



Capturing the hungry in-aisle shopper today, and feeding the online consumer of tomorrow

A guide to leveraging digital to drive in-store sales today and position your brand for the future of e-commerce tomorrow

Half of food and beverage sales growth will come from e-commerce between 2016 and 2018¹



Introduction

With all the recent buzz about grocery e-commerce from retail power houses like Amazon and Walmart, you'd think this was the first time you could order a carton of milk from your computer. Let's rewind to 1996, when we were graced with the Macarena, Braveheart, and Webvan. Though many have previously failed to overcome logistics and cost barriers and meet customer's expectations for quality, speed, and price, companies like Instacart, Postmates, and Ocada are succeeding where others fell short.

Even though online sales are still relatively small for most food brands and grocery chains, the majority recognize it will play a bigger role in the very near future. **In fact, research by Boston Consulting Group found that half of food and beverage sales growth will come from e-commerce between 2016 and 2018, and that trend is expected to continue to increase.**¹ That leaves food and beverage brands in a tough spot where they are managing two horizons: driving short-term growth while positioning themselves for long-term viability.

To position themselves for success, food and beverage brands must embrace the blended path to purchase where aspects of the physical and digital shopping experience converge to inform purchase decisions. **With nearly 40 percent of initial trial in the grocery category influenced by online research, the industry can't ignore the important and growing role of digital.**² In fact, many brands and grocery chains are opting to shift more and more of their budgets to digital to take advantage of this trend. The trick is deploying the digital strategy with the highest impact to complement traditional marketing - knowing which forms of digital will drive the best results.



Our team has conducted our own research as well as collected research from thought leaders across the industry to highlight how the path to purchase has evolved and identify what digital tactics drive the biggest impact with the most efficient marketing spend.

Overview

The Challenge:

Optimize digital marketing spend to reach and influence consumers in the most critical shopping moments.

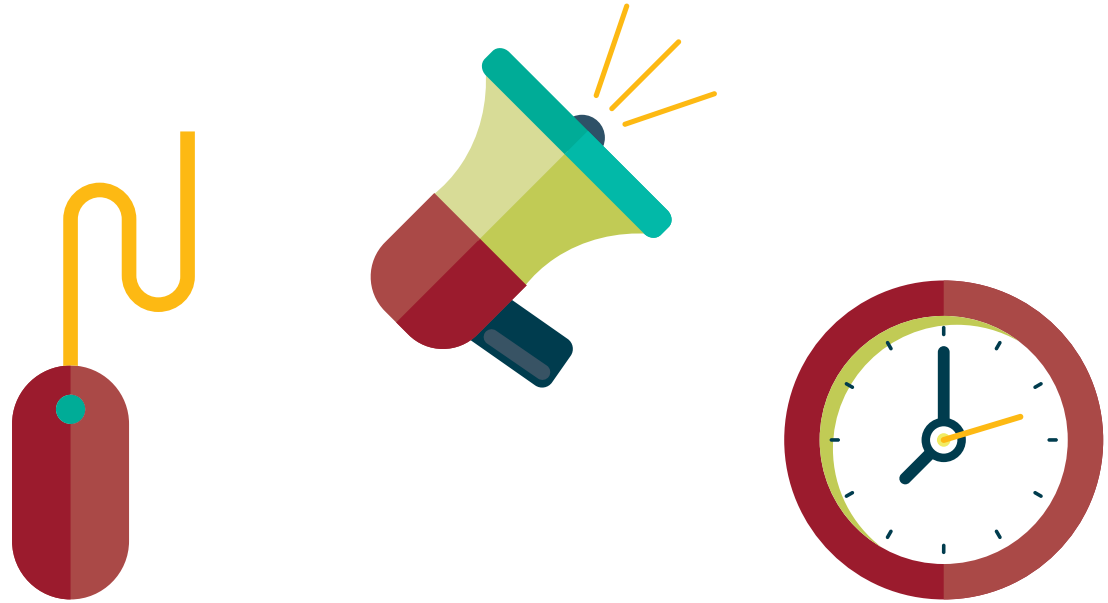
The Reason:

As consumers rely on technology to make more informed brand choices, digital plays an increasingly important role in grocery sales. With technology at our fingertips, there is no such thing as low consideration. The brands that maximize their marketing spend to empower consumers with the information they need will have an advantage in initial trial.

