



The Advertising
Research **Foundation**

PRESENTS

RE!THINK2016

SNAKE OIL: Still Available to 2016 Marketers!



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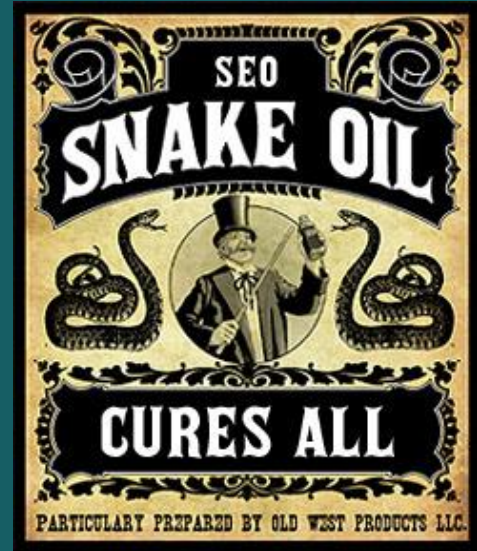
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What is **Snake Oil**?

Snake oil is an expression that originally referred to fraudulent health products or unproven medicine but has come to refer to any product with questionable or unverifiable quality or benefit.

From Google

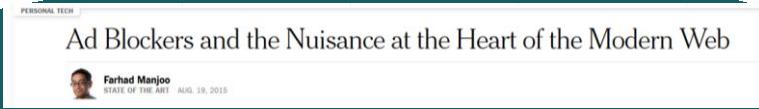
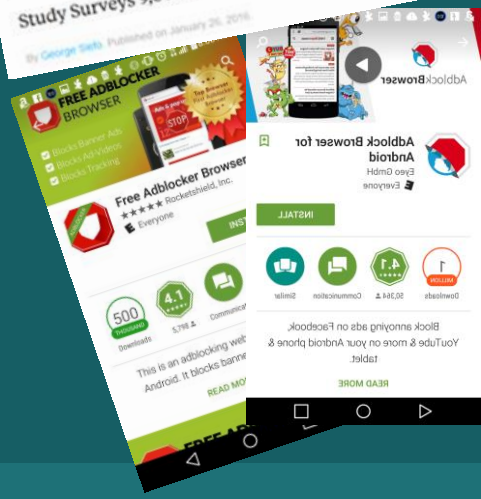
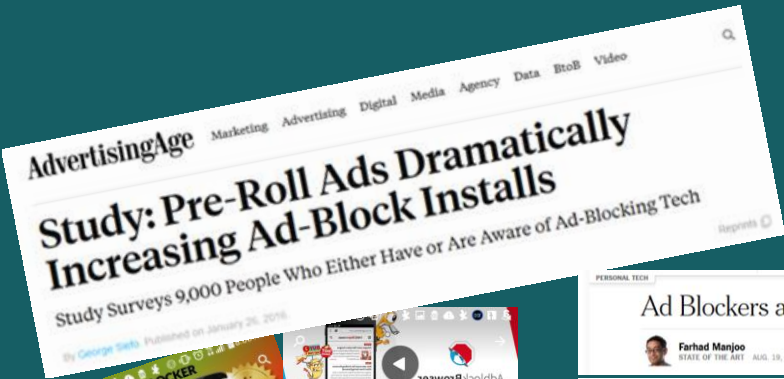


From Google Images

Many Re!Think presentations discuss various advertising vehicles on the path to purchase.

- CPGs have diverted millions of advertising dollars towards unproven or ineffective vehicles.
- This discussion will be focused on “snake oil” & remedies known to be effective in measuring in-store advertising:
 - CPGs over-reliance on marketing mix modeling
 - Simple, straight-forward analytics to prove the efficacy of in-store advertising.
 - How CPGs internal structures often put in-store advertising outside of the marketing function entirely.

What is the current trend in digital/mobile? AD BLOCKERS!



CPG's target audiences are now installing apps to prevent advertisers from reaching them!

Many Re!Think presenters will discuss digital/mobile, but does it pay out for grocery CPGs?



Online Grocery Shoppers Fill Digital Carts More Frequently
Digital grocery shoppers increase percentage of purchasing done online by about 30%

One in Five Foodies Buy Groceries Online
Digital grocery shopping still uncommon in the US

Brands Go Mobile in the Grocery Aisle: Closing the Loop Between Awareness & Purchase
CPG brands are incorporating various mobile initiatives into marketing plans that get brand messages in front of the consumer at the point of purchase, providing them with more relevant information and the discounts they covet.

