

Social Media: A Work in Progress for CPG

A National Survey of Manufacturers



Third Annual Conference
"Shopper Strategies: From Insights to Activation"
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Agenda

- ❖ **Introduction & Background**
- ❖ **Social Media: 2011 Situation Analysis**
 - ✓ Who uses social media?
 - ✓ How is social media used?
 - ✓ How are consumers responding to social media?
 - ✓ How are social media evaluated?
 - ✓ How successful are social media?
- ❖ **Questions**



About **Partners In Loyalty Marketing**

➤ **What We Do**

1. Strategic planning
2. Program optimization & oversight
3. Program evaluation

➤ **Our strength as an organization comes from:**

- ✓ Our high level of experience and expertise
- ✓ The fact that we're a true unbiased 3rd party
- ✓ We have no vested interest in specific technologies, vehicles, or media
- ✓ We take evaluation very seriously. It's a key driver of program success!

➤ **Michael Schiff, Managing Partners**

- ✓ 15 years of experience in loyalty marketing, customer segmentation and targeting
- ✓ Extensive experience in relationship program development, databases, targeting, and program evaluation



Background

- **The Shopper Technology Institute, in collaboration with Partners in Loyalty Marketing (PILM) surveyed manufacturers on the role of Social Media in marketing strategy**

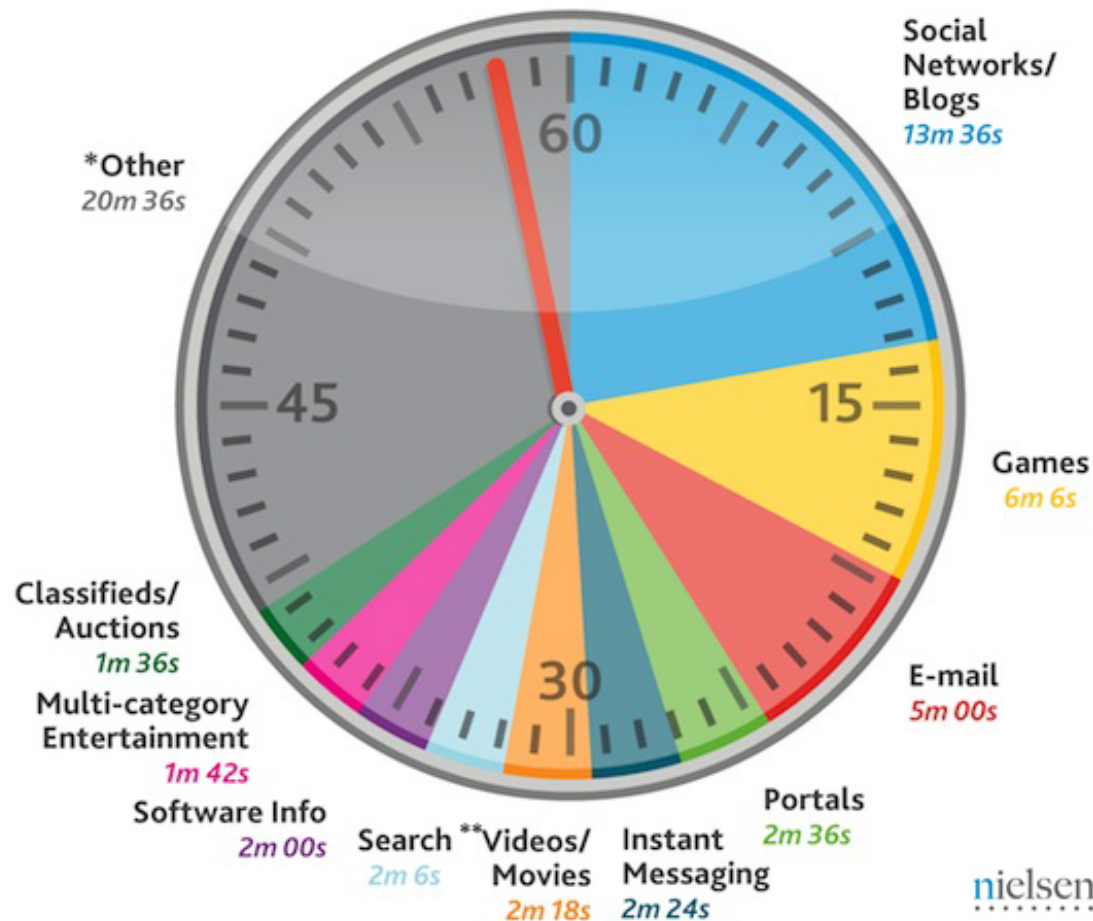
- **A brief 20-question online survey was fielded in June-July 2011**
 - ✓ Who uses Social Media, and how
 - ✓ Social Media's role in overall marketing strategy
 - ✓ Consumer engagement with this new way of connecting to companies and brands
 - ✓ Whether Social Media are measurable, and by which metrics
 - ✓ How successful Social Media are in achieving business objectives

- **Results are based on responses from 126 manufacturers across CPG industries**
 - ✓ Including food/beverage, HBC, and general merchandise



Average U.S. consumer spend 60+ hours a month online

If all U.S. Internet time were condensed into one hour, how much time would be spent in the most heavily used sectors?





Who Uses Social Media?



