



**Inflection point:  
Digital's influence  
and impact on CPG**

# The “New Normal”



- The ever connected consumer: Looking for information and deals before AND during trips
- 70% of shoppers say more than three different media types are used in their purchase decisions
- Consumers are not loyal: 80% rate of switching stores/brands

*\* Market Track Shopper Insight Survey*

# What does this mean?



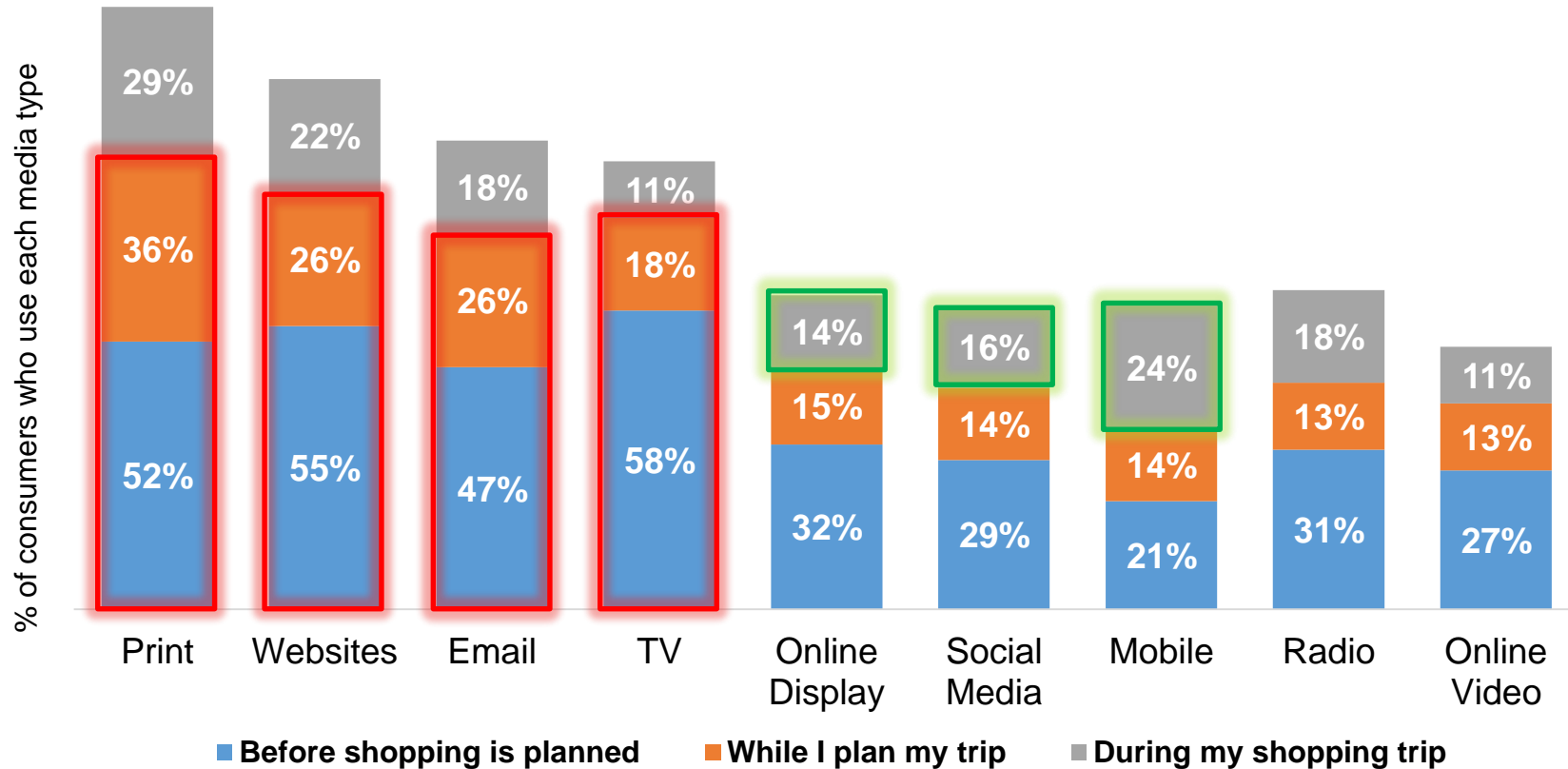
*Having a 360 degree view of what is impacting the shopper is critical to success. Market Track provides our clients full visibility and insight into promotional, eCommerce, advertising and pricing initiatives.*

# Planning vs. In-the-Moment

Media usage throughout the purchase cycle

Traditional promotional media such as print, websites, email, and TV are a staple of the pre-planning and planning stages of the purchase cycle