According to 2014 survey data from Google and TNS, **almost no US grocery shoppers had made a digital grocery purchase in the three months** prior to polling—so few that the survey recorded 0%.



Digital grocery shopping is something of a niche activity. While a few internet users do food shopping research online, **almost none of them actually purchase groceries** that way.

Checking Circulars Is the No. 1 Digital Grocery Shopping Activity
When it comes to planning out how they're going to shop for groceries, consumers conduct a variety of different activities. While Gen Xers and boomers like checking digital circulars the most, millennials prefer building their grocery lists.

These are all comments from <http://emarketer.com>

Sometimes measuring ad vehicles is like the tale of "The Princess and the Pea"



Marketing Mix Models are often sufficient to read the larger spends.

When advertising vehicles run simultaneously, smaller spends fall victim to multi-collinearity.

When the Marketing Mix says "No read" -- marketers hear: "Vehicle doesn't work."

Examples of research outside of Marketing Mix



In-store Advertising:  Advertising applied directly to milk (as well as other high penetration staples.)

Household-level, ANCOVA volumetric Analysis provided by Datalogix.



Examples of research outside of Marketing Mix (cont.)

In-store Advertising:



SUPERFRIDGE

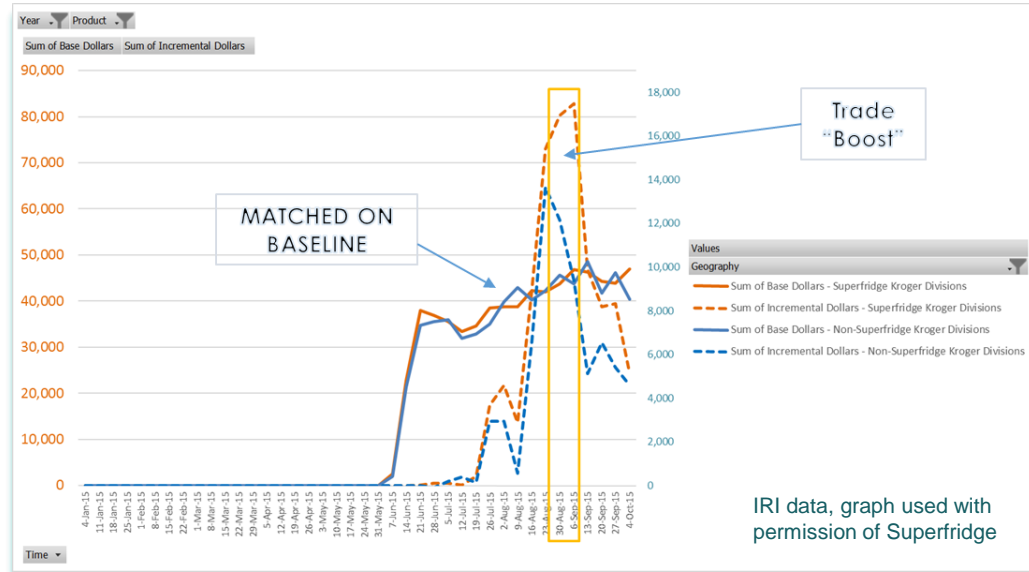
In-Store Opportunities

Advertising on secondary in-store display. Aside from trade 'boost'—halo extends to shelf and new items get huge jump in penetration.