This guide will cover:

- 1 Trends in consumer behavior**
- 2 Opportunities in a shifting landscape**
- 3 Best practices to win in digital**

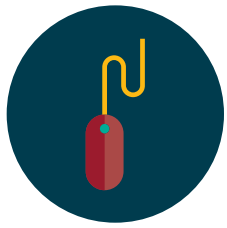
Part 1



Macro trends in consumer behavior

Industries like consumer electronics, sporting goods, and office supply have all seen rapid adoption of e-commerce. The grocery industry, on the other hand, has seen a more gradual shift driven by macro trends in consumer behavior.

As e-commerce in grocery continues to emerge, those same macro trends provide insight into how brands can leverage digital to influence in-store purchases along the blended path to purchase.



The Medium

Over the years, consumer packaged goods (CPG) companies have led with traditional brand marketing, focused primarily on TV, where they were able to reach a captive audience.

Today's consumer, however, has the choice of multiple screens and on-demand entertainment. They are now empowered to control what they see and when they see it.

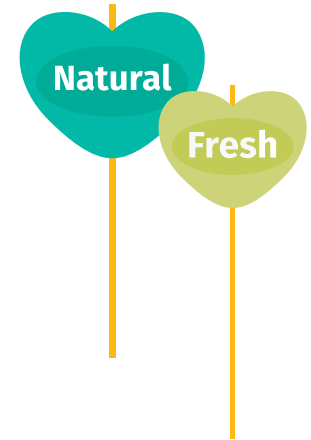
In fact, in 2013 we reached a tipping point where the average consumer spent more time engaging with digital devices than watching TV.³ In this battle for attention the rules have changed and budgets must shift to where consumers are spending their time.

Time spent on screens by type (Hours/day)
2010-2015 (USA)





The Message



It isn't just the medium that has changed - the message required to win consumers has changed too.

Access to unlimited information means that consumers no longer have to rely on brands for information. According to Edelman's Trust Barometer, **36% of consumers don't trust big food in the first place.**⁵ In addition, increased awareness about dietary habits means consumers are now more engaged and more likely to care about specific ingredients and their food's origin than ever before.

With those changes, the consumer value equation has expanded beyond simply taste, price, and convenience, and now focuses more heavily on health and wellness, safety, social impact, and experience.⁴ This means that CPG brands are now tasked with highlighting value drivers, without neglecting their bread and butter.

