HUGE and Digital Strategy Case Analysis
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LDR 660-OA
April 14, 2013
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The digital marketing industry has become very fluid and increasingly unpredictable with the constant evolution in technology. HUGE, known for being a full-service digital agency was founded in Brooklyn, New York by David Skokna and Sasha Kirovsky in 1999. In 2011, HUGE was described as “the fastest growing digital agency in the United States” (Casadesus-Masanell & Karvounis, 2012, p.1). CEO Aaron Shapiro believes that to continue its growth into the future it is necessary to shift the company’s strategy. He would like to find the best way to introduce new growth without compromising the company’s reputation for excellence (Casadesus-Masanell & Karvounis, 2012).

HUGE takes pride in its ability to maintain high standards and ethics. This is seen within their consulting model which states they are “predicated on high-quality labor-intensive creative and technological excellence” (Casadesus-Masanell & Karvounis, 2012, p.1). The organization focuses their work around the user’s experience. HUGE founder, David Skokna described the user experience very simply stating, “it’s easy to make things pretty; it’s really about how it makes you feel once you’re using it” (Casadesus-Masanell & Karvounis, 2012, p.6). HUGE refuses to give any client less than the best and expects to exceed their client’s expectations by producing great work. A large poster that hangs in the Brooklyn headquarters speaks to its employees loudly; it says, “Make something you love” (Casadesus-Masanell & Karvounis, 2012, p.10).

Shapiro attributes the success of HUGE to its culture, desirable work environment, and the hiring of the right employees. He believes that an employee must be excited about a project to do a great job and allows employees to opt-out of projects that make them uncomfortable.
Continued success in Shapiro’s eyes hinges not only on shifting strategies to introduce new areas for growth, but also on maintaining the company’s founders vision of happiness at work. By examining the HUGE’s primary opportunities and issues, considering how the organization should respond to these opportunities, and exploring how they can implement and evaluate their chosen strategy, we will analyze HUGE’s strategy for successfully attaining growth in the future.

Primary Issues and Opportunities

The digital media industry is constantly changing because of the increase in social media use with mobile devices and smart phones, while more businesses reach out to potential customers via the World Wide Web. With the increase in technology comes both opportunities and issues for organizations like HUGE. It is these issues and opportunities that concern Aaron Shapiro, causing HUGE to have to make a shift in strategy which can affect the organization. With the growth in size of the organization (number of employees) and revenues, Aaron Shapiro does not want to ruin the reputation of excellence that has been built between HUGE and its clients, while making changes to the organization (Casadesus-Masanell & Karvounis, 2012).

Organizational Response to Issues and Opportunities

The opportunities for the growth in HUGE would be in the following four areas: retainer relationships, geographic experience, expanding traditional services, and health care. The company’s main concern is to remain the best in their industry while maintaining top quality services to their clients and giving each client the necessary attention they deserve.

The three main stages toward growth for HUGE include; analysis, development, and optimization. The analysis stage would require assembling a team to explore the discovery period by conducting market research, interviewing stakeholders, and conducting a brand and content audit assessment of the project along with a business analyzes. In the development
stage, they would plan this venture by establishing goal prioritization and generating an implementation plan, which would include constructing a creative, user-friendly customer platform. This would be followed by building and deploying the project. The final optimization stage would entail measuring the process by tracking feedback with user research and monitoring future improvements (Casadesus-Masanell, & Karvounis, 2012).

To accomplish this endeavor HUGE would have to apply Porter’s (2008) five competitive forces that shape strategy by asking themselves the following questions: What are threats of new entrants into the digital industry? What is the bargaining power of buyers in new areas? What substitute products or services are offered by other industries? What is the bargaining power of suppliers? What kind of rivalry exists from competitors offering the same services? (Porter, 2008). HUGE will have to consider these industry-shaping forces before moving forward on any growth strategies.

