MMA

THE GREAT DEBATE
Marketing Growth Frameworks

MARKETING SCIENCE ADVISOR
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THE GREAT DEBATE
Marketing Growth Frameworks

Hosted by:
Joanna O'Connell
FORRESTER

MARKETING SCIENCE ADVISOR
neustar

6 GROWTH FRAMEWORKS | **3** PANEL DEBATES | **24** MARKETING EXPERTS

ALL THE MARKETING GROWTH FRAMEWORKS IN ONE PLACE.

Join the Debate: #MarketingGrowthDebate

DR. PETER FADER
Wharton School of the University of Pennsylvania
JUNE 24

Customer Centricity

DR. DOMINIQUE HANSSENS
UCLA Anderson Graduate School of Management
JULY 29

Long-Term Impact of Marketing

BYRON SHARP
University of South Australia & The Ehrenberg-Bass Institute
SEPTEMBER 14

How Brands Grow

JOEL RUBINSON
Former Chief Research Officer Advertising Research Foundation
OCTOBER 14

Outcomes-Based Marketing

LESLIE WOOD
Chief Research Officer NCSolutions
OCTOBER 29

Building Brands: The Keys to Success

JARED SCHRIEBER
Founder InfoScout, Now Numerator
DECEMBER 1

How to Grow Brands: Findings From 1B Shopping Trips

SUMMARY SESSION

STRATEGIC SUMMARY & ANALYSIS
JANUARY

THREE PANEL DEBATES

MARKETER DEBATE
FEBRUARY

ANALYTICS DEBATE
MARCH

CMO DEBATE
APRIL

Brand as Performance (BaP): Research Program

What is the fundamental relationship between Brand and Performance Marketing?

Program Overview:

- The **Great Marketing Growth Debate series sprang out of this project** with the goal to help marketers to understand the leading marketing growth theories
- Key elements of these theories will be tested as part of the BAP studies:
  - Importance of **reach and mass marketing** (Byron Sharp)
  - **Customer centricity** and the need to focus on the right customers (Dr. Peter Fader)
  - Role of the **movable middle** and outcome-based marketing (Joel Rubinson)

CVS Health

MOLSON COORS beverage company

YOUR LOGO HERE contact us

Interested To Be The 3rd Marketer?
Contact: Greg Stuart
greg@mmaglobal.com

Latest Status:

- Study has been reviewed by over 50 marketers
- The topic of brand & performance compelling to EVERYONE, including every CMO
- 2 of 3 participating marketers identified: CVS & Molson Coors
- Expected execution in early 2021 (Covid paused the start)

FACEBOOK
Google
verizon media

Outcomes-Based Planning (OBP): Whitepaper & Institute

Outcomes-Based Marketing Whitepaper to be released shortly. More information will be sent via email, but to learn more about research, visit:

mmaglobal.com/OBP

Interested to get involved?
Join our OBP institute!

- Join by filling out the form OR
- Email **OBP@mmaglobal.com**

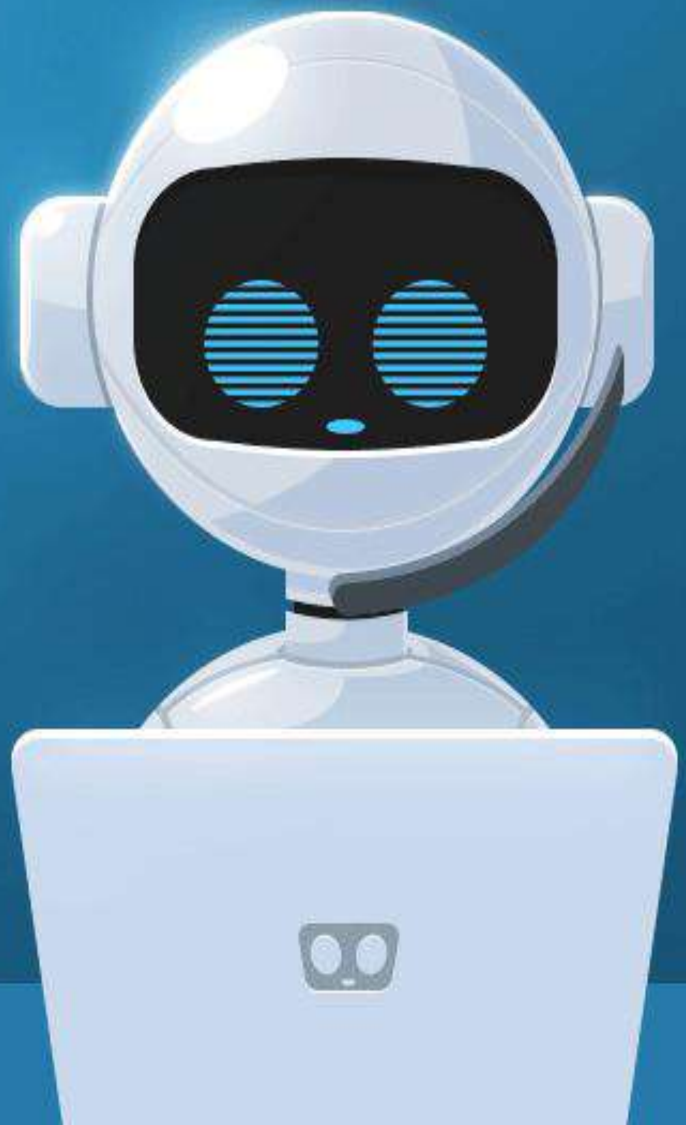
Today's Speakers

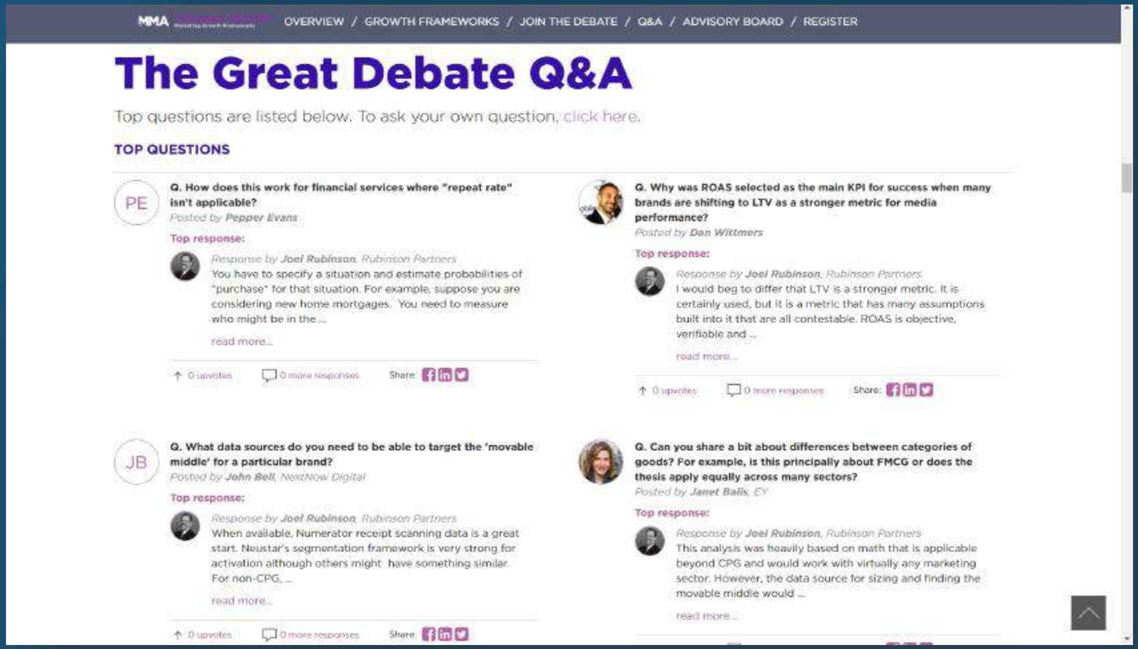
Leslie Wood
Chief Research Officer
NCSolutions