Traditional Value Drivers

- Taste
- Price
- Convenience



Modern Value Drivers

- Health and Wellness
- Safety
- Social Impact
- Experience



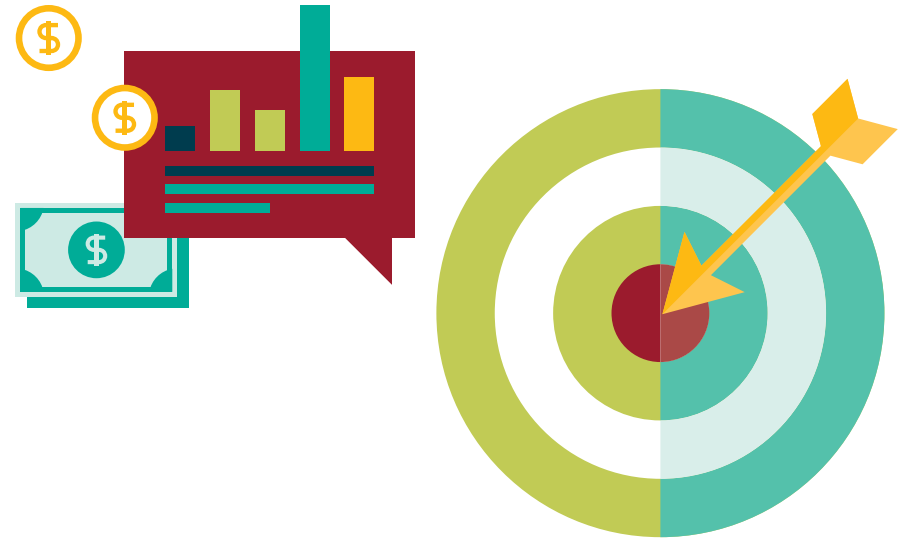
The Moment

When consumers are hungry for information, they look for instant gratification and favor brands that provide them with what they need.

With the increased availability of information resources across the web, more of those interactions are happening online.⁶ Google refers to these interactions as micro-moments, and classifies them as critical to winning the in-store customer.⁷ The increased use of mobile devices has brought the power of that information into the aisle where it directly influences purchase decisions.



These trends have changed the power balance in favor of the consumer who now forms purchase decisions through countless micro-moments, rather than relying on traditional in-store and mass media touchpoints.



Part 2

Opportunities in the shifting landscape

In this new environment, shoppers discover and select brands based on what they learn both in-store and online. With so many information resources, it has made the path to purchase more fragmented and unpredictable than ever. Though this can seem daunting for brands to navigate, it creates an opportunity to reach the consumer with the most compelling message, wherever they are looking.

To optimize your brand's marketing mix in this environment, it's important to answer three questions.

“What is most compelling to my consumers?”

In this new environment, consumers are empowered to reward brands that provide helpful and valuable content (pull marketing tactics), over pushing their brand agenda (push marketing tactics). **This means brands need to put the customer's needs at the center their content strategies.**

Since online shopping isn't a new phenomenon, food and beverage brands have the advantage of learning from other industries about what drives the biggest impact. Consumer-generated content (CGC), like ratings and reviews, social imagery, videos, and questions and answers, plays an important role by giving consumers the confidence to make an informed decision. This content also provide a deeper level of information on the value drivers that are most important to them.



