

Owning the Moment That REALLY Matters in Online Retail

Online Best Practices for
the CPG Marketer



Summary

How consumers conduct pre-purchase research has changed almost unimaginably in recent years. Have marketing strategies kept pace? This paper elaborates on Google's Zero Moment of Truth concept and explores emerging data and tools that allow marketers to meet—and influence—their customers as they face the ZMOT. Where does the ZMOT occur, and how can brands best optimize their campaigns to influence consumers? (Some brands are still mis-allocating marketing dollars—and ignoring floods of free consumer insights.) In this paper we determine how advertisers can best position themselves to “own” the consumer's digital ZMOT—*whether the purchase occurs in the store or online.*

What's In a Name? Credit Where Credit Is Due

We'd like to acknowledge Google for christening a trend that we at RichRelevance have been tracking and discussing for some time. Now that this phenomenon has a name—ZMOT—we've noticed that the discussion has intensified. In fact, we're fielding so many questions from marketers and advertisers about this profound shift in consumer behavior, we realized we needed to provide business intelligence to our colleagues as soon as possible. We trust our partners in CPG marketing and advertising to leverage these concepts to take immediate advantage of the ZMOT—and optimize brand awareness in the new “digital aisle.”

What is the ZMOT?

ZMOT stands for Zero Moment of Truth. To understand its significance, let's recall Proctor & Gamble's “FMOT” from 2005.

2005

P&G's **First Moment of Truth** referred to a consumer's engagement in the **physical aisle**:

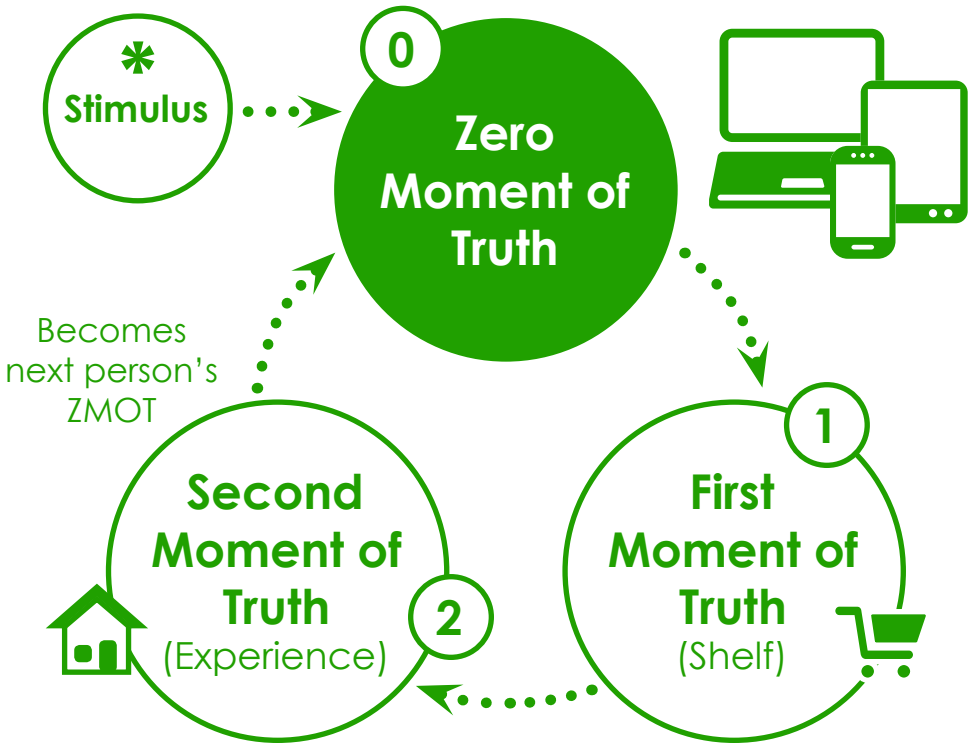
“The best brands consistently win two moments of truth. The first moment occurs at the store shelf, when a consumer decides whether to buy one brand or another. The second occurs at home, when she uses the brand—and is delighted, or isn't.”¹

