

Are Your CPG Brands Maximizing the Return on Your Digital Investment?


Research Shows Direct Correlation
between CPG Brand Website Usage
and In-Store Purchase Behavior

 **accenture**

dunnhumbyUSA



comSCORE.

A woman with long dark hair, wearing a light blue long-sleeved top and white pants, is sitting cross-legged on a thick, white, shaggy rug. She is looking at a silver laptop in front of her, with her hands on the keyboard. To the right of the laptop, there is a white ceramic coffee cup on a wooden coaster, and a small glass dish containing a chocolate treat. The background is a bright, out-of-focus indoor space with a white wall and a window. The overall atmosphere is calm and focused.

According to the Interactive Advertising Bureau, the Internet now attracts more advertising dollars than cable TV, newspapers or magazines.¹ This, coupled with the astounding growth in consumers' use of social networks and the creation of user-generated content, has consumer packaged goods (CPG) companies scrambling to learn how best to engage and interact with consumers in this digital age.

CPG manufacturers have invested millions of dollars in their brand websites and social media presence, yet they struggle to show how their brand websites are influencing brand purchases in stores.

To address this challenge, Accenture, comScore and dunnhumbyUSA collaborated on a groundbreaking study to help CPG executives better understand the link between consumers' usage of brand websites and their brand purchases in retail stores. (For more information on the research methodology see "About the Research.") Specifically, the research was designed to accomplish three objectives:

- Quantify the retail sales value of the visitors to various brand websites.
- Identify the most valuable features and content that can be provided on CPG brand websites.
- Provide insights and opportunities to further explore online destinations where Internet marketers can best reach their brand buyers and prospects.

The Accenture/comScore/dunnhumbyUSA research highlights the significant potential for brand websites to become key drivers in building customer loyalty and preference for CPG brands by creating unique online brand experiences (see Figure 1). The study found that:

- Visitors to CPG brand websites spend 37 percent more than non-visitors on the brand in retail stores.
- Brand website visitors are heavier buyers within a brand's product category, spending 53 percent more than non-visitors on the category in retail stores.

The study also concluded that to maximize impact, the most important website features include compelling brand value messaging, frequent content updates, and content that engages visitors such as promotions, philanthropic appeals, product demonstrations, surveys, and downloadable applications and games.

These findings are explored in greater detail below and include the implications for CPG companies and retailers attempting to maximize the return on their digital investments.

"Finally some tangible observations pointing to a return on our members' brand digital spend...looking forward to the next phase that adds social media as well!"

Patrick Walsh
Senior Vice President,
Industry Relations,
Education and Research

Food Marketing Institute



Figure 1: Comparison of In-Store Performance Metrics for Website Visitors and Non-Visitors (Indexed Such That Non-Visitors = 1.0*)

	Average	Minimum	Maximum
Monthly Brand spending	1.37	0.83	2.05
Category Spend	1.53	0.79	3.19
Brand Units	1.48	1.05	2.00
Category Price Per Unit	0.97	0.70	1.59

Source: Accenture/comScore/dunnhumbyUSA research, 2011

* Interpretation of Indexed Findings for Monthly Brand Spend:

- **Average:** Web visitors spent 37 percent more than non-visitors on the brands in retail stores.
- **Minimum:** For the bottom brand in the study, web visitors spent 83 percent of what non-visitors spent on the brands in retail stores.
- **Maximum:** For the top brand in the study, web visitors spent 105 percent more than non-visitors on the brands in retail stores.

About the Research

The Accenture/comScore/dunnhumbyUSA research study was based on an integrated panel of one million U.S. Internet users who have given comScore explicit permission to have their online activities continuously measured and matched to their in-store brand buying behavior provided by dunnhumbyUSA. This integrated panel provided a single-source, privacy-protected data mart containing each panelist's online activities and their in-store buying behavior.

Leveraging comScore's knowledge of the digital user, dunnhumby's shopper understanding, and Accenture's experience in operating and maintaining consumer packaged goods websites, the study quantified the linkage between CPG brand buying at retail stores and digital behavior by comparing the in-store purchase behavior of website visitors and non-visitors and identifying the common components of successful CPG brand websites. For website performance scoring criteria, the Accenture Web Evaluator (AWE) was used. It provides a comprehensive assessment of how well companies use their websites to attract and retain customers, support and reinforce their

brand, deliver services and generate sales. The AWE includes a library of 350 leading global sites and evaluates 52 metrics across nine attribute categories (navigation, branding, engagement, information, globalization, relationship building, service, commerce and social).

Utilizing the comScore-dunnhumbyUSA database, the study examined ten individual food and beverage as well as household product brands with annual sales between \$40 million and \$3 billion and website unique visitors of between 100,000 and 2.3 million per month. These brands also had at least a 5 percent household buyer penetration as measured by dunnhumbyUSA shopper data. The study covered the time period from September 2010 through February 2011. For confidentiality, individual brands' results will not be disclosed but these brands represent a wide range of website and buyer behaviors.