65%

OF CONSUMERS LOOK
AT ONLINE REVIEWS PRIOR
TO PURCHASING GROCERIES⁸



CGC IS **3X**

MORE TRUSTED THAN ANY TYPE
OF MARKETING COPY⁹

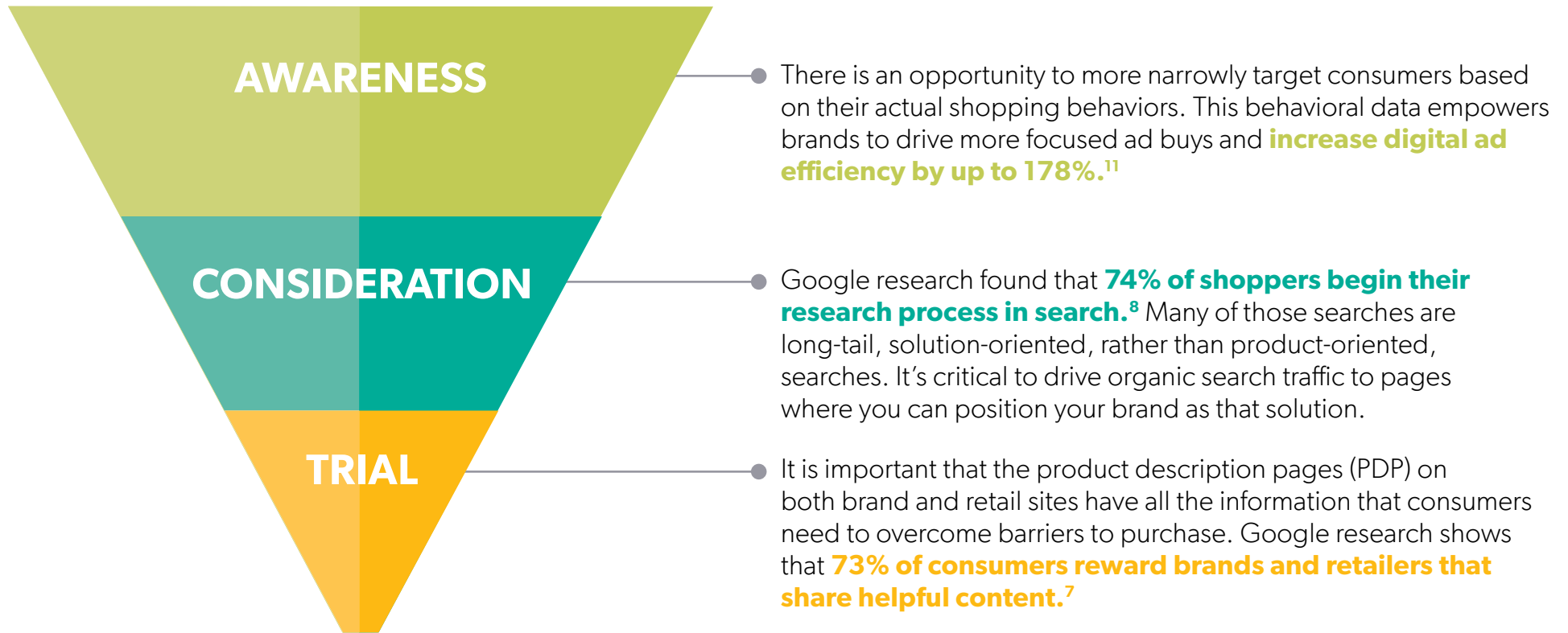


45%

OF FOOD & BEVERAGE SITE
VISITORS INTERACT WITH CGC ON
PRODUCT PAGES¹⁰

“Where are they looking?”

Food and beverage brands have leveraged social listening for years to inform product decisions, but they have only recently begun to exploit breadcrumb trails of consumer data to focus their targeting and optimize their marketing investment. As consumers navigate the internet, they leave clues and send signals about what is relevant to them. The key to interpreting this information is understanding the context of their actions, and ensuring you're providing the right information for that micro-moment.



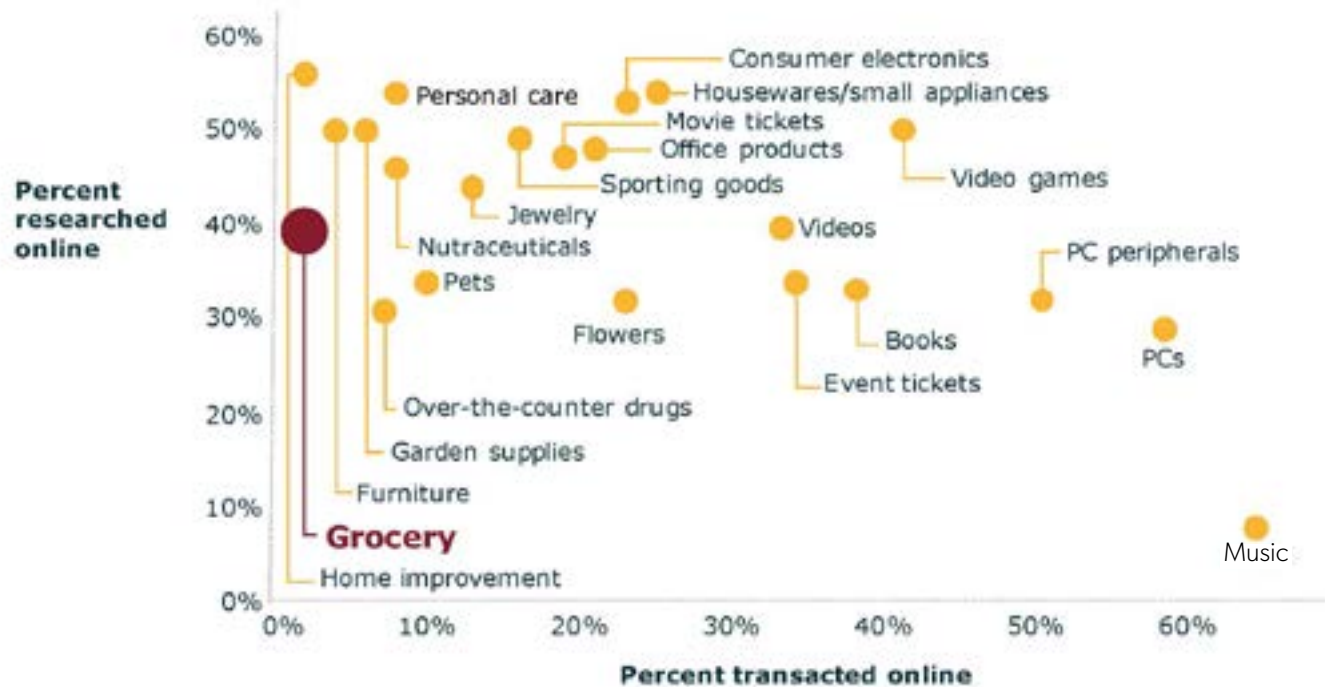
“How can it be measured?”

