

Digital, Disruption, Data ...

...and (consumer) Desire

Best Practices for todays reality

OBJECTIVE:

Provide perspective on the dynamic marketing ecosystem and how one tactic is new again

- I. StartSampling (one page)
- II. Digital... Disruption... Data...
- III. (consumer) Desire
- IV. Best Practices to help ...
... People and Brands

Since 1999, StartSampling has established itself as a leader for mailed sampling efforts reaching people digitally. Our unique infrastructure creates a "one-stop" shop enabling brands to sample their products effectively in our new reality.

Example of Current Clients & Partners



StartSampling Background

- **Fulfillment/Production**
 - Mailing Unit design, unit assembly in our warehouse – all to USPS specs, best postage rates, AND sample integrity.
 - USPS Leading Partner (small package samples)
- **Technology/Data Collection**
 - In-house Web team that has developed best access controls for sample request management
 - Data collection tied to sample/offer inventory management, order tracking from point of entry – all seen in real-time on reporting site.
 - Strict adherence to all data privacy regulations.
- **e-Sampling Media**
 - CPA based consumer acquisition media buy – pay only for samples mailed; over 20K partners.
- **Research**
 - Pre and post consumer input; all program results compared to industry norms (n=850K)

Back to 2001: Controlling Data Volume, Velocity and Variety.

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Others have suggested he SHOULD have said: "23 exabytes of information was recorded and replicated in 2002. We now record and transfer that much information **every 7 days**." - August 2010

 **65 billion**

Location-tagged payments made in the U.S. annually

154 billion



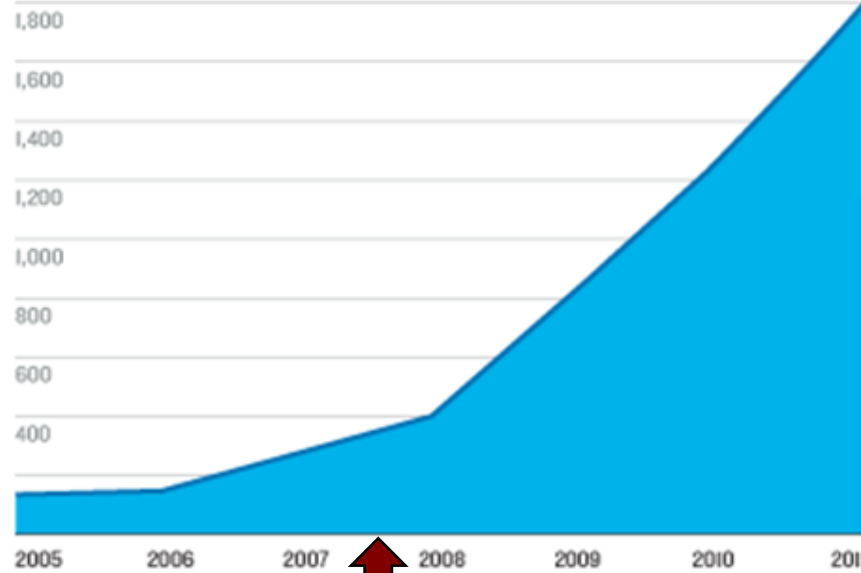
E-mails sent per day

 **87%**

U.S. adults whose location is known via their mobile phone

Digital Information Created Each Year, Globally

2,000 BILLION GIGABYTES



2,000%

Expected increase in global data by 2020

III Megabytes

Video and photos stored by Facebook, per user

75%

Percentage of all digital data created by consumers

Sources: IDC, Radicati Group, Facebook, TR research, Pew Internet

See that little red arrow on the time scale.

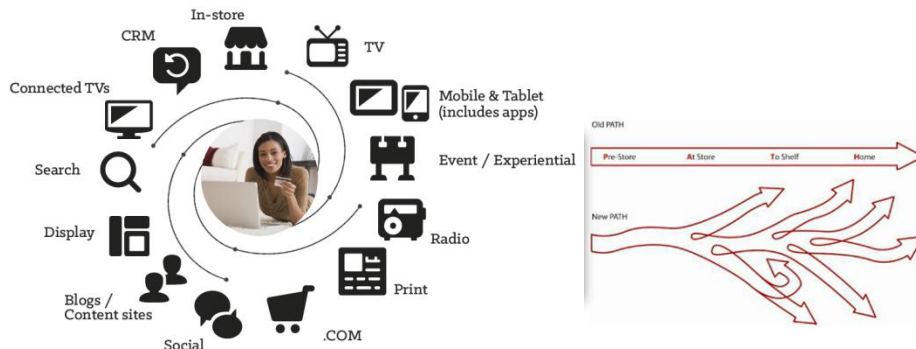
Anyone think they might know what that represents?

“... by 2017, the CMO will be spending more on IT than the CIO...”
--- Gartner

Why? Because PEOPLE and how we influence them has CHANGED
So, “Digitally Disruptive Data (DDD)” is now our life

Not “Path to Purchase” ...