For example, "Brand A," a food brand, had a brand website that receives over two million unique visitors a month, plus these visitors are spending over eight minutes on average engaging with the website during each visit. Not surprising, this brand's website possessed more than 90 percent of the website attributes studied. Brand A also enjoyed the strongest brand buyer reach index.

In contrast, "Brand J," another food brand, had only 100,000 monthly unique visitors to its website and visitors spend on average only two minutes per visit. However, this website possessed 64 percent of the attributes, including coupons and fresh content. Its brand buyer reach index was average among participants.

In comparing Food and Non-food participants, Food Brands tended to have a higher number of website attributes. They also averaged a 1.5 more time spent by consumers visiting their websites.

The research was conducted with the endorsement of the Grocery Manufacturers Association (GMA) and the Food Marketing Institute (FMI), and the results presented at their joint board meeting on January 29, 2012. A second study is planned for 2012 and a research solicitation inviting brands to participate in the study will be released soon.

The In-Store Behaviors of Brand Website Visitors

To determine if consumers who visited the brand website purchased more in-store than non-visitors, the study compared the in-store purchase behavior of brand website visitors with that of non-visitors along four dimensions: How much they spend on the brand and in the overall category, how many units they purchase of the brand and the category, how often they purchase the brand and the category, and at what price they purchase.

In comparing the purchasing habits of visitors and non-visitors, the study found that CPG brand website visitors were highly engaged, valuable customers and frequent purchasers of the brand. They spend more on the brand in retail stores, purchase more units and have more brand purchase occasions than non-visitors. More specifically:

- CPG brand website visitors spend more on the brand in retail stores: Website visitors spend an average of \$2.86 per household, \$0.72 more than non-visitors (see Figure 2) and on an indexed basis they purchase 48 percent more units of the brand.
- Engagement with the brand does not translate to exclusivity, as brand website visitors are also highly engaged in the category and are more likely to be heavy category buyers than non-visitors, thus indicating upside potential for the brand to further engage with their best customers. Compared with non-visitors, brand website visitors spend 53 percent more category dollars and purchase 58 percent more units in the category.
- Brand website visitors have more purchase occasions than non-visitors for both the brand and the category, making 35 percent more purchase trips for the brand and 39 percent more in the overall category.
- Surprisingly, the study found that despite greater engagement with the brand and the category, website visitors pay 8 percent less per unit than non-visitors. Conventional wisdom would say that since they are more engaged with the brand, visitors would be more likely to pay a higher unit price than non-visitors. It is likely that these visitors were visiting websites to download coupons, thus reducing their net price paid. In contrast, for two of the ten CPG brand web sites, website visitors paid 2% more per unit than non-visitors. These two web sites had a web content strategy focused on "brand value messaging" rather than "coupon downloads".

"Creating a better understanding of the relationship between a brand's online presence and real-world shopping is important, relevant and timely to our membership and their future growth potential."

Denny Belcastro
Executive Vice President, Industry Affairs and Collaboration
Grocery Manufacturers Association

Figure 2: Absolute Differences in In-Store Performance Metrics

In-Store Performance Metric	Website Visitors (Average)	Non-Visitors (Average)	Difference
Monthly Brand Dollars	\$2.86	\$2.14	\$0.72
Monthly Category Dollars	\$6.86	\$4.83	\$2.03
Numbers of Brand Buying Occasions in Six Month Period	3.2	2.3	0.90

Source: Accenture/comScore/dunnhumbyUSA research, 2011





The Relationship between Age and Brand Website Visitation

This research study compared brand website visitors against the general Internet population and brand buyers against the average shopper across several demographic dimensions. Visitors to the brand websites tended to be older than the average buyer of the brand. This suggests:

- Younger brand buyers may be engaging with the brand elsewhere online, such as on social networks.
- There is the opportunity to drive additional brand website traffic by offering features that cater to the younger audience segment.

Analysis of other key demographic metrics, such as household size and income, did not reveal any consistent relationships.

The Online Behaviors of CPG Brand Buyers

A second goal of this study was to glean insight into the online behavior of consumers who buy CPG brands in retail stores (whom we call "Brand Buyers"): What types of websites do Brand Buyers visit and how much time do they spend there? And, based on this behavior, what can be said about their lifestyles, interests and passions? (For more on visitor demographics see "The Relationship between Age and Brand Website Visitation.")

In order to address these questions, several analyses were executed to identify how Brand Buyers differed from the average U.S. Internet user. Initially the research team examined differences between Brand Buyers and the average U.S. Internet user across three variables:

- Website reach or unique visitors per month ("Reach").
- Minutes per visitor ("Time").
- Number of pages viewed per visitor ("Pages").