Joanna O'Connell
Vice President, Principal Analyst
Forrester

Marc Vermut
Vice President, Marketing Solutions
Neustar

Asking Questions, Sharing Insights





mmaglobal.com/MarketingGrowthQA
#MarketingGrowthDebate

Building Brands: The Keys to Success

Leslie Wood

Chief Research Officer
NCSolutions

WHAT WE'LL COVER TODAY

- 2020: Brand Loyalty Disruption
- Why Brand Loyalty Is Important
- Creative Really Matters
- Targeting Your Most Responsive Buyers
- Reach and Timing Basics

COVID-19 HAS DISRUPTED LOYALTY AND CREATED TRIAL

- Life Stages
- Pandemic has been a worldwide major life change
  - New ways to work, live, feed ourselves, enjoy ourselves
- Exacerbated by out-of-stocks forcing trial

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BRAND LOYALTY HAS BEEN ***DISRUPTED***

COVID-19 HAS DISRUPTED LOYALTY AND CREATED TRIAL

- Life Stages
- Pandemic has been a worldwide major life change
  - New ways to work, live, feed ourselves, enjoy ourselves
- Exacerbated by out-of-stocks forcing trial

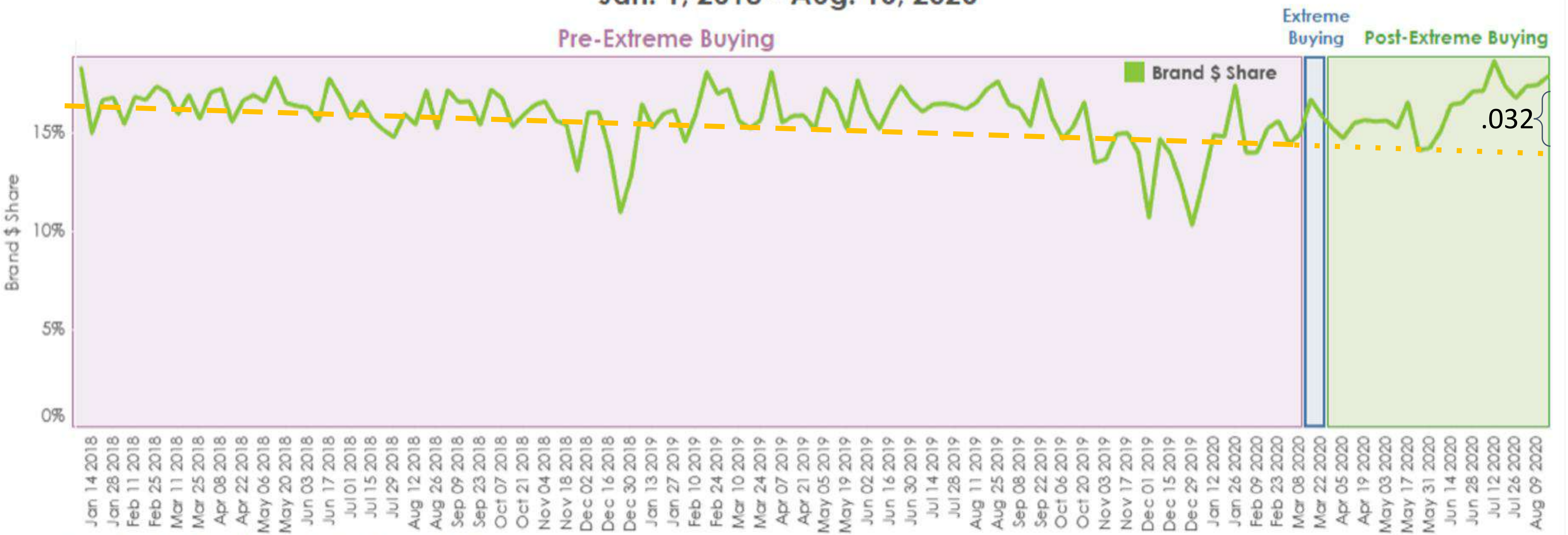
Now that lots of trial has been offered up...

- Advertising can build those triers into loyal buyers
- Or can rebuild loyalty that was lost