“It’s a Purchase Pretzel”

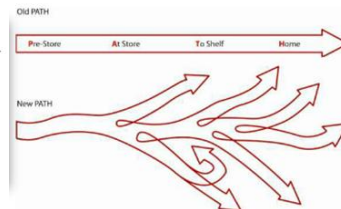
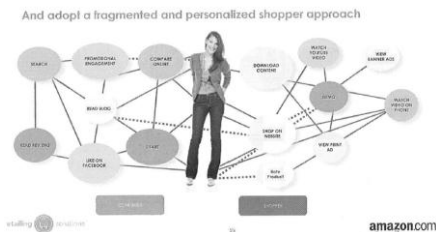


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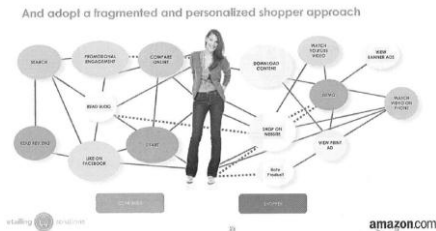
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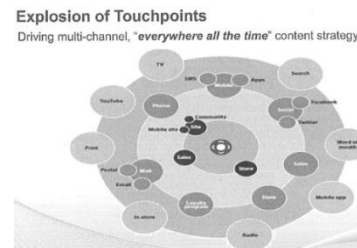
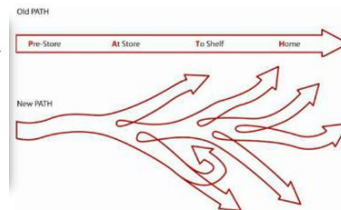
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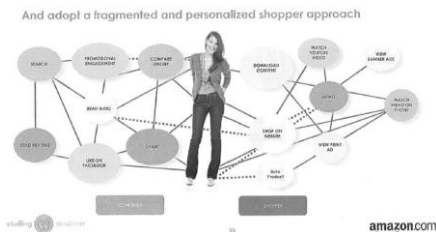
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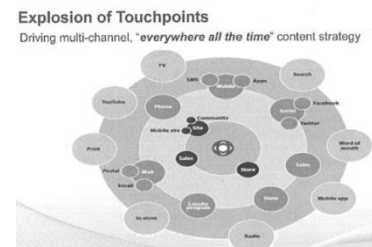
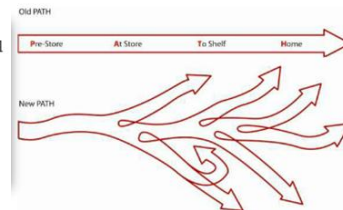
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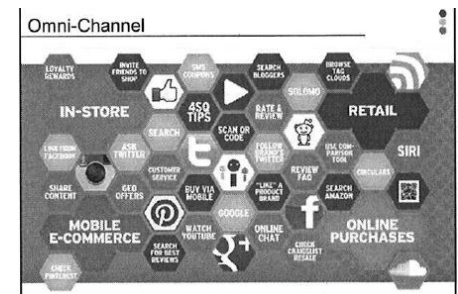
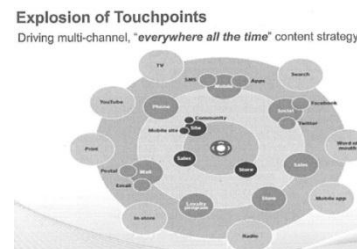
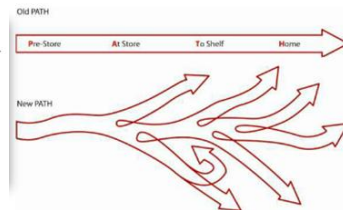
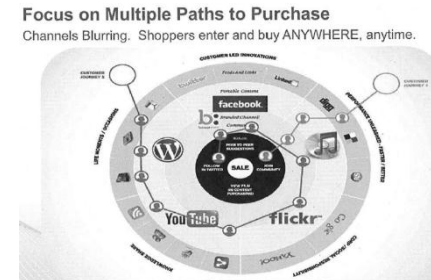
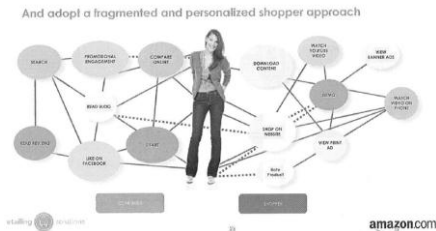


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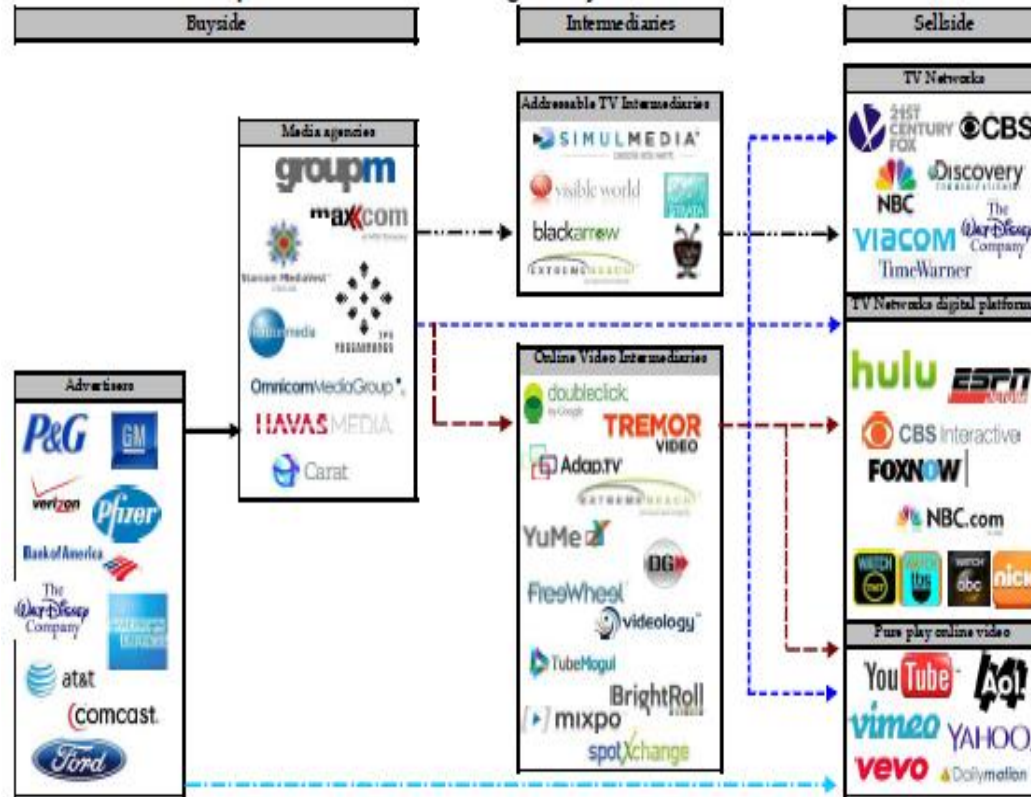
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Following the money ... but one example