89% of CPG manufacturers include Social Media in their marketing plans

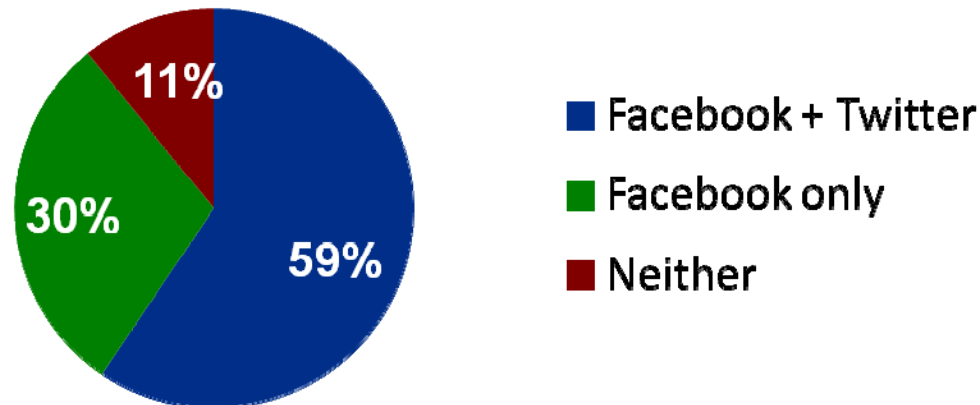
- The most commonly used social media platform are Facebook and Twitter

- ✓ Only 11% of surveyed manufacturers did not use either vehicle



- 96% reported that key competitors are using Social Media

Does your company use Facebook or Twitter in its marketing plan?





Majority of Social Media involvement is in the early stages

Social Media Role In Marketing Strategy

13%	Core Role	<i>"It is an important part of our marketing mix in the coming year and I assume, for years beyond that"</i>
28%	Supporting Role	<i>"They (consumers) only want to be involved if there is pay back for them"</i>
56%	"Toe in Water"	<i>"It's a new toy no one understands"</i>
3%	Not Yet Added	<i>"Social media is for personal/private use"</i>



Some categories may benefit more than others

“Some industries are more tightly aligned with Social Media (tech, media, fashion) but the average grocery store product has little appeal. Do you really want Kraft Mac n' Cheese as your Facebook friend? How eager are you to hear tweets from Wheat Thins?”



Twitter: Wheat Thins: "Crunch is Calling"

The screenshot shows the Twitter profile for @CrunchIsCalling. The profile name is "Wheat Thins" with a verified account. The bio reads: "@CrunchIsCalling We're Everywhere! Out of Wheat Thins? Tweet '@CrunchIsCalling' I'm out of Wheat Thins! #WTF for a chance to get a box. Wheat Thins Forever! Full Details: <http://bit.ly/mIGPEF> <http://facebook.com/wheatthins>". The profile shows 1,725 tweets, 10,214 following, 21,302 followers, and 235 listed. Recent tweets include:


- CrunchIsCalling** Wheat Thins: Glad to be part of the team. RT @daviderlandson: Wheat thins definitely make a fantasy football draft even better @CrunchIsCalling #WTF (21 hours ago)
- questlove** Questo of The Roots: thank you @CrunchIsCalling for my umpteenth boxes of Tomato Basil Wheat Thins. Had some for Breakfast this morn before my journey. (26 Aug)
- CrunchIsCalling** Wheat Thins: You came. You saw. You crunched. #FF @laurenkgray @feistyfoodie @questlove @SerenaLynn_ @khaughwout @nkarch @carrenokeefe @beckykillan (26 Aug)
- CrunchIsCalling** Wheat Thins: Spread the word. COL is the new LOL. #crunchoutloud (26 Aug)
- CrunchIsCalling** Wheat Thins: Yes. That and more Wheat Thins. RT @Rittbay bought Wheat Thins for my hurricane kit- that should get me through the storms right? (26 Aug)

The right sidebar contains sections for "About @CrunchIsCalling", "Recent Images" (showing Wheat Thins products), "You and @CrunchIsCalling" (showing followed accounts), and "Similar to @CrunchIsCalling" (listing Nature_Valley, jsroggins, and stouffers).



Facebook: Bear Naked

facebook
Search



BEAR NAKED

- Wall
- Info
- Photos
- BuzzWorthy
- Stoked Videos
- Sites
- YouTube
- Notes
- Events

About


How do you Live Bear Naked? It's about living life to the fullest and fuel...

More

39,743

like this

Likes See All






Garbage Moguls

Bear Naked

Like


Food/Beverages

Wall

Bear Naked · Everyone (Most Recent)




Bear Naked

We're experience junkies. Surf trip in Sinaloa, been there. Volcano boarding in Nicaragua, done that. Got any new ideas for us?

August 25 at 1:01pm

2 people like this.


View all 6 comments



Sarah Crane

Hurricane on the east coast?

Friday at 8:40am



Dolores Helmlinger

yeah, bungee jump over Vivtoria Falls in Zimbabwe.

Saturday at 11:04pm



Bear Naked

✕

Which Bear Naked product do you need to help you cross that finish line? Our new guy is all about the pre-race granola cookie.