*DECLINING FOOD **BRAND A** TURNED AROUND DURING PANDEMIC*

Brand A $ Share

Jan. 1, 2018 - Aug. 16, 2020



Source: NCSolutions Frequent Shopper Data, not projected to national

Pre-Extreme Buying

Brand $ Share Slope* = -0.1766

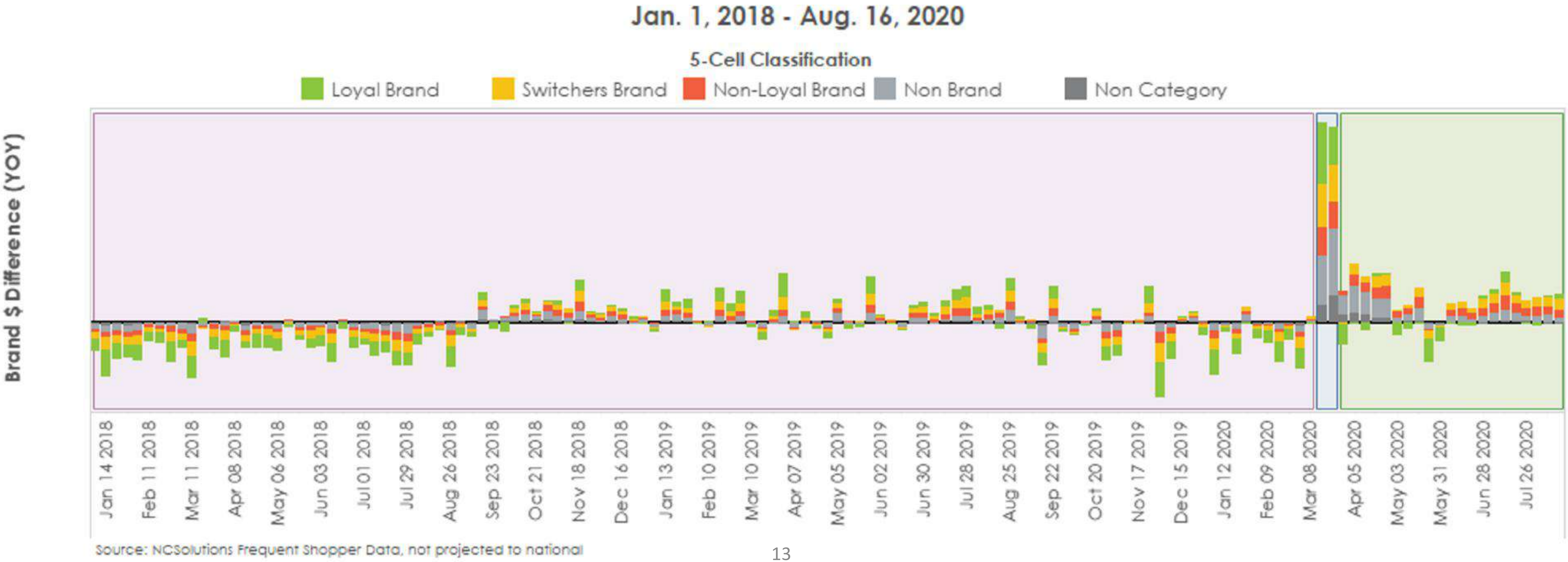
Post-Extreme Buying

Brand $ Share Growth = .032

GROWTH STEMMED FROM ALL BUYER TYPES, SUSTAINED THROUGHOUT PANDEMIC

YEAR-OVER-YEAR LOYALTY DECLINED, THEN GREW, THEN DECLINED

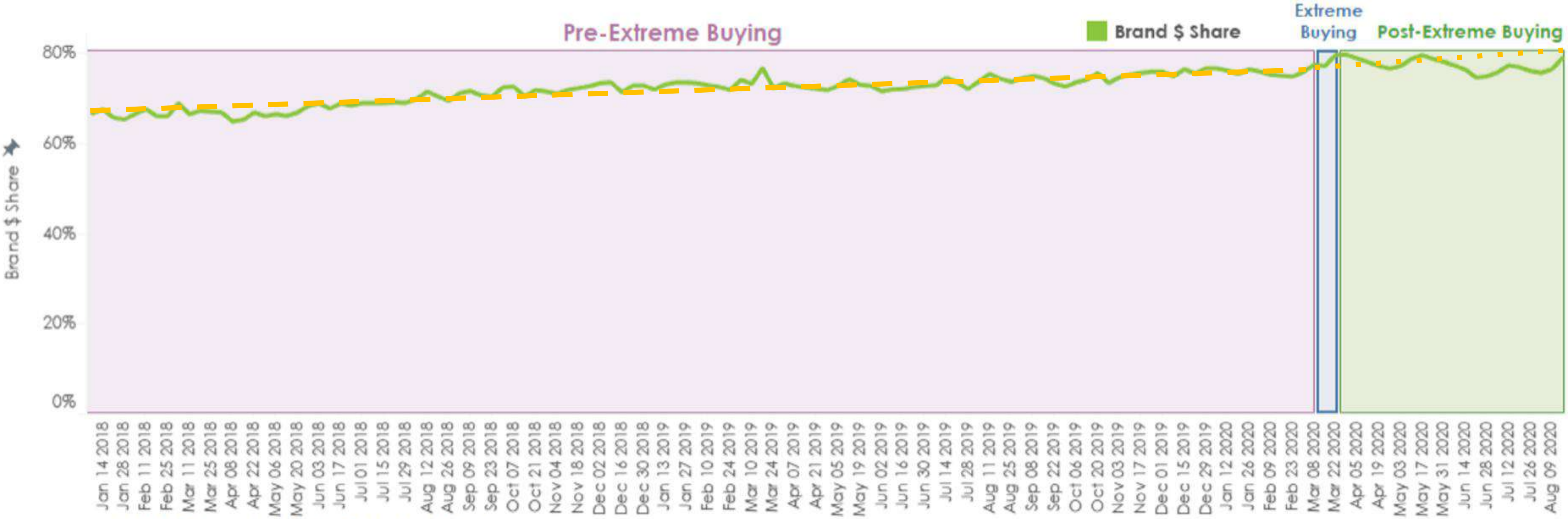
Brand A Year-Over-Year $ Share Change by Loyalty Group



GROWING FOOD **BRAND B** CONTINUED TO GROW DURING PANDEMIC

Brand B $ Share

Jan. 1, 2018 - Aug. 16, 2020

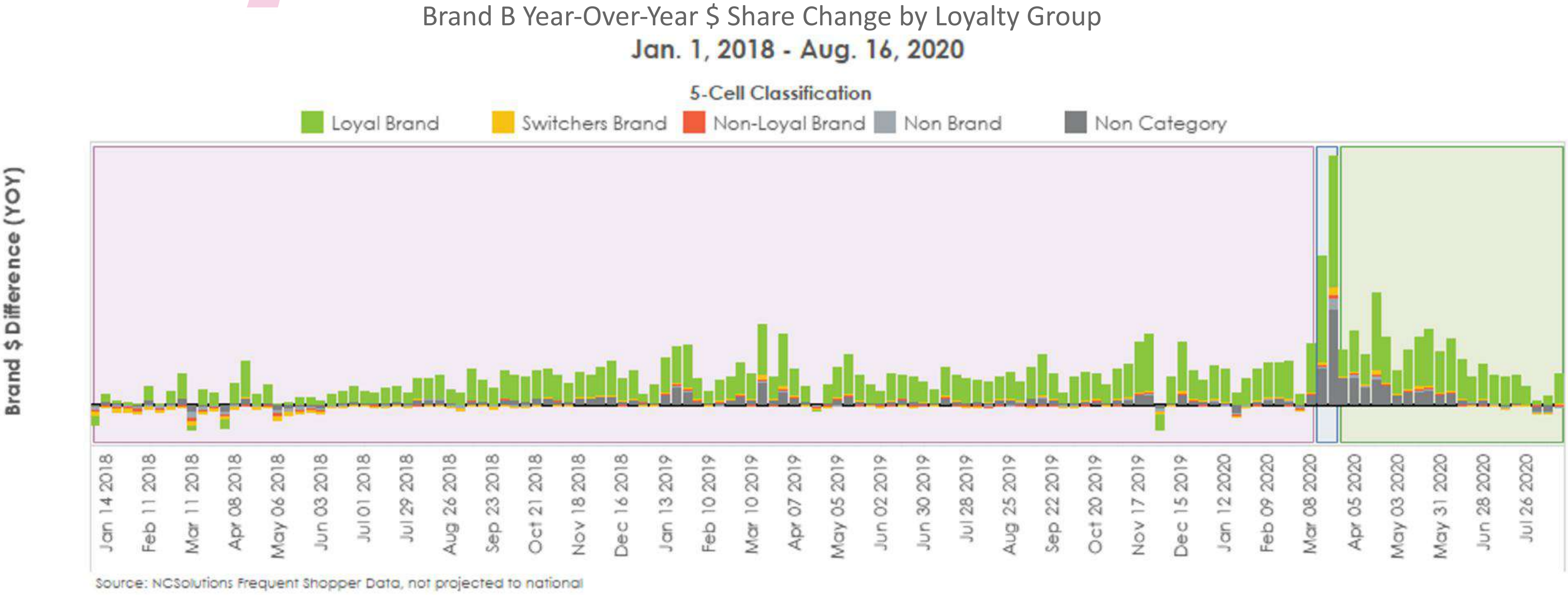


Source: NCSolutions Frequent Shopper Data, not projected to national
*Slope Values divided by 1,000

Pre-Extreme Buying
Brand $ Share Slope* = 0.8904

Post-Extreme Buying
Brand $ Share Growth = -.017

GROWTH DRIVEN BY LOYAL BUYERS



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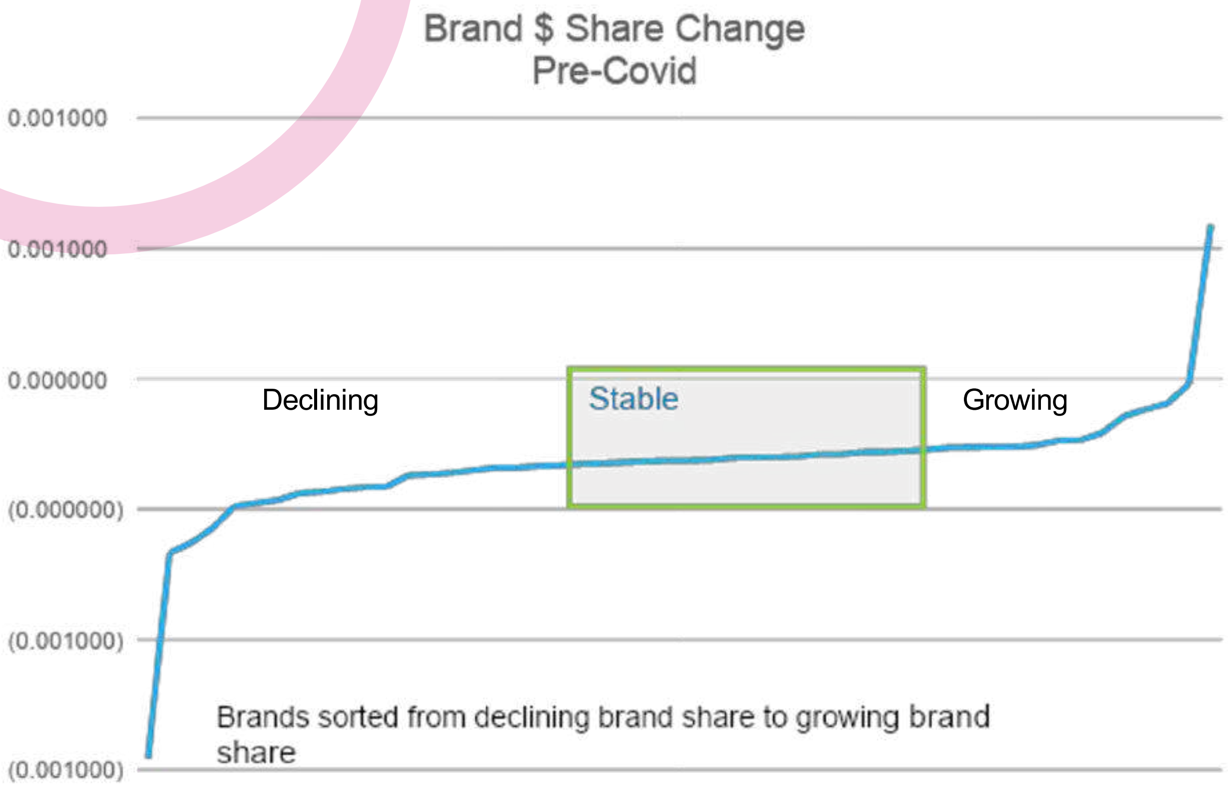
50 BRANDS ANALYZED IN META-STUDY