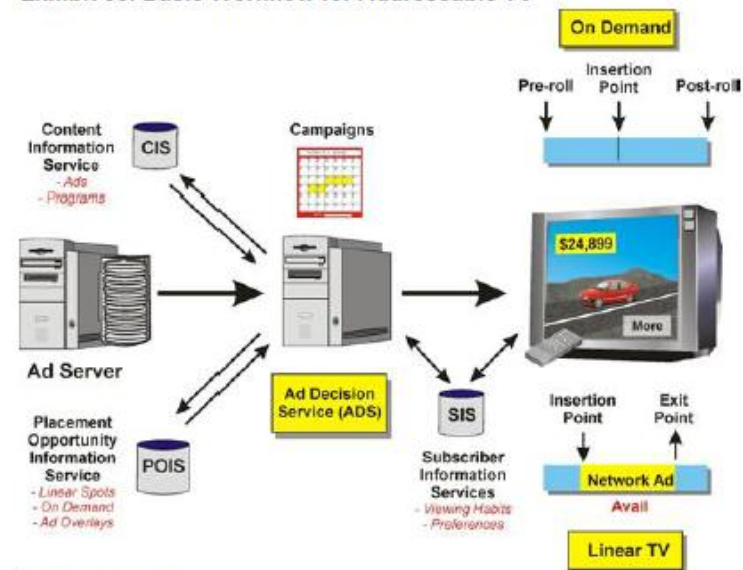
Look just at video content / advertising choices and how to “reach” potential buyers “DDD” is giving advertisers far greater precision

Exhibit 24. The Simplified Video Advertising Ecosystem



Source: BMO Capital Markets

Exhibit 53. Basic Workflow for Addressable TV



Source: iptvmagazine.com

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“In 2014, big data will finally be put to good use as marketers **stop waiting** for insights to reveal themselves and start finding actionable paths through the information. This effort will affect channels across the marketing ecosystem, further breaking down the siloes that separate interactive and traditional marketing vehicles.”

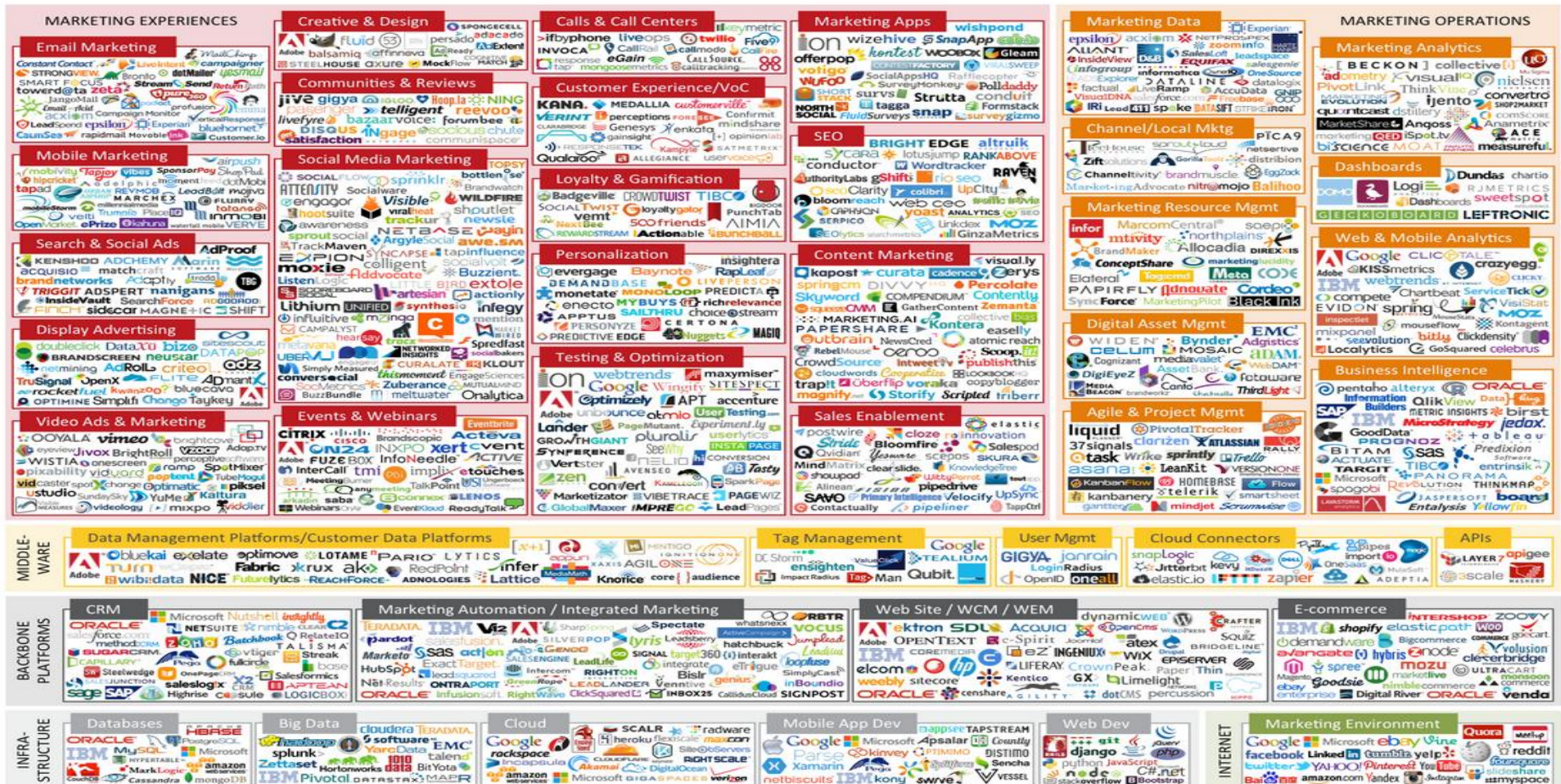
....Melissa Parrish,
research director and principal analyst at Forrester