<http://www.bearnaked.com/cookies>



Bear Naked Granola Cookies

www.bearnaked.com

Bear Naked soft-baked granola cookies 100% pure and natural whole grain granola

Share · August 23 at 1:42pm



SM are a good fit for lifestyle brands; less so for brands that require message control



*“It all depends upon the 'coolness of the brand' or the degree of personal involvement in their decision process.
More with beauty care, less with foods”*

*“Some categories are more blessed with hype and fun while others are little bit more somber and serious.
Regardless, we can still find different ways to engage”*

“The inability to monitor conversations and provide fair balance make it extremely difficult”



Facebook: Raisin Bran

- Inability to manage conversations
- Not corporately sponsored profile

The screenshot shows the Facebook interface for the 'Raisin Bran' page. At the top, the Facebook logo and search bar are visible. The page name 'Raisin Bran' is prominently displayed with a 'Like' button. Below the name, the page is categorized as an 'Interest'. A 'Related Posts' section contains several user posts:

- Jacob Steen**: I ♥ Raisin Bran. View Post · May 10 at 4:40pm
- NtaBud Veteran**: fuckin up some Raisin Bran. View Post · April 10 at 10:26am
- Luis Uribe**: on my second bowl of Raisin Bran, this shit is too good!! View Post · March 11 at 1:05am
- Karii Ramirez**: Fuck Raisin Bran! I'm gonna find a new cereal to love. I hate your guts. And I don't want to hear from you ever again! View Post · December 22, 2010 at 8:32pm
- Luke McCrae**: has three days to consume a half gallon of milk. Failure is not an option. Commence Raisin Bran. View Post · November 26, 2010 at 8:42pm
- Anthony Flyyguy Hubbard**: Eating Raisin Bran :D View Post · October 23, 2010 at 11:18pm

At the bottom of the post area, a message states: 'There are no more posts to show.'

On the left side of the page, there is a large image of a Raisin Bran cereal box. Below the image are navigation links: 'Info', 'Related Posts', and 'Wikipedia'. The page has 2,434 likes. At the bottom left, there are links for 'Create a Page', 'Report Page', and 'Share'.



Social Media budget is small, but rapidly growing

- **For 66% of respondents, Social Media accounts for less than 5% of the marketing budget**
- **76% reported that Social Media budget has increased vs. 2010**
 - ✓ 1% reported a decline
 - ✓ While the remaining 23% reported no change
- **Majority, 79%, of companies support Social Media internally**
 - ✓ 56% staff internally with one or less full time person
 - ✓ 23% staff internally with more than one full time person
 - ✓ 21% outsource staffing





How Are Social Media Used?



Most companies use Social Media to connect and build awareness

Social Media Primary Business Objective

41%	Connect with Consumers	<i>“Keep customers and prospects updated about events, news, the market, our portfolio and trends/developments and to screen ‘market moods’”</i>
48%	Build Brand Awareness	<i>“We are working to build brand advocates”</i>
5%	Build Market Share	<i>“Build brand loyalty and brand ambassadors”</i>
6%	Increase Sales	<i>“Connecting with consumers, building awareness - which lead to increased sales.”</i>



Facebook: Lactaid

facebook

Lactaid Like
Food/Beverages

Wall Lactaid · Everyone (Most Recent)

Lactaid Where can you find all of your favorite LACTAID® Products? Well, here'd be a good place to start!

LACTAID® - Product Locator
www.lactaid.com

Share August 25 at 8:49am
Like 6

Carter Maly I can only find the Lactaid milk at our store but our Meijer has more of the products such as ice cream
August 25 at 8:50am

Young Jorgensen I can only find lactaid milk... Used to buy the lactose free cottage cheese, but I haven't seen it in stores for over a year....
August 25 at 8:53am · Like 1 person

Reed Wish they would come out with lactose free ricotta or lasagna. Cream cheese would be nice too!

Lactaid Where can you find all of your favorite LACTAID® Products? Well, here'd be a good place to start!

LACTAID® - Product Locator
www.lactaid.com

Kristen Taylor Kearnan Lactaid yogurt? Never seen it!
August 25 at 11:57am

Sara Ann Brandenburg I've seen coupons for the Lactaid ice cream but have not seen it in any grocery departments nor have I seen the cheese or yogurt anywhere. I would love those products instead if having to take the lactaid pill before eating of my milk products.
August 25 at 12:19pm · Like 1 person

Lactaid Hi Kristen and Sarah! The Lactaid® Yogurt is currently sold in limited markets. Can you both tell us what state you are residing in so that we can tell you where the Lactaid® Yogurt can be found? Thank you!
August 25 at 3:16pm

Kristen Taylor Kearnan MA
August 25 at 3:37pm

Bernadette O'Neil I can actually tolerate yogurt, have never seen Lactaid yogurt though. Live in CT.
August 25 at 4:09pm

Sara Ann Brandenburg Thanks for your assistance Lactaid. I live in Tucson Az and early next year moving to Scottsdale.
Friday at 1:49am

Lactaid Hello, Kristen! Lactaid® Yogurt can be found in Wegman and Wakefern in MA.
Friday at 11:27am

Lactaid Bernadette, the Lactaid® Yogurt can be found in Wakefern in CT.
Friday at 11:27am

Lactaid Hi, Sara Ann! The Lactaid® Yogurt can be found in Heb in AZ.
Friday at 11:27am

Bernadette O'Neil Never heard of Wakefern in CT. Maybe not in the area I live in. Thanks.
Friday at 11:33am

