

A man with short dark hair, wearing a red and white patterned sweater, is looking down at a tablet computer. The background is dark with colorful bokeh lights in shades of blue, purple, and red. The overall mood is modern and tech-oriented.

KANTAR

Post-pandemic grocery advertising – should you change your strategy?

Kerry Corke
Global Media Director
Worldpanel Division

Agenda



1

How can we understand
media effectiveness today



2

What has stayed
the same for media



3

What has
changed for media

1



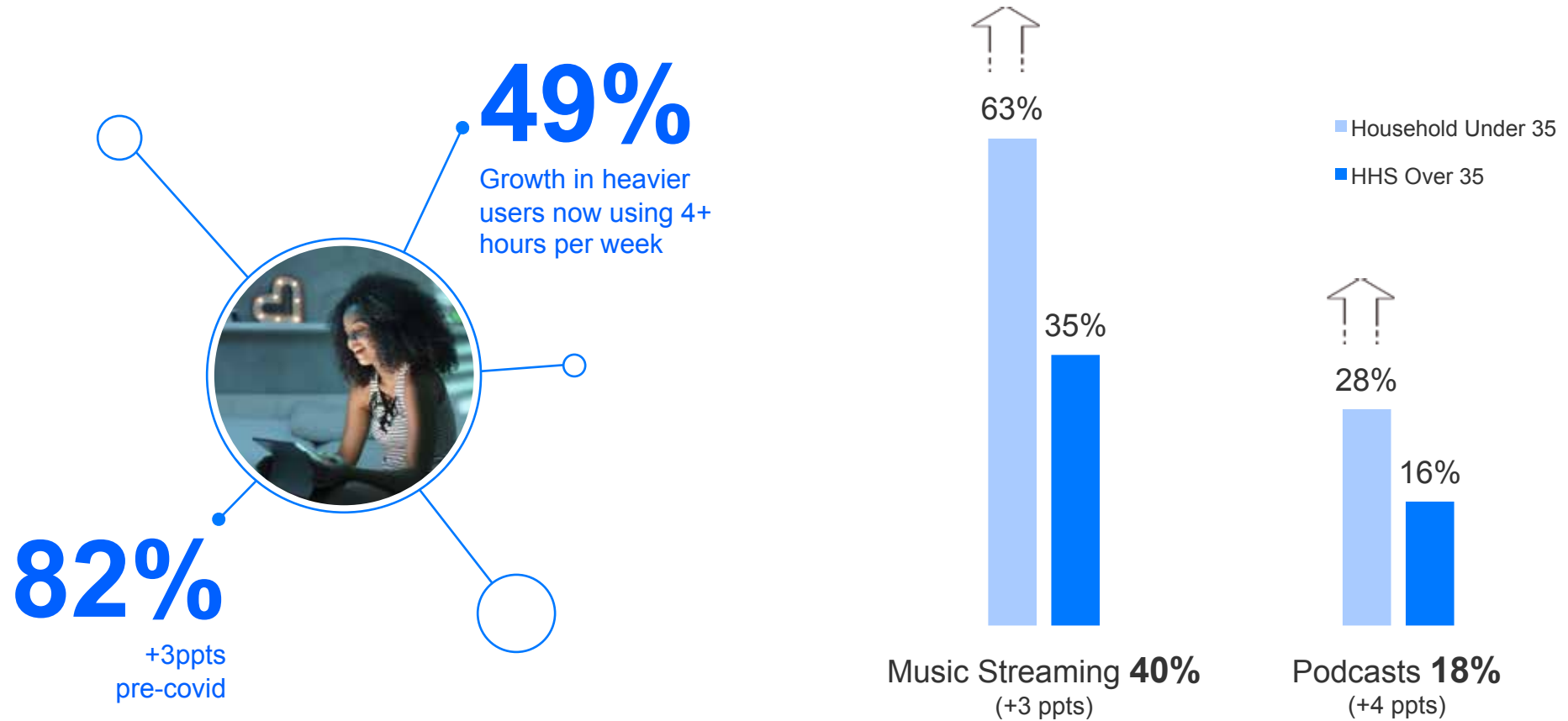
How can we
understand media
effectiveness today

It's been a
turbulent few
years around
the world...



Our media consumption has been changing...

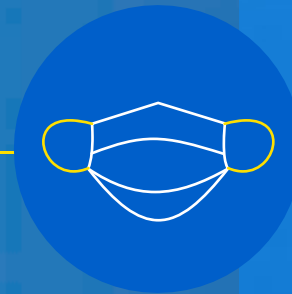
Social Media and digital usage were boosted, both with new users and increased demand. Younger consumers drove changing listening habits



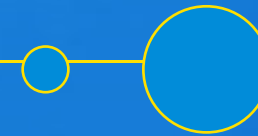
And how we shop has been changing...



Stay home



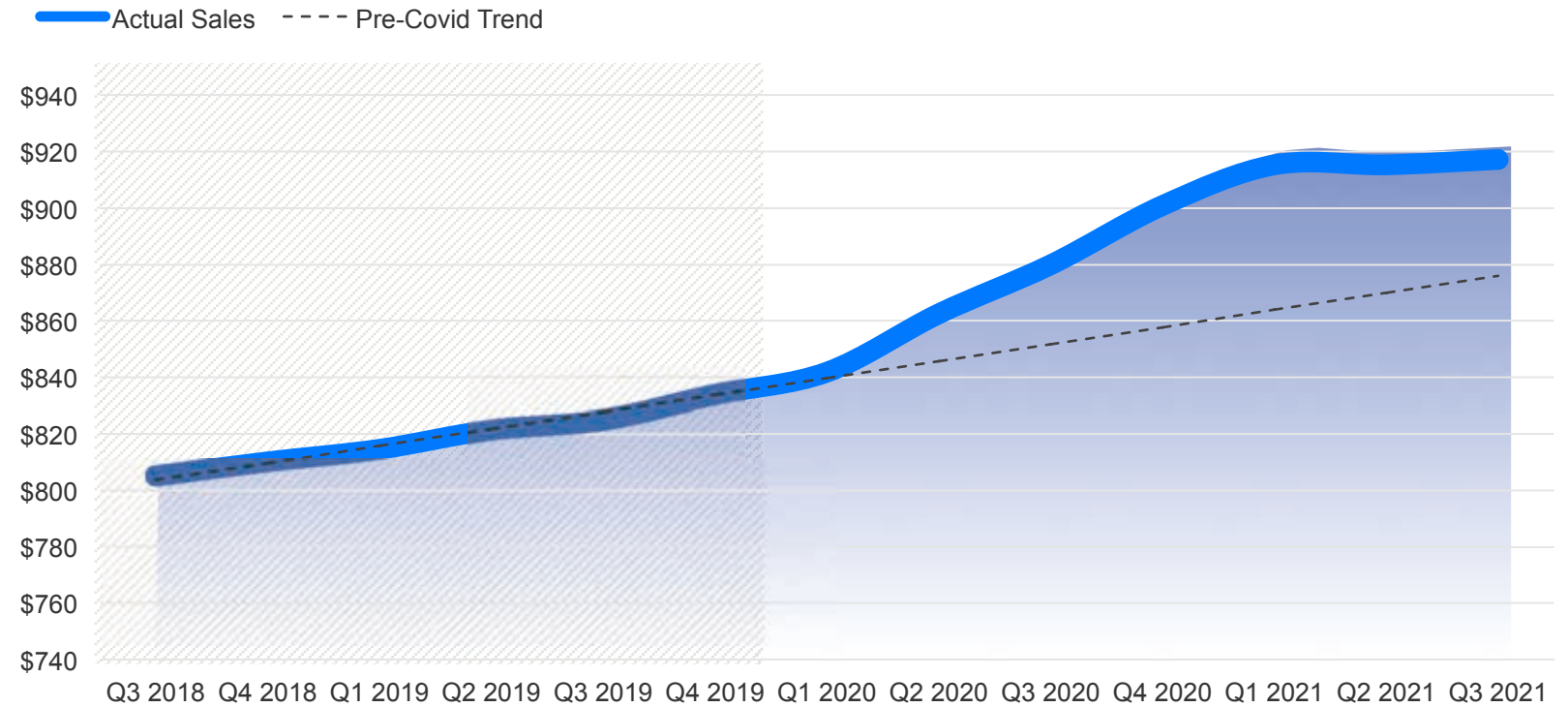
Stay safe





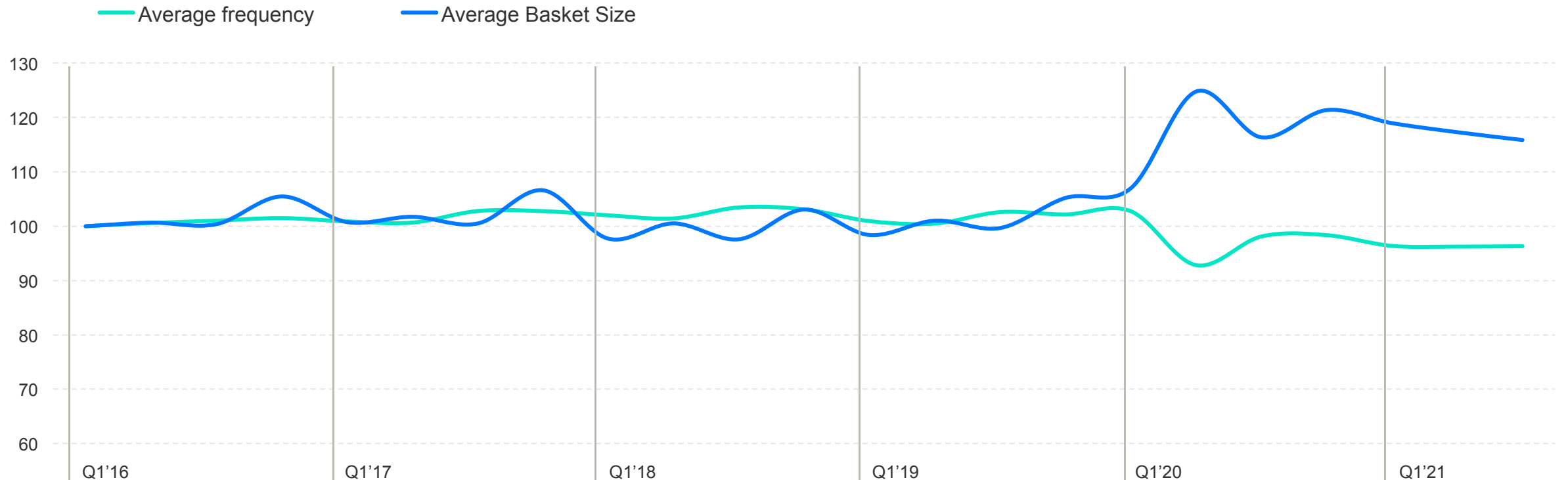
There was a huge explosion of grocery growth over the pandemic...

Total CPG (exc Fresh) Rolling MAT Sales (\$bn)



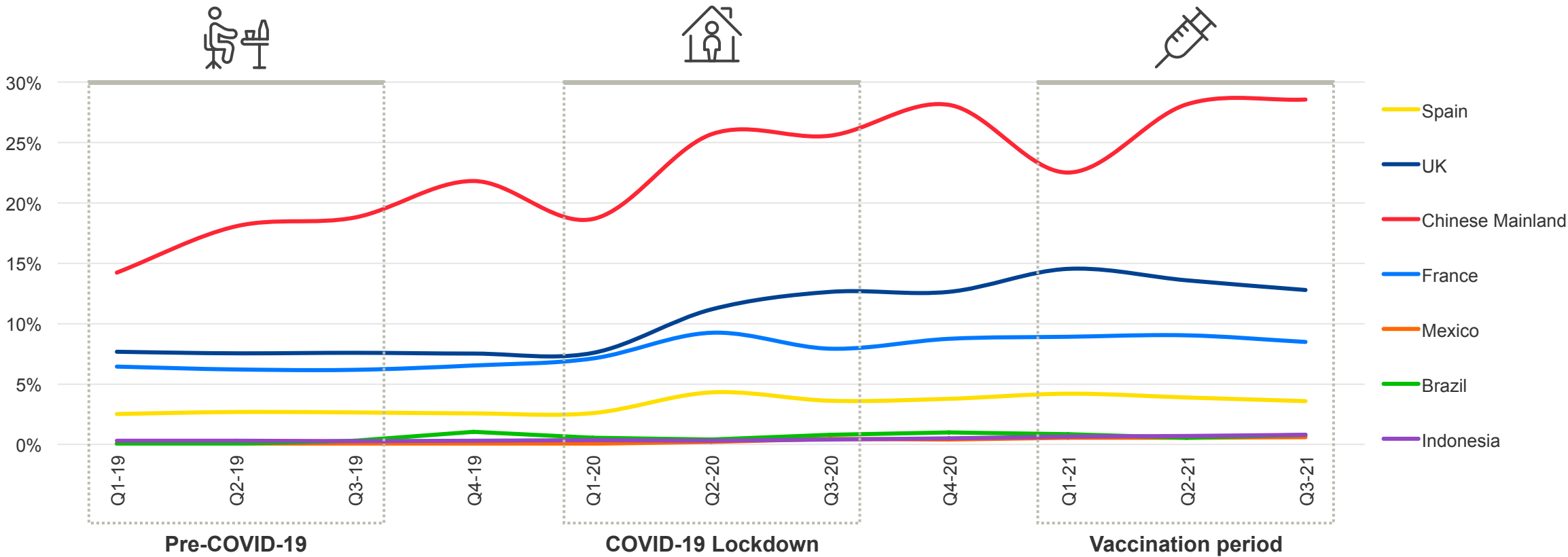
During the peak of the pandemic, we saw fewer trips and bigger baskets. This isn't changing as we 'unlock'

Average Shopping Frequency and Basket Size - Europe plus USA – index vs 2016 Q1



Grocery shopping moved online, accelerating growth of previous trends, plateauing more recently

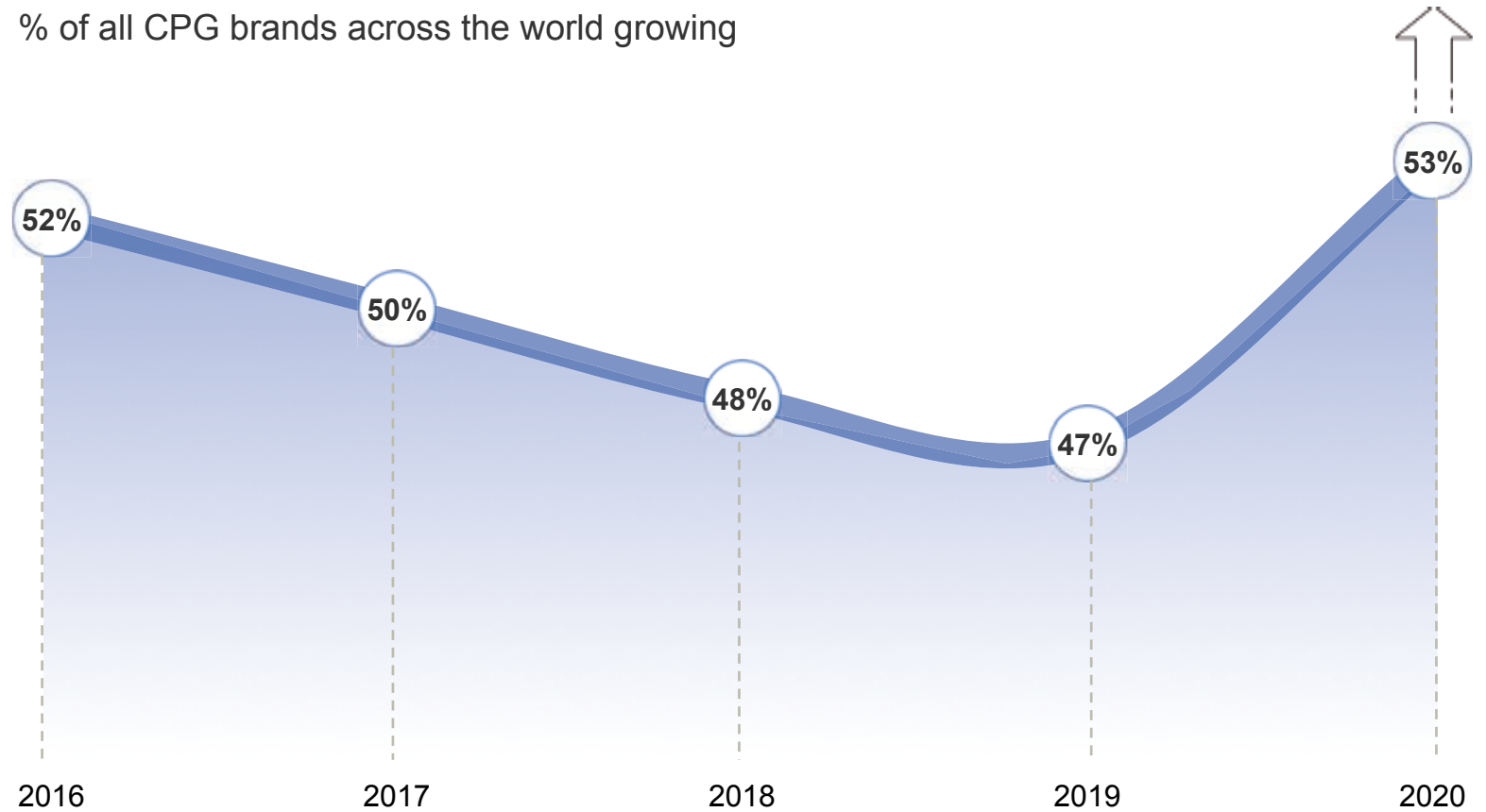
CPG Ecommerce Value share%





During the pandemic we saw a clear bounce back in brand performance

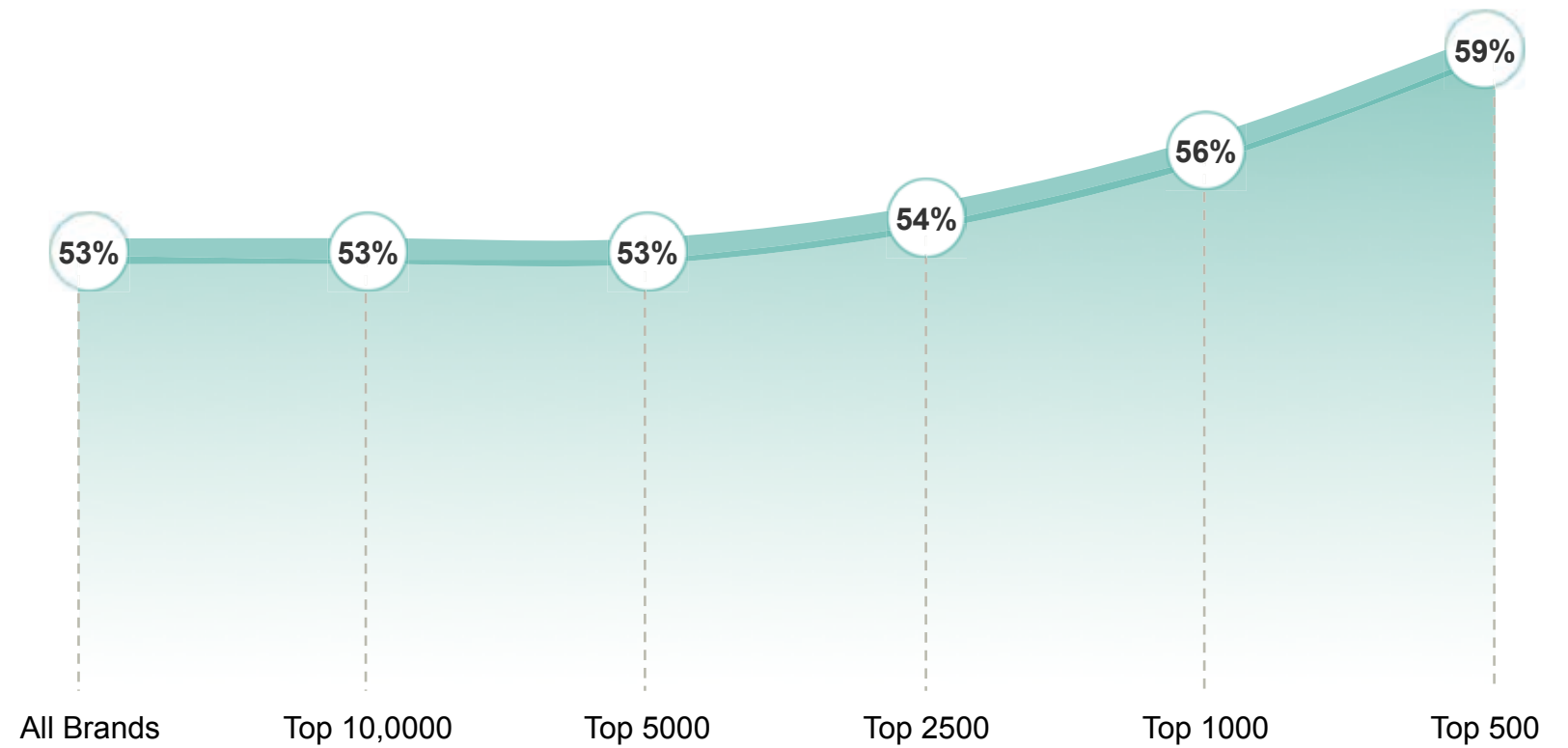
% of all CPG brands across the world growing



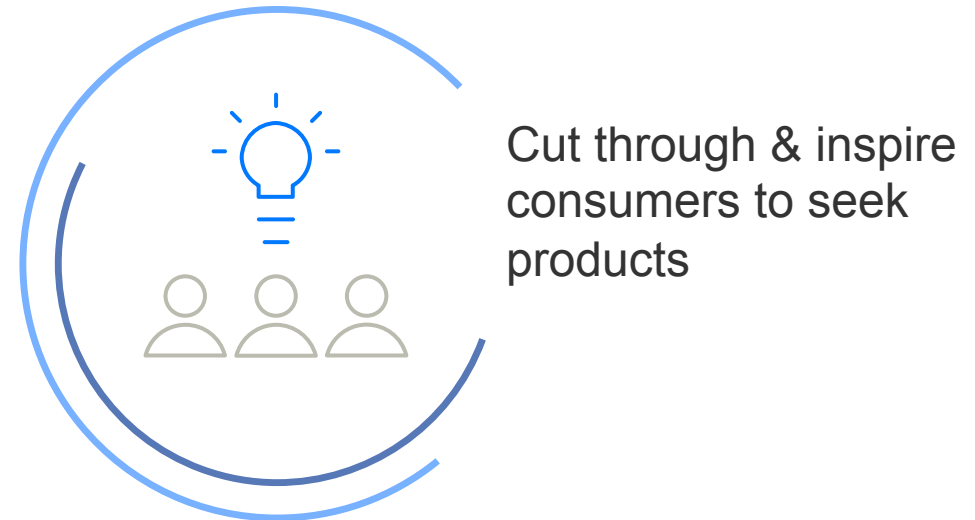


Shoppers sought comfort and familiarity with larger brands doing best

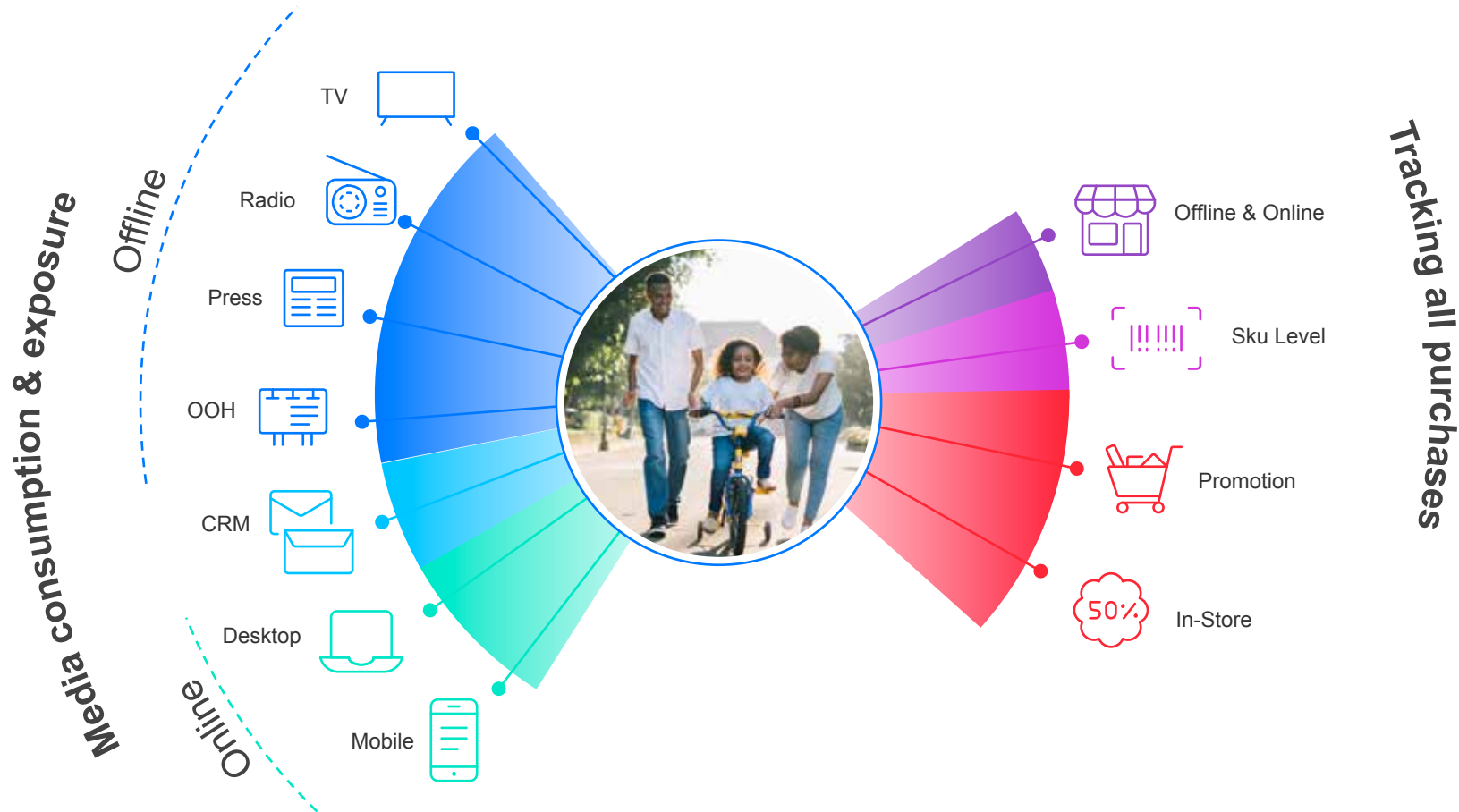
% of CPG brands growing in 2020



So what does this mean for media?



Worldpanel – the unique link between what the consumer sees and what they buy differently across CPG brands



The following findings utilize Kantar's CMM (Consumer Media Measure)

A unique methodology with the shopper at the centre, using single-sourced individual-level inputs.

Answers key questions such as:

- ① What was the true cause & effect of our campaign on sales?
- ② What role did each channel play in reaching different consumers & delivering returns from them?
- ③ How many new buyers did we recruit with media?



Pre COVID-19

May 2018 – January 2020
183 CMMs



During COVID-19

February 2020 – September 2021
93 CMMs



+54%

Global ROAS During vs Pre COVID

Increasing your advertising budget will yield better returns today than before the Pandemic.

2

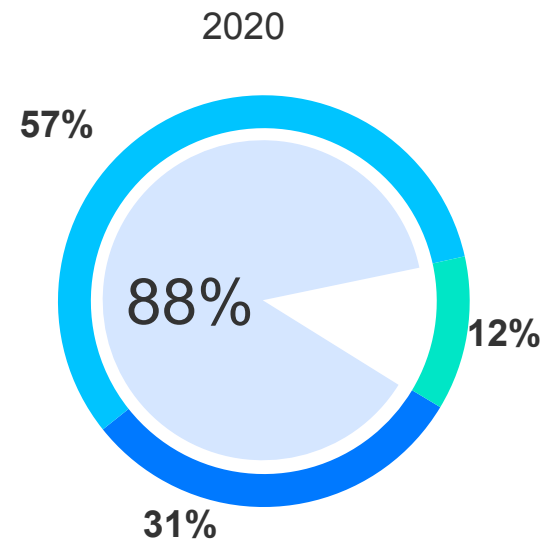
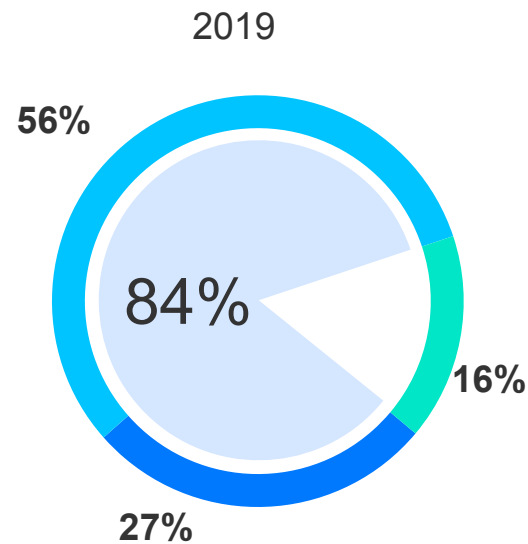


What has
stayed the
same for media

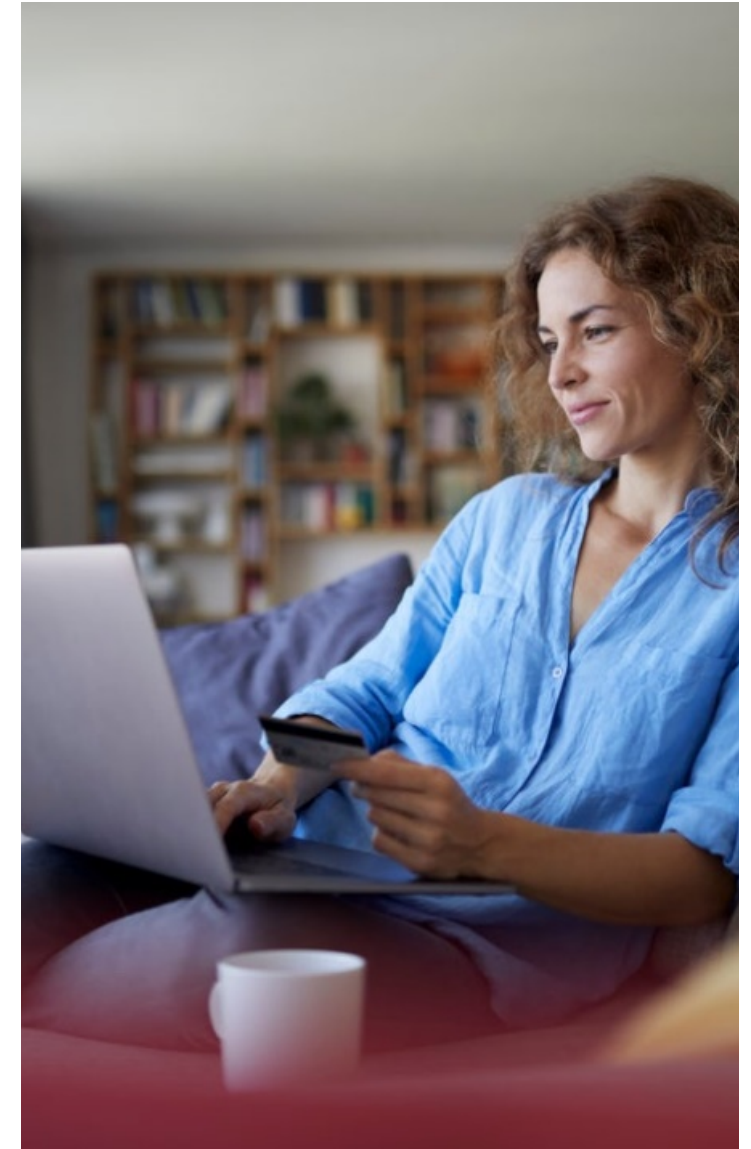
Penetration growth is still is the key driver of brand growth, pandemic or not

Drivers of brand growth

■ Higher frequency only ■ Higher penetration & frequency ■ Higher penetration only



Growing brand defined as >2.5% CRP Growth, starting penetration 1%+



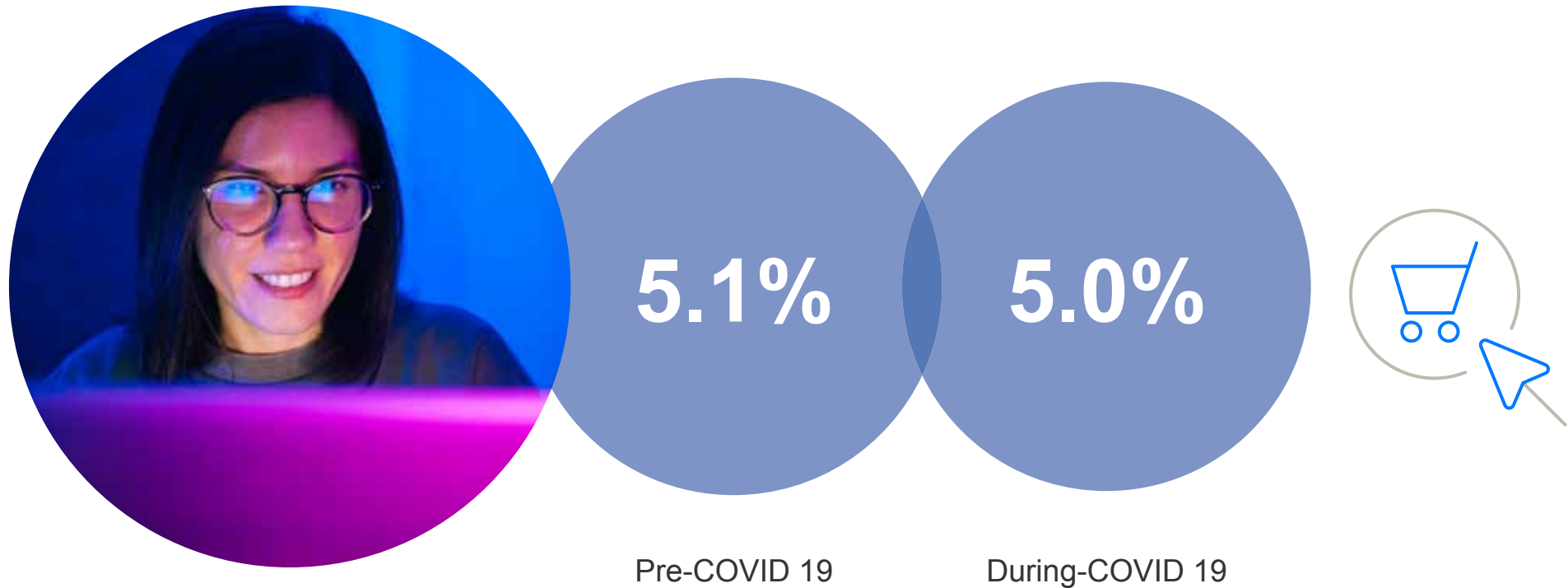


Despite the Grocery boom,
the % of incremental sales
driven by media has

not
changed

The average media campaign will still deliver +5% incremental uplift on short-term sales

Average % Media Sales Uplift



And don't forget how
the proportion of
media-driven sales
uplift translates in
real terms...

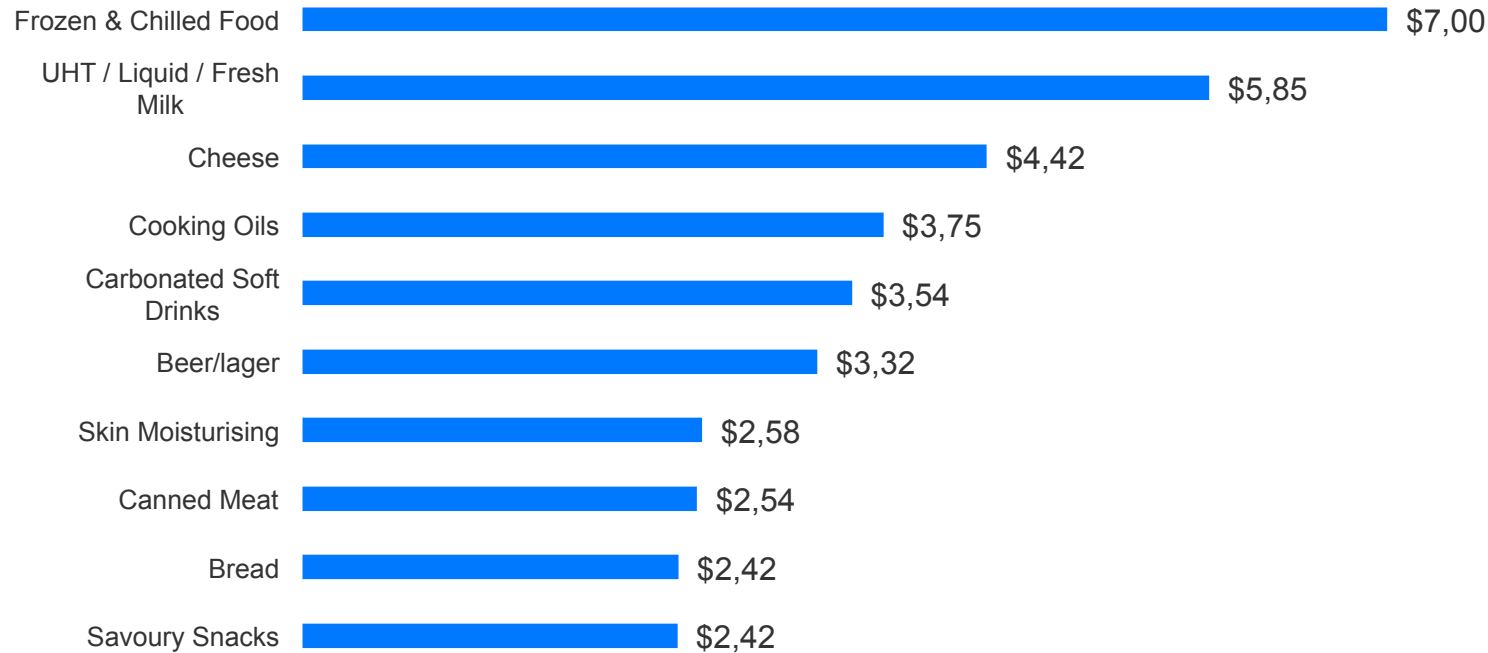


...Although your slice
remains the same... if your
category is growing, your
real return opportunity has
also just grown significantly.

So if your brand is in a growing category, the cost of not advertising is also growing...

Top 10 Growing Categories (based on actual change - \$Bns)

■ MAT Q3 2021 vs MAT Q3



For example...

World's largest brand

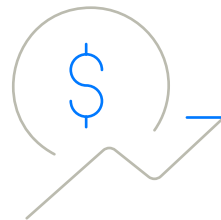


Growing sales double-digits over pandemic



\$130m

Incremental sales opportunity
of 2 campaigns*



+\$21m

Higher than 2019

What has not changed & what does it mean



1

Still need to focus on winning new buyers – media can help with this



2

Don't stop advertising in uncertainty – the short-term sales opportunity is always there



3

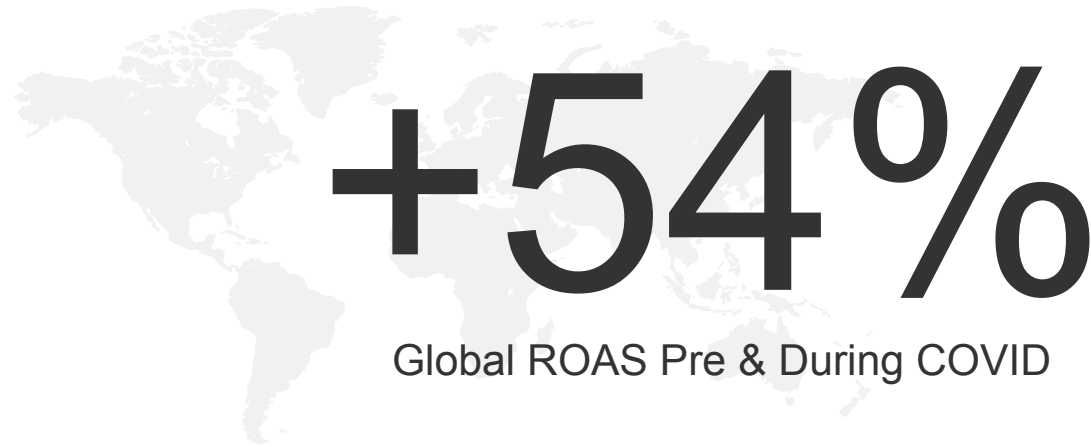
Advertising offers bigger wins if your category is growing

3



What has
changed for
media

Your advertising money is working harder for you,
ROAS has jumped during the pandemic...



Hasn't ROAS just been
driven by lower
advertising costs?



True, but not for all...

For those who could enjoy reduced costs,
**what an opportunity this
presented!**

Costs have varied but advertisers balanced their books...

+7%

**The cost of advertising
actually went up!**

Average Cost per 1,000 HHs, during vs pre.

Smaller reaching campaigns

off-setting higher costs

=

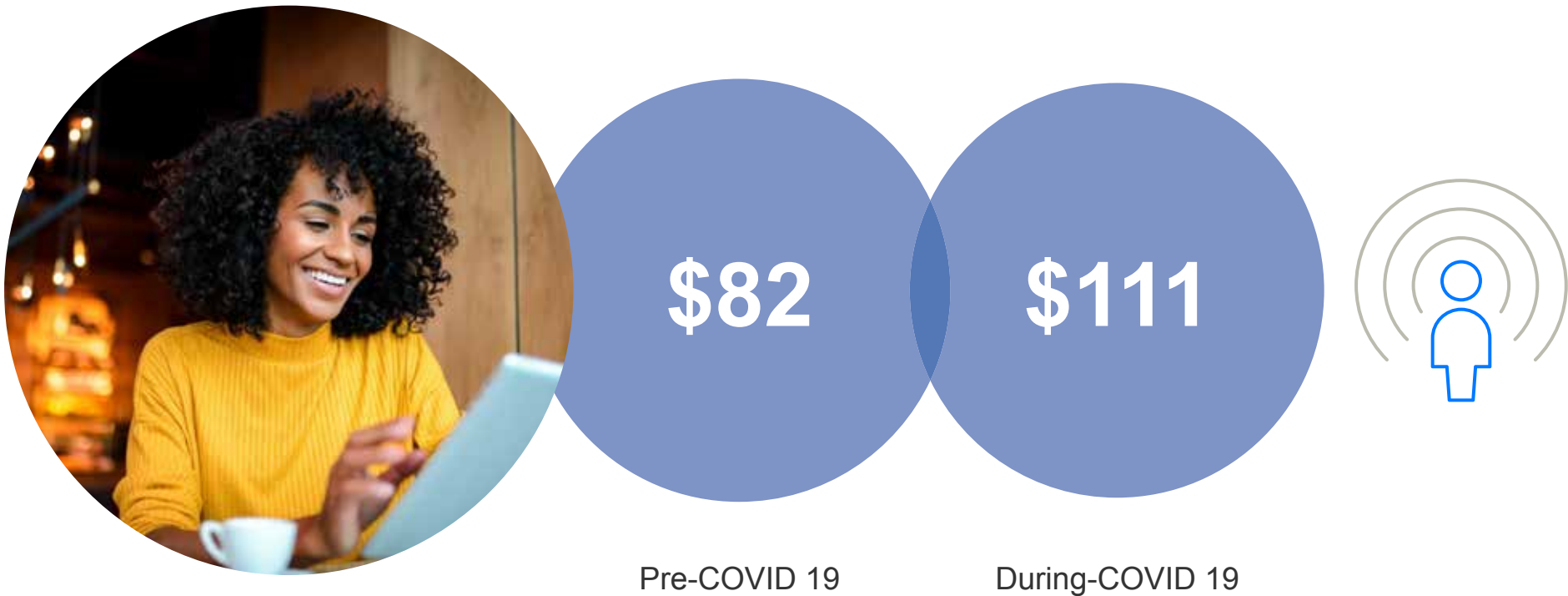
**investment
overall stayed
the same**

A woman wearing a dark blue knit beanie and a matching scarf is looking down at a silver smartphone in her hands. She is wearing a light-colored jacket. The background is dark with blurred lights, suggesting an outdoor night setting. The text is overlaid on the left side of the image.

What we know is that
advertising has never
been more effective at
converting
consumers to spend
differently

It is unequivocal that advertising has been more persuasive to those who were reached

Uplift per 1,000 Households (USD)



What could explain this?

...probably a combination of the below



Better Targeting

2.9x

Above average for sales uplift
delivered by precision based marketing



Mental Availability

5+ hrs

57% of Americans claiming non-work
smart phone use daily



Increased Digital Investment

+70%

Delivering higher returns: Digital vs TV
ROAS



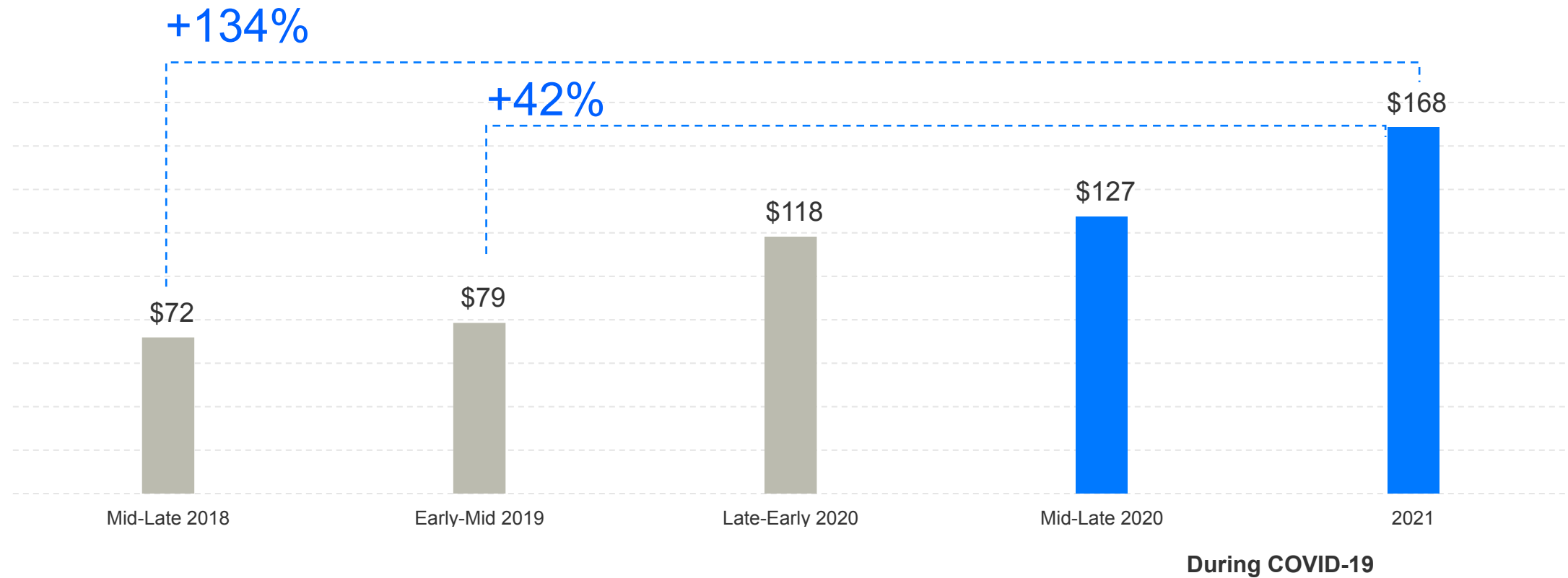
Big Brands Winning


60%

25 most chosen brands growing

But this isn't a new trend, it's an exaggerated trajectory

Uplift per 1,000 Households (USD)





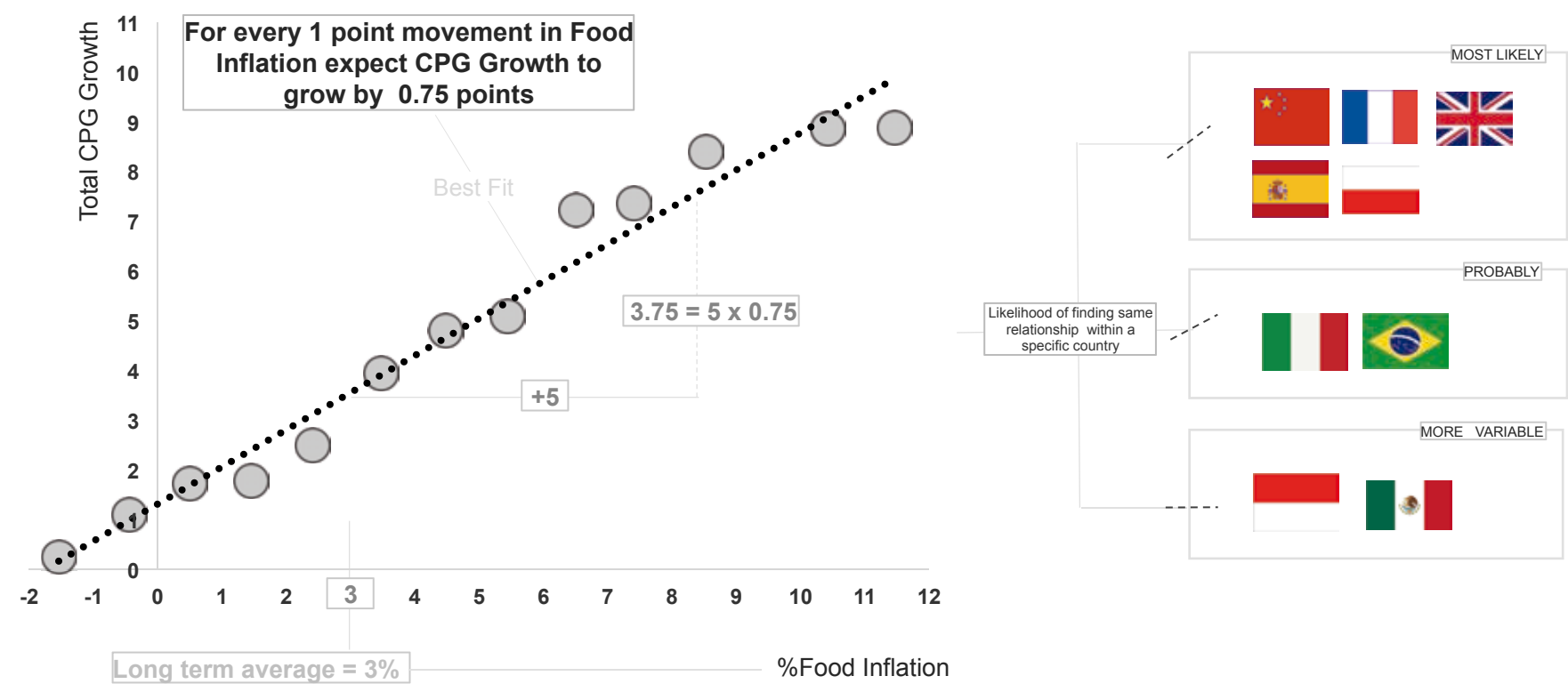
Whatever is going on in the world, it's
clear that advertising is doing a better
job at making money for brands

**Is your ROAS keeping up
with your competitors?**

A final message about.....INFLATION

Households will typically only compensate partially for rising prices in Food and Grocery

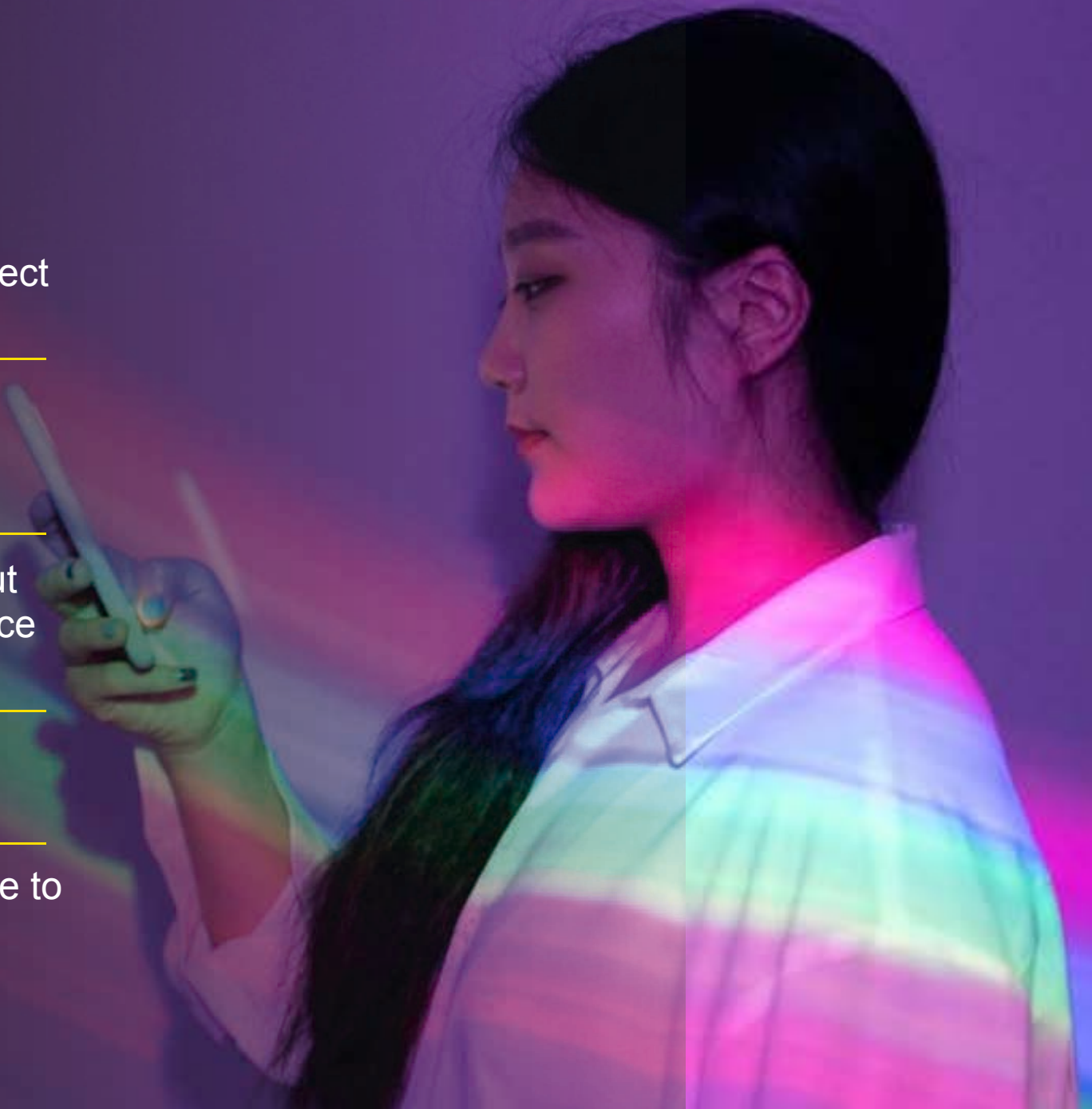
Average CPG Growth versus Food Inflation for 2008-2021 across 9 countries



Source: Europanel Barometer
9 countries – 14 years from
2008 to 2021 –
Monthly Year on Year – CPG
Growth & Food Price Inflation

In conclusion, despite the changing world...

- 1 Stopping advertising will negatively affect short term sales. Don't stop.
- 2 Advertising has NEVER been more effective at converting consumers to spend.
- 3 Uplift % will largely remain constant but effectiveness is where you can influence the extent of your return.
- 4 How to maximise your gains is the interesting point.
- 5 And COVID or not, manufacturers have to keep up to remain competitive...



Where to find out more

Who is most receptive to your ads?

Brands can boost short-term sales by targeting Receptives: people who buy brands in the category or related categories.



<https://www.kantar.com/inspiration/advertising-media/who-is-most-receptive-to-your-ads>

Optimising ROI in Sales & Penetration

Boost returns on your media investment through the lens of actual consumer behaviour, and with a single-source approach.



How much of what **you** spent had an impact?

<https://www.kantar.com/expertise/advertising-media-pr/campaign-effectiveness-and-roi/optimising-roi-in-sales-and-penetration>



KANTAR

Una mirada a nuestro país

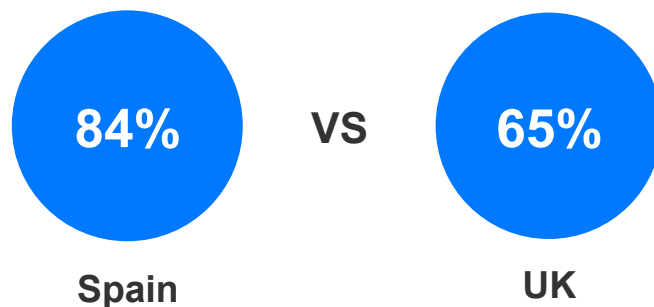
Mayte González

Media & Shopper Sector Director

Worldpanel Division

Somos más optimistas y tenemos más ganas de salir

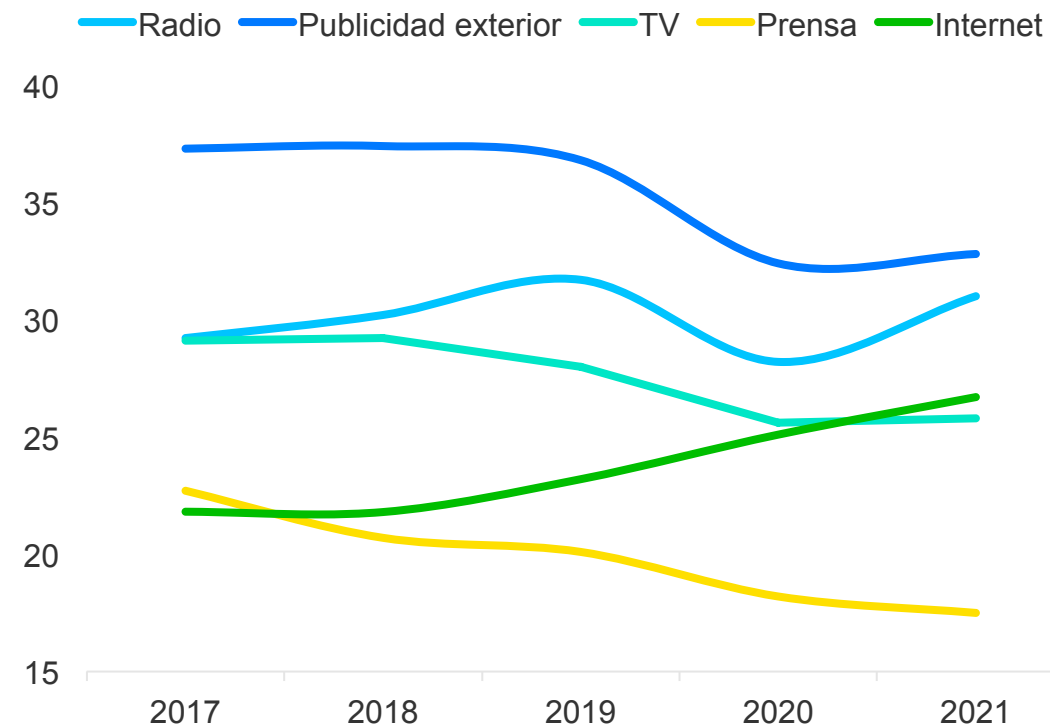
Somos más optimistas*



Los consumidores dicen estar deseando volver a su restaurante**



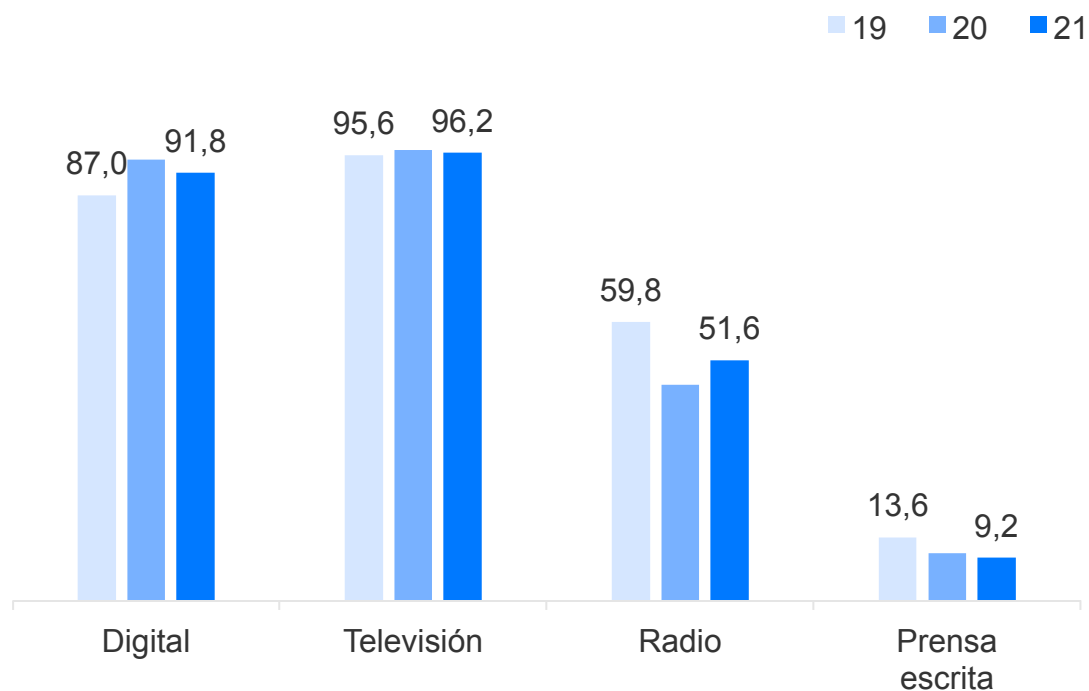
Recuerdo publicitario en España***



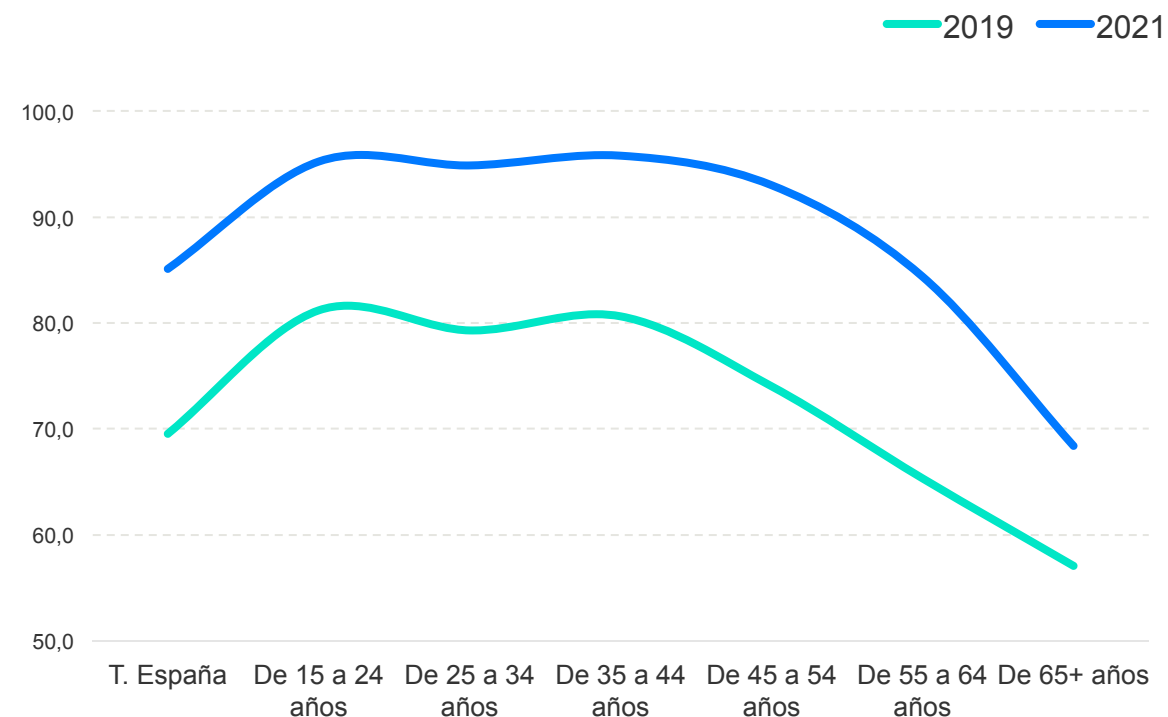
Digital y TV en términos de audiencia por encima de niveles pre-pandemia

Todos somos internet, crecimiento transversal y menos gap entre edades

% Penetración medios *



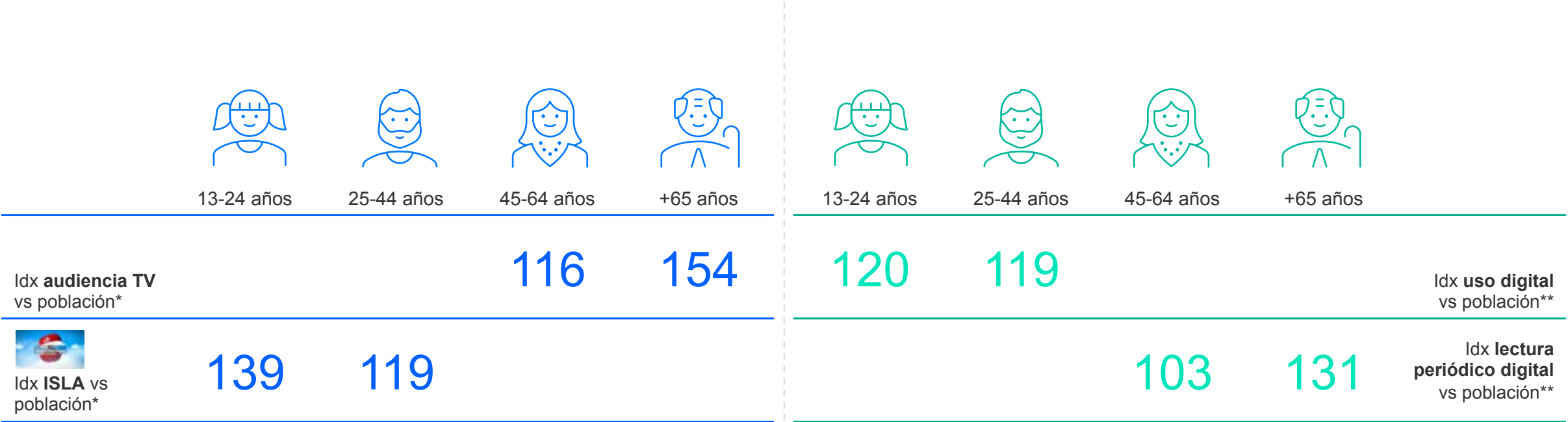
Uso diario internet *



La audiencia busca el contenido independientemente del medio

Simplificar la planificación por quien está detrás del medio por su edad no es suficiente

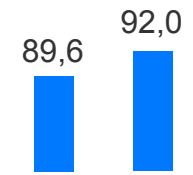
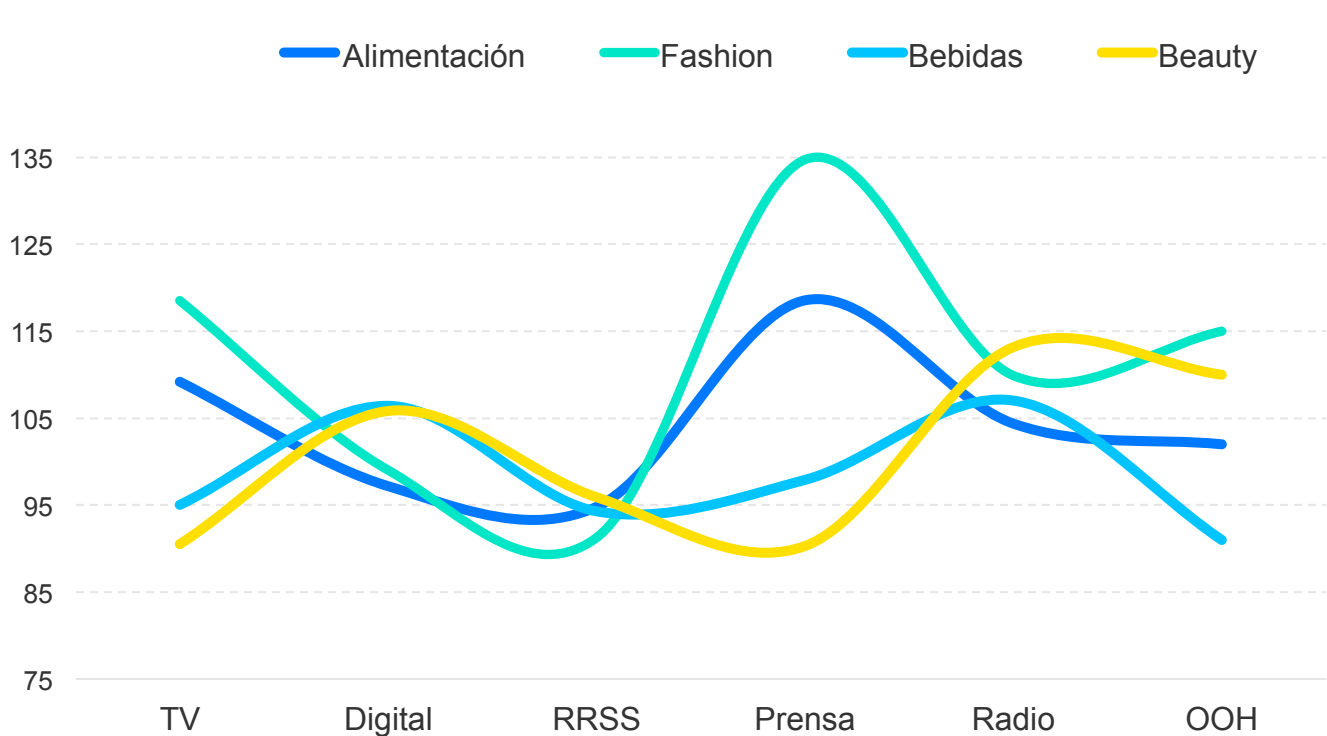
Idx = %perfil audiencia TV/Programa vs T.Población



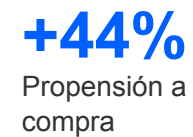
Shopper targets diferentes hacen un consumo distinto de medios

Este tipo de planificación también tiene una oportunidad en el medio exterior

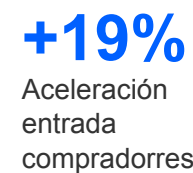
Afinidad de los targets al medio (Índice vs T. Población)



01
Segmentar no es reducir cobertura: es optimizarla

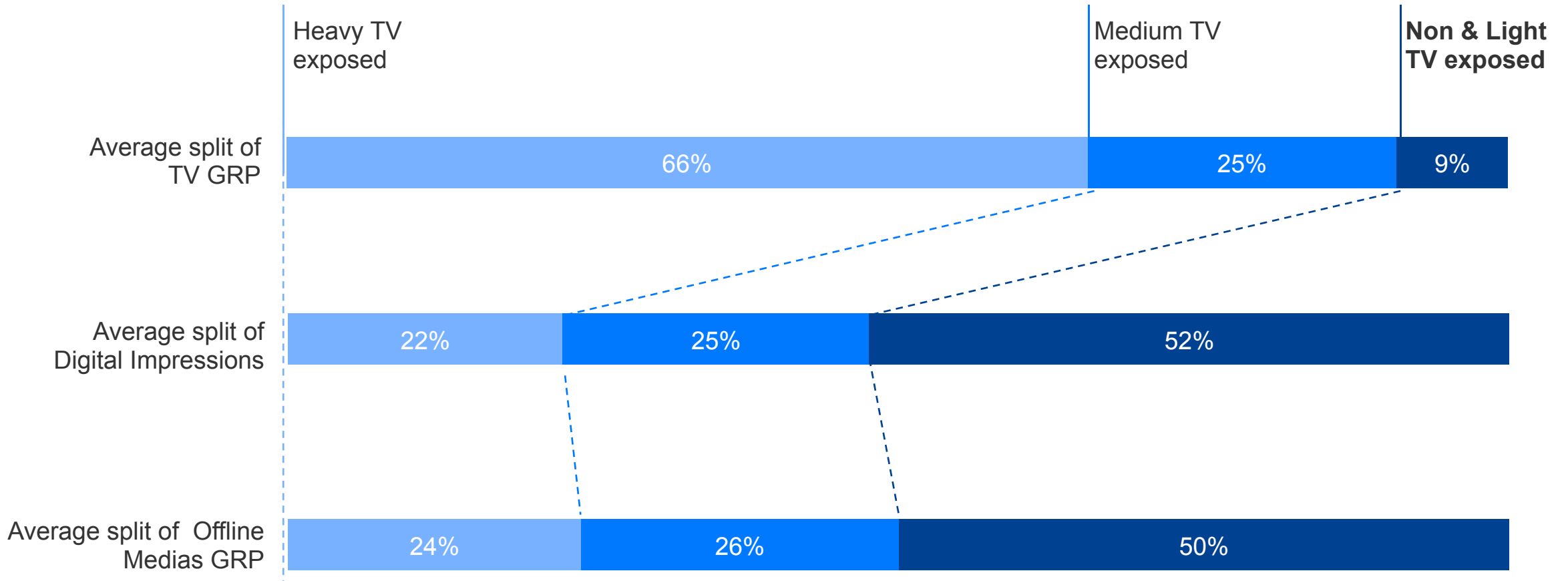


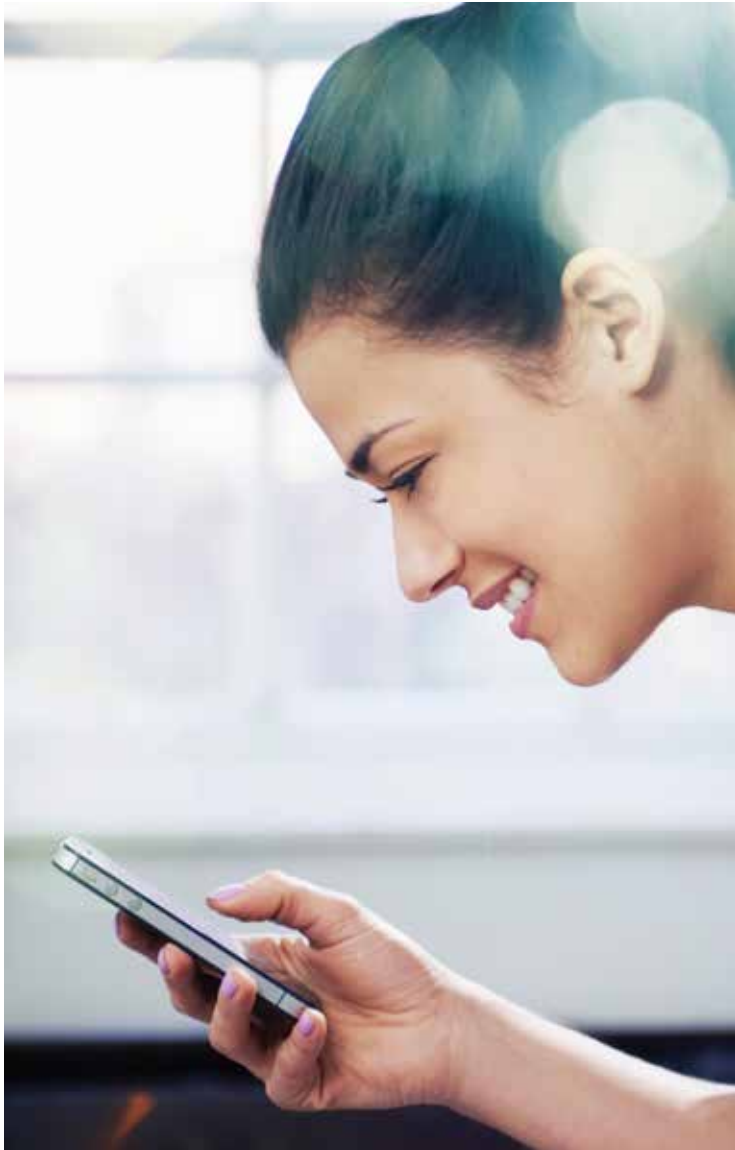
02
Una mayor propensión a la compra



03
Activa la penetración de tu marca

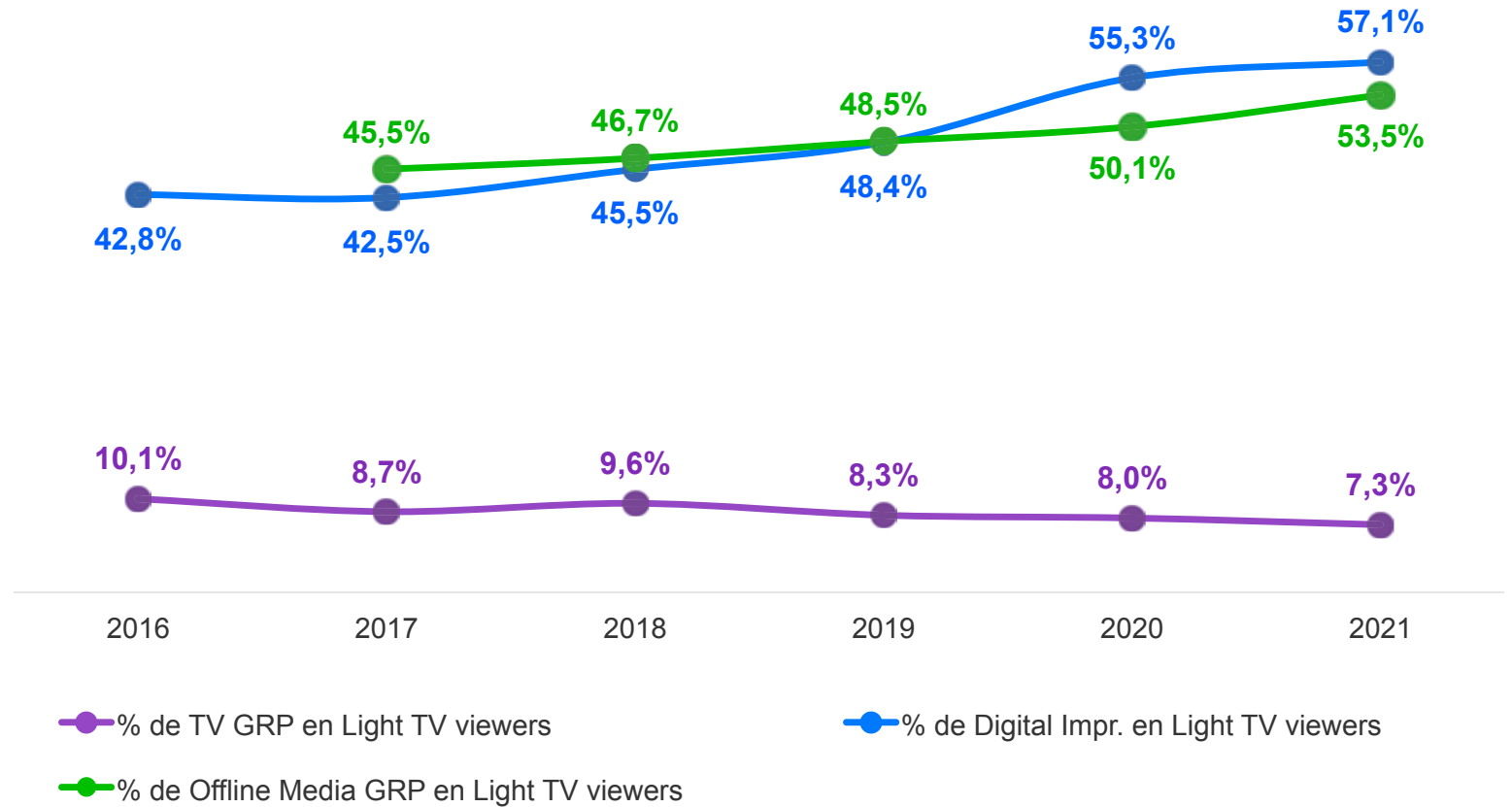
Además también es clave balancear de forma óptima entre la TV y el resto de medios de una campaña



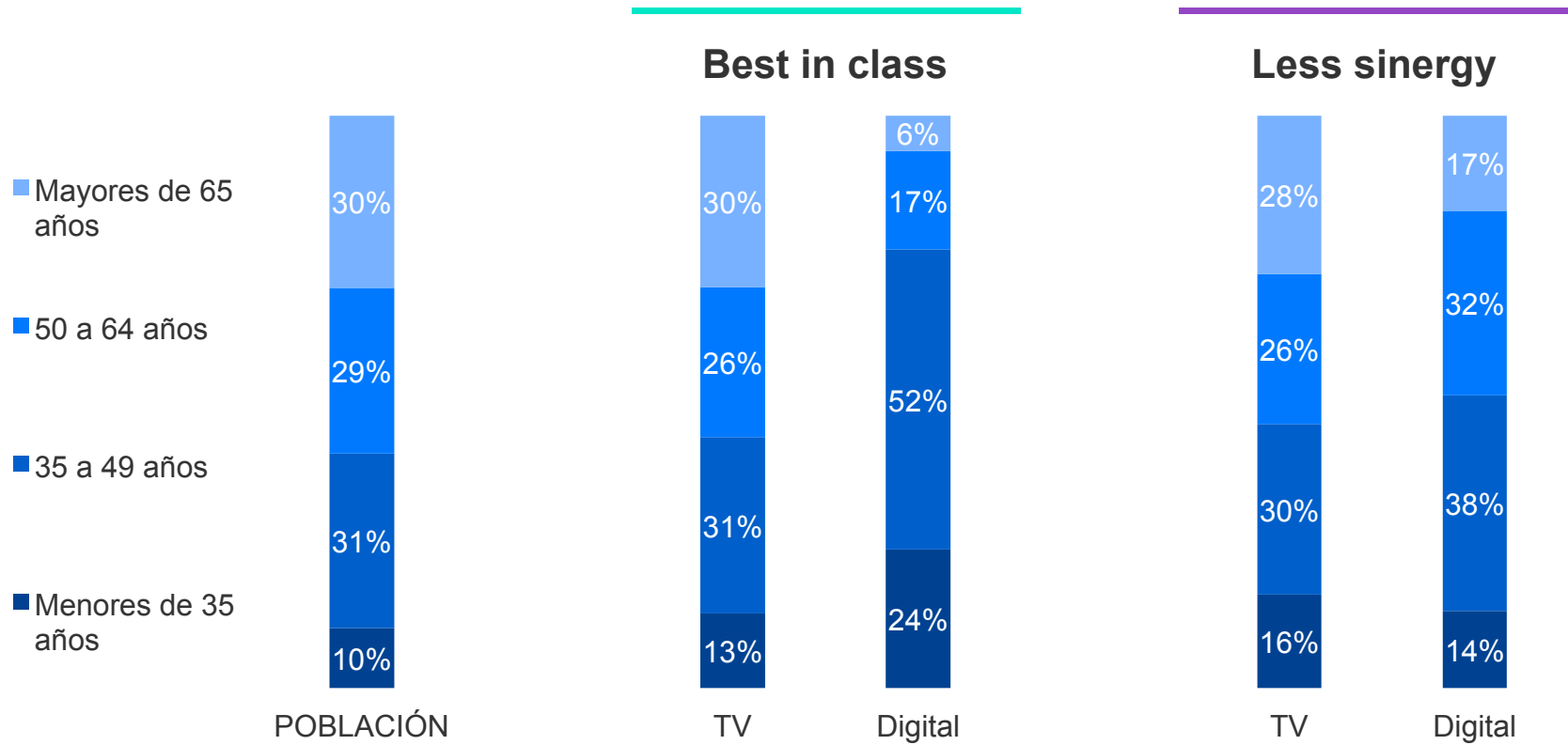


Ya que el impacto sobre los menos expuestos o nada a TV, sigue creciendo año tras año

Impresiones en el light TV viewer



El buen balance entre medios tiene una clara consecuencia: alcanzamos públicos complementarios



No solo en audiencias, sabemos que la buena complementariedad tiene un impacto en impulsar la compra de la marca

Segmentamos nuestro benchmark (TV+Digital) por reach e inversión, y ponemos foco en los 2 grupos más diferenciados...



Best in class



Reach



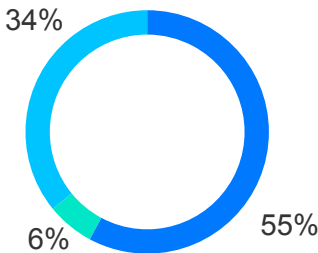
Inversión



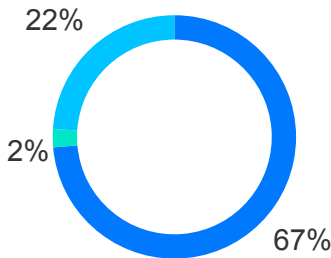
Less synergy



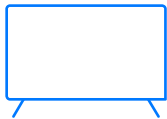
Duplicidad/ Exclusividad
Reach



- Solo TV
- Solo Digital
- TV + Digital



Incremento en la probabilidad de compra debido a la exposición a medios



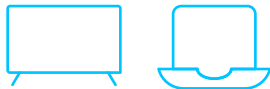
11%

Solo TV



19%

Solo Digital



42%

TV + Digital

Y gracias al buen rendimiento de las ventas por sus campañas, Best in class, logra un retorno de su inversión un 38% superior que Less synergy

ROAS(€)

Best in class

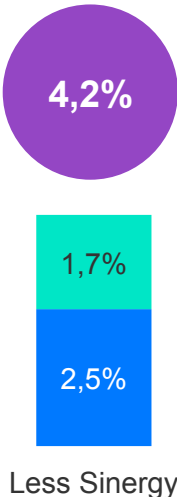
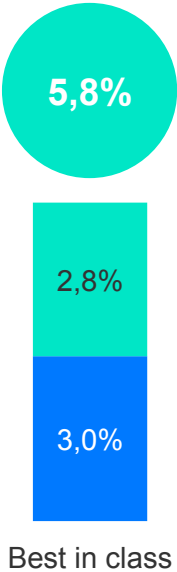


Less synergy



Media sales uplift

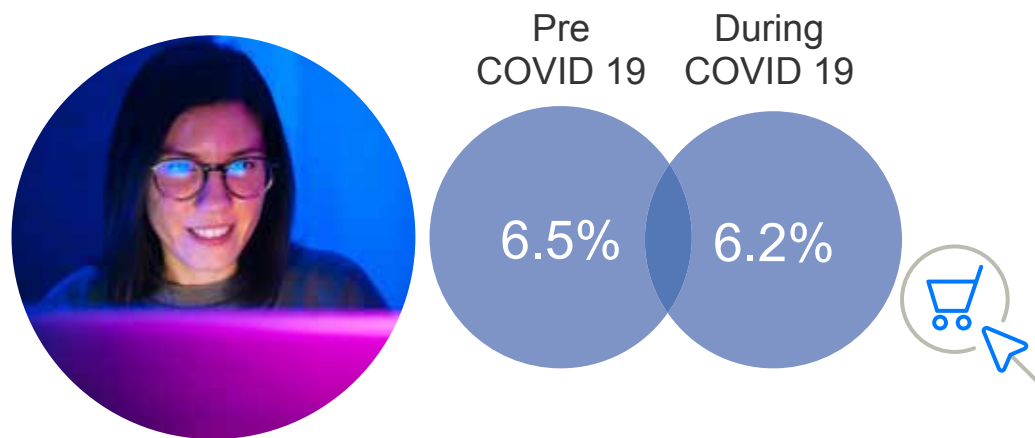
■ Digital
■ TV



Tras la pandemia, aumenta el retorno de la inversión de nuestras campañas en un 40%

Contribución de la publicidad a las ventas de las marcas % y Retorno de la inversión

% de ventas incrementales de Media

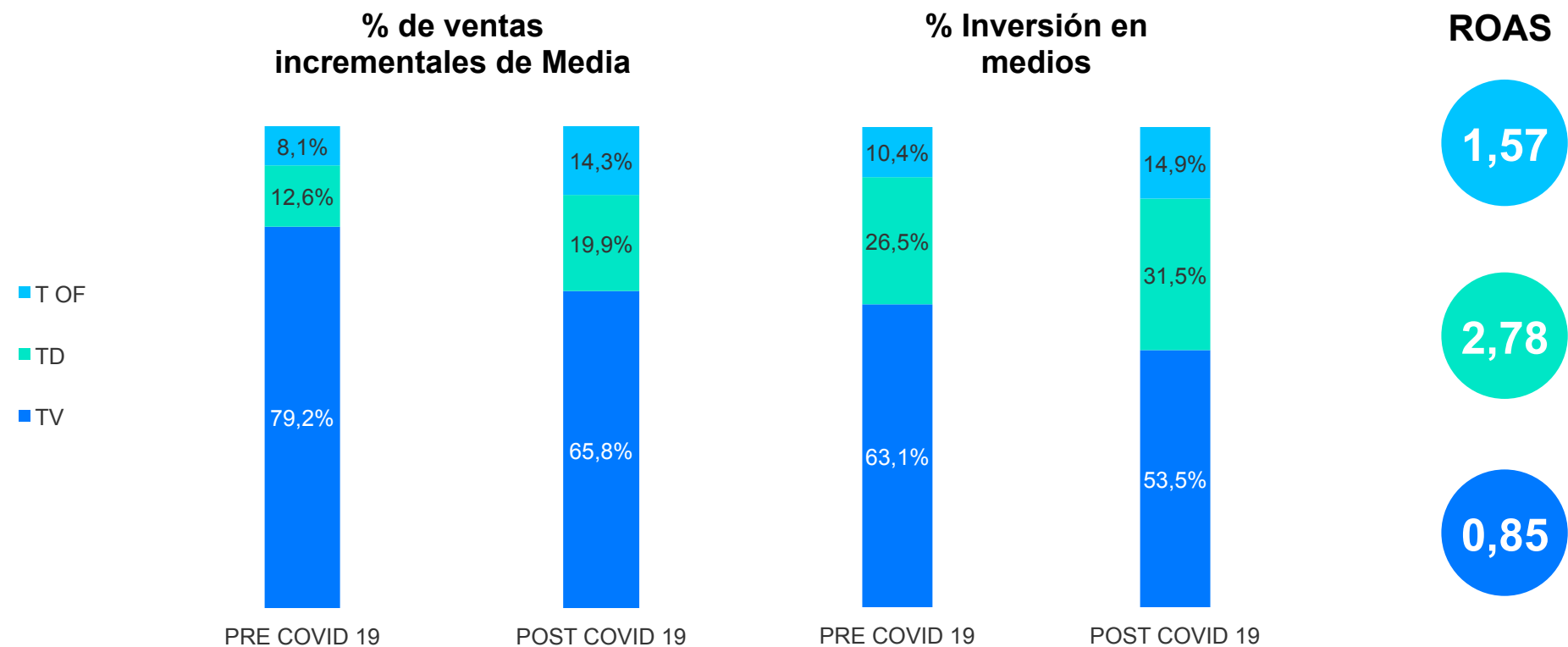


Retorno de la inversión (ROAS)



En los últimos años ha habido una redistribución del presupuesto, dando TV más espacio al resto de medios, que además consiguen un mejor ROAS

Contribución de la publicidad a las ventas de las marcas % y Retorno de la inversión



A man with short dark hair, wearing a red and white patterned sweater, is looking down at a tablet computer. The background is dark with vertical purple and blue light streaks and out-of-focus bokeh lights in red, blue, and white.

Gracias

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