Melissa is right ... but, so many choices



chiefmartec.com Marketing Technology Landscape

January 2014



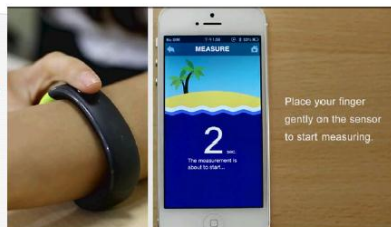
by Scott Brinker @chiefmartec <http://chiefmartec.com>

The “Internet of Things” / 50 billion “sensing” devices

Augmented lifestyle sensor feedback
Wearable Technology
Data aggregator platform and mobile device app
integration

Object augmentation

Flexible substrate displays on physical objects e.g. electronic paper, Smart Cup
RFID Tags Embedded Tag Life Sciences Integration
CMB Contact Memory Buttons Transport / Item Identity specification tags
Virtual reality object information Appliance / spare component specification augmentation Low Carbon Materials Multi-purpose device – dynamic use applications in context
Conduction battery charging Integrated Object classification and semantic awareness Smart sourcing and replacement
Search Physical/Virtual object integration Photo sensors Product cluster information
-Tablet/work device to Virtual Projection Device Real time device updates Physical object Bio Sensing e.g. Cup
Integration Accelerometer sensors Movement 3-axis gyroscope sensors Multi-form factor support

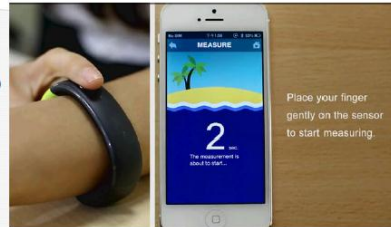


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Accelerometer sensors



34

Mark Skilton copyright 2014

Room/Facility Augmentation

Virtual Location collaboration Wall, Surface gesture integration
3D Movement sensor Spatial augmentation, Virtual Room Depth and projection
Transparent Surface Projection Smart Pen Device Augmentation
Spatial Project in Context Office Surfaces Information augmentation Wall protection video screens
Virtual Whiteboard Multi-Touch displays
Object Physical Animation Virtual to Physical interface
Object Physics semantic integration Micro-t
Solar Energy, Home Grid Wide angle group projection, social interaction
Room Embedded Physical sensors
Object to Surface projection - interconnectivity - Virtual model adjustment, input
Automatic proximity on/off sensing - body /location /lighting /touch

A smart TV can serve as an example of optimization of human machine interfaces, in terms of customization and personalization.

Home appliance control

Siemens connectivity lets you control home appliances through smart technology - Appliances

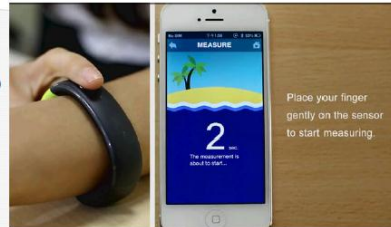


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Digital... Disruption... Data... NOT limited to “Marketing Data”

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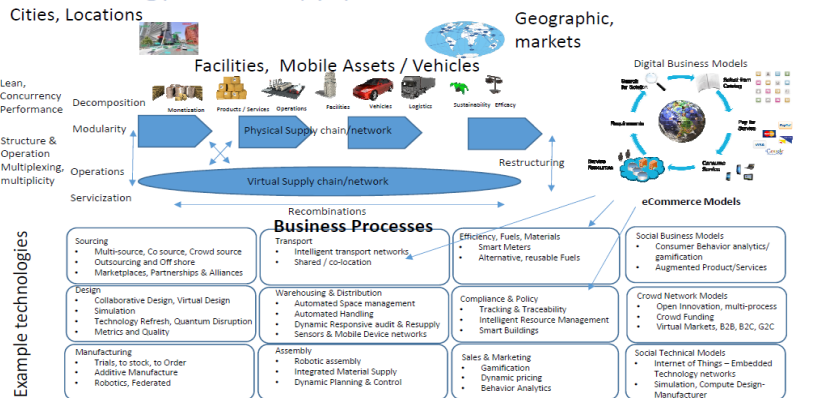
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Technology in the Supply Chain

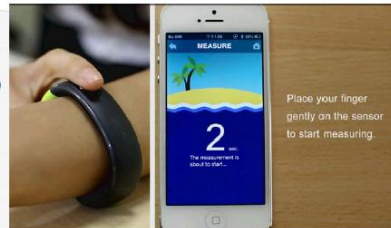


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Place your finger gently on the sensor to start measuring.

