching them now? How are our Channels integrated? Which ones work best? Which ones are most cost-efficient? How are we integrating them with customer routines?</p> <p><b>CHANNELS</b> Channels through which we reach our Customer Segments.</p>	
<h3>Cost Structure</h3>  <p>What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive?</p> <p><b>COST STRUCTURE</b> Costs incurred to create, distribute, and sell the Value Proposition.</p>		<h3>Revenue Streams</h3>  <p>For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues?</p> <p><b>REVENUE STREAMS</b> Revenue streams that we generate from each Customer Segment.</p>		

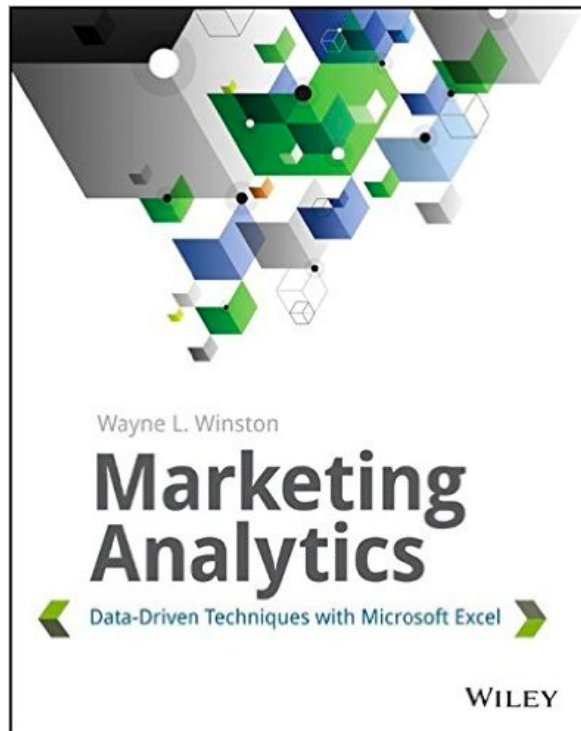


# *Marketing Analytics*

*„Marketing analytics is the measurement and optimization of your marketing activities.“*

## Literature

- Wayne L. Winston, Marketing Analytics, Wiley, 2014



## Literature

- Scott Berinato, Good Charts: The HBR Guide to Making Smarter, More Persuasive Data Visualizations, Harvard Business Review Press, 2016