BRAND SHARE CHANGE DURING COVID

	DECLINING PRE-COVID (20 BRANDS)	FLAT PRE-COVID (16 BRANDS)	GROWING PRE-COVID (13 BRANDS)	Total #	Total %
BELOW TREND	7	4	3	14	29%
ON TREND	4	5	5	14	29%
ABOVE TREND	9	7	5	21	43%

- 29% of brands were “below-trend” on brand share during Covid
- 29% continued on the same trend in brand share during Covid
- 43% are “above trend” - even among brands that were growing

WHY IS LOYALTY IMPORTANT?

From Peter Fader and Mike Hanssen we heard:

- Loyalty drives CLV
- A 10% higher multiple repeat today can double the future growth of a brand

In our studies, increases in the brand’s consecutive repeat (we call it depth of repeat) predicted the long-term effects of advertising

LONG-TERM VS. SHORT-TERM EFFECTS

- Almost all measures of advertising effects are **short-term**
  - Marketing Mix: up to **12 weeks**
  - MTA Attribution: up to **6 weeks**
  - Most Sales Effects: **4-13 weeks**
- But advertising influences the *long-term health of a brand*
  - Len Lodish 1991 Matched HH Method
    - Long-term = twice the short-term effects

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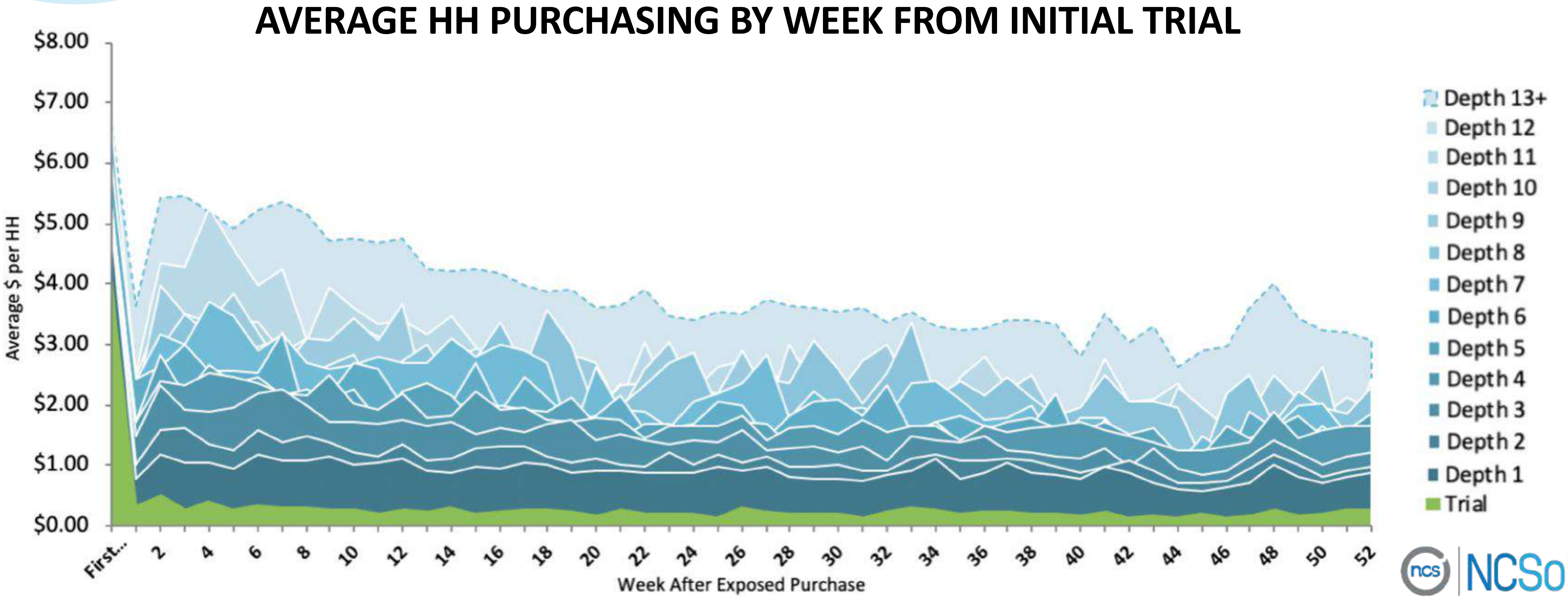
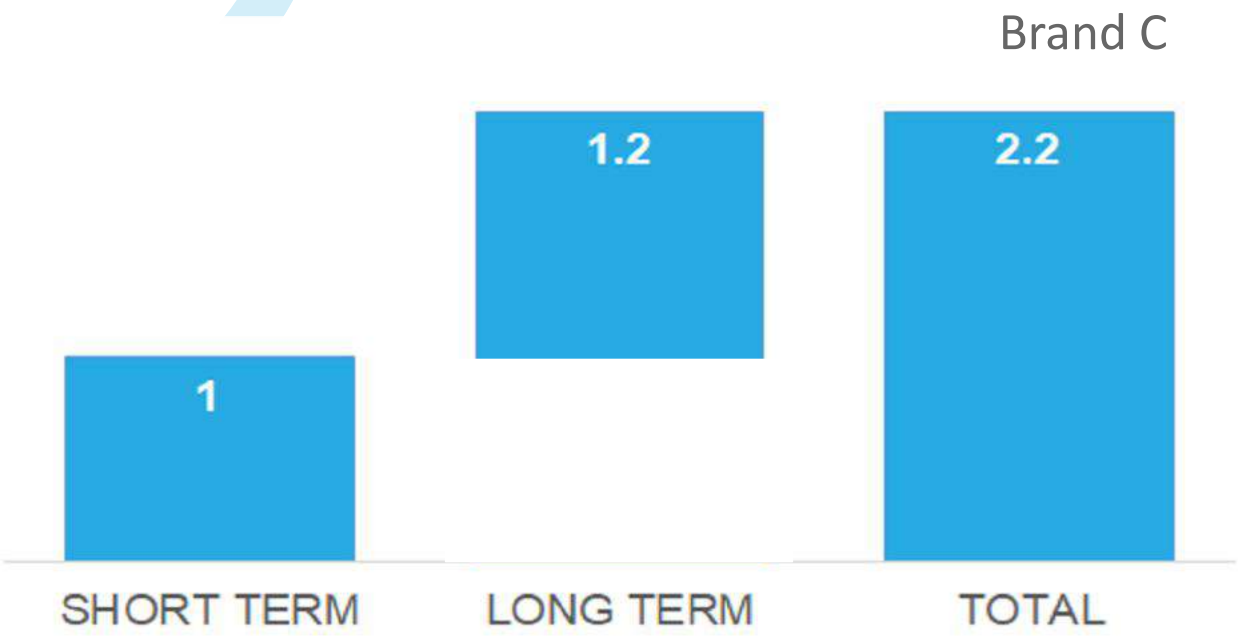
LONG-TERM EFFECTS MEASURES PURCHASES OVER A YEAR-LONG PERIOD