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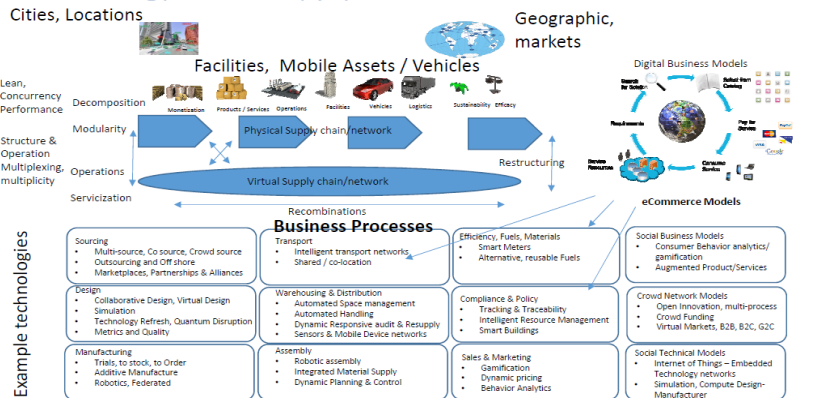
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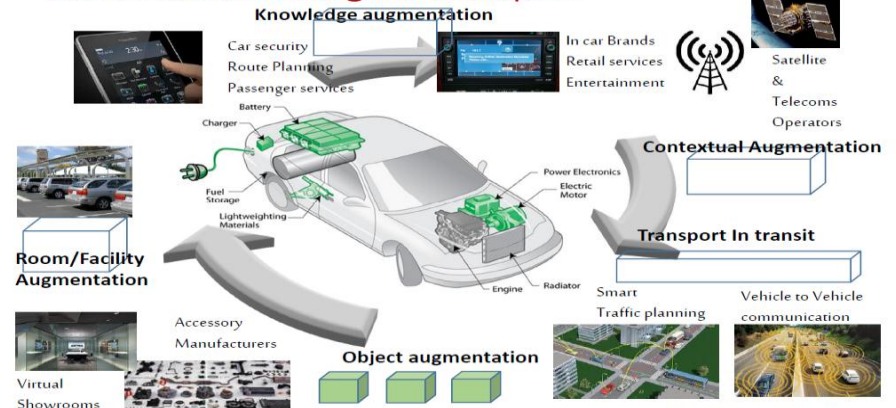
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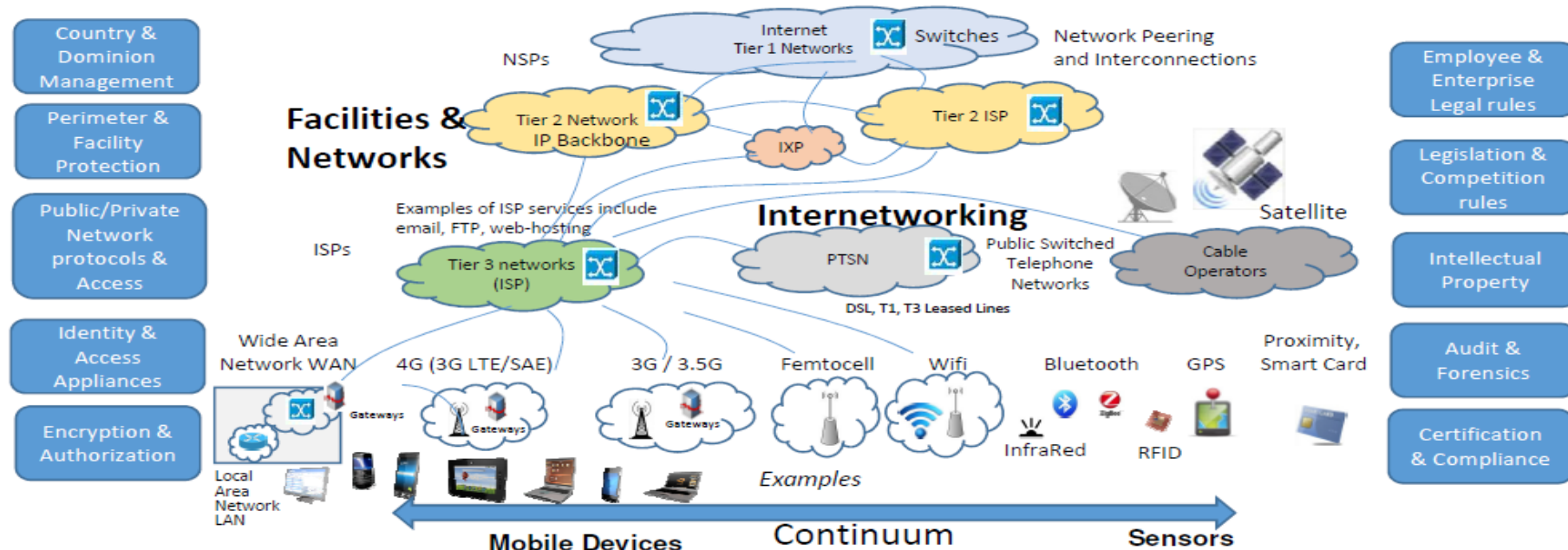


Smart Car & Intelligent Transport



“Privacy” remains a **major issue** in the marketplace today ... horribly misunderstood, shouted by misinformed media ... threats of data used for evil intent, knowing too much, etc. **Be aware, be transparently smart**

Legal, ethics, security, risk, compliance, governance,



DDD - But what about PEOPLE? What do we want?



