

THE VALUE OF MARKETING RESEARCH

In summer 2009, Dunkin' Donuts (DD) launched its new vanilla-flavored drink, Coolatta, by organizing a competition on Facebook. The competition invited the fans of the brand to post a photo of themselves with the drink on the Facebook fan page in order to enter a competition for a daily giveaway. The participants also had to post the photo on their profiles to qualify to be the lucky winners chosen by DD. The photo of the winner was posted on Dunkin' Donuts official profile.³ When the competition started, the DD fan page had almost 800,000 supporters. Within a week, their fan base was composed of 1.1 million and kept growing, (today it has more than 1.6 million, featuring "fans of the week").



In 2010, DD decided to repeat its success and launched a continuation: "Keep It Coolatta 2: Flavor Boogaloo". In partnership with the popular internet radio service Pandora, DD asked Facebook users to submit their favorite song as well as select their favorite iced-coffee flavor to help them create a branded music mix.

With "Keep It Coolatta 2: Flavor Boogaloo," Dunkin' Donuts is sponsoring a custom playlist on Pandora (www.pandora.com), the Internet radio service that delivers personalized stations based on listener music preferences, and giving everyone the chance to play DJ by visiting DD's Facebook page at www.facebook.com/DunkinDonuts and suggesting favorite songs inspired by the flavors of Coolatta and summer. The ultimate summer mixes were selected from all suggestions on Facebook and available as a custom DD music station on Pandora in July.⁴

The number of fans on the Facebook Page is not a reliable indicator of the effectiveness of the Coolatta campaign, but indicates other valuable benefits: product research and customer data.

CASE 2 cont'd

Product research: When submitting a song, users had to select their favorite Coolatta. According to Paul Samuelson, leading American economist, revealed preferences of consumers represent invaluable insights that aid in predicting future consumption. Access to consumer preferences could potentially have had wide application in the operations department to control the balance between supply and demand. It is notable to highlight how social media facilitated the process to get these valuable insights.

Customer data: When a Facebook user accesses the DD application, he has to allow the application to use his personal data. This gives Dunkin' Donuts not only demographic information about their fan-base, but also access to the profiles of online users, which contain hobbies and interests. These insights are invaluable for the marketing department of the organization to do proper targeting. While the company didn't disclose the benefits of its social media participation, the fact that DD is the number one retailer of iced coffee in America, with sales of more than 250 million cups of iced coffee per year, can speak about their success in the social media space.⁵



FAN OF THE WEEK



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Lesson Learned: Social media participation doesn't have to generate direct impact on an income statement to prove itself profitable.