Emerging digital formats like mobile, social media, and online display are as important, if not more during the trip than during the planning stage



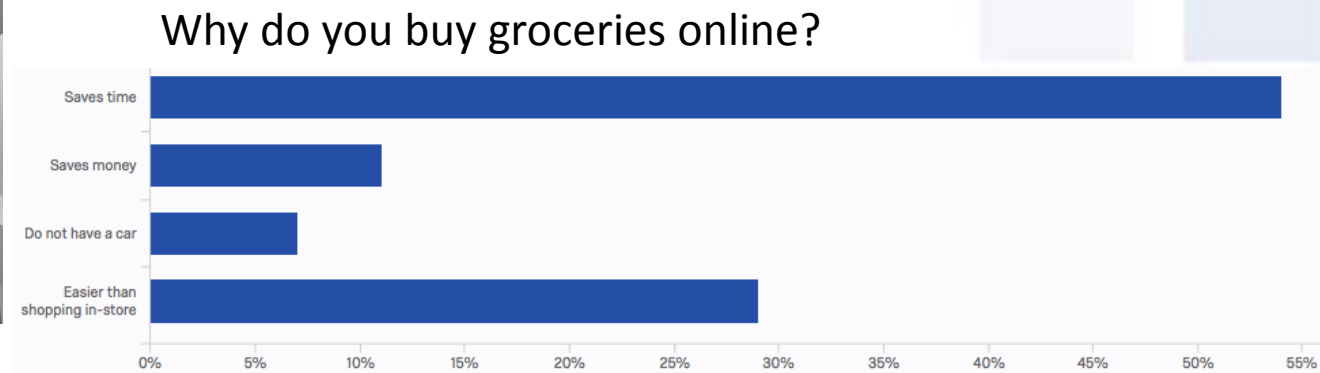


# Growth in CPG gaining



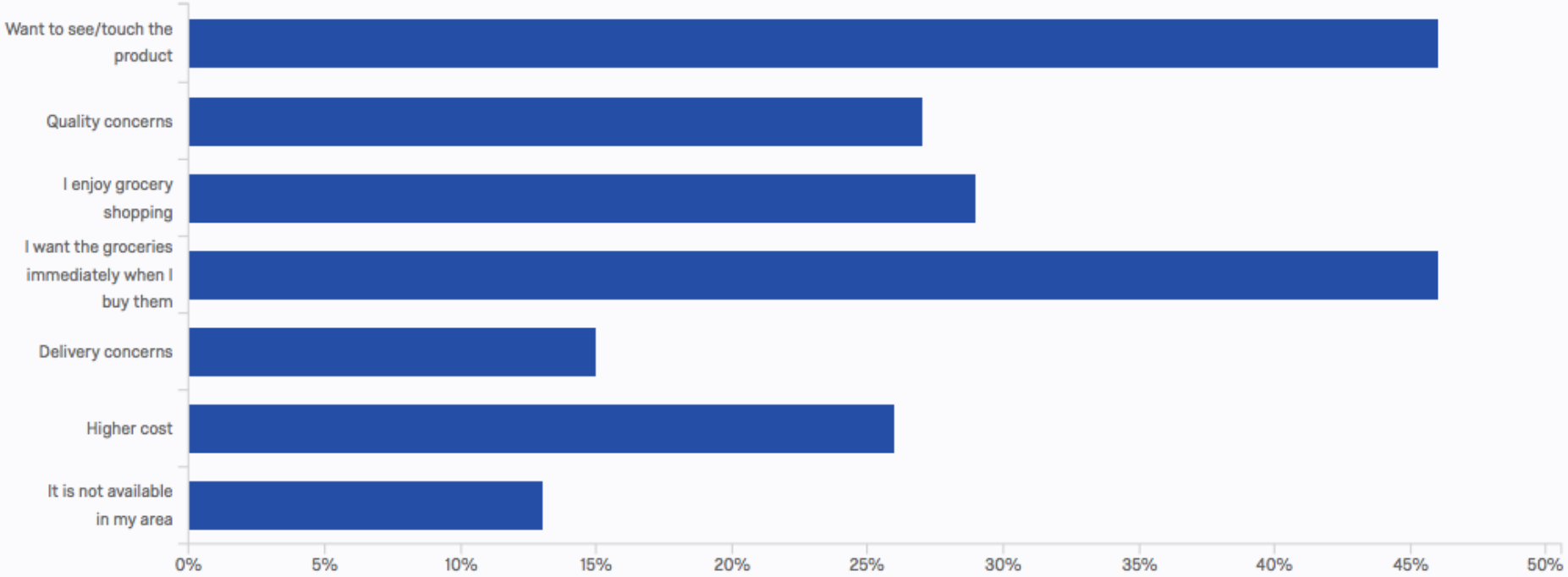
- CPG eComm sales soared 42% in 2015<sup>1</sup>
- Amazon subscription sales more than tripled<sup>1</sup>
- But... eCommerce still only accounts for 2% of grocery sales<sup>2</sup>