Lactaid You're very welcome, Bernadette!
Friday at 2:59pm



Twitter: Lands' End Canvas

Customer Service tweets
directly to consumers

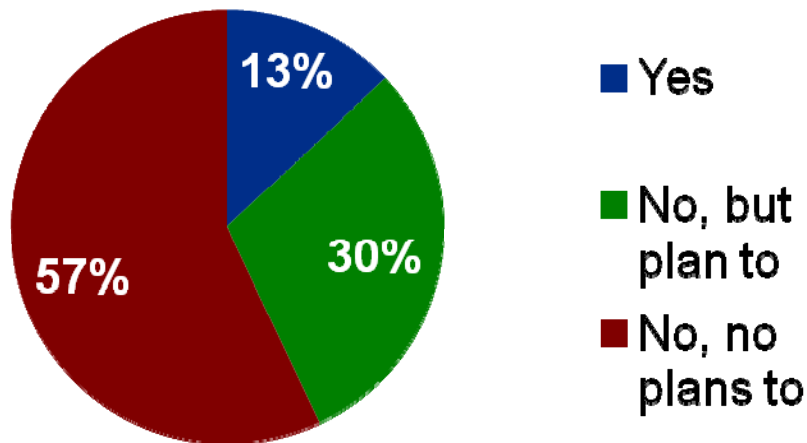
Upcoming event tweet



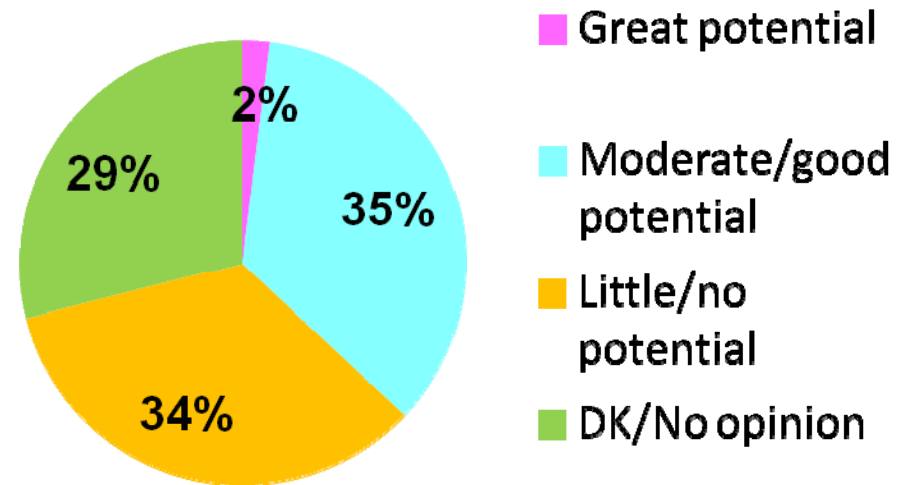
Companies are not using Social Media for e-commerce

- 13% of companies are currently using e-commerce on Facebook
- 37% sees the potential to drive sales via e-commerce via Facebook

Does your company offer shopping via e-commerce on Facebook?



Potential to drive sales through Facebook via e-commerce offer?





One fundamental concern is that e-commerce is outside core competencies

“We use Facebook to support our products in food, drug and mass and would prefer to have consumers purchase through our customers rather than directly from us. Direct sales . . . is not our core business model”



Facebook: Wheat Thins

- Most companies are encouraging sales with coupons on Facebook

The screenshot shows the Facebook page for Wheat Thins. The page header includes the Facebook logo, a search bar, and the page name "Wheat Thins" with a "Like" button and the category "Food/Beverages". The main content area features a large yellow promotional banner with the text "THE ULTIMATE ONE, TWO CRUNCH" and "Like TO GET YOUR COUPON". Below this banner is a smaller banner for "TRY THE NEW CRUNCH. GET \$1 OFF" on the new Wheat Thins Crunch Stix. The left sidebar contains navigation links: Wall, Info, Crunch Den, Coupon (highlighted), MVP Rules, YouTube, Photos, Video, and MORE. The bottom of the page shows an "About" section.

facebook

Search

Wheat Thins Like

Food/Beverages

Wheat Thins Original

THE CRUNCH IS CALLING

THE ULTIMATE ONE, TWO CRUNCH

Like TO GET YOUR COUPON

This crunchtastic deal is available for a limited time only.

TRY THE NEW CRUNCH. GET \$1 OFF

the new Wheat Thins Crunch Stix.

