



coegi

DIGITAL AUDIT

2020

OBJECTIVE

Coegi's Digital Audit provides an in-depth analysis of your audience and recommendations for opportunities to build brand awareness, generate purchase intent, gain market share, and increase revenue through a comprehensive digital marketing strategy.

OVERVIEW



Industry Trends



Competitor Analysis



Audience Analysis



Media Channel Strategy

INDUSTRY TRENDS

CPG eCommerce Industry Trends

- eCommerce CPG spending will reach \$60 billion by 2021 ¹
- Nearly all growth in the snack category has come from online sales: the online snack channel grew 25.3% in 2018 ¹
- Vegan snacks drove significant growth: 90% of vegan social sentiments were positive and trending upward ¹
- Younger shoppers are leading the charge: 59% of millennials and 50% of Generation X will buy groceries online ²
- Social media influences purchases: 25% of consumers share opinions about brands on social, and 50% are open to switching brands after seeing a good review ²
- eCommerce capabilities are considered when choosing where to buy: Quick and/or free delivery influence where to buy

Cart abandonment poses a challenge to CPG eCommerce

- Groceries and consumer goods average a cart abandonment rate of 78% ³
- BRAND's cart abandonment rate: 60%
- #1 one reason for abandoning a cart, is higher-than-expected shipping costs (58%) ³

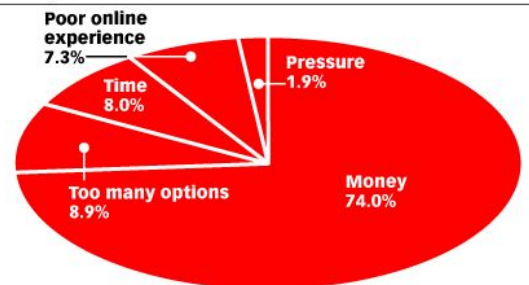
How are niche businesses competing with free shipping?

- Set clear expectations for shipping costs (e.g. \$5 domestic flat rate) ⁴
- Build in cost of shipping to price of product ⁴
- Finding smaller/lighter packaging options ⁴

Why are so many CPG companies driven toward Amazon?

- Aside from covering operations logistics, Amazon is a brand building platform ⁵
- Products represented on Amazon show up higher in search results ⁵

Primary Reason that US Internet Users Abandon Digital Shopping Carts, March 2018
% of respondents



Note: ages 18+; numbers may not add up to 100% due to rounding
Source: ContentSquare, "2018 Abandoned Cart Insights," March 28, 2018
237767 www.eMarketer.com

¹"Uncover New Opportunities in CPG E-commerce." IRI. 2018.
www.iriworldwide.com/en-US/Insights/Publications/E-commerce-Survey-Results

²Sally Lyons Wyatt. "State of the Snack Food Industry" Sept. 6, 2018.
www.iriworldwide.com/IRI/media/Library/State-of-the-Snack-Food-Industry-Snack-Wholesale-Bakery-Webinar-2018-Final.pdf

³Krista Garcia. eMarketer. "What's Causing Cart Abandonment?" Nov. 27, 2018.
content-na2.emarketer.com/what-s-causing-cart-abandonment Feb. 5, 2018.

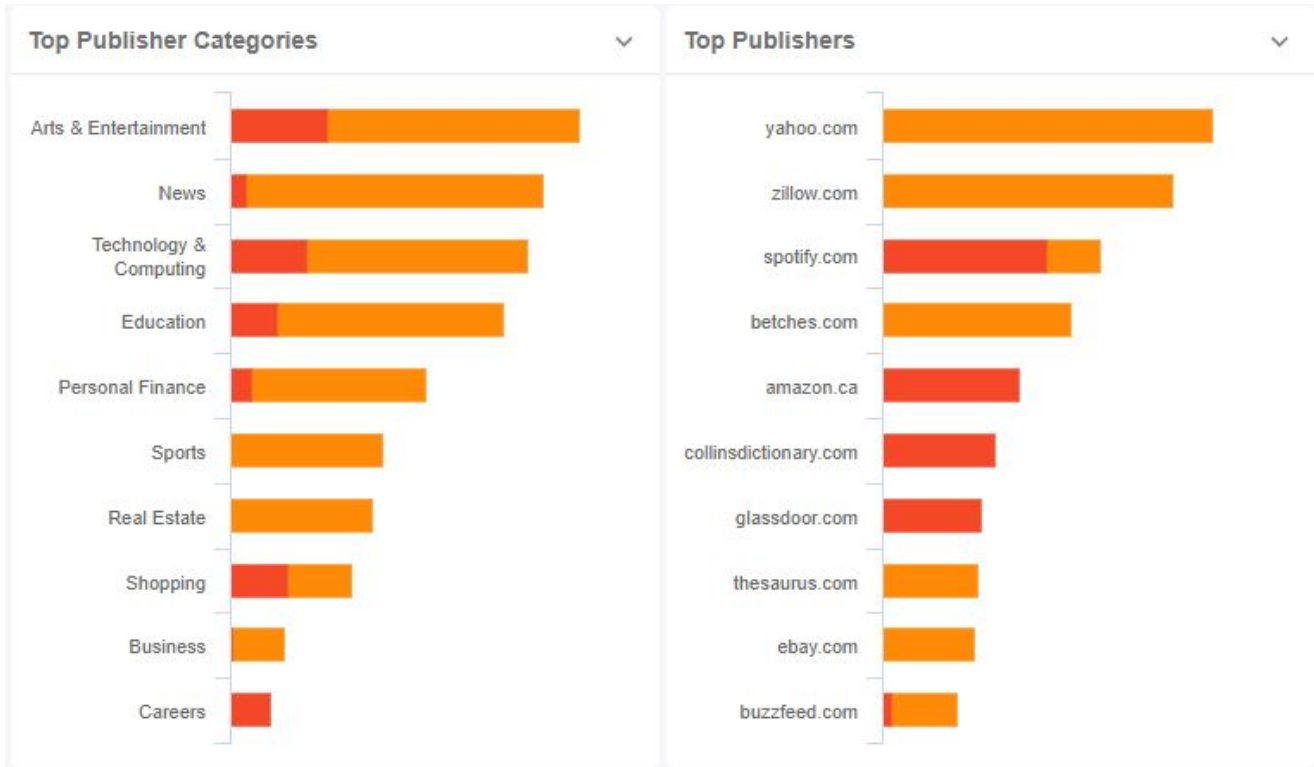
⁴Desirae Odjick. "How Can I Reduce Shipping Costs as a Small Shop?"
www.shopify.com/blog/competitive-shipping-as-a-small-shop

⁵eMarketer. "CPG Brands Are Rethinking How They Work with Amazon." Sept. 12, 2018.
content-na2.emarketer.com/cpg-brands-are-rethinking-how-they-work-with-amazon

COMPETITIVE ANALYSIS

TOP PUBLISHERS

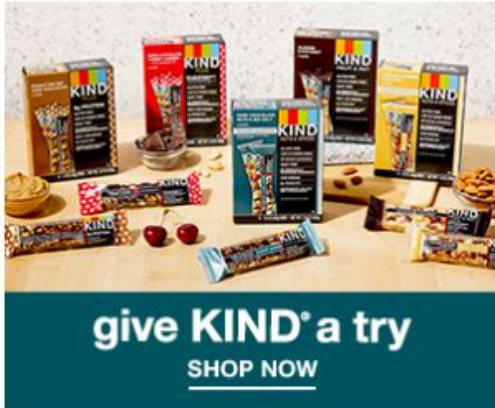
Notable top publishers for SkinnyPop and KIND include Zillow, Spotify, Betches.com and BuzzFeed.