A fourth metric was also created that incorporated both Reach and Pages as a measure of engagement. This metric (which was dubbed the "Intensity Index") was calculated for each Brand Buyer segment by multiplying the reach of each website (or site category) by the number of pages consumed on that site (or site category) and then dividing by the same metric for the average Internet user. This Intensity Index was then the primary metric used for describing the Brand Buyers' web behavior relative to the general web population, with the average Internet user defined as 100. If Brand Buyers scored over 100, they over-indexed, reflecting a greater orientation than average to a particular site or site category. Conversely, if their index score was under 100, they were less oriented to that site (or site category) than the average Internet user. Using this approach, several key findings surfaced:

- The Beauty/Fashion/Style website category exhibited by far the strongest Intensity Index among website categories.
- Brand Buyers tended to tap the communication and networking capabilities of the Internet more than the general web population, over-indexing in Intensity, Pages and Time within the eCards, and Community website categories.
- Family/Parenting Community sites were particularly strong. And, not surprisingly, Brand Buyers in particular over-indexed in number of Pages consumed in the Food Community category (such as recipe sharing sites).

- Brand Buyers were also very active in content-rich categories such as News, Portals, and Weather; they were particularly attracted to AOL, MSN, Weather Channel, WebMD, Gannett, and Demand Media sites.
- Somewhat unexpectedly, the Politics site category was of great interest to Brand Buyers, with these consumers spending over two times more time (minutes per visitor) with this category than the average Internet user.
- Brand Buyers were relatively experienced users of the web, with strong indices exhibited across all metrics in Technology, Online Trading/Banking, and eCommerce website categories.
- The Coupon category over-indexed on Reach, but under-indexed on Time and Pages. On one hand, these results are in line with comScore data showing that consumers who search for coupon-related terms on search engines are more likely than the average Internet user to visit CPG Brand websites. It also dovetails with the finding that, "coupons" or coupon-related searches were consistently in the top 10 referring search terms for the 10 brand websites analyzed in this study (even though only 5 offered coupons). This leads us to believe that the deal-seeking segment is "fleet of click" and they tend to quickly depart a property when no coupons or relevant coupons can be found.

Compelling Features of Successful Brand Websites

The ability to quantify the relationship between digital marketing expenditures and in-store sales is of paramount importance within the CPG industry. To maximize the return from their digital investment, CPG companies must understand the features, functions and content that are most valuable in driving brand website visitors to have a deeper engagement with the brand and to increase their in-store purchasing. Therefore, this study analyzed the attributes of brand websites that are associated with a higher likelihood that visitors will visit the site, will spend more time on the site, and will buy the brand in retail stores.

The length of time that visitors spend on a brand's website was the key determinant of their likelihood to purchase that brand in the store. In other words, as time on the brand website increases, brand purchasing in the store increases. The presence of a social cause on the brand site also increases the likelihood of in-store brand purchase. Furthermore, content scroll—whether a user has to scroll down the page (a proxy for amount of content)—contributes to in-store purchase.

Given the strong correlation between time spent on the site and in-store purchases, the research team examined the factors that influence whether visitors spent more time on the site. The most important attribute is fresh content that is updated frequently—for example, content relevant for the season or new daily recipes. The presence of brand value messaging (reasons to buy the brand) also increases the time spent on the site. Value-added tools such as product ratings, user generated content, recipes and other tools increases time spent on the site. Finally, the presence of a click-to-buy feature (such as helping facilitate the purchase of hard to find SKUs) increases length of stay as well.

The analysis of brand buying offers several lessons relative to the most important website attributes that drive in-store sales. Overall, four website attributes correlated most closely with a higher brand purchase index (greater brand spending in-store for website visitors than non-visitors):

- A compelling brand value message that provides a persuasive reason, other than a coupon, for a website visitor to buy the brand.
- Fresh content updated at least weekly to encourage visitors to engage and participate and return frequently.
- Content that creates an engaging online experience such as a pulse survey on the home page, or an opportunity to rate a new product or product attribute, or user generated content like recipes or weight-loss planning. Content with a philanthropic appeal such as sustainability or participation in a food bank also was shown to create greater engagement.
- Well designed site navigation that is intuitive, uses simple menus and has clear site maps.

