Dear Lifelong Learners,

Good to see so many of you again yesterday.  It was indeed a pleasure to be part of your journey exploring “The Influence of Media.”  This week we focused on how media and digital technologies are disrupting traditional products, markets and business practices such advertising.

Prof. Mohan Sawhney got us started with a definition of digital disruption as the application of digital technology to significantly improve the customer experience through one of six C’s: choice, cost, convenience, control, customization, and community.  Illustrating the patterns of disruption using companies like Tesla, Uber, and Amazon, he demonstrated how these innovative new businesses focus on transforming their markets, products or channels.  But the value and opportunity investors see in these disruptors represent an existential threat for incumbent firms. Prof. Sawhney left us with a framework of responses that companies can use to remain competitive, from disrupting your own business model (HBO), to acquiring the competition (Walmart, Allstate), to becoming a disruptor of your own through adaptation and transformation (Reliance Jio).

If Prof. Sawhney left us dreaming about a utopian digital life of self-driving cars, cloud-connected fitness equipment and online prescription eyeglass purchases, Prof. Florian Zettlemeyer helped bring us back to earth with a look at some of the limitations of big data in product advertising.  On the surface, digital ads would seem to be the perfect solution to the age-old challenge of measuring advertising effectiveness because companies now know who exactly has seen an ad and whether those “exposed” consumers go on to purchase their products. But through a series of carefully-designed experiments (or randomized control trials) using Facebook advertising data, we learned that the traditional measures of an ad campaign’s impact on sales (or “lift”) can be significantly overstated.  Prof. Zettlemeyer’s conclusion: despite the enormous promise of digital media to allow advertisers to track everything, measuring how well ads work remains a huge challenge.

Thank you all for allowing me to take part in yesterday’s session.  I look forward to seeing you again at the final dinner on Wednesday evening, Nov. 16th.  Now back to Rachel and your regularly scheduled programming …

Best regards,

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