Historically, CPG brands have had to rely on soft metrics like brand preference and purchase intent to measure the impact of different investments. Traditional brand managers shy away from digital, assuming it's harder to track. The reality is, digital tools provide the ability to track high-value behaviors, including actual conversion events.

Though online transactions are low, the industry is beginning to recognize that 40% of purchases are influenced by online research.²

This builds the basis for a lesser-known phenomenon called reverse showrooming or research online, buy offline (ROBO).

To put it in perspective, Forrester projects that **ROBO will account for \$1.8 trillion in sales by 2017, while overall e-commerce only accounts for \$370 billion.¹²** In order to measure the full impact of a digital initiative, food and beverage brands need to develop the right models to map offline sales to online spend.



Part 3

Best practices to win in digital

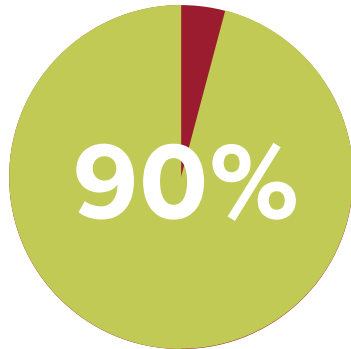
Because food and beverage brands have been late to the digital party, consumers have turned to mommy blogs, recipe sites, and social media channels to help them select the right products.

Food and beverage brands have a choice: they can either provide more of the CGC that consumers demand, or they can defer to the chatter that happens naturally online and risk missing a valuable engagement opportunity.



① Activate Advocates

The first step to winning in digital is inviting consumers to join the party. Most food and beverage brands have lots of advocates, but brands don't give them a place to share their love. When brands choose to actively solicit content from consumers we find the content to be largely positive.



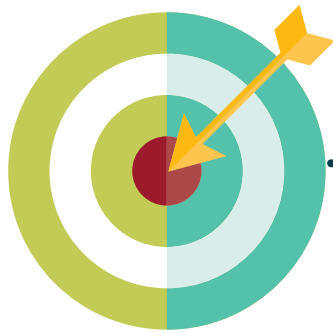
Research shows that 90% of consumers rate food and beverage products four stars or above, with a net promotor score of 67%.¹³

If you don't build the right strategy to get consumers talking about your products in a constructive way, you risk ranters overpowering the conversation. Start by using your touchpoints to build a community through CRM, sampling, social, or other channels. Once you have reached a critical mass of consumers, your brand can solicit content to be used as a compelling marketing asset, which can also be used to mine consumer insights.