● SkinyPop Popcorn ● KIND Healthy Snacks

COMPETITOR CREATIVES

KIND



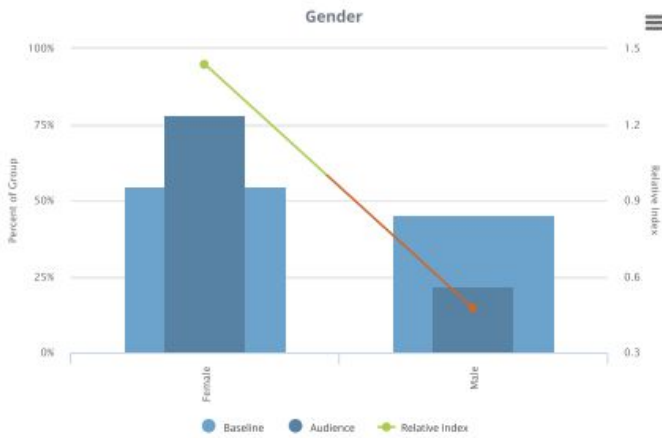
SkinnyPop Popcorn



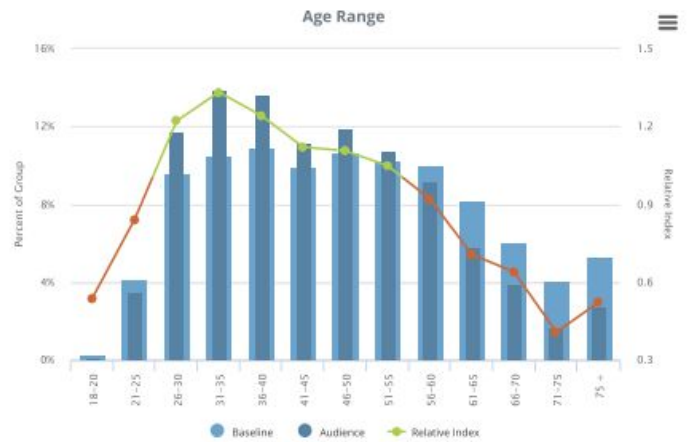
SOCIAL AFFINITY ANALYSIS

Partnering with SpotRight, a social affinity analysis of **SkippyPop Popcorn's** Twitter followers was conducted. This analysis shows your how their audience indexes against the internet average across a wide variety of behaviors and verticals.

1. Users are +1.2x more likely to be female than male.



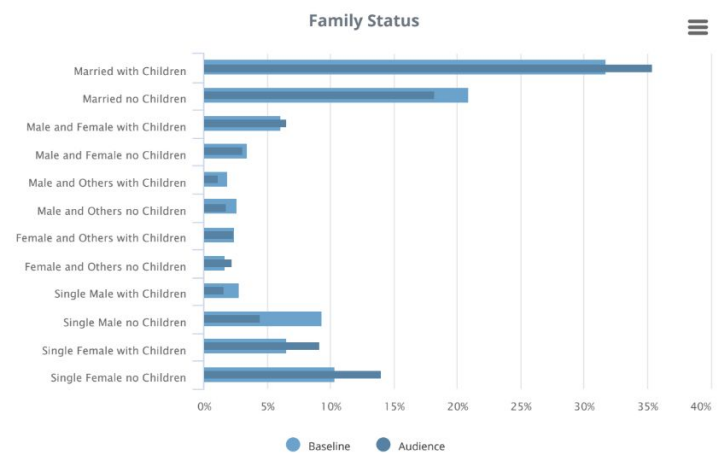
2. Ages 26-55 over-index with an average audience age of 44 years old. Users are 1.3x more likely to be age 31-35.



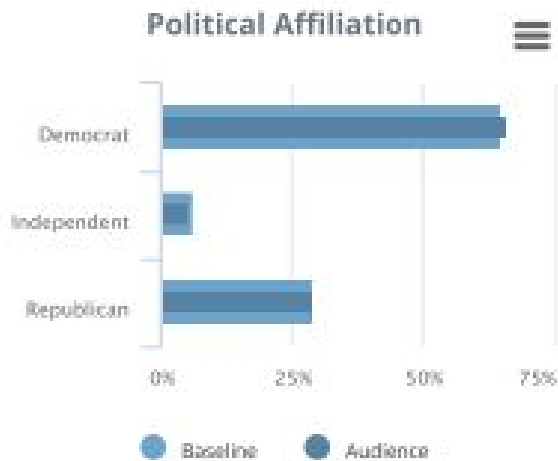
3. Users are 1.1x more likely to have an income of \$125k or more.



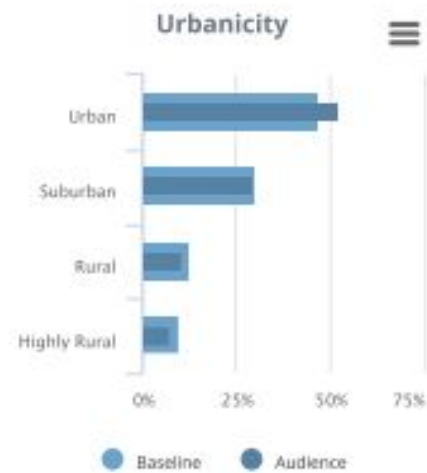
4. Married with children and single women with and without children over-index for this audience.



5. Users in the audience are generally left-leaning Democrats.



6. This audience over-indexes for living in an urban environment.



AUDIENCE ANALYSIS

Coegi analyzed BRAND and competitor audiences through multiple tools and platforms to determine the most engaged audiences with the highest potential for purchase. The identified profiles include three primary audiences, The Millennial Urbanite, The 'Relevant' Gen X-er and the Corporate Entertainer.



The Millennial Urbanite

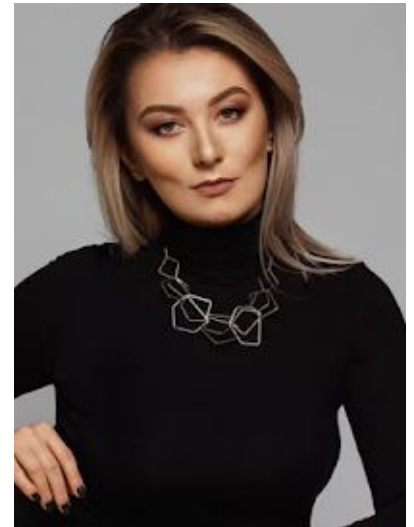
This audience is made up of student or young professional females age 22 to 35. The Millennial Urbanite lives in the city and experiences all the nightlife, art and culture it has to offer. This fashion forward female is single, with no children and is part of an elite social scene. She's an art aficionado and loves to entertain. She's always dressed to impress and uses her social clout to advocate her socially conscious views. As a millennial, she's a smartphone loyalist of course. Seventy-three percent of millennials 18 to 29 spend at least four hours per day using a smartphone. As part of a mobile first audience, The Millennial Urbanite consumes much of her media via mobile app and web. App categories include social networking (80%), music streaming (67%) and communication (60%). Smaller majorities have apps for weather (59%), maps/navigation/search (56%) and entertainment (55%).

Brands: Gucci, Louis Vuitton, Yeezy, Balenciaga, Balmain, Givenchy, Versace, Chanel, Tory Burch, Moschino, Highsnobiety, Hypebeast, BuzzFeed, Betches

Source: Mark Dolliver. "US Millennials 2019." eMarketer. Feb.11, 2019. content-na2.emarketer.com/us-millennials-2019

The 'Relevant' Gen X-er

This audience is made up of women age 36 to 54 with an income of \$125k+. The 'Relevant' Gen-Xer is a single, affluent socialite that aims to impress. She spares no expense when it comes to health and wellness and looking and feeling her best. While outnumbered by millennials on digital media, the Xer is still similar in behavior while lacking the volume. She has more disposable income, and when she does spend she often uses digital tools. It's no wonder that mobile and social are major elements of her digital activity, figuring into her shopping habits to help her stay on trend. The 'Relevant' Gen-Xer is almost as glued to her smartphone as her millennial counterpart. Digital video has become an indispensable part of her media mix. About 80% of Xers will be digital video viewers at least monthly this year. Among Xers on social media, nearly nine in 10 are on Facebook. Close to half of Xer social users are on Instagram.



Brands: Clare V, Cartier, Chanel, Gucci, Louis Vuitton, Prada, Rolex, Dior, Tesla, Burberry, Tom Ford, Versace, Alexander McQueen, Marc Jacobs, Valentino, Yves Saint Laurent, Hermes

Source: Mark Dolliver. "Gen X 2019: It's Still Stupid to Ignore Them." eMarketer. July 1, 2019. content-na2.emarketer.com/gen-x-2019



The Corporate Entertainer

Looking to make her next event the most memorable yet, The Corporate Entertainer goes out of her way to make sure her soirees are the talk of the town. From decor, to entertainment to catering, money is no option when it comes to the reputation of her firm. The Corporate Entertainer is responsible for corporate hospitality and client entertaining, product launch parties, board retreats, dinners and award ceremonies, shareholder meetings and more.

Brands: Sugarfina, Moon Cheese, Carr's Entertainment Crackers, Grey Goose, Cristal, Veuve Clicquot, Don Julio, Casamigos, Ciroc

MEDIA CHANNEL STRATEGIES

PRIORITY CHANNELS

Social Advertising: Our primary audiences have a strong social presence which provides a significant opportunity to expand awareness among the individuals most likely to “join the movement”. On average, consumers spend more than 3 hours a day consuming content on mobile, and nearly 2 in 5 online purchases are now completed on mobile devices. Facebook, Instagram and Snapchat feature vertical ad formats designed to capitalize on this heavy mobile usage by maximizing screen space and communicating key messages quickly. Vertical video in particular, presents a significant opportunity for BRAND as 79% of consumers agree vertical video formats are more engaging.

Instagram Stories have quickly expanded inventory and accessibility with over 500M active users as of January this year. In fact, Facebook reports that Instagram Stories is the fastest growing product in Facebook history. Video engagement is the primary driver of success in this channel, as over 50% of Instagram Stories viewed are videos. Further, 60% of stories videos are viewed with sound on, 62% of users surveyed said they became more interested in a brand or product after viewing stories, and 1 in 3 stories results in a direct message to the brand.

Facebook with over 2.1B active users, Facebook will drive consideration and intent strategies at scale. Older Millennial Urbanites and ‘Relevant Gen-Xers’, in particular, have a strong presence on this platform. To best leverage Facebook’s data and algorithmic optimizations, we will prompt users to complete a specific action and utilize machine learning to drive cost efficient results . Facebook also provides an opportunity to customize creative and messaging based on user engagement. For example, users who have watched 100% of an Instagram Stories video, may be subsequently retargeted on Facebook with a discount code or personalized message intended to push the user closer to the point of conversion.

Snapchat specifically will focus on the Millennial Urbanite. This audience keeps up with their friends via Snaps and consistently watches Snap Stories via the Discover section of the app. To ensure maximum exposure, we recommend a 6 second, non-skippable ad with a captivating intro in the video to increase brand awareness.

Vertical Creative Considerations

- Videos that are less than 15 seconds match user attention spans and are better able to communicate messaging that resonates with a user
 - Videos should be crafted to be comprehensible with sound off, but utilize audio to enhance message
- Across Facebook and Instagram, consider making static images into short videos, utilizing Facebook’s creative editing tools. Options include:

- Basic Motion, Brand in Motion, Benefit in Motion, and Demo in Motion
- For each method, be sure to include a strong call-to-action end card
- Utilize both Video and Static assets to test in every campaign
 - Facebook has found mixed format campaigns are significantly likely to outperform static or video only campaigns
- The following creative elements are associated with higher direct response lift across static + video:
 - Brand association within 3 seconds
 - Showcasing the product
 - Attraction + Noticeability
 - Asking questions in text copy

Search Engine Marketing: With information just a search away, search engine marketing continues to be an essential component to marketing strategies. On average, 4 in 10 purchases are made using only an online channel for searching and buying.

- Improve efficiency in brand campaigns to increase ROI and maintain SOV
 - Ensure campaigns have full feature adoption to improve quality and maximize ad space on the search engine results page (SERP)
 - Bid to value on audience, device, demographic, and location modifiers
 - Opt into betas and new features, including Responsive Search and Shopping Showcase ads
 - Test automated bidding strategies, including a Target ROAS strategy
- Expand efficiently into non-brand search to fill the top of the funnel
 - Analyze audience data to develop custom audiences to target in search campaigns
 - Similar Audiences for Search
 - In-market Audiences for Search
 - Custom Affinity Audiences
- Considerations for later phases
 - Activate RLSA campaigns to expand search terms for users that have visited your site but didn't convert (*introduce in observation mode to maximize monthly budget*)
 - Develop a narrowly targeted conquering strategy, focused on core competitors
 - Target audience lists in non-brand campaigns to ensure ads are displayed to the most relevant users at cost efficiency
 - Bid to value on device, location, and demographic modifiers

SECONDARY CHANNELS

Display Advertising: Display should be a supplemental channel for maintaining awareness and recall across desktop and mobile devices, including in-app environments. Coegi recommends focusing on the following strategies for this channel:

- Retargeting and Lookalike Modeling of BRAND's site visitors or existing customers
- Audience and Contextual targeting specifically tailored to each audience, e.g. *Entertaining, health & wellness, natural/organic food, simple ingredients, designer brands, etc.*

YouTube Video: Audience analysis indicated that YouTube should continue to be a key channel for BRAND. To ensure advertising spend on YouTube yields optimal return, Coegi recommends the following:

- Review and set up (if necessary) conversion tracking for post-view activity
- Build custom audiences for targeting on YouTube based on affinities to the brand, product category, and competitors
- Develop remarketing strategy from video views

Connected TV: The target audiences skew young, and consume television much more often on connected devices and TVs than traditional broadcast or cable. CTV also provides a greater ability to serve ads more efficiently by targeting consumers that are more likely to develop purchase intent.

- Site visitors can be retargeted with CTV ads to increase brand consideration and purchase intent. As site traffic increases more TV impressions can be funneled toward these users in order to impact the sales funnel.
- While we don't have the budget to recommend this channel today to drive sales, we do think this would increase exposure to your target audience on awareness-based campaigns in the future. *Can track view-through sales*

KEY TAKEAWAYS

1

Revamp retargeting strategy on product view and cart abandoners, in addition to reengagement strategy. Leverage a screen and channel agnostic approach to retargeting that allows for more opportunities for follow-up messaging

2

Implement a testing strategy for non-brand keywords on paid search

3

Have a more targeted prospecting approach that aligns messaging with the audience personas outlined, that focuses on lifestyle and high end brand affinities (in addition to geo and HHI)

4

Leverage the seasonality of gift giving for broader awareness pushes on video channels like YouTube, Connected TV and vertical video formats, all against outlined audience personas

5

Develop a POV on Amazon, which is where most mainstream competition are focusing their digital marketing and logistics efforts