

DIGITAL ACTIVITIES FOR FOOD BRANDS



**we
are**

BXG
THE BRAND EXPERIENCE GROUP
The Unifying Measurement Currency
for Business & Brand Builders

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HOW
SHOULD
FOOD BRANDS
BE FOCUSING
THEIR
**DIGITAL
ACTIVITIES?**

BACKGROUND

Digital marketing can be problematic if you are managing a Food brand. There will be lots of people trying to persuade you that giving the brand a back story and engaging consumers in a dialogue is critical to success in the digital

age. On the other hand, the evidence that these activities contribute anything useful is often not very convincing. So how can you figure out what is REALLY important, and where to make the tough choice to say No?

START BY UNDERSTANDING YOUR CATEGORY

We have run hundreds of MCA® studies in Food categories, so we can compare what drives Food brands with other categories that work in different ways.

Consumers respond to contacts (some people say touchpoints, or activities etc) from brands differently, depending on their needs in a category. For example, in categories like cars or mobile phones, the role of digital contacts is defined by the need for information and reassurance. That's because consumers know that if they buy a brand that doesn't deliver, it has big consequences for them. i.e. it carries a high risk. That's why comparison

websites, online reviews, brand & dealer websites are highly influential and form a major part of consumers' experience....they help consumers to manage risk.

Food brands are not the same. In many food categories, brands can be easily substituted (as long as they are trusted enough) which is why we see a lot of 'repertoire' buying behaviour. i.e. consumers will switch between a set of brands they are happy to consider. In this type of category, the role of contacts in general, and digital contacts in particular is very different.

WHAT DRIVES FOOD BRANDS?

It is helpful to think about two types of contacts:

| | ATTITUDINAL | BEHAVIORAL |
|-------------|---|--|
| Definition | Contacts that do not contain a direct link to a purchase or usage occasion Examples: TV ads, sponsorships, word -of-mouth, etc | Contacts that do contain a direct link to a purchase or usage occasion Examples: samples, free trials, coupons, etc |
| Purpose | Establishes preference before purchase decision | Ensures consumer TRY or BUY |
| Strengthens | Brand HEALTH | Brand WEALTH |
| Tend to be | Durable assets i.e. once you build them they last | Perishable assets i.e. as soon as you stop they no longer contribute anything |

- 'ATTITUDINAL' contacts build awareness, interest and preference BEFORE consumers get to the store. These are long term value creators because they support a brand's premium (vs the retailer/ value brand). They can become durable assets if done well i.e. they keep contributing long after that activity has stopped (we all remember great TV campaigns for brands from months or years ago, right?)
- 'BEHAVIORAL' contacts encourage consumers to try or buy a brand i.e. stimulates a personal experience. These are critical to ensuring that consumers 'complete the journey'. However, they are perishable assets i.e. as soon as you stop doing them, they instantly stop contributing.

Every brand needs to activate a combination of these, and the best managed brands manage the balance between them to suit specific marketing tasks (e.g. different balance for launching a new product initiative vs supporting a promotion).

The characteristic of food categories that needs to be understood is that Behavioral contacts dominate the ranking of most influential contacts. i.e. consumers are prepared to 'switch their journey' based on the latest Behavioral experience they have. In fact, we usually see that nine of the top ten influential contacts in food categories include incentives, promotions, trial & sampling

opportunities. So what is the exception?

If you guessed Product Packaging you'd be right most of the time. The single biggest contributor of Brand Experience™ in food categories is packaging. It communicates strongly at purchase and at home, and delivers both brand and promotional messages. If you guessed TV Ad, you are probably managing in a developing market environment, or in an Eastern culture. In Western developed markets you would be wrong.

So, back to our original question...how does this help us understand the challenges in Digital marketing better?

MCA® LEARNINGS IN DIGITAL

We provide a tool called MCA®, which provides quantitative metrics to help you understand the relative influence of your marketing communications activities. It also tells you how effectively you are deploying them relative to your competitors and whether budgets are being well spent. This allows you to make more informed decisions to improve performance.

We looked at MCA Digital Deep Dive® studies completed in the last two years. These provide quantitative metrics for digital contacts at a very detailed level, and benchmark them in relation to other groups of contact (mass media, point of sale display & promotion, word of mouth, sponsorship etc). We found that the same dynamics are as important in Digital as they are in the offline world. You can use them to set priorities. For example:

PRIORITY 1: BEHAVIORAL CONTACTS HELP CONSUMERS BE SMART SHOPPERS

DIGITAL CONTACTS THAT OFFER INSTANT BENEFITS ARE MOST INFLUENTIAL

Texts from retailers & brands (with coupons), online coupons & promotions

SHOPPING TOOLS ALSO INFLUENTIAL:

Daily deal websites, retailer loyalty app, comparison shopping app

PRIORITY 2: CONTEXT IS CRUCIAL TO ENGAGE CONSUMERS

- BRAND WEBSITE IS THE MOST INFLUENTIAL ATTITUDINAL CONTACT
(it is the online equivalent of Packaging)
- BRAND CONTENT IN RELEVANT CONTEXT
(e.g. recipe website, lifestyle & fitness etc) are higher influence than most Social Media dialogue platforms

PRIORITY 3: ADVERTISING FROM BRANDS ARE LOWER INFLUENCE

- INTERNET DISPLAY ADS, ADS IN SEARCH RESULTS ALL VERY LOW INFLUENCE
- VIDEO ADS POSTED, GAMING WEBSITE OR APP ARE VERY LOW INFLUENCE

WHAT CAN YOU DO TO IMPROVE?

When your team recommends their digital strategy, use MCA® metrics to make sure they have their priorities straight. Challenge the assumption that because people now communicate using Facebook, Instagram, WhatsApp etc, that brands should focus all their efforts to get into these conversations. You can end up spending huge time

and money on the least influential activities. Want a preview? Let us know which brand(s) you manage, and we will check our database to see if we can show you how your marketing communications are performing vs our norms.

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