—Former Procter & Gamble CEO A.G. Lafley

2011

Google's **Zero Moment of Truth** refers to a consumer's engagement in the **digital aisle**:

“[The ZMOT is] changing the marketing rulebook. It's a new decision-making moment that takes place a hundred million times a day on mobile phones, laptops, and wired devices of all kinds. It's a moment where marketing happens, where information happens, and where consumers make choices that affect the success and failure of nearly every brand in the world....”²



Owning the Moment That REALLY Matters in Online Retail

With consumers bombarded by marketing messages, ZMOT opportunities (such as “the digital aisle”) are increasingly important. In fact, whether consumers ultimately purchase in the store or online, CPG experts are acknowledging the power of the ZMOT—a concept that’s already making marketing history.

The most successful CPG and consumer-facing brands are positioning themselves for multi-channel success by owning the ZMOT in the most influential places.

To the Unconvinced

A few traditional CPG marketers may scoff—“my product isn’t bought online, so I don’t need an online presence”—but scads of data have now convinced most. (According to a 2010 Forrester report, for instance, \$1,007 trillion worth of retail sales in 2011 will be “Web-influenced.”³) Brands *should* be influencing the shopping trip for an online or offline purchase during this powerful moment for the consumer. In your organization, who will be responsible for the ZMOT?

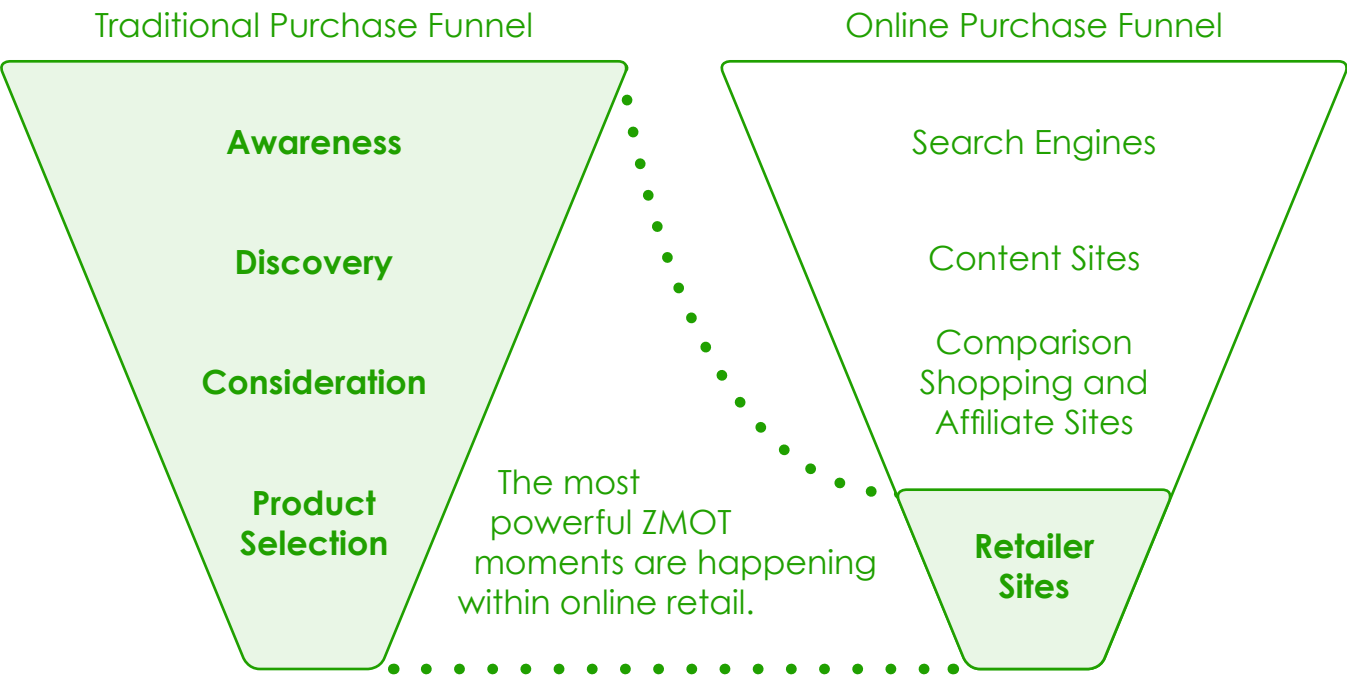
With new media channels being created at an exponential rate, how do you choose the right one?