Rishad Tobaccowala

@rishad

Chairman DigitasLBi and Razorfish. Chief Strategy and Innovation
Officer, VivaKi

rishadt.wordpress.com



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“It is not content that is rare. It is not compelling content that is rare. **It is time that is rare.** Who can curate, combine, and help us **discover this content** so that we can make the most of our time? Who can get us things at the right time, just not real time?”

The popularity of sampling among people = huge range of sampling opportunities

- ❑ In home (via the mail)
- ❑ In-Store Demonstrations
- ❑ Events and Venues: college campus, community fairs, concerts, sports, and other “targeted” venues
- ❑ Other unique locations: Malls, Movie Theatres, Salons, Cruise ships, Fitness centers, etc.
- ❑ On-Pack
- ❑ Catalog Package Insert / e-Commerce Ride Along
- ❑ On-line sample Request
- ❑ Integration with Retailers via On-line Requests
- ❑ Newspaper Pouch
- ❑ Door Hanger and/or Direct Delivery
- ❑ Direct Mail
- ❑ Integration within “Community/Social” Media
- ❑ Shared Marketing Platforms (multi-brand)
- ❑ “Discovery Commerce” – Birchbox, et.al



- ❑ Plan with **point-of-usage** strategy
- ❑ Intelligently **target** interested and engaged consumers
- ❑ Distribute samples **efficiently** limiting waste and duplication
- ❑ Deliver a **positive, quality consumer experience** effectively
- ❑ Tie in **retail customer support** whenever possible
- ❑ Generate valuable “**earned media**” beyond the actual event
- ❑ Drive **purchase conversion** in the range of at least 15-40%
- ❑ Gather **consumer feedback** generating **ROI results**
- ❑ Provide opportunity to **optimize CRM** efforts
- ❑ Constantly **monitor** program while in execution

What Are We Hearing Now?

- Shoppers Love Samples; Supply Remains Limited
- Adaptive Marketing / Content Relevancy Critical
- Demographics as Proxy Changing (Data More Precise)
 - From “Big Data” to “Actually Using Data”
 - Test and Learn – Quickly, to Achieve Scale
 - Spend Effectively ... Across Entire Program

Selected Best Practices

- Sample Management Program (SMP)
- Accelerating Brand's CRM Effectiveness
- Scan Based Targeted/Analyzed Events
 - Expanding how samples are used

Sample Management Practiced By Many Clients

Take full advantage of synergies and efficiencies inherent in SMP execution.

Treat product sampling as a **STRATEGY**

Deliver Best Practice results by considering online / off line, brand/ retailer, events and all sampling efforts as a single program with multiple versions

Easy to say not easy to do ...

“Sampling” fuels CRM
i.e. ***“Personalization”*** efforts



Samples Provide **Relevant Content** to Engage “Sally”

Secure **Consumer Data** to
Understand “Sally”

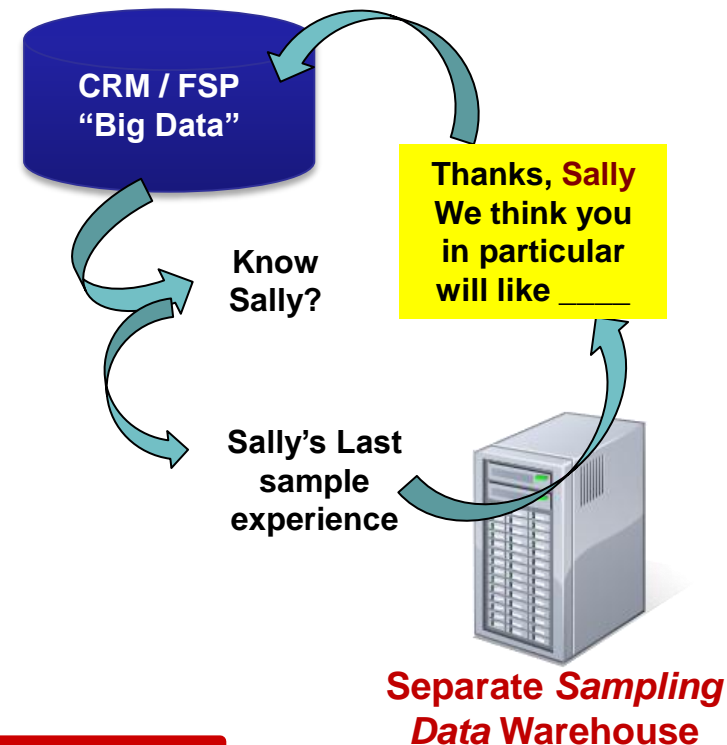
Use Data to make “Sally’s” **next**
experience meaningful, she now
expects you to!!

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Best Practice Scan Based Targeting and Analytics process

... very well established



Best Practices in Product Sampling

Scan Based Targeting and Analytics

Set 3-5 Campaign Objectives

Re-Engage Lapsed Sub Category Buyers

Use Scan Data to Define Target Group

Shoppers who have **not purchased** Sub-category in past 6 months, but **did previous 6 mos**

