

WHY ACADEMICS?

RESEARCHERS SOLVING BUSINESS WORLD CHALLENGES

The Wharton Customer Analytics Initiative (WCAI) exists to promote the development of new analytic methods that are both rigorous and relevant. By connecting corporate research partners to WCAI's academic network of more than 2,500 researchers, and tailoring relationships via the Research Opportunity program, companies are able to explore long-term R&D challenges without taxing in-house analytics teams or providers.

WCAI has partnered with over 20 companies, and in each case, academic researchers paired creative solutions with rigorous methodology, offering truly novel approaches to previously unsolved challenges.

CHALLENGE: STOP SPENDING ADVERTISING DOLLARS ON CREATIVE THAT PERFORMS POORLY

PROPOSED SOLUTION: A sophisticated model that will score an individual ad's performance while accounting for wear-out and restoration

WHY IT'S NOVEL: Typically, in-market ad performance is measured at the campaign level, and real-world performance of individual creative remains a mystery. Few people thought to measure the performance of separate ads, and those who did ran into technical roadblocks. Researchers Michael Braun and Wendy Moe developed a breakthrough model using a WCAI-sponsored dataset, which the Corporate Partner has now integrated into its suite of advanced attribution tools.

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As objective "outsiders," academics can better resist the sway of "it's always been that way" and bring the expertise to build sophisticated models and the rigor to reliably test them. The rich behavioral data available in online advertising today offered a solution to a decades-long roadblock in isolating the performance of discrete creative.

*Research Team: Michael Braun, SMU Cox School of Business;
Wendy Moe, University of Maryland's Robert H. Smith School of Business*

CHALLENGE: DRIVE CUSTOMER ENGAGEMENT AND CROSS-SELLS

PROPOSED SOLUTION: Offer coupons on new products, not those already purchased by the consumer to build awareness of other products and increase purchasing

WHY IT'S NOVEL: Traditional business practice is to offer promotions for the same types of products that a customer has previously purchased. Researcher Nathan Fong had developed a small dataset that showed how wine distributors could drive customer search and maintain (or even boost) sales by offering promotions for wines outside the customer's purchase history. When WCAI announced a dataset it had prepared with our Corporate Partner, StubHub, Fong applied the findings from his previous wine study to ticket sales and was able to more fully explore how coupons could be used to elicit a desired behavior.

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Academics are incentivized to apply research findings from one context to another. While practitioners and vendors often work within one vertical, academics are trained to look at broader relationships and remain industry-agnostic. The corporate partner valued this approach and noted that it would indeed be highly unlikely for someone in their vertical to know of novel research in the wine industry, let alone the mechanics for translating it to their business context.

Research Team: Nathan Fong, Fox School of Business



CHALLENGE: IMPROVE UPON A “BEST-IN-CLASS” RECOMMENDATION ENGINE

PROPOSED SOLUTION: Rework the mechanics of recommendation algorithms, originally developed for media products, to be more suitable to a retailer.

WHY IT'S NOVEL: Vendors have done great work in advancing the adoption of recommendation engines (driving down cost, extending them to new industries). However, there are fundamental differences between media products and other types of products like specialty retail goods, where offerings change rapidly and consumers typically purchase fewer items. Researcher Anand Bodapati recognized that these critical differences were being overlooked and leveraged WCAI's partnership with a major multi-channel, multi-brand specialty retailer to develop a new approach to recommendations that was uniquely tailored to specialty retail. Both parties have maintained an ongoing relationship beyond the WCAI-sponsored project.

WHY ACADEMICS

By fundamentally reworking assumptions, predictions are able to be more accurate and yield conclusions that are more reliable in the Corporate Partner's business context. This approach is ideal for academics, who possess the skills, rigor, and incentives to investigate long-term analytic challenges that many other analytics professionals may overlook or forgo in the interest of getting a workable solution in place.

Research Team: Anand Bodapati, UCLA Anderson School of Management

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