The Untapped Potential of Compelling Brand Websites

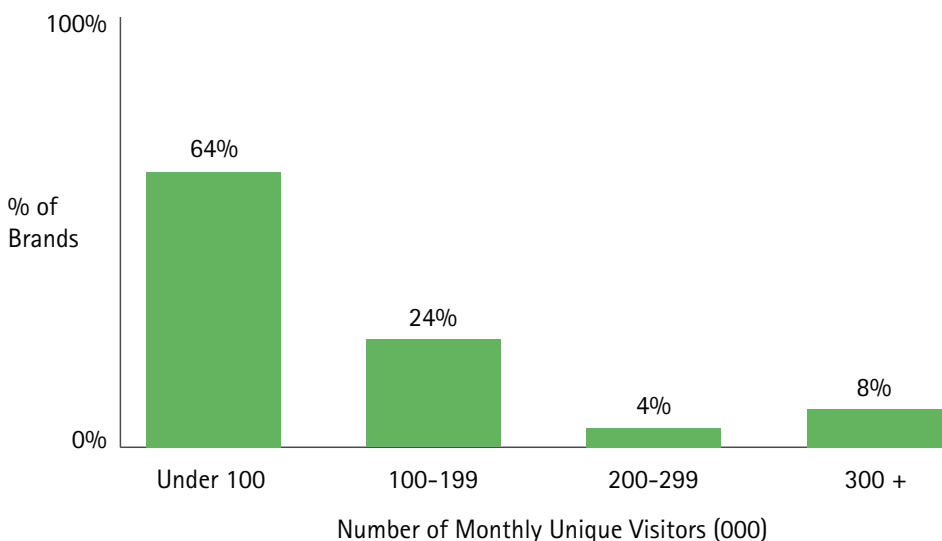
A review of the best brand sites among the research base offers dramatic evidence that a compelling online brand experience is enabling a few companies to be extremely effective in generating incremental and profitable sales in the store. Analysis shows that consumers visiting the best of the ten CPG brand websites evaluated in the research study, spent over 200 percent more on the brand than non-visitors. Moreover, the research shows that the price paid per unit of the brand at the best of the ten CPG brand websites was two percent more than for non-visitors in brand.

While this research highlights the significant potential of brand websites as drivers for building engagement and preference for CPG brands, most CPG companies are missing the opportunity to influence brand engagement and brand buying behavior on their brand websites simply because not enough consumers visit their site (see Figure 3.) For example, 64 percent of the top 25 CPG brands (defined by household buyer penetration) average less than 100,000 unique visitors to their brand website per month (this compares to more than 300,000 for two of the top brands). To the extent that this study quantifies the potential of websites to influence brand engagement and in-store purchase, CPG company efforts to increase traffic to the brand website offer tangible return on investment.

The study also demonstrates that some CPG companies are missing revenue opportunities and may be losing market share due to underinvestment in the digital channel. Online CPG brand experience influences between 1 percent to as much as 35 percent of a brand's total USA in-store sales, highlighting a direct correlation between CPG brand web sites visitation and in-store purchase behavior. We hope these insights will help CPG brand managers benchmark performance of their website, quantify the in-store sales potential of investments in brand websites and other digital marketing activities, and further capitalize on the full potential of the digital channel.

Figure 3: Average Monthly Visitors to Top 25 CPG Brand Websites

Websites of 25 Largest CPG Brands
(Defined by Buyer Penetration)



Source: © 2011 comSource. All rights reserved.

About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with more than 244,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US\$25.5 billion for the fiscal year ended Aug. 31, 2011. Its home page is www.accenture.com.

About comScore

comScore, Inc. (NASDAQ: SCOR) is a global leader in measuring the digital world and preferred source of digital business analytics. comScore provides syndicated and custom solutions in online audience measurement, e-commerce, advertising, search, video and mobile. The company also offers an extensive portfolio of services for multi-media copy testing and tracking, digital media planning and analysis, campaign delivery verification, and advertising effectiveness measurement. Advertising agencies, publishers, marketers and financial analysts turn to comScore for the industry-leading solutions needed to craft successful digital, marketing, sales, product development and trading strategies. For more information, please visit <http://www.comscore.com>.

About dunnhumbyUSA

dunnhumby is the leader in personalizing the world's experience of retailers and brands. Analyzing data from over 350 million people in 28 countries, we help companies put customers at the center of every decision. We use our insight to improve customers' experience of stores and communications to earn their lifetime loyalty. Our work with some of the world's biggest retailers and brands has demonstrated that companies which deliver value to customers through personalization become and stay their customers' first choice. This strategic approach to putting the customer first in business improves our clients' like-for-like sales and profit margins – or, put simply, their brand value. dunnhumbyUSA is a joint venture of The Kroger Company and London-based dunnhumby. Employing more than 1,900 people in 30 offices in Europe, Asia and the Americas, dunnhumby serves a prestigious list of companies including The Kroger Co., Tesco, Coca-Cola, General Mills, Kimberly-Clark, Macy's, Panera Bread Company, PepsiCo and Procter & Gamble. dunnhumby also includes the word of mouth marketing experts BzzAgent and price optimization company KSS Retail. For more information, visit www.dunnhumby.com.

Contact Us

For further information, please contact:

Jerry Lohse

Accenture

