

FMCG MARKETING NEEDS BETTER ANALYTICS



**we
are**

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

**MARKETERS
NEED TO MOVE
BEYOND MODELLING
AND 'BIG DATA'
TO REGAIN
THEIR OWNERSHIP
OF STRATEGY**

BACKGROUND

You know how everyone is forecasting that marketers need to get better at analytics, because we have mountains of data and great tools to mine it? Well, maybe....but we are

seeing that the pendulum can swing too far and too fast, and when that happens you can end up in big trouble.

WHAT'S THE PROBLEM?

Marketers of consumer packaged goods (FMCG) are relying increasingly on modelling and big data to make decisions about how to capture market share and how to innovate successfully. Our experience with companies is that when they rely on these techniques, they regularly fall into the same two traps:

- BUDGET FRAGMENTATION RUNS OUT OF CONTROL I.E. BRANDS END UP DOING TOO MANY SMALL THINGS AND FAIL TO ACHIEVE CUT THROUGH
- REALLY IMPORTANT STUFF GETS LOST BECAUSE THE MEASUREMENT TECHNIQUES DON'T HIGHLIGHT THEM

WHAT CAN WE DO?

Modelling and big data techniques are data focused i.e. you can ONLY see what is contained in the data. But they are very persuasive looking techniques....so we often see discussions on strategy and budget allocation where

anything that isn't visible in the data just gets forgotten! Here are two examples of what can happen, and how you can guard against making the same mistakes.

PACKAGING GOT LOST

- MARKET MIX MODELS WORK BY OBSERVING HOW CHANGES TO MARKETING ACTIVITIES AFFECT OUTCOMES (USUALLY SALES). That means you need suitable data for the activity, and there have to be changes, like periods of inactivity, or changes to execution. So what does a model typically tell you about the importance of Packaging? Nothing. Because there is no data input, it is always present, and very rarely changes.
- WHEN WE RAN A MARKET CONTACT AUDIT® (MCA®) study for a large food company, the data clearly demonstrated that packaging was the biggest source of Brand Experience™ for consumers in the category (bigger than TV Ads and In-store promotions) and was critical to helping consumers convert attitude into behavior i.e. make a purchase.
- THE BRAND SUCCESSFULLY RECOMMENDED TO RE-SHAPE its priorities and budget allocation, so that packaging now gets the support it deserves in all marketing initiatives.

THE BRAND FORGOT ITS BIGGEST ASSET

- RECOMMENDATIONS & WORD OF MOUTH had always been a competitive advantage for another grocery brand. 'Big data' was used to understand how this was working and what it contributed. However, in a very low engagement category, the level of digital dialogue was very small, which led the brand team to de-prioritize it. But that wasn't the whole picture – all it was telling them was that Moms didn't use social media to talk about their brand.
- WE RAN AN MCA® PROJECT AND SHOWED THE REAL PICTURE. In fact, expert recommendation was highly influential for consumers, and the brand in question has a major competitive edge i.e. this is a really important asset and should be protected. It would be a HUGE mistake to let it fade away.
- THE BRAND TEAM IMMEDIATELY SHELVED PLANS TO REMOVE THE ENDORSEMENT BY A PROFESSIONAL BODY FROM PACKAGING, and launched an initiative to see how this endorsement can be better leveraged across the brand's advertising, in-store merchandising and digital assets.

WHAT CAN YOU DO TO IMPROVE?

Bring the voice of the consumer back to the center of the management process, by using MCA®. You get robust, validated metrics that keep the focus on the prize, and allow

you to communicate with your management colleagues in a language they understand. It works because it delivers the fundamentals that any manager needs:

1

A SINGLE CURRENCY OF MEASUREMENT FOR ALL MARKETING ACTIVITIES I.E. A QUANTIFIED AND VALIDATED OUTCOME INDICATOR THAT THE C-SUITE UNDERSTANDS

2

ONGOING PERFORMANCE METRICS AND COMPETITIVE BENCHMARKING

3

UNDERSTANDING THE DIFFERENCE BETWEEN EFFECTIVENESS AND EFFICIENCY

4

A FRAMEWORK OF PRIORITIES TO SUPPORT DECISION MAKING

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