# Differences by age groups in online grocery shopping behavior



# Reasons for NOT buying groceries online

## Why do you not buy groceries online?



# Giving them a reason to change

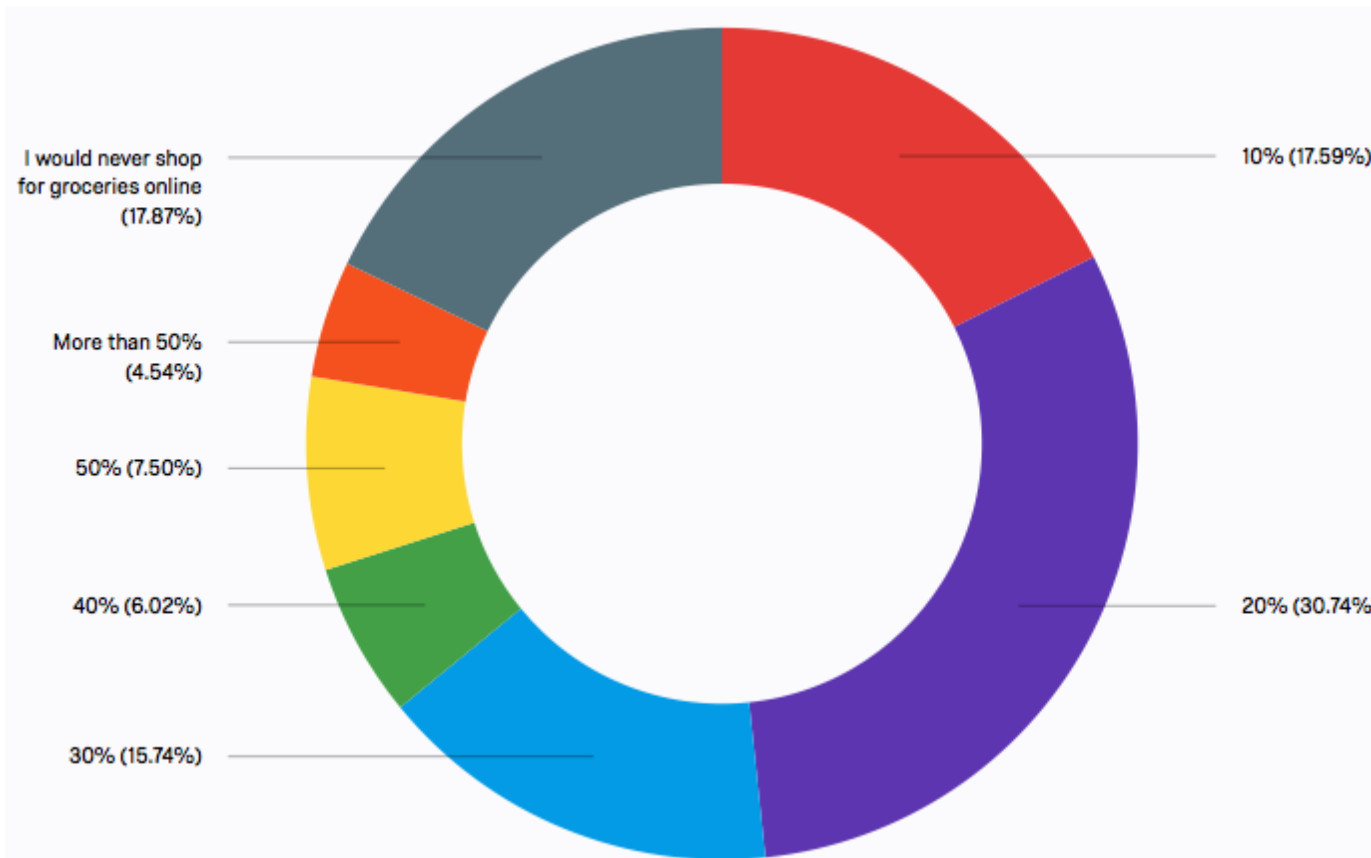
What would cause you to shop more for groceries online?