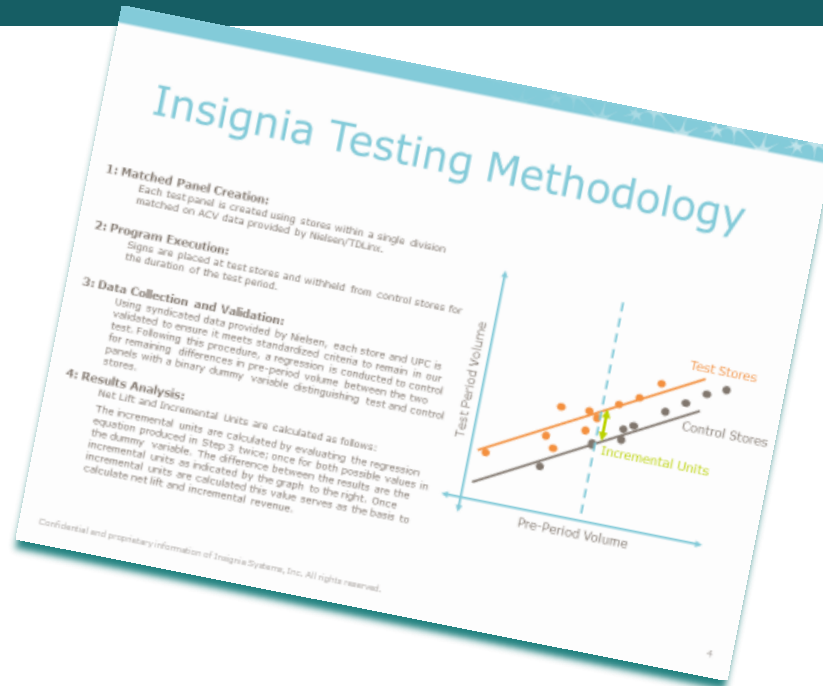


I'm over here!

Natural Control/Test environment exists when divisions of same retailer have Superfridge, or don't.



Examples of research outside of Marketing Mix (cont.)



Matched Panel, store-level data analyzed with regression analysis demonstrates this vehicle's efficacy.



In-store Advertising:
On-shelf Advertising is precisely on the next to last step on the Path to Purchase.
Retailer logo is endorsement along with **pricing** combine with creative from other vehicles in campaign to create **synergy**.

Examples of research outside of Marketing Mix (cont.)



What a Marketing Mix Says...



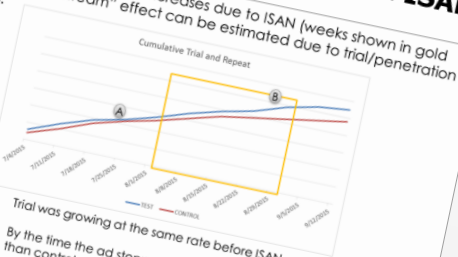
Marketing Mix Models – when correctly run – can see the volumetric effect of ISAN. Proof is in the numbers.

Simon Dratfield, President / Dratfield Analytics Incorporated –
"This is the case history, based on a recent study... (it) does show:
1. That it actually does drive incremental sales
2. It can be useful as a secondary tactic."



New Product: Trial/Repeat from ISAN

RESULTS: If you calculate Trial increases due to ISAN (weeks shown in gold box.) then "downstream" effect can be estimated due to trial/penetration increases.



- A Trial was growing at the same rate before ISAN
- B By the time the ad stopped, trial grew and remained higher than control group.

Additional evidence from shopper card data.



**In-store Advertising:
In-store radio**
How has this been left out of the consideration set by media buyers and marketers?

Validation from Marketing Mix modeling as well as shopper card data demonstrates the effectiveness of this media. Arbitron (ARF Re!Think2014) linked radio creative to television viewing, as well as radio's stand-alone reach.



Summary of In-store advertising testing

Control/Test environments, shopper card data and outside vendors can show efficacy of in-store advertising.



Path to Purchase

Watch out: don't let your reliance on Marketing Mix models inadvertently cause you to ingest... **SNAKE OIL.**



When did in-store advertising stop being controlled by the marketing function at some CPG's?

CPGs internal structures often put in-store advertising outside of the marketing function entirely.

- Shopper Marketing, Consumer Promotion or Sales in charge of the in-store advertising
- Operational issues sometimes best handled by these groups
- Often these functions do not use analytic measurement to the extent that brand does.

Once budgeted outside of Marketing – bureaucratic boundaries emerge.



What can CPGs do to regain control of in-store advertising?



Ad agencies and media buyers need to include vehicles like those discussed today.

- Common sense tells you that these vehicles are certainly advertising, and should be part of a balanced media plan.

Marketing management should be involved in the strategic planning of these vehicles on the path to purchase

- Work with other functions to maintain creative continuity.
- Utilize appropriate metrics to gauge volumetric effect.

Recommendations to avoid Snake Oil



In-store advertising has become lost on the path to purchase.

- Ad budgets diverted towards unproven mobile/digital vehicles
- Media buyers and ad agencies need to include in budgets

Volumetric measurement is too reliant on Marketing Mix.

- Alternative metrics can clearly show efficacy

Marketing function has to regain control of in-store ads.

- Work with shopper marketing, sales and consumer promotions to allow marketing strategies and creative to be synergistic.

Thank You!



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