Partnering with Retailers, Part 1: Get Your Products Listed on E-Commerce Websites ... For Free

Expert CPG brand managers must first tackle the basics before progressing to more advanced tactics. (We'll cover advanced tactics in "Part 2" below). Start capturing the multi-channel consumer by getting your products listed on e-commerce websites—one of the most potent online channels. Two thirds of shoppers begin their purchase process online, with a fifth starting at a retail site.⁴ That fifth either purchases directly on that site or navigates to a manufacturer's site for more information.⁵

Choose the obvious retailers that both (1) account for your largest offline sales volume and (2)—even more important—have a strong online presence. Believe it or not, consumers are searching for your brand's products—and relevant competitors'—while navigating these sites. Today's consumers want instant access to product information from any location and device (PC, tablet, phone, etc.). Partnering closely with your digital retail partners is the easiest way to ensure you reach these consumers as they research.



Supporting the consumer's ZMOT research phase necessitates not just listing your products, but executing a great online merchandising strategy—even (especially!) when a brand is usually bought in a brick-and-mortar store. Remember: consumers are turning to retail search results, product recommendations, and of course a brand's own online collateral—a product website or video channel—to arrive at their decisions.

To engage with this consumer who's in "learning mode," brands must supply her with real-time information. That means streamlining your online merchandising strategy with the most influential partners.

Expert CPG online marketers start by optimizing:

- Product availability
- Product title/description
- Images
- Video
- Retailer SEO
- Your retail partner's advertising campaigns

As your customer researches, make sure your digital merchandising strategy supports ZMOT opportunities.

Product Availability

First and foremost, those who want to engage with consumers online must merchandise their entire product lines online. If possible, find a retail partner that can actually sell and ship your products to online customers.

Consumers are searching online for information about your brand: product descriptions, ingredients, and promotions. (Forty percent of global online consumers save money by using coupons.⁶) If you really want to drive product sales, you must upload your products to retailer websites well before you launch marketing/product campaigns. This will be one of the first places consumers look once they see a new product launch. And online consumers are incredibly loyal to their online stores.

Product Title/Description

Are these search-friendly? Are products and your firm easy to find on your retail partner's websites, no matter how your customer searches?

Try a little experiment.

► Search for your own product ...

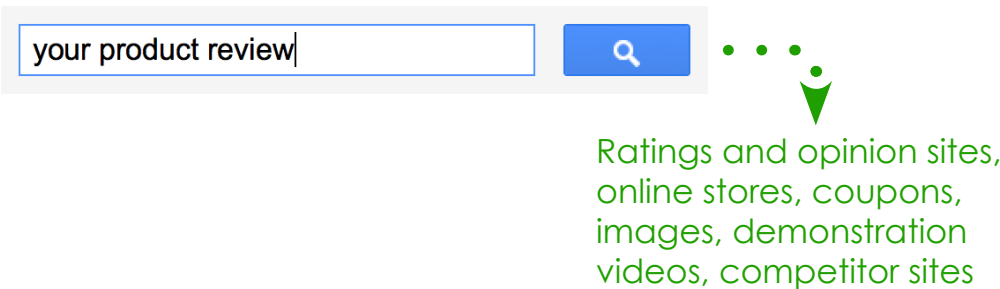
① On a large multi-channel retailer's website



② On a major search engine



③ On a major search engine + "review"



Was the result exactly what you expected?

Is it the same experience on your phone?

How would you prefer to change this experience by working with your retail partner?

What other products are being recommended alongside your brand?

For example, Microsoft consumers might use the phrase "Windows Upgrade" to search for the new version of Windows, so it's paramount to have this phrase as part of your product description. Otherwise, it's very hard for a retailer's search software to associate a given phrase or keyword with your products.

Images

Customers should see the same product online that they see in the store—and preferably at the same prices. Consistency is paramount—as is image quality. Can customers enlarge photos, "zoom in," or even "rotate" your product to examine product features and details? You should update these images as often as you change out your brand creative in-store.

Video

The ZMOT is visual. Increasingly, ad dollars are better spent on videos that consumers find via search than on TV commercials consumers may skip via DVR. A brand story should be compellingly displayed on the right channel—and increasingly that channel is online video. In fact, 64 percent of the users who saw an ad on YouTube had not seen the campaign on TV!⁷ If you already have video assets, make sure your retail partner has access to them, to leverage your brand's visual story.

Retailer Search Engine Optimization (SEO)

Most brands don't realize they can work hand-in-hand with their retail partners to ensure their products are optimized for search engines. Curate product content carefully. Partnering with retailers to have certain keywords and tags added to your brand's product pages is becoming an important tactic.

Brands should partner with retailers on which specific keywords they'd like to target for natural search results. As an example, search via Google for the phrase "fur fighter." You'll see that this product, by partnering closely with retail vendors, owns almost the entire section of natural search.

Your Retail Partner's Advertising Campaigns

Similar to SEO, it's no secret that your retail partners are spending millions of dollars on their own paid marketing campaigns (paid search as an example). Many of these campaigns include your brand's products. Do these campaigns feature your products the way your marketing department would prefer? Are there certain paid placements where you think your retail partner should be spending their money on your brand? If so, work closely with their paid marketing department, and maybe go so far as to subsidize their

efforts. If you do this correctly, it's a great way to capture shelf space and capture mindshare from competitors. As an example, if your retail partner is not bidding on a search term for "beauty," and this is important for your brand, let them know, and/or share in the cost of the campaign.

Though the ZMOT can exist across many online channels, a hierarchy of ZMOT opportunities exists within this online retail space. For instance, consumers navigate three ways to find product and brand information: via 1) standard menu bar, 2) retail search engine, and 3) the retailer's product recommendations.

The three main ways consumers navigate retail websites. Make sure your brand is integrated with this experience.



Partnering with Retailers, Part 2: Paid Merchandising Opportunities

Now that you understand how to merchandise your products on retailers' websites for free, it's time to move toward those advanced tactics we mentioned earlier.

In today's economy, brand marketing departments are being asked to do more with less. The most influential brand marketers are shifting budgets toward owning brand awareness across the *entire* purchase funnel (not just at the top of the funnel on sites such as Facebook and Yahoo)—to where consumers are actually planning their offline shopping trips. Consumers are looking to these websites to make their store visits fast and efficient. If consumers are using these retail websites as a core tool to shop offline, then integrating a brand's product throughout this e-commerce experience is powerful.

With new advertising technology, brands can now shift their marketing dollars to key moments in the "path to purchase" on these retail sites. (This also empowers your agency to put your awareness budgets to work in the most

relevant places, instead of blind ad networks). Brands can work with retailers to define the relevant impressions a brand should own, as part of the brand's paid merchandising (Shopping Media) campaign.

RichRelevance's *Did You Know?* #2 paper proved how powerfully Shopping Media affects consumers interactions with brands online: among other benefits, campaigns yielding 14 times the click-thru rates of non-retail IAB banner ads!

As a refresher: CPG brand managers use Shopping Media—the online equivalent of in-store shopper marketing—to target the digital aisle. Retailer powerhouses such as Sears and Target enable brands to place promotions on retail sites and display real-time product offers based on what shoppers actually view and intend to purchase. It's the most effective way to drive brand awareness with reach, where the consumer is at their highest point of purchase intent.

All Ad Server Algorithms Are NOT Alike

Because most paid media is not retail-centric, brand experts don't get the level of ad targeting they need with regular online ad campaigns. But retail-optimized ad server technology allows brands to offer consumers relevance on the digital aisle: intelligent, dynamic ad personalization on the largest retailer sites.

The RichRelevance ad server, for instance, offers robust merchandiser control, and uses more than 30 different recommendation types with cross-placement optimization to display clear and relevant product

recommendations and display ads. No other ad server allows brands to “own” a retail audience to this level of detail.



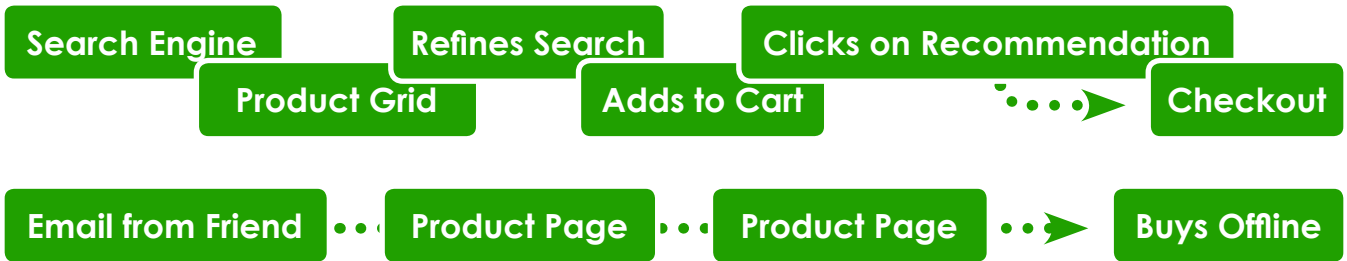
Consumers don't all navigate the same way.

Retail-based ad servers can account for this complex behavior.

What we assume happens:



What actually happens:



Expert CPG brand managers know successful Shopping Media campaigns depend on owning brand/product pages, relevant product searches, and category impressions.

Own Your Brand/Product Pages

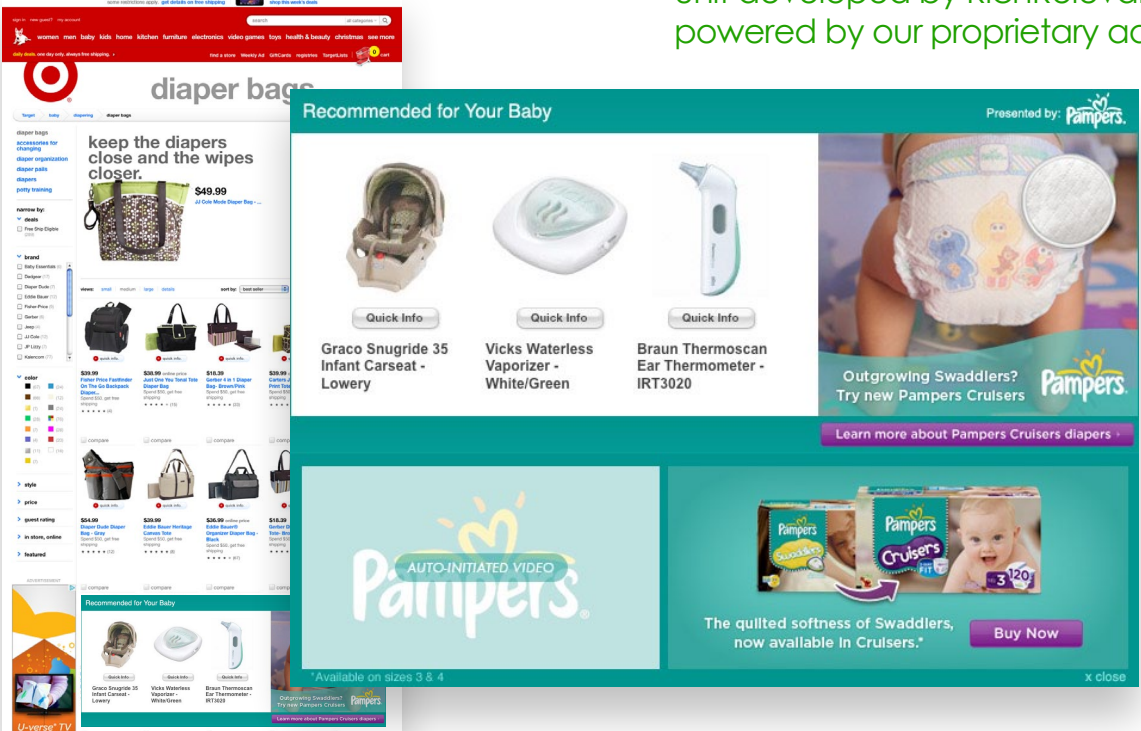
Consider this example: first and foremost, Canon should own the ad impressions available for purchase on their own product pages—just as you'd like to tell your value proposition in a brick-and-mortar store as consumers examine your product.

Appropriate ad server technology can help brands own all the advertising impressions on their brand's product pages. These impressions can consist of high-impact, custom, or standard IAB banner ad units.

Own Your Brand's Relevant Product Searches

Which search terms lead consumers to purchase your products? The earlier challenge about just how easy it is to search—and find—your brand can be a jumping off point to brainstorm less-than-obvious search pathways. Just as you should own the ad impressions on your own product detail pages, you should also own your own product and brand searches within the retail website. For example, if you're Coca-Cola, wouldn't you want to make certain you own the ad impressions for every consumer who searches for “Coke” or “Cola?”

This is a Pampers example of RichPlacement, an incredibly powerful ad unit developed by RichRelevance and powered by our proprietary ad server.



Own Your Category

Brands can drive awareness by proactively buying the ad impressions for their brand's related category. For instance, retailers can inform brands of every product they sell on their sites—and under which category they fall. This is very straightforward: If most of your products fall under “beauty,” then it makes sense for you to consider buying ad impressions within that online retail category. Because retailers track every menu navigation click, brands can access data about every area within a retail website's taxonomy—at any time.

Retailers can also work with you to find complementary categories where you should be purchasing Shopping Media. Maybe your core consumer likes to shop for baby products and then her own clothing on a retailer's site. Capturing this data allows a brand to own all the mindshare within its category—or within complementary categories.

The Ad Impressions You Need to Own

Own the paid “manual” merchandising opportunity.

- A** Your brand pages
- B** Your product searches
- C** Your relevant category
- D** Your competitors' pages



The Most Flexible ZMOT Opportunities Allow Optimization

The best ZMOT opportunities within Shopping Media are flexible, measurable, and optimizable. They allow brands to obtain real-time feedback from consumers across channels, so testing and optimizing different ad variables becomes lightning fast.

Google's Jim Lecinski warns “you can't go in with the classic mindset of the big annual marketing plan with roll-outs planned 12 months in advance. You have to be faster and more flexible than that.”⁸ Former Procter & Gamble CEO AG Lafley says “... fail earlier, fail faster, and reallocate the resources from the failure so we can put money against innovations that have a chance to become a commercial success.”⁹ Saatchi and Saatchi Worldwide CEO Kevin Roberts sums it up: “Fail fast, learn fast, and fix fast.”¹⁰

What can brands test as they apply “learn fast and fix fast” to their Shopping Media campaigns?

- Messages:** Which messages resonate best for your campaign?
- Creative:** What does the campaign look like? What color palette works best?

Which products to merchandise within ads: Any of your brand's 50 TVs can appear (within a custom recommendation ad unit), but there's only room for four, so pick the four highest-selling models within your new product line.

Defining the best demographic: Since audiences self-select, brands may find audiences they didn't know they had: Whoever is looking at your product IS the right demographic!

Media placement: Which ad location on the page gives the best opportunity for success?

ROI results: Have you moved the needle for your brand's share of voice engagement? For example, have you:

- ✓ Improved the number of visits to your brand's product pages?
- ✓ Increased the number of searches for your products?
- ✓ Increased the amount of time spent on your brand showcase pages?

Using the ZMOT to Capture Real-Time Consumer Insights

The most advanced brands are leveraging the ability to pull real-time qualitative customer research through Shopping Media campaigns via online retailer sites (even within their ads). Who can wait months—much less years—to get data from top-tier brand research companies? Real-time consumer data brings insights to brand managers immediately, allowing realistic and robust rationales for how best to allocate scarce merchandising and advertising resources.

For instance, Sony brand managers might leverage an ad on a retail website to ask consumers “What’s most important to you when buying a TV from Target?” Consumer responses—size, resolution, 3D capabilities, or contrast ratio, for example—allow immediate insight.

Campbell’s Soup marketing experts might solicit feedback on “What’s your favorite soup to use in home recipes?” (Tomato? Cream of mushroom?) A follow-up could be “Do you plan to buy more soup in the coming month in the store?”

Brands can ask anything—so long as questions complement the consumer’s shopping experience. For instance, brands can get real-time feedback on:

- What features do consumers like about a brand?
- Which brands do consumers prefer online—and which offline?
- Which products do consumers prefer for which situations/ solutions?
- What product features/pricing do consumers wish the product had?

Know **your customer.**

Know **what products** they’re searching for.

Know **how they shop.**

Use **your media** for insights.

Here’s product and consumer research brands can’t get anywhere else—and it’s immediate!

Tide Insights Example

In this example, intelligent ad placement allows Tide to ask the consumer to “Choose your #1 laundry challenge.” After the consumer selects her challenge, she’s shown that Tide plus Bleach Alternative will best serve her purposes.

Recommended Items For You

Presented by: MyTide

Tide Detergent, Clean Breeze, 100 fl oz (3.12 qt) 2.95 fl

PRICE DETAILS

Next Pant Pocket Flare

PRICE DETAILS

Next Slouch Wide Leg Jeans

PRICE DETAILS

Trixie Junior's Studded Hanky Hem Dress

PRICE DETAILS

City Triangles Junior's Tiered Sequin Cocktail Dress

PRICE DETAILS

1

Find the Tide that's right for you

Choose your #1 laundry challenge

dingy whites

tough stains

odor elimination

clothing care

2

Find the Tide that's right for you

Tide plus Bleach Alternative

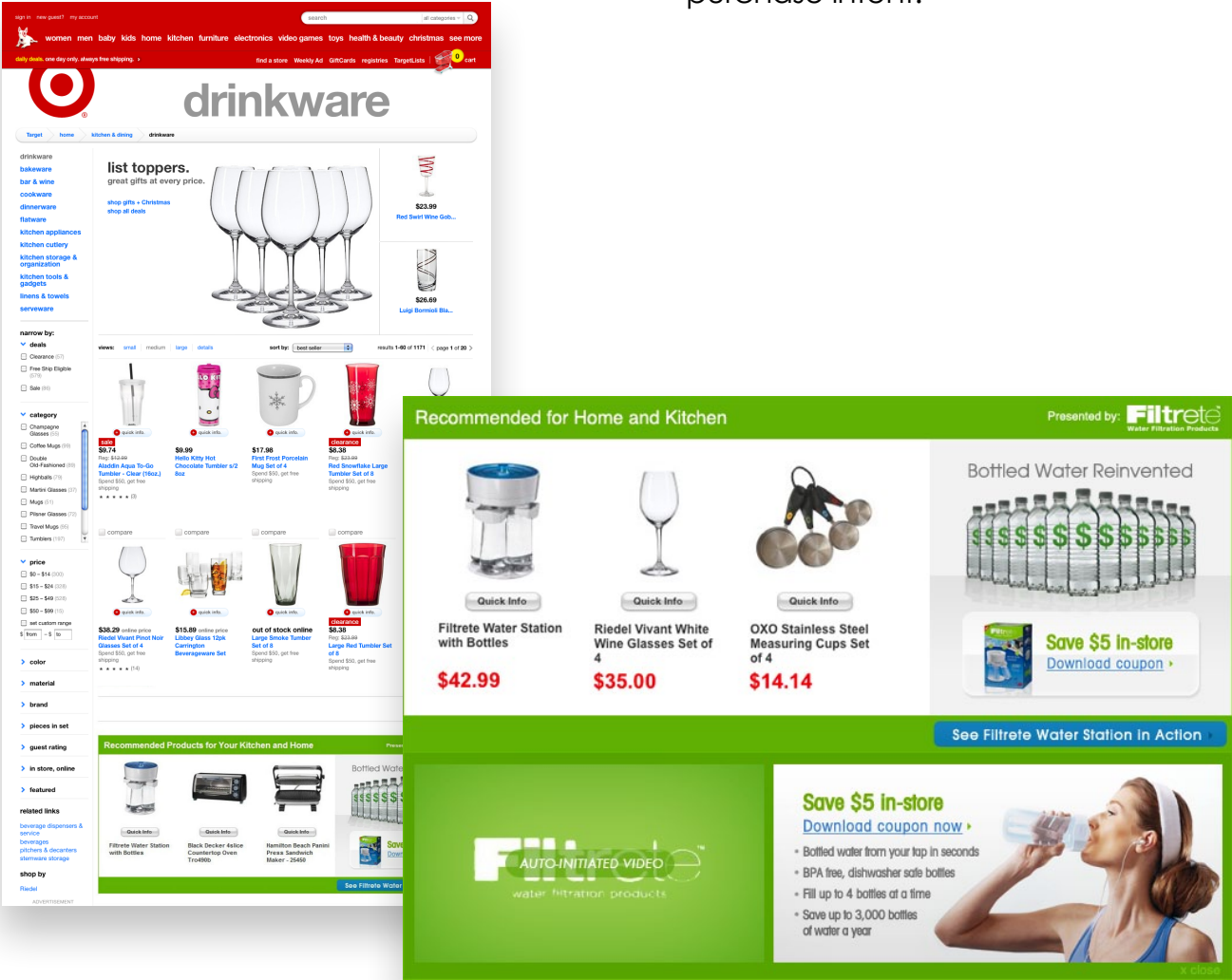
For vivid whites and brights. Buy Now

Visit Tide.com to get more details about Tide products

A ZMOT Champ: 3M Connects with Customers When They’re Most Receptive

3M uses Shopping Media—on-site, integrated product advertising—to build brand awareness with highly-engaged shoppers in categories that match their products. 3M wraps brand messages around the product recommendations frame—a vital component of an e-commerce site.

A recent campaign on Target.com targeted shoppers looking at home furnishings. Recommendations for other, similar items appeared within this pane, while an ad for Filtrete filters was displayed when the shopper moused over the call to action link. 3M saw encouraging results with a recent campaign that built brand awareness, and influenced at the point of highest purchase intent.



Conclusion

To own your consumer's digital ZMOT—whether the purchase occurs in the store or online:

- Ensure your brand has a presence online as your customer researches. Online activity is accelerating offline purchase influence. Shift your brand's efforts online, where your consumer is spending the bulk of her time and planning her offline shopping trips.
- Partner with online retailers: free and paid online merchandising opportunities allow you to own brand awareness and product education across the entire purchase funnel.
- Execute a great online merchandising strategy that makes Shopping Media a default component of each marketing campaign.

- Purchase media that is built for retail relevance, and can be targeted/customized around the consumer's shopping objectives. Focus on ad servers built specifically to address retail opportunities.
- Own ad impressions for your brand and product pages, product searches, and categories. Optimize your ad campaigns via flexible ZMOT opportunities: learn fast and fix fast!
- Capture real-time consumer insights through your advertising.
- Connect with customers when they're at their highest point of purchase intent.

Endnotes

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RichRelevance powers personalized shopping experiences for the world's largest and most innovative retail brands, including Walmart, Sears, Overstock.com and others. Founded and led by the e-commerce expert who helped pioneer personalization at Amazon.com, RichRelevance helps retailers increase sales and effectively monetize site traffic by providing the most relevant products, content and offers to shoppers as they switch between web, store and mobile. RichRelevance has delivered more than \$3 billion in attributable sales for its clients to date, and is accelerating these results with the introduction of a new form of personalized advertising called shopping media which allows brands to engage shoppers where it matters most – at the point of purchase on the largest retail sites in world. RichRelevance is headquartered in San Francisco, with offices in New York, Seattle, and London.

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Online Best Practices
for the CPG Marketer