# 20% discounts would make an impact

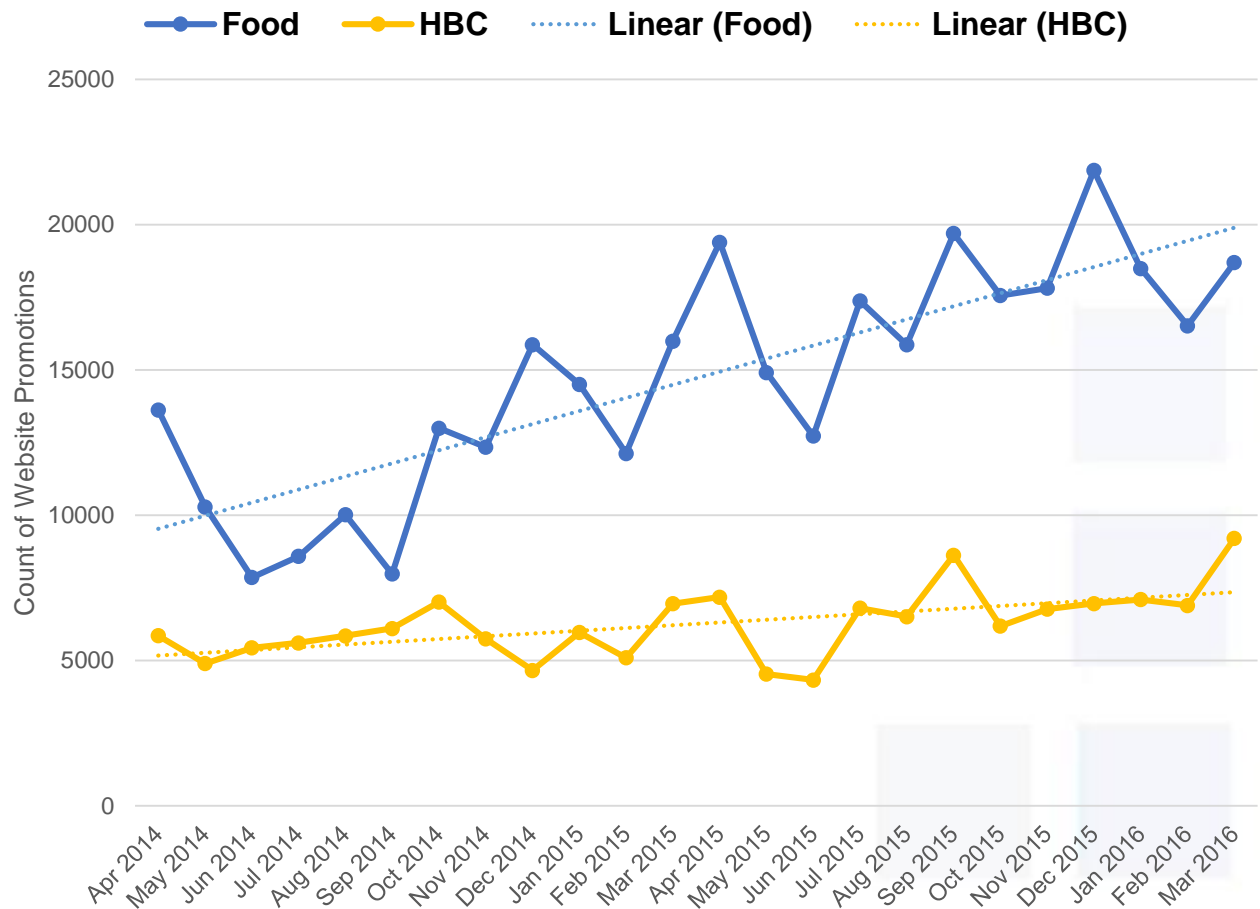
How much cheaper would your groceries have to be for you to order them online instead of buying in-store?