LONG-TERM EFFECTS: QUANTIFYING THE HOLISTIC IMPACT OF ADVERTISING



SHORT TERM $/HH LIFT	LONG TERM MULTIPLIER	FULL ADVERTISING EFFECT
$0.05	2.2	$0.11

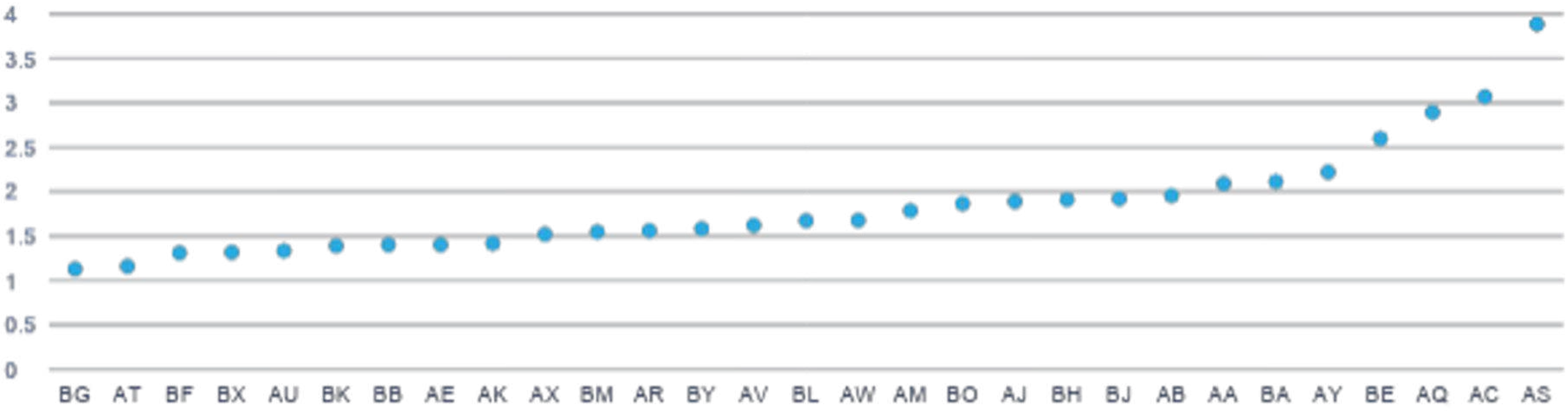
Grand Total Multiplier

2.2x

LONG-TERM MULTIPLIERS FOR 29 BRANDS AVERAGE 1.83

LONG-TERM EFFECTS MULTIPLIERS (2014)

RANGE: 1.1 – 3.9; MAJORITY BETWEEN 1.5-2.5; AVERAGE 1.83



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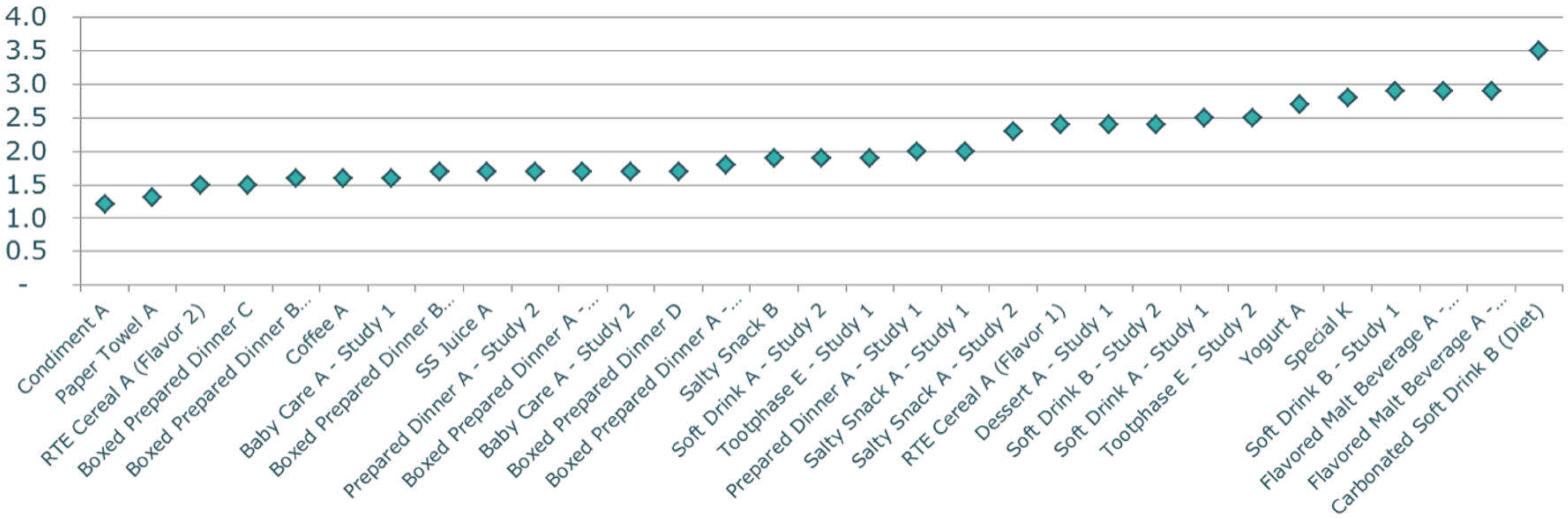
LONG-TERM MULTIPLIERS FOR ADDITIONAL 31 BRANDS AVERAGE 2.04

LONG-TERM EFFECTS MULTIPLIERS in How to Build Brands (2017)

RANGE: 1.2 – 3.5; MAJORITY BETWEEN 1.5-2.5; AVERAGE 2.04



WHY MEASURE LONG-TERM EFFECTS?

TO KNOW THE COMPLETE RESPONSE TO ADVERTISING

- Long term effects are directly due to **loyalty**
- Balance your advertising budget based on **total ad effects** (short term + Long term)
- Find the **creative elements** that drive long-term effects and loyalty
- Properly allocate budget to **advertising vs. promotion** and other marketing variables

"You can't manage what you can't measure."

\- Peter Drucker

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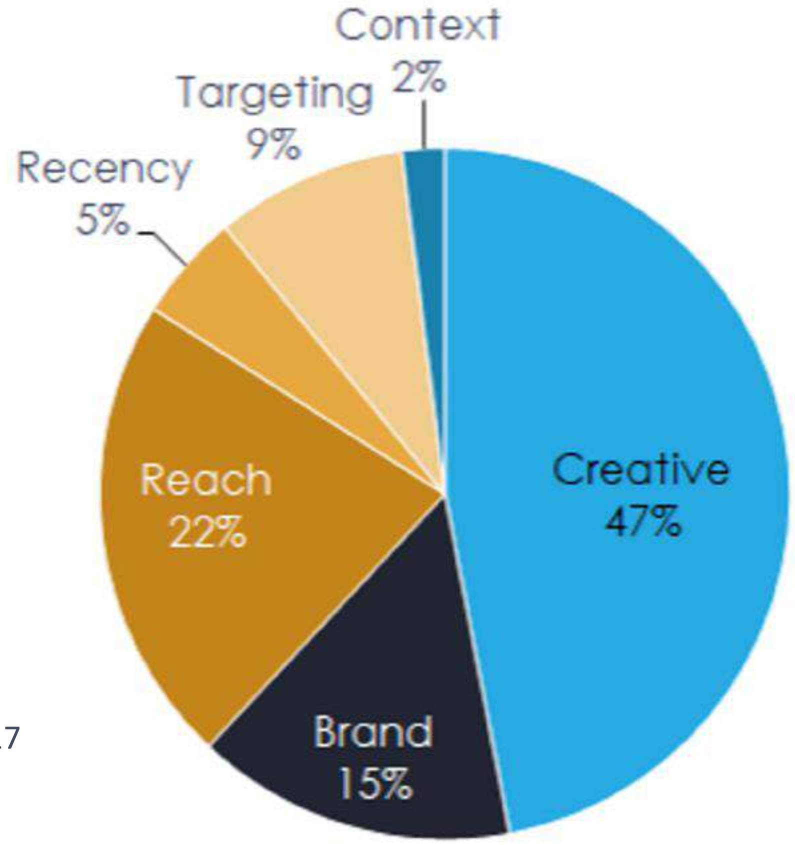
CREATIVE MATTERS

PERCENT **SALES CONTRIBUTION** BY ADVERTISING ELEMENT



Source: NCSolutions © 2017; Period 2016-Q1 2017
Nearly 500 campaigns across all media platforms.

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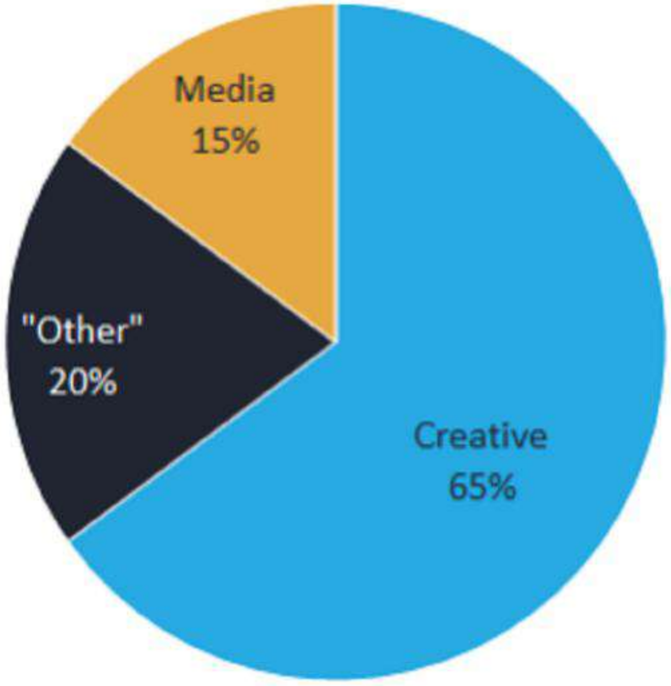
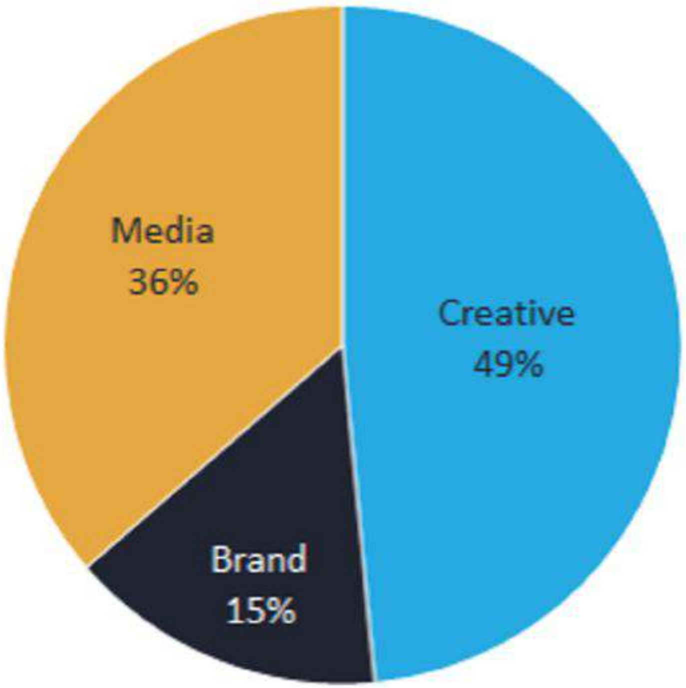
BALANCE OF CREATIVE VS. MEDIA: THEN & NOW

2006 Project Apollo



2016 – Q1 2017



Source: NCSolutions © 2017; Period 2016-Q1 2017
Nearly 500 campaigns across all media platforms.

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MEASURE CREATIVE-IN-CONTEXT

	Incremental Response During Analysis Period				
	PREVIOUS BRAND BUYERS			*NEW BRAND BUYERS*	
	LOYALS Brand HH Share	SWITCHERS Brand HH Share.	LOW LOYALS Brand HH Share	PRIOR NON-BRAND BUYERS	PRIOR NON-CATEGORY BUYERS
HEAVY CATGORY BUYERS Top 25% of Buying HHs	$ 0.47	$ 0.18	$ 0.10	$ 0.01	
MEDIUM CATEGORY BUYERS Middle 25% of Buying HHs	$ 0.19	$ 0.20	$ 0.14	$ 0.02	$ 0.00
LIGHT CATEGORY BUYERS Bottom 50% of Buying HHs	$ 0.40	$ 0.12	$ 0.16	$ 0.04	

- Very strong response among Loyals
- No response among New Category buyers
- Strong response across the brand, some New Brand response for penetration

MEASURE CREATIVE-IN-CONTEXT

Brand AS: TV	Creative Signature				
HEAVY CATGORY BUYERS Top 25% of Buying HHs					
MEDIUM CATEGORY BUYERS Middle 25% of Buying HHs					
LIGHT CATEGORY BUYERS Bottom 50% of Buying HHs					

- Very strong response among Loyals
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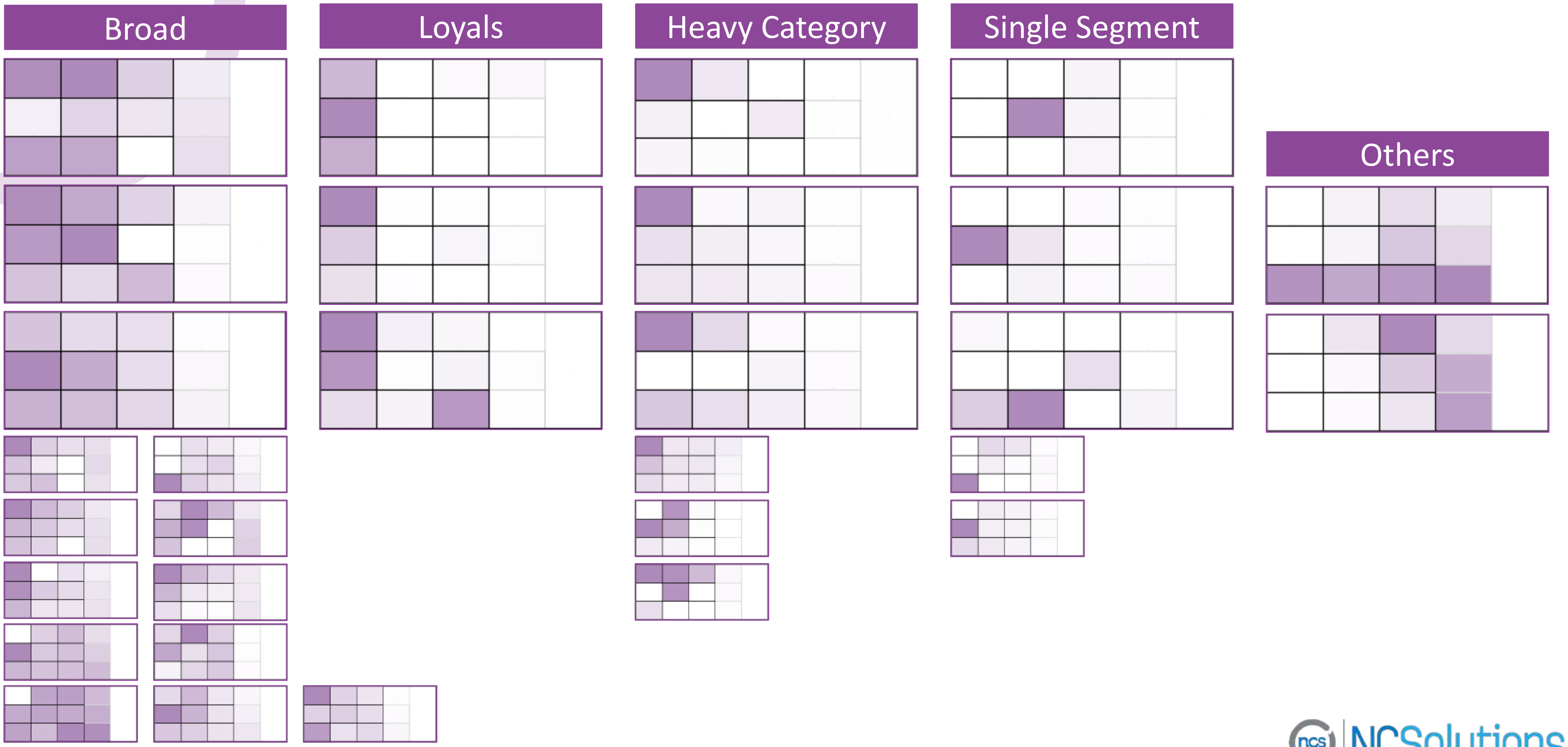
- Strong response across the brand, some New Brand response for penetration

CREATIVE SIGNATURES SHOW HOW SEGMENTS RESONATE



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SCENARIO PLANNING

Target the consumers that respond to your advertising

- Segment Approach (Purchase-Driven Planning)
  - Who responds to your creative?
    - If only a small segment - you need new creative
    - If there is no response in a segment, then don't advertiser there
  - Select the weight for each based on how well each responds
- Machine Learning Household Level Approach
  - Coming Soon - we will be sharing at the Attribution Accelerator Conference

THE PURCHASE DRIVEN PLANNING APPROACH

THE CONCEPT

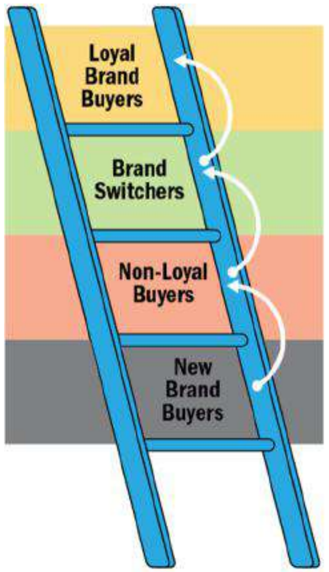
- Target consumers who respond to your advertising

APPROACH:

- Measure incremental sales to understand creative signature
- Determine the responsive consumers
- Reallocate campaign audiences based on maximizing shopper occasions by their response rate

NCS LOYALTY LADDER (AKA 13-CELL)

Each Brand has different consumption patterns, each creative resonates with different kinds of consumers — so therefore require individualized targeting strategies



	Prior Year Buying Behavior				
	LOYALS Brand HH Share >70%	**SWITCHERS** Brand HH Share. 30 - 70%	**LOW LOYALS** Brand HH Share < 30%	**PRIOR NON-BRAND BUYERS**	**PRIOR NON-CATEGORY BUYERS**
HEAVY CATGORY BUYERS Top 25% of Buying HHs					
MEDIUM CATEGORY BUYERS Middle 25% of Buying HHs					
LIGHT CATEGORY BUYERS Bottom 50% of Buying HHs					

PURCHASE DRIVEN PLANNING EXAMPLE

- Note where the creative drives the highest response
- Any response from previous non-category buyers is great - so $.49 is high
- Compare to campaign impression delivery - 77% of weight is going to poor lift homes

	Campaign Reach of Brand $ & % Impressions				
	Prior Year Buying Behavior				
	LOYALS Brand HH Share >70%	SWITCHERS Brand HH Share. 30 - 70%	LOW LOYALS Brand HH Share < 30%	NON-BRAND BUYERS	NON-CATEGORY BUYERS
HEAVY CATGORY BUYERS Top 25% of Buying HHs	68.3%	33.2%	22.7%	25.0%	44.2%
% Impressions	0.1%	3.4%	10.5%	6.4%	
MEDIUM CATEGORY BUYERS Middle 25% of Buying HHs	64.7%	29.4%	16.8%	26.9%	
% Impressions	0.4%	3.2%	4.6%	11.5%	20.4%
LIGHT CATEGORY BUYERS Bottom 50% of Buying HHs	34.9%	18.6%	6.7%	22.4%	
% Impressions	1.7%	2.7%	0.5%	34.6%	

77.4% of Impressions

Creative Response: Incremental Sales Per Exposed Category Purchase

	Incremental Response During Analysis Period				
	PREVIOUS BRAND BUYERS			NEW BRAND BUYERS	
	LOYALS Brand HH Share >70%	SWITCHERS Brand HH Share. 30 - 70%	LOW LOYALS Brand HH Share < 30%	PRIOR NON-BRAND BUYERS	PRIOR NON-CATEGORY BUYERS
HEAVY CATGORY BUYERS Top 25% of Buying HHs	$ 6.09	$ 0.09	$ 0.05	$ 0.00	
MEDIUM CATEGORY BUYERS Middle 25% of Buying HHs	$ 7.64	$ 0.29	$ 0.02	$ 0.00	$ 0.49
LIGHT CATEGORY BUYERS Bottom 50% of Buying HHs	$ 1.19	$ 0.03	$ 0.02	$ 0.03	

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WHO IS MAKING THE CATEGORY PURCHASE TRIPS?

- Most category trips are made by low loyals (54%) and new-brand buyers (36%)
- But advertising isn't working there. Category trips for loyals and new cat buyers, where the ad works are small in purchase occasions.
- To drive substantial growth this brand needs new creative. Meanwhile, target responsive homes.

Category Purchase Occasions

	Prior Year Buying Behavior				
	LOYALS Brand HH Share >70%	SWITCHERS Brand HH Share 30 - 70%	LOW LOYALS Brand HH Share < 30%	NON-BRAND BUYERS	NON-CATEGORY BUYERS
HEAVY CATGORY BUYERS Top 25% of Buying HHs	0.3%	3.4%	34.6%	7.6%	
MEDIUM CATEGORY BUYERS Middle 25% of Buying HHs	0.2%	2.6%	11.1%	10.4%	0.01%
LIGHT CATEGORY BUYERS Bottom 50% of Buying HHs	0.6%	2.3%	8.5%	17.9%	

54.2% 35.9%

Creative Response: Incremental Sales Per Exposed Category Purchase

	Incremental Response During Analysis Period				
	PREVIOUS BRAND BUYERS			*NEW BRAND BUYERS*	
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HOW DO WE MAXIMIZE INCREMENTAL SALES, WITH THE CREATIVE WE HAVE?

- We can reallocate impressions with a goal of 80% saturation among the loyal HHs, and increase the reach for non-category buyers. Then cover the next best groups, etc.
- Purchase Driven Analyses shows that reallocation could have **doubled incremental sales to nearly $7MM** while reducing overall reach

	Actual	Optimized
Incremental $	$3,625,489	**$7,153,467**
Reached HHs	26,543,946	**22,534,615**
Incr $ / Exp HHs	$0.14	**$0.32**

	Campaign Reach of Brand $ & % Impressions				
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% Impressions	1.7%	2.7%	0.5%	34.6%	
% Impressions	2.2%	9.3%	15.6%	52.5%	20.4%

	Optimized Media Delivery - Reach & Impressions				
	Prior Year Buying Behavior				
	LOYALS Brand HH Share >70%	SWITCHERS Brand HH Share 30-70%	LOW LOYALS Brand HH Share <30%	NON-BRAND BUYERS	NON-CATEGORY BUYERS
HEAVY CATGORY BUYERS Top 25% of Buying HHs	80.0%	70.0%	12.0%	6.0%	65.0%
% Impressions	1.0%	11.0%	5.0%	1.5%	50.0%
MEDIUM CATEGORY BUYERS Middle 25% of Buying HHs	80.0%	70.0%	15.0%	2.0%	
% Impressions	2.0%	9.0%	4.0%	1.0%	
LIGHT CATEGORY BUYERS Bottom 50% of Buying HHs	80.0%	25.0%	20.0%	0.0%	
% Impressions	5.0%	7.0%	3.0%	0.5%	
% Impressions	8%	27%	12%	3%	50%

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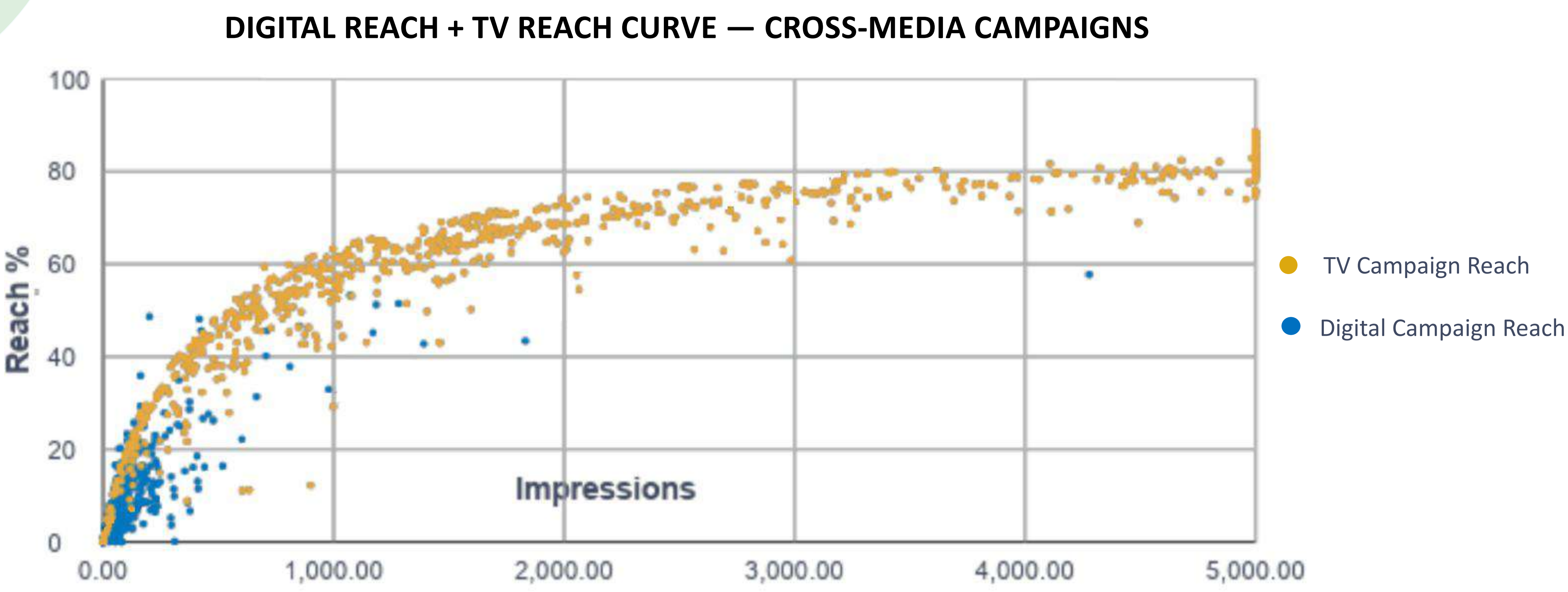
OTHER BASICS: REACH

- Only those consumers that are reached can respond to your ad
- But what is the balance between reach and targeting
  - Need to build loyalty among users
  - Need to target likely triers to build penetration

Again — only target consumers that respond, which means broad reach when the ad works broadly, and narrow reach where it works narrowly

LOOK TO WHERE YOUR CREATIVE WORKS

TV & DIGITAL REACH CURVE FOR CROSS MEDIA CAMPAIGN



Nielsen: 863 TV & digital cross media campaigns from Q4 2016 – Q1 2017 on P13+; No advertiser verticals excluded.
Analysis performed by NCSolutions

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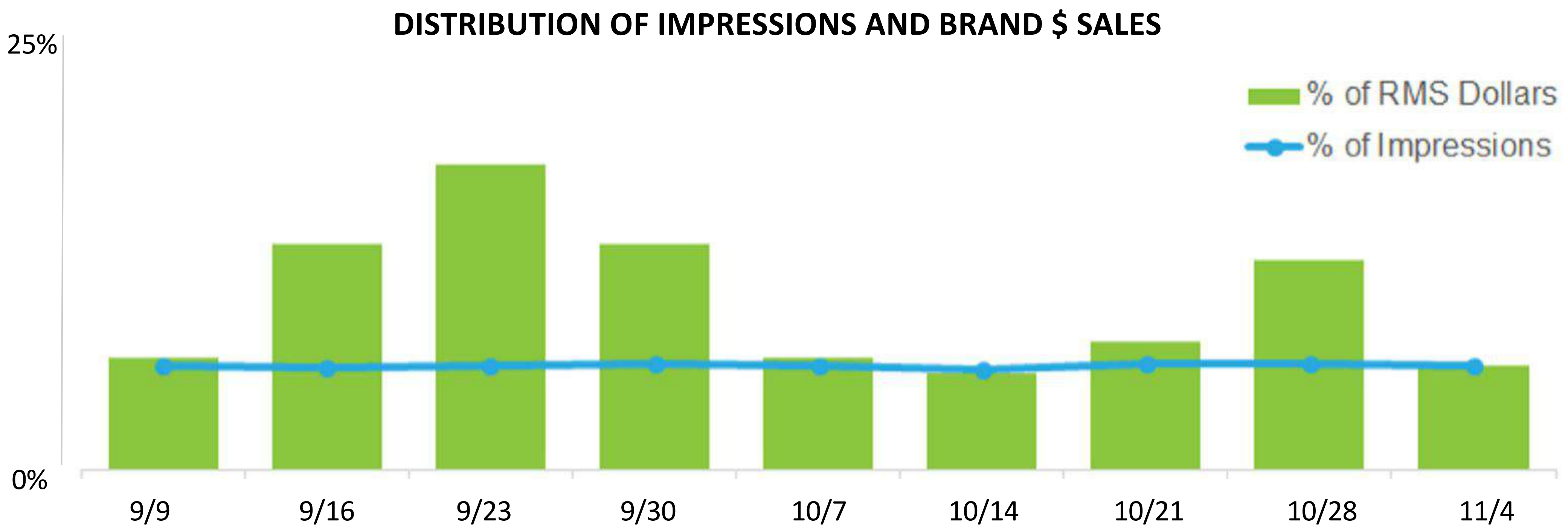
BASICS: RECENCY, TIMING

Impressions should align or slightly precede weeks of high purchase rather than be flat across time.



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Moderated Interview

Joanna O'Connell

Vice President, Principal Analyst
Forrester

Audience Q&A

Marc Vermut

Vice President, Marketing Solutions
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#MarketingGrowthDebate

JARED SCHREIBER
Founder InfoScout,
Now Numerator
DECEMBER 1

How to Grow Brands: Findings From 1 Billion Shopping Trips

SUMMARY SESSION
JANUARY

Strategic Analysis & Comparison of Featured Marketing Growth Frameworks

MARKETER DEBATE
FEBRUARY

First Debate Featuring a Panel of Leading Brand Marketers, Each in Support of a Growth Framework

For Questions or More Information:

Greg Stuart
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mmaglobal.com/thegreatdebate2020
#MarketingGrowthDebate

THANK YOU