Set Test & Control Households For Sample and Analysis

150,000 HH

Mailed Sample

Test

30,000 HH

No Sample

Control

Use Scan Data to Analyze

Test vs. Control

Subcategory +5%
Brand +18



“BACKCASTING” available

Pre Store Sampling Accelerates The Process

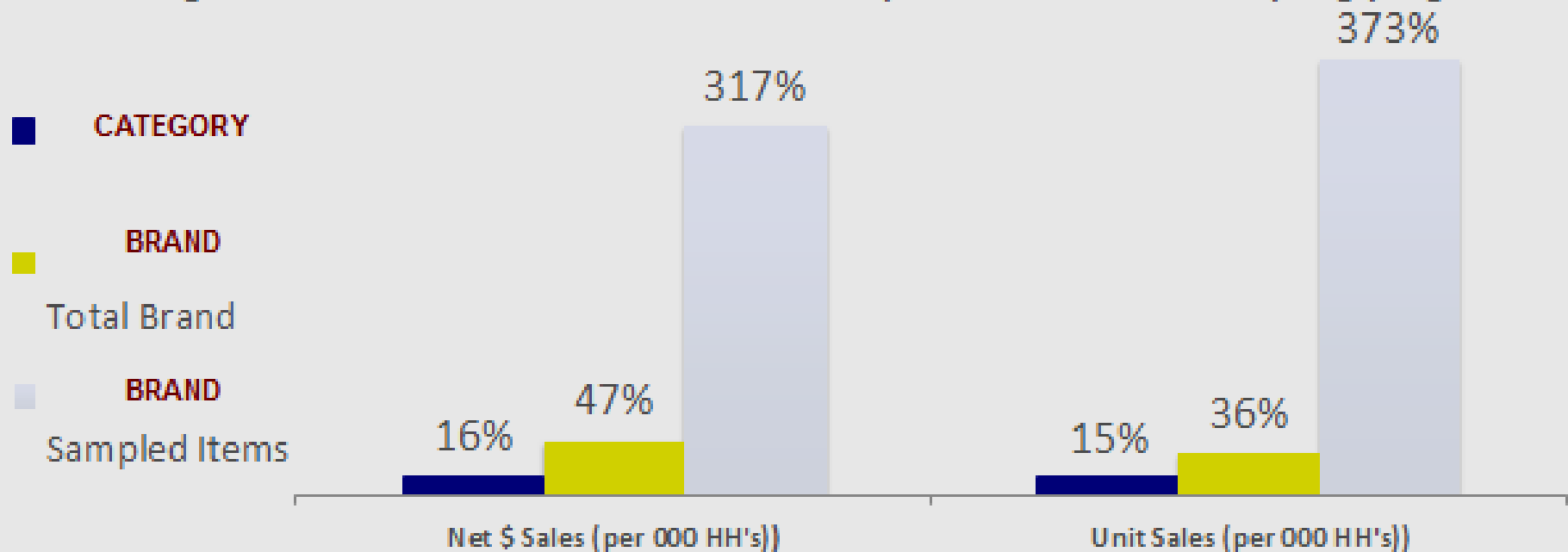
<u>Activity</u>	<u>Trial Activity</u>	<u>Repeat Activity</u>
Sample – Pre Store	Pre Store	<u>1st Purchase in Store – really is a “Post Trial Purchase” aka Repeat!</u>
Coupon, Advertising, etc.	1 st Purchase in Store – correctly called “Trial Purchase”	2 nd Purchase in Store

Case Study – 26 week scanned results

Substantive % INCREASES (Test versus Control)