# Increase in digital promotions

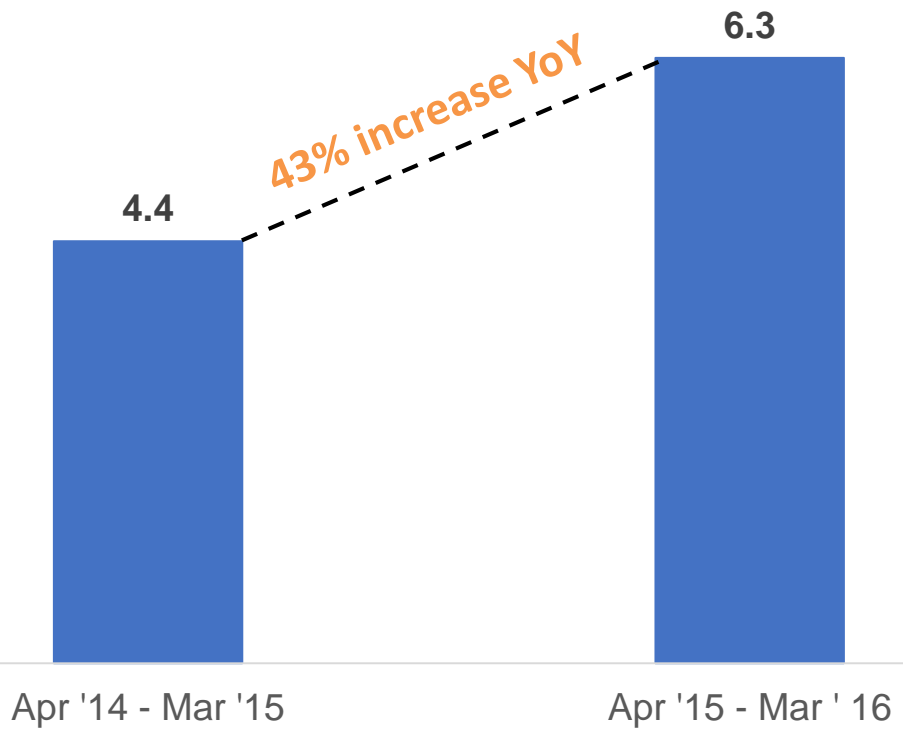


Trend of Promotions on Grocery Store Websites, Last 24 Months



# Email promotions on the rise

Average # of Opt-in Emails per Month/Grocer



# Smartphone apps drive unplanned purchases

What would cause you to use a retailer's smartphone app while shopping (Select all that apply)?



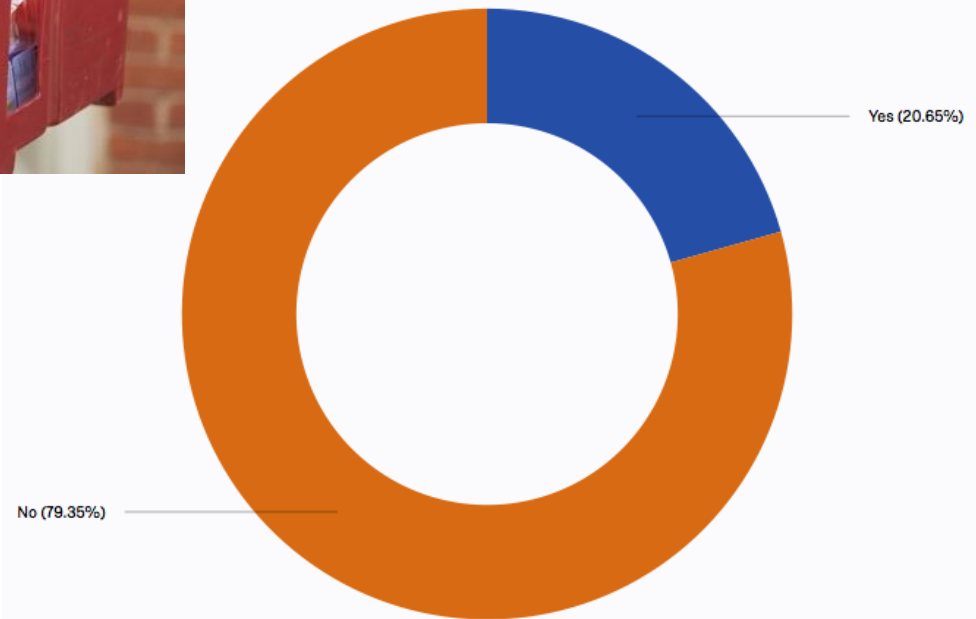


# Delivery is on the rise



Have you ever ordered groceries online to be delivered?

This is **double** the number of people who said they had ordered groceries online in our 2015 survey.



How can companies optimize their strategy and maximize results?

- Better alignment and fidelity of marketing messaging to the buyer across all media types leads to higher sales and stronger long-term brand identity and preference
- Leveraged marketing investment across brand/promotion results in a greater return on investment (ROI)
- A stronger brand leads to a stronger position with retail channels



**1 Targeting the same consumer/shopper**  
Advertising, whether Brand or Promotion, is intended to increase preference for, and sale of, products and services

**2 Disjointed efforts lack efficacy**  
In most companies today, the organizations, budgets and initiatives of these two critical advertising initiatives are only loosely connected

**3 Costly opportunity loss**  
For an expense that typically represents the 2nd largest expense on the P&L, more can and should be achieved (Total US Advertising Spend: Brand - \$155B / Promotion \$165B)