CLICK LIKE ABOVE

Limit one per customer

Wall

Info

Crunch Den

Coupon

MVP Rules

YouTube

Photos

Video

MORE

About



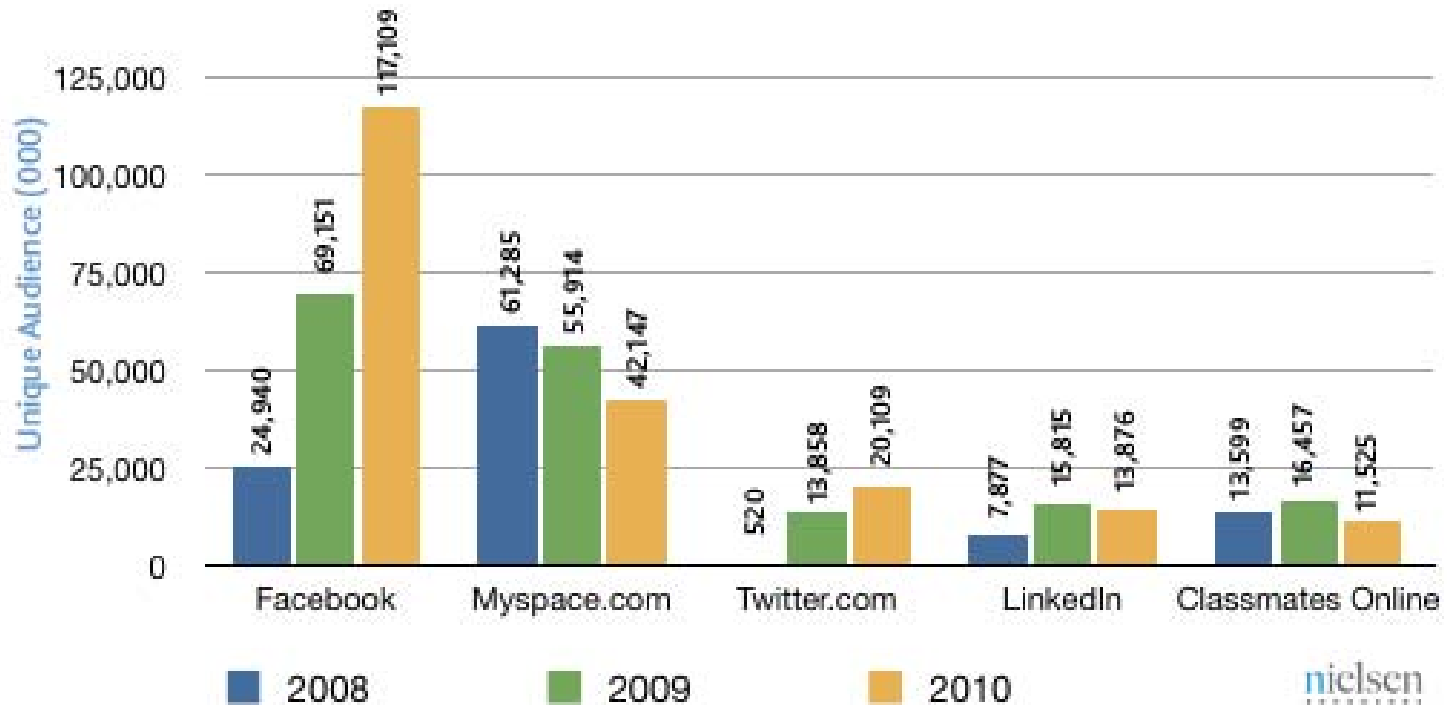
How Are Consumers Responding to Social Media?



The number of consumers using social media has grown significantly

- 20% of US Internet time is spent on Social Networks/Blogs

Top Social Network Sites March 2010 (U.S. Home & Work)





Companies believe that consumers are mildly eager to connect with them

How Eager are Consumers to Connect?

13%	Very Eager	<i>“Consumers want access if they have questions, concerns or just want to share an idea. SM gives them that access.”</i>
34%	Moderately Eager	<i>“Social media is not where an emotional bond is created. The bond needs to extend beyond social media and be pre-existing or it will be an uphill battle”</i>
37%	Somewhat Eager	<i>“As long as it is on the terms of the consumer”</i>
16%	Not Eager/ Not Sure	<i>“Who cares about a brand that much? Honestly...”</i>



Use of SM is growing, but audience size may remain small for many brands

“No one wants to be ‘sold to’ so my sense is consumers are wary as to which products/services they ‘friend’”

“The level of eagerness varies depending on consumer characteristics; i.e. social lifestyle, purchasing power, awareness, education”

“Younger Gen Y and Gen X are most eager”



Challenges are to leverage smallness and manage the message

Audience Size

“Those who use are very enthusiastic but it is a small population”

Message Control

“My impression is that people want to connect when they have a need. This can be both good and bad . . . another need may be to unload regarding a recent disappointment. This may create a bad impression for everyone”



To do this successfully brands must deliver both tangible & intangible benefits

Tangible

“As long as there is something in it for them consumers seem to be interested. Once the "giveaway" or "offers" wan they move on”

Intangible

“The level of shopper/consumer engagement is dependent on the perceived value that could come from . . . the image that ‘liking’ a brand will project”

“[Social Media] are (or will) be the primary means by which consumers reach out to companies and to all people in their lives.”

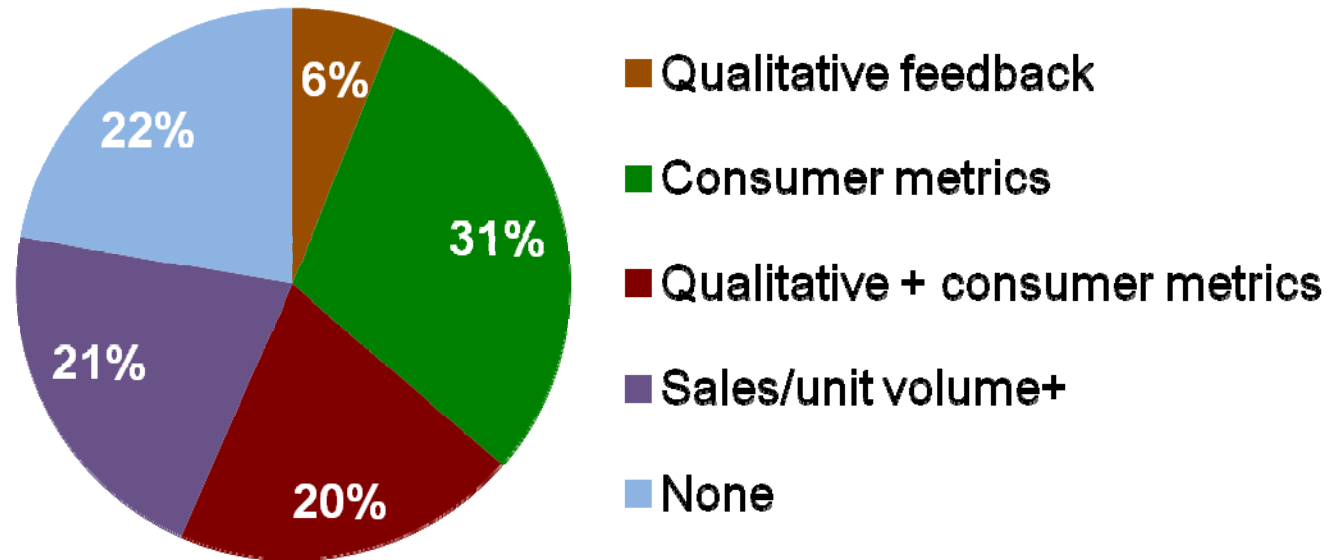


How Are Social Media Evaluated?



To date metrics are mostly limited to consumer feedback & fan/postings counts

How does your company evaluate the success of Social Media?





Metrics we do have may not reflect drivers of business fundamentals

“I think that we are still trying to figure this out. It is measurable, but which metrics are truly correlated rather than coincidental”

“It is extremely hard to measure. There doesn't seem to be a way of isolating the impact from both a volume and brand equity standpoint”



Some friends are just deal seekers

facebook

Crystal Johnson Gendron

+1 Add Friend

Went to Beddingfield High School Married to Kelly Gendron From Wilson, North Carolina



Activities

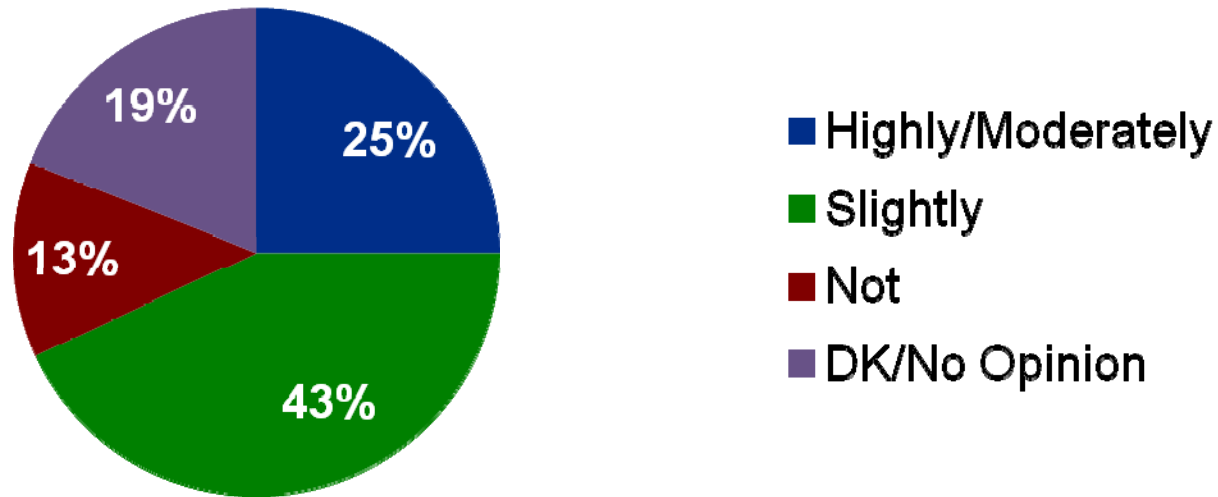
Pert Plus, Pier 1 Imports, Honest Tea, Kraft Macaroni & Cheese, Bob Evans, Tide, Courtesy Chevrolet, Yoplait, Belleza Suave, Edy's Fruit Bars, Taste Of Home Magazine Subscription, Nestle Toll House, Campbell's Kitchen, chobani greek yogurt, Vocalpoint, Dole, Crayola, Cuckoo For Coupon Deals, Lolly Wolly Doodle, Coupon Divas, Smockadot Kids, Ocean Spray, Chef Boyardee, The Skinny Cow, Philadelphia Cream Cheese, Schick Xtreme3, RecycleBank, Gerber, Heaven-Leah Hairbows, Tombstone Pizza, Rite Aid, Caylee's Law, Gracie Jade Originals, Chips Ahoy!, Scrubbing Bubbles, Quaker, Grilled and Ready, Printable Coupon Spot, Downy, Coupons.com, WCNC NewsChannel 36, Prayers For Audrin King, Aussie, Herbal Essences, Nestle Drumstick, Sour Patch Kids, Bath & Body Works, Cheez-It, Pantene North America, NorthWood Candle Company, Scope Mouthwash, Blue Bunny Ice Cream, Breyers, Kids Bowl Free, Johnsonville, Yoplait Smoothie, Carmike Cinemas, Food Lion, Knudsen, MoonPie, Stonyfield Farm, Voskos Greek Yogurt, YoCrunch Yogurt, Red Baron Pizza, Alexia Foods, Wholly Guacamole, Hotcouponworld, Hellmann's, Ronco Pasta, Chick-fil-A, Mission, Peanut Butter & Co., Fast Fixin', Nabisco Cookies, MaMa Rosa's Pizza, Cole's Breads, Breakstone's, Ritz Crackers, Little Debbie, Ronzoni, FreeCoupons.com, Miss Sprint Cup, The Diabetes Awareness Ribbon, PinkPoints, Subway, Krispy Kreme Doughnuts, Simply D. Photography, Hanes, Fight Childhood Cancer - Alex's Lemonade Stand Foundation, Alex's Lemonade Stand Foundation, Facebook and Privacy, Facebook Safety, Facebook Security, Don't Stand By, Stand Up, Birds Eye Vegetables, Swanky Baby Vintage, Chicken of the Sea, Cliffs of the Neuse State Park, Wisk, Hillshire Farm, Ball Park Franks, Jimmy Dean Sausage, McCormick Grill Mates, Bluegrass Central, Bounty, Diet Coke, Panda Express, Snuggle, Oscar Mayer, Boboli, Gymboree, Autism Speaks, Tyson Any'tizers Snack Time, Autism Support Network, I Love Music, Autism Awareness, I Love Sleep, Kraft Foods - Recipes and Tips, Crystal Light, DiGiorno, Tablespoon.com, Papa John's Pizza, Frank's RedHot, Converse, Disney, Ruby Tuesday, Lunchables, Rock Bottom T-Shirts, Dan Nicholas Park, McDonald's, MomThink.org, W. Kerr Scott Lake Reservoir in Wilkesboro, North Carolina, Texas Roadhouse Hickory NC, Girls on the Run, Five Below, Farm Rich, The Pink Ribbon, Suave Beauty, Kissimmee - The Heart of Florida, Ore-Ida, pottery barn kids, The Loving Touch Cleaning Service, 21st Century Insurance, Charlotte Radiology, Belk, Lysol, Country Crock, FreeParentStuff.com, Pork Be Inspired, The Taylorsville Times, The Bible, SonGear, Fruit2O, Fiber One, Pampers, MindJolt Games, Help Cure Cancer (no money donations needed, only clicks), Propel, Potty Training Time with Pull-Ups®, Kool - Aid, LeapFrog, Alexander County Sheriff's Office, Frito-Lay