② Reach the Right Consumers

With so many critical micro-moments, digital creates unique opportunities to insert compelling content, like CGC, to maximize each moment. When done right, it leads to incredible results and much more efficient marketing spend.



TARGETING IN-MARKET SHOPPERS

Reaching confirmed category shoppers can result in **increased digital ad efficiency by up to 178%.**¹¹



WINNING THE SEARCH BATTLE

Providing CGC on your owned web properties can **increase natural search traffic by 15 – 25%.**¹⁴



REMOVING BARRIERS TO PURCHASE

Consumers who engage with CGC convert at a **75% higher rate than those who don't.**¹⁰

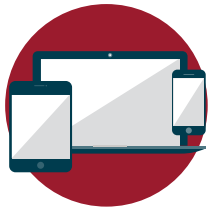
③ Measure Impact

Brand managers and Digital Centers of Excellence (DCOEs) will always be plagued with the riddle of attribution, but taking a smart approach to digital can reduce the ambiguity. To build an attribution model that gains acceptance across the business, marketers must first evangelize the new reality of ROBO behavior. When evaluating the implications of the ROBO phenomenon, brands must consider:



Paid, earned, and owned media impressions and engagement rates

.....



The device that content is being consumed on (i.e. desktop, tablet, mobile)

.....



What impact that content is having on initial trial and customer lifetime value

If those key areas are carefully considered – all within the context of the unique path to purchase of each category, brand, and even product – brand managers and DCOEs can accurately quantify the impact of their digital initiatives.

Conclusion



Though the majority of food and beverage marketers recognize that e-commerce will play an important role in the grocery store of the future, its sub-one percent contribution to overall sales may make it harder to gain the appropriate resources to do it right today.

Until e-commerce represents a more substantial portion of sales, food and beverage brands must focus on the digital tactics that aid in the new blended path to purchase. By providing pull marketing resources like ratings and reviews, social imagery, videos, and questions and answers, brands have the opportunity to satisfy the consumer need for CGC. Doing so helps validate brand messaging and improve the efficiency of marketing spend. CGC plays a highly critical role in initial trial, making its presence across channels an imperative to drive in-store sales today while positioning brands to unlock the power of e-commerce tomorrow.

The Bazaarvoice Approach

At Bazaarvoice we partner with dozens of food and beverage brands and grocers to bridge the gap between the digital and physical worlds. We leverage a combination of technology and services to build tailored programs that help our food and beverage clients more narrowly target and reach consumers with the most powerful content: opinions of people like them. Through the Bazaarvoice Network of major online and brick-and-mortar retailers, Bazaarvoice is uniquely positioned to help food and beverage brands understand shopping behavior, and act on that knowledge to reach the right consumers with paid and earned content on their sites, in search, across the web, and on retail sites. Bazaarvoice helps food and beverage brands get more mileage out of every marketing dollar by helping them place the most powerful content in all places consumers go to make brand decisions.



Shouldn't you be taking steps to own the conversation?

To learn more, request a demo today at [bazaarvoice.com!](https://bazaarvoice.com)

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About Bazaarvoice

Bazaarvoice is a network that connects brands and retailers to the authentic voices of people where they shop. Each month, more than 700 million people view and share authentic opinions, questions, and experiences about tens of millions of products in the Bazaarvoice network. Our technology platform amplifies these voices into the places that influence purchase decisions. Network analytics help marketers and advertisers provide more engaging experiences that drive brand awareness, consideration, sales, and loyalty. Headquartered in Austin, Texas, Bazaarvoice has offices in Chicago, London, Munich, New York, Paris, and San Francisco.

For more information, visit www.bazaarvoice.com, read the blog at bazaarvoice.com/blog, and follow us on Twitter at twitter.com/bazaarvoice.



Notes:

