



Measuring the Returns from Shopper Marketing

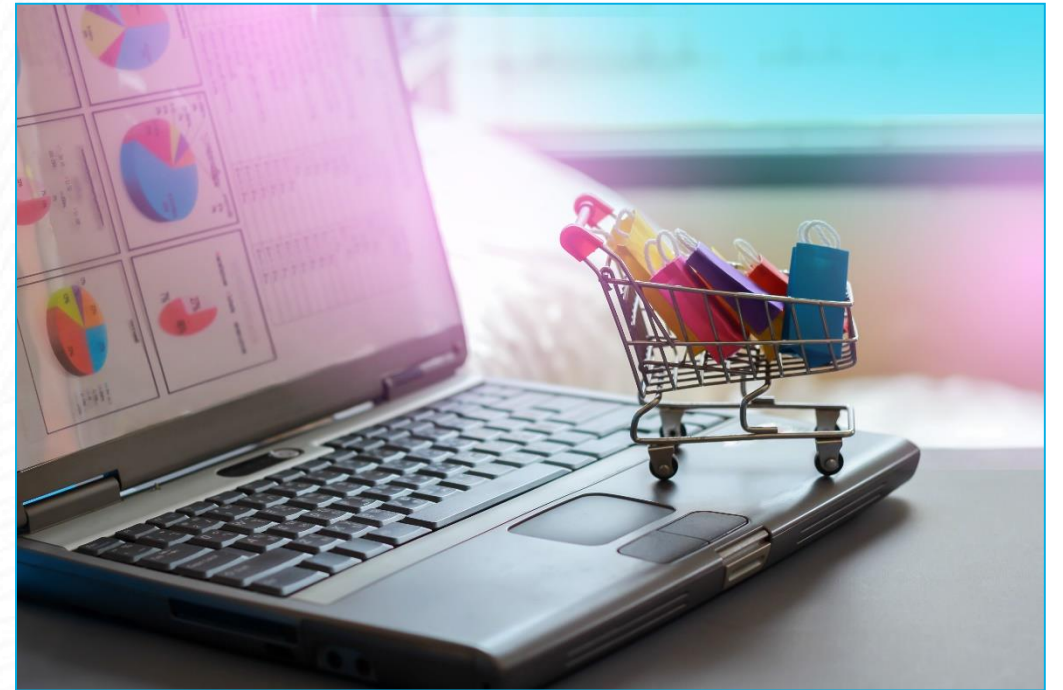
A Case Study



Background to the study



- ✔ A large, well known FMCG manufacturer has historically spent in excess of £1m on Shopper activity per year but, thanks in part, to the granular and highly focused nature of the activity has to date not been able to ascertain if such activity has been a success
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- ✔ Perhaps more importantly, the team were also keen to use the results of such analysis ensure improved effectiveness of Shopper activity going forward. Using any insights gained as the basis of planning rather than relying solely on the experienced based approach that had been used to date
- ✔ The manufacturer therefore turned to Retail Alchemy to help them with this brief



Our methodology: the basics



“A statistical process that uses various data sources to assess the level of mutual correlation between a dependent (KPI) variable and multiple explanatory variables”

$$Y = \alpha + \beta X_1 + \beta X_2 + \dots + \beta X_n$$

Dependent Variable

Explanatory variables

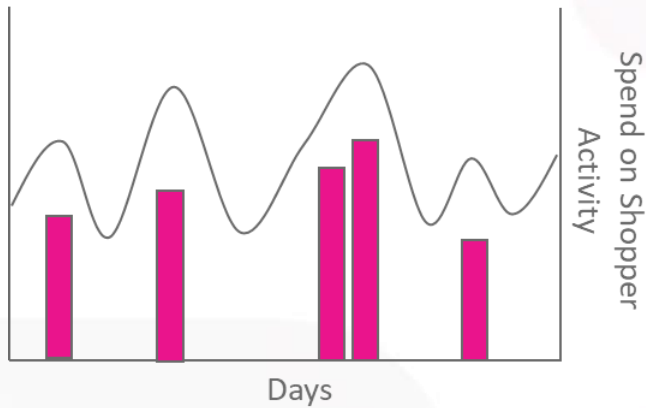
Example equation:

Seasonality = $\alpha + \beta$ Seasonality + β Economy + β Price + β Competitors + β Marketing

Pictographically, this methodology is akin to trying to explain the peaks and troughs in sales by matching up data with a similar pattern. Different stores have different types of activity, resulting in different patterns in sale

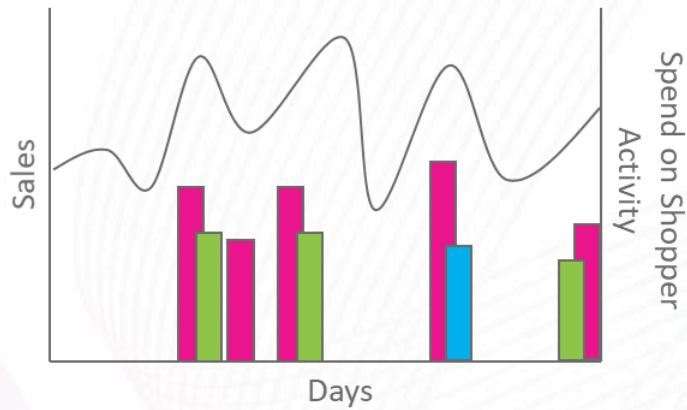


Store A



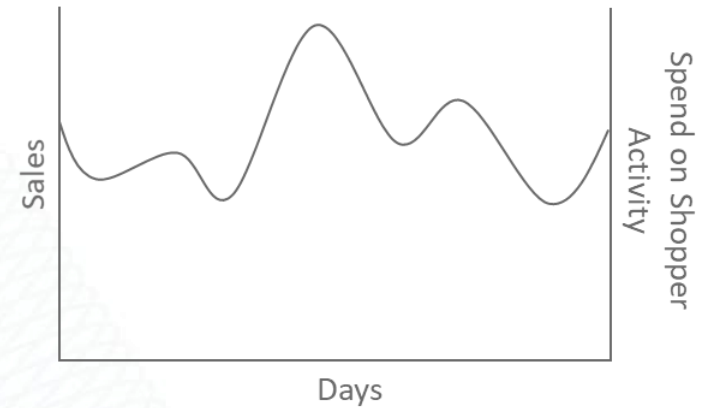
Just sampling

Store B



Sampling + Trolley Panels + Barkers

Store C