Lack of evaluation and weak metrics have implications for future budgets and growth

In terms of ROI, how measurable is Social Media?



“ROI is still totally speculative. We're standing near the peak of another (smaller) tech bubble”

“Quantifying the value through ROI and real conversion measurements are barriers and limitations to expanding budgets”



Even on the qualitative front, only 40% are analyzing conversations for insights

40%

Yes, we are gaining insights from conversations

“We do some but not much”

43%

No, but we plan to

“The issue here has been time. We have data, need to take the time to analyze it”

17%

No, and there are no plans to

“I don't know”

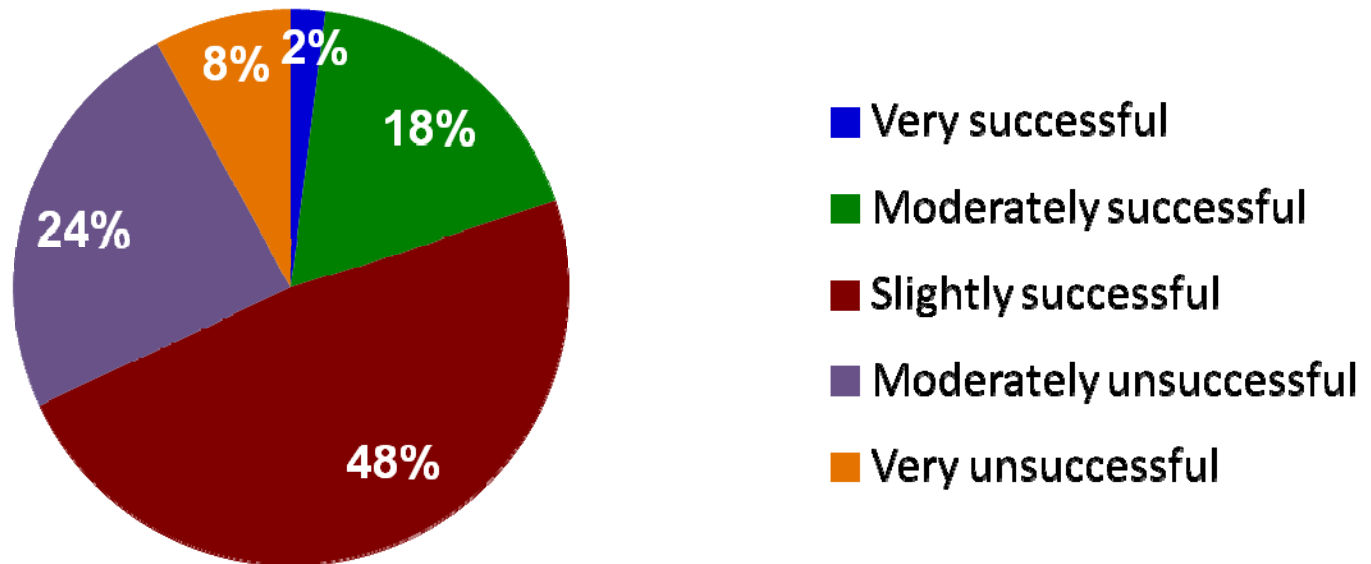


How Successful Are Social Media?