HUGE should commence this process by forming a team within the organization to identify external threats and opportunities (“SWOT Analysis I,” 2006). Next, this team should conceptualize the workplace-style and lifestyle trends that might affect the digital industry by assessing what kind of consumers would need their services. This team would also look into changes in the competitive arena because “putting the shoe on the other foot, we know that technology can provide powerful opportunities for companies that commercialize it in ways that provide clear benefits and value to customers” (“SWOT Analysis I,” 2006, p. 12). Employing Porter’s Five Forces (2008) in conjunction with SWOT Analysis I (2006) will help HUGE make the correct decisions regarding expanding the company.

Organizational Implementation and Evaluation of Chosen Strategy
By utilizing the SWOT Analysis I (2006), HUGE has to scrutinize all aspects and consider all factors to illuminate and give understanding to the field and area of interest in which the company functions and is run ("SWOT Analysis I," 2006). One method to accomplish this would be to conduct a survey of employees, shareholders, and customers (both loyal and potential). The insight from employees and shareholders would shed light on all aspects of the organization and expose company weaknesses and strengths. Feedback from customers will identify opportunities and threats that the organization faces.

A survey will allow the organization’s employees to communicate to leadership areas in which the skill set of the employees do not match the demands of the market. This in turn allows leadership to make decisions either to offer training in areas where employees are deficient or to invest in hiring new employees. A survey would also identify areas in which the organization is dominant. If HUGE is known for being able to provide consumers with an unforgettable digital interaction experience, then that principle should remain unchanged and in fact it should be broadened.

One area HUGE could expand its influence, is in the healthcare field. One reason why, is that patients like the idea of being hands-on in regards to their treatment and in taking control of their schedule, HUGE would really thrive in this market. Since healthcare is increasingly shifting its focus to the patient/customer experience, HUGE could supply the technological aspect to address the needs in this area.

HUGE can follow up the survey by formulating and testing the feedback with concepts of Porter’s (2008) five competitive forces. By assessing, infiltrating, capitalizing, and dominating their industry HUGE must understand the forces that power the competition. “Understanding the competitive forces, and their underlying causes, reveals the roots of an industry’s current
profitability while providing a framework for anticipating and influencing competition (and profitability) over time” (Porter, 2008, p. 3).

Finally, the organization can learn to forget (Hamel & Prahalad, 2008). HUGE should not continue to look at past successes and imagine it as the only way to continue to succeed. The company should be innovative in formulating new ideas and concepts, scrutinizing these for every possible fault, and rebuilding them to make them stronger, better and more innovative. Hamel & Prahalad (2008) claim,

> The best way to ensure that one is not at risk from more imaginative competitors is to be the first to conceive of alternate value-delivery mechanisms, the first to cannibalize one’s own products and services, and the first to get to the future, even when that future undermines past successes (p.19). As Andy Groves at Intel puts it, “You have to be your own toughest competitor” (p. 19).

**Conclusion**

Aaron Shapiro, CEO is faced with the need to shift strategy at HUGE to increase revenue growth and to continue to compete in the constantly changing digital media industry. HUGE has discovered opportunities for growth in the following four areas: retainer relationship, geographic experience, expanding traditional services and health care. Shapiro’s concern with moving into these areas is not being able to give their clients the necessary attention they deserve, ruining relationships that have been built, and ruining the company’s reputation.

The decision to move into new ventures is not easy for any organization. HUGE will have to decide whether the risk is worth the reward by identifying the opportunities and threats in the external environment. HUGE will use Porter’s (2008) five competitive forces model to
research and analyze the following: power held by suppliers, power held by buyers, competitive rivalry, threats of new entrants, and threats of substitute products.

HUGE must also reflect on its own strengths and weaknesses when making this decision to confirm that their organization is ready to embrace these new ventures (“SWOT Analysis I,” 2006). Evaluation of new concepts and testing of those concepts will allow the organization to understand the forces that power them as well as their competition by looking into all aspects, considering all factors, and learning to forget the organization can broaden its horizons through these new ventures while maintaining their core business and reputation (Hamel & Prahalad, 2008).
References