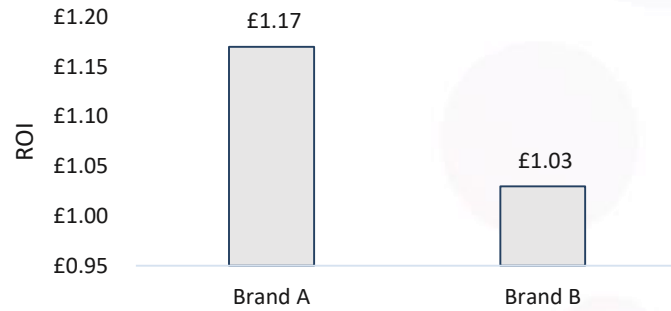
No Shopper Activity

— Sales ■ Sampling ■ Trolley Panels ■ Barkers

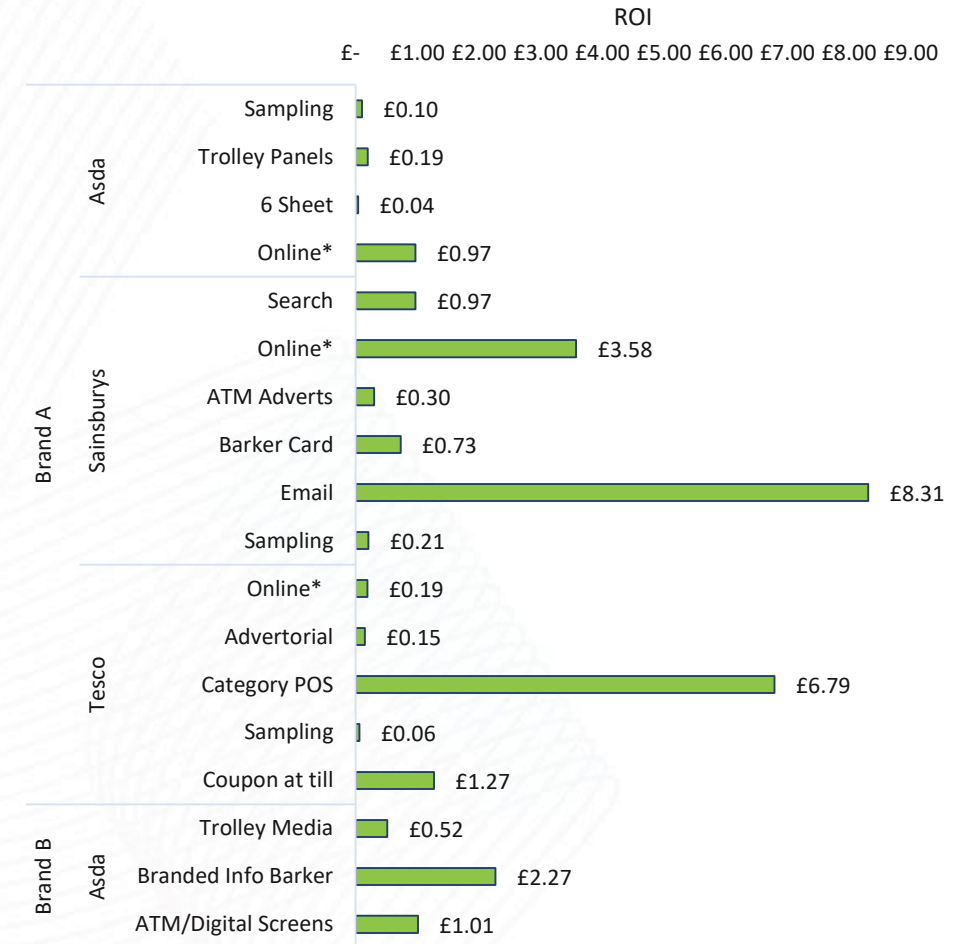
Key insights: Overall Campaign ROIs at Brand, Retailer and Shopper Activity level



ROI by Brand



ROI by Activity



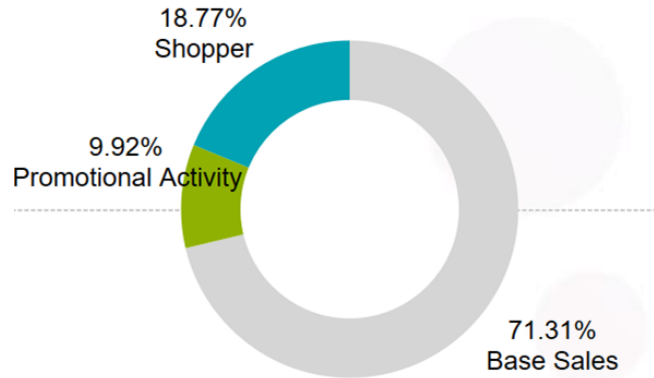
ROI by Retailer



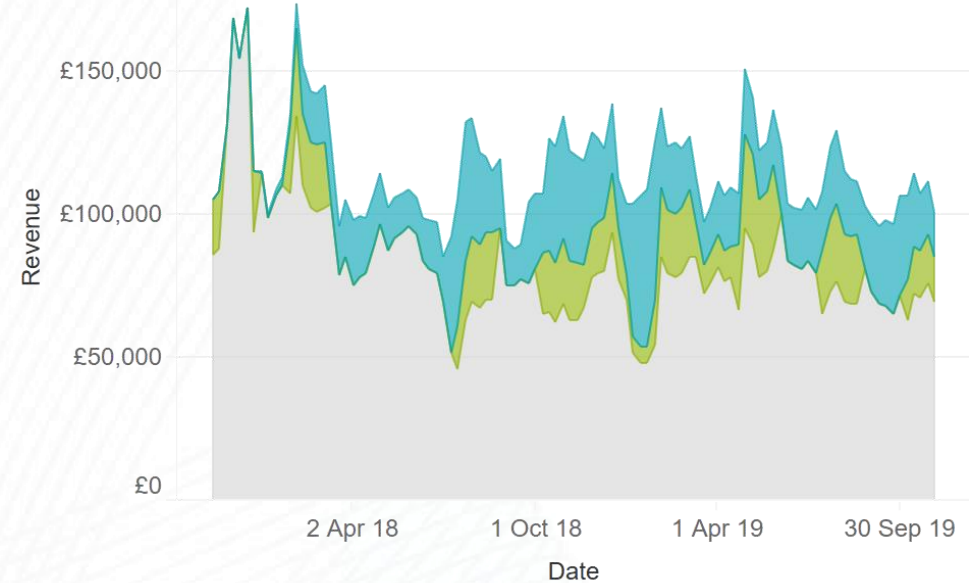
Key insights: the value of Shopper vs promotional activity



% Contribution of Shopper vs Promotions: Small Brand



Contribution of Shopper & Promotion over time



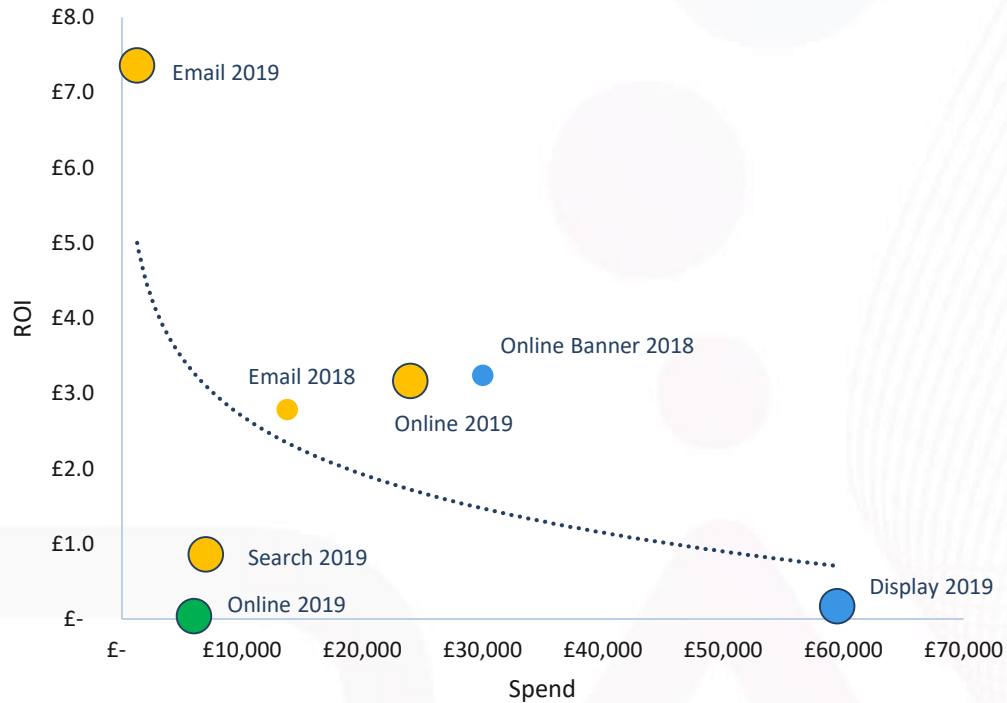
- ✓ For small brands, Shopper activity is proportionally more important to sales than promotional activity
- ✓ So whilst ROI from such activity isn't quite as large, its role in stimulating trial of the brand is clear

- ✓ Shopper activity (together with promotional activity to some extent) help alleviate some of the decline in brand sales that would have resulted had the activity not taken place (grey area)

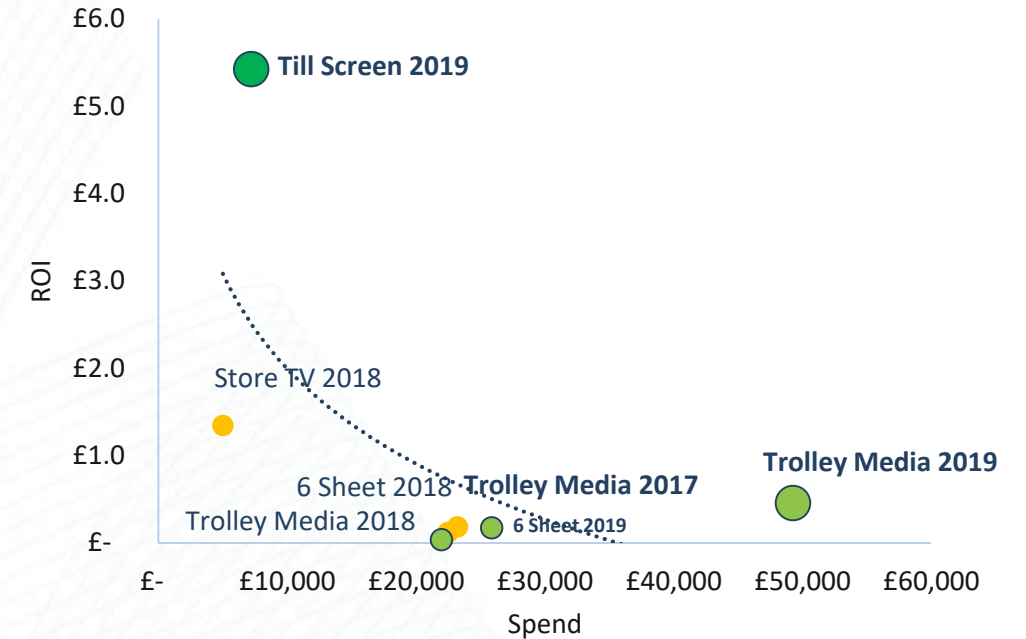
Key insights: benchmarking performance against other similar executions