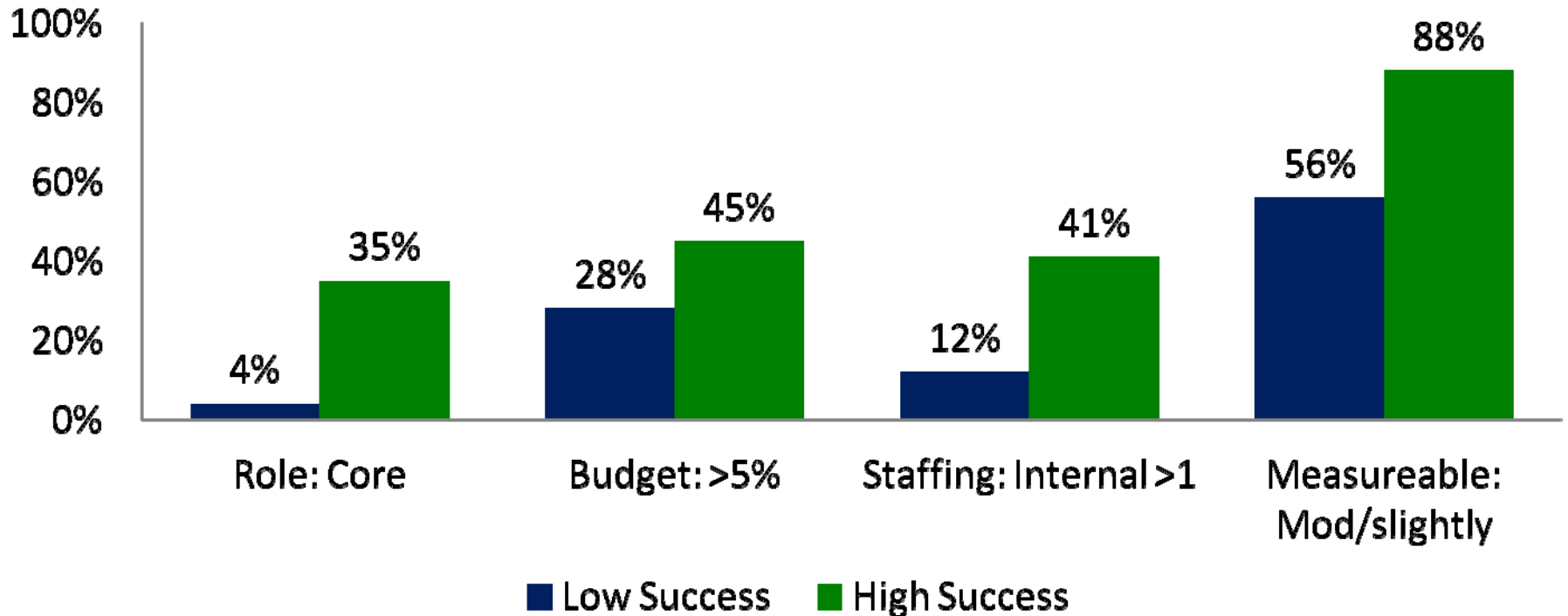
Claims of success are relatively modest; few see their own SM as “very” successful

How successful have SM been in achieving business objectives?





The successful have made larger investments in execution and evaluation



Which came first, success or investment?



Successful Social Media campaign draw consumers in by being fun and interactive

- 1. Be direct and transparent**
- 2. Make it fun**
- 3. Balance content about company/brand and fans**

“Engage with the consumers, they are offering you great feedback that is hard to acquire anywhere else. Be honest, transparent and fun. Make your fans feel valued and important. Don't make it an "all company/brand" wall or an "all fan wall." Be interactive”



Know what your consumers need/want and how to interact with them

- 1. Post event photos**
- 2. Create special roles for loyal fans**
- 3. Offer coupons**

“We have found success by interacting with our consumers, posting event photos, working with campus ambassadors and couponing online with retailers”



Those who do not succeed cite lack of organizational fit as one reason

“As a conservative organization with concerns about controlling the message, this form of media is still too 'risky' from our perspective”

“Buy in from all parties regarding importance and potential of Social Media”



A second reason cited is inadequate planning and resources

Planning

“Not enough effort, investment, and understanding of what we should be doing with Social Media”

Targeting

“Know your audience/target for each brand. Be flexible on how you build the best business plan by brand”

Resources

“Being able to have the tools/resources to capitalize on the opportunity”



A third reason is weak metrics that fail to build organizational buy-in

“Lack of ability to measure ROI & benefits”

“No one has really done a best in class job yet”



Social Media: Closing Comments



Social Media: Today and tomorrow

- ❖ **Social Media, especially Facebook, is widely used by CPG manufacturers**
- ❖ **Its share of budget remains small but is growing; initiatives are often early stage or play a support role**
- ❖ **Today few offer e-commerce via Facebook, but this could increase by 50% given its assumed potential to drive sales**



Social Media: Today and tomorrow

- ❖ **Most say consumers are eager to connect; how eager depends on the emotional ties to brand and value delivered**
- ❖ **Measurability will continue to be a challenge; few can tie Social Media investments to sales increases**
- ❖ **Successful Social Media campaigns offer consumers tangible rewards (coupons) coupled with the intangible -
- feeling valued**



Questions?