Sampled Item, Total Brand and Category

Long Term Read – Test vs. Control – 26 week period inclusive of sampling program

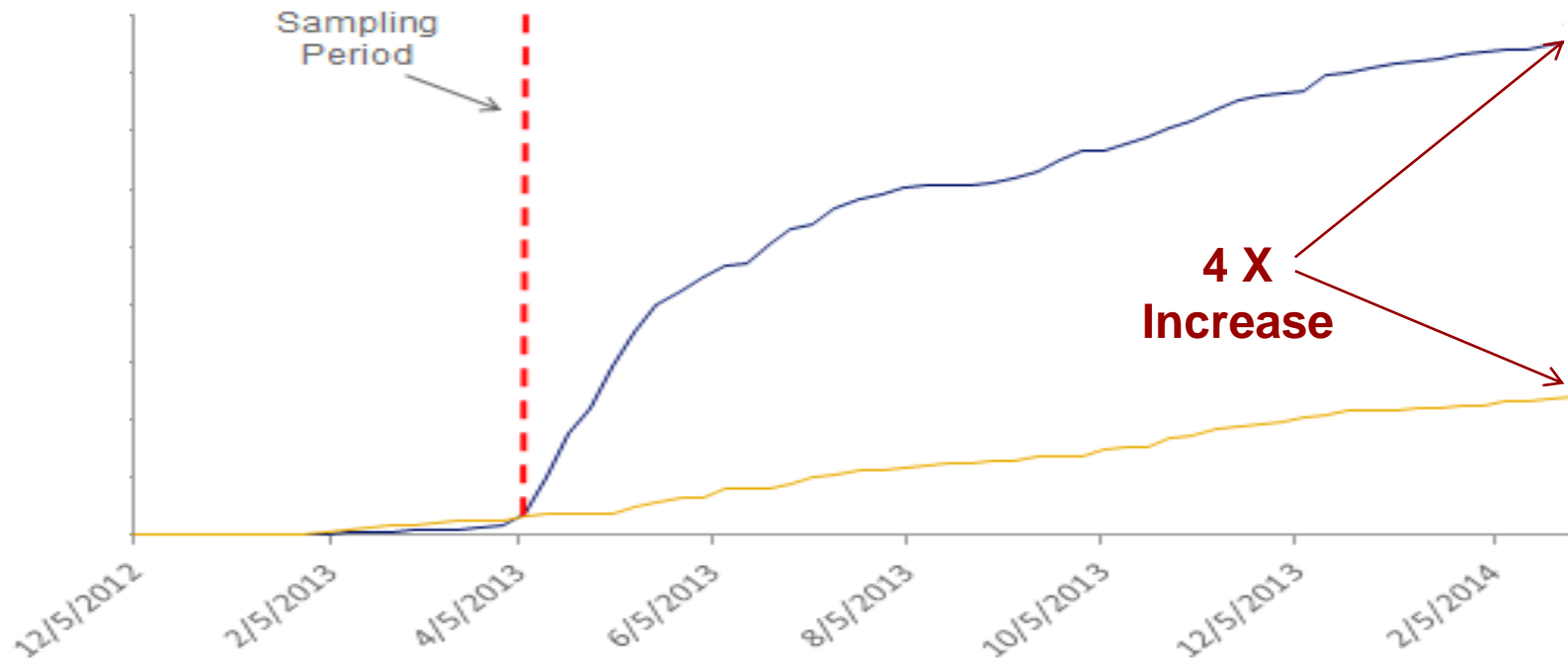


Case Study – 10 month scanned results

Sampled Households were 4x more likely to purchase the sampled items than Control Households – “trial” rate at retail was significantly accelerated

Triers as % of Total Shoppers – First Retail Purchase

— Sampled — Control



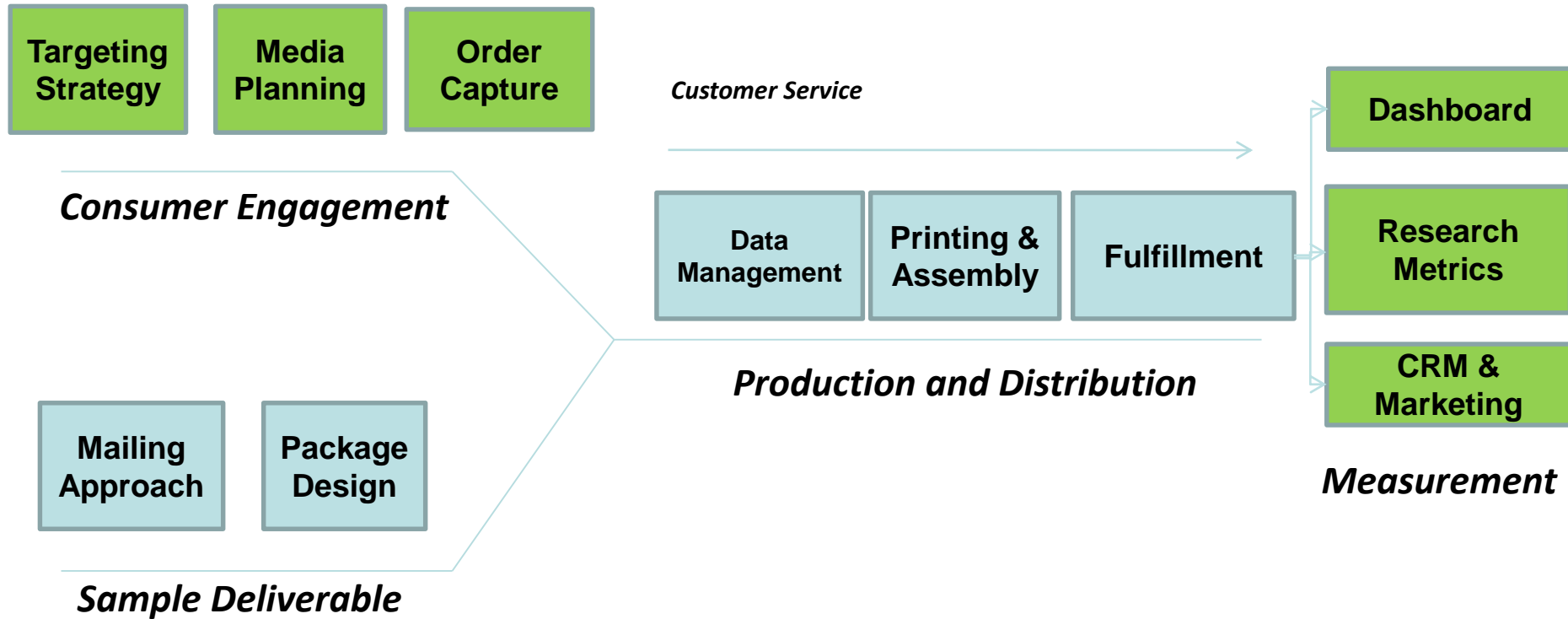
Best Practices in Product Sampling

Learn Source of Volume - Test vs Control

% of Sampled HHs vs. Control HHs by Prior Purchase

Brand	Sampled Product	Control	Index
Brand A	24.8%	33.4%	74
Brand B	20.6%	20.1%	102
Brand C	14.7%	7.4%	199
Brand D	7.2%	5.1%	140
Brand E	4.7%	2.9%	161
Brand F	3.2%	3.3%	95

Note: Prior purchase is category purchase immediately preceding the purchase post sampling



Sampling is a complex set of processes requiring Best Practice thinking and execution that ultimately creates a seamless experience for brand, agency and retailer customers and the sampler.

❑ B2Pro Reaching Professionals / tightly defined targets



❑ New uses:

- ✓ Samples as true “portal to relationship”
- ✓ Samples as simple discovery
- ✓ Samples as “social meme’s”
- ✓ Samples as a means to gain attention in different ways

Summary

Digital... Disruption... Data...

- ✓ Digitally disruptive data is here and growing
- ✓ Winners will adapt to new reality and actually USE the data to create value

(consumer) Desire

- ✓ Humans love to try new things, it is in our basic genetics – let people EXPERIENCE your products
- ✓ In the cacophony assaulting us daily, a chance for a personal experience offers genuine value