Online to offline ROIs: Digital Shopper Marketing



In-store ROIs by Campaign



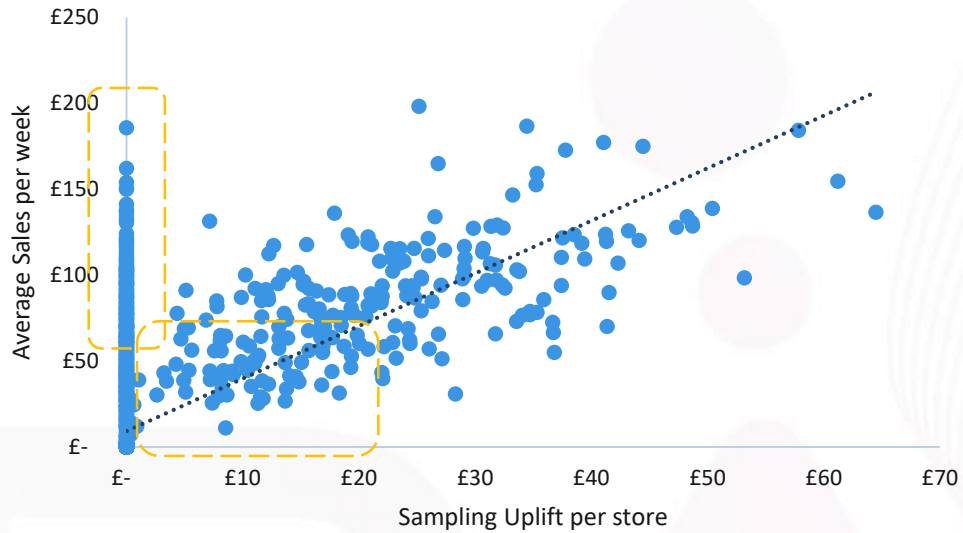
- Clear that spend plays an important role in determining ROI, with higher spends associated with lower ROIs
- There is also a clear halo from digital activity onto sales in physical stores

- Clear that certain types of in-store media fare better than others for ROI
- 6 Sheets predominantly perform poorly, whilst more direct forms of in-store such as TV and Till Screens deliver higher ROIs

Key insights: the role of store selection in ROI

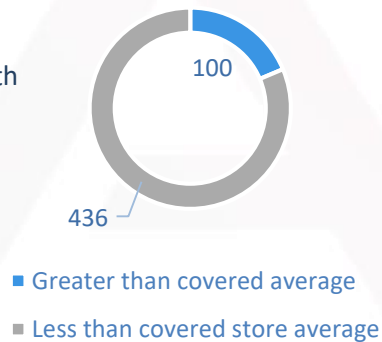


Relationship between store sales and uplift: Brand B Sampling, Tesco



- ✓ As one would expect, there is a clear link between the base rate of sale for a brand in store and the ROI that results from Shopper activity, with a threshold base rate of sale needed for the activity to pay back
- ✓ Store selection for Shopper activity is often at the behest of the retailer, but its clear that poor selection of some stores by the retailer is behind the performance of the Shopper activity with many non selected stores offering much higher rates of sale than those selected

Proportion of non-covered stores with rates of sale higher than the average covered store





Thank You!

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