Marketing research + digital data = amazing results. PROVEN

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Will be tweeting links to white papers
I’ve been preaching that integrating digital data into the research process is essential, but where’s the beef?

- Two landmark studies prove enormous value for...

**Existing brands**

- Reaching CPG customers right before they make a purchase yields a 16x return on ad spend.

**New brands**

- Research on Research Study: How to Spot Likely Triers for your New Product

Learn the Signals so you can Target Likely Triers and Drive More Trial
Existing brands: guiding media targeting…the Persuadables

- Combining two theories of ad responsiveness
- Are those at the intersection most responsive to advertising?

**Consumer dynamics**
--Target those where your brand has a **mid-range share** of wallet
--target **heavier category buyers**

**Media theory...Recency**
--target those who are closer to their upcoming purchase
The experiment

- **3 CPG campaigns** (well-known national brands)
- **New segmentation**: 8 segments: brand heaviness of buying (4 levels) crossed by early vs. late exposure (relative to the last category purchase)
- **Metric**: NCS’ ROAS (return on ad spend).
  - Creates a control cell of unexposed to compare to exposed test cell
  - Incremental sales, divided by ad spending. $2 ROAS is considered very good.

*Executed via Viant (leading ad network, division of Time, Inc.). Used Nielsen Catalina frequent shopper data for targeting and analysis*
Results:
1) Persuadables were 16X more persuadable!
2) Recency doubles ad effectiveness

<table>
<thead>
<tr>
<th></th>
<th>Ready-to-Serve Soup</th>
<th>Packaged Meat</th>
<th>Dessert Snacks</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROAS Persuadables</td>
<td>$23.67</td>
<td>$48.26</td>
<td>$17.32</td>
</tr>
<tr>
<td>ROAS Campaign Average</td>
<td>$1.78</td>
<td>$1.82</td>
<td>$2.74</td>
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</table>

Persuadables Exhibit 16x ROAS

Timing of Ads to HH Purchase Cycle
- Heavy-Late
- All Other Segments

White paper available upon request.
Experiment #2…new brands

- Before a new brand launches can “Persuadable” be pre-identified and targeted?
- Understanding and identifying “High Propensity Triers” (HPTs)
What makes someone a High Propensity Trier?

- Top box purchase intent, of course, but what else might “plus up” an individual’s probability of trial?
How strong are these signals?

Heaviness of use?

Purchase Interest?

Loyalty to another brand?

Parent brand buyer?

Late adopter?
Experiment 2: proving if High Propensity Triers really exist

- **Classify: Late 2016.** Conduct concept survey of n = 10,000 to identify High Propensity Triers (HPTs)
  - Major CPG franchise extension launch
  - Identify HPTs from 8 signals of propensity to try

- **Validate: April 2017.** We conducted RE-contact research 3 months after launch of n = 2,000…
  - Did HPTs actually try the brand at a considerably higher rate?
  - How strong are the various signals?
Using all signals, the HPT model is strong

Existence:

<table>
<thead>
<tr>
<th></th>
<th>Trier index</th>
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<tbody>
<tr>
<td>HPT</td>
<td>197</td>
</tr>
<tr>
<td>Not HPT</td>
<td>78</td>
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2.5X

Findability at scale:

<table>
<thead>
<tr>
<th>Model Description</th>
<th>Trier index</th>
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<tr>
<td>DMP data model* of HPT</td>
<td>241</td>
</tr>
<tr>
<td>Not modeled as HPT</td>
<td>76</td>
</tr>
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</table>

3.2X

*logistic regression of 398 demo, geo-demo and eXelate segment variables, 25 were significant
Results: signal strength

Heaviness of use?

Purchase Interest?

Loyalty to another brand?

Parent brand buyer?

Late adopter?
Additional insights about triers guides media targeting

Favoring store brands = less likely to try
Store brand chips = -6%

Heavy category users = MORE likely to buy

<table>
<thead>
<tr>
<th>Heaviness of use</th>
<th>Spread</th>
</tr>
</thead>
<tbody>
<tr>
<td>Every week</td>
<td>3.8%</td>
</tr>
<tr>
<td>Every few weeks</td>
<td>4.6%</td>
</tr>
</tbody>
</table>

Radio and newspapers particularly related to interest

<table>
<thead>
<tr>
<th>Media Channel</th>
<th>Hours per week differential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Radio</td>
<td>1.48</td>
</tr>
<tr>
<td>Newspapers</td>
<td>1.13</td>
</tr>
<tr>
<td>...vs.</td>
<td></td>
</tr>
<tr>
<td>TV</td>
<td>0.28</td>
</tr>
</tbody>
</table>

Category shopping style has big influence of likelihood of trial

| Some brands are much better than others | 9.50% |
| I enjoy shopping the category and look for interesting items to buy | 8.90% |
| I have a favorite brand I strongly prefer | 6.90% |
| I am a creature of habit and don't think much about the purchase | -4.50% |

Buying parent brand as influential as top box PI
Parent brand buyer = +15%

Note: percentages are percent point differences in trial rates
Reinventing a new product success process around High Propensity Triers...finding, delighting, messaging

**High Propensity Triers**
- Core of your business...they will become your heavy brand buyers!
- Identifiable even at early stages
- Guide offer development
- Guide media strategy

**Early stage**
- Screen concepts on size of HPTs
- Profile

**Develop and refine**
- Refine product, packaging, message to delight HPTs

**Pre-launch plan**
- Create media plan around HPTs
- Target them programmatically

**In-market sense and respond**
- Adjust targeting models based on actual triers
Program for Total Marketing ROI Improvement

New brands

High Propensity Tiers

existing brands

Recency

Heavier brand buyers

Media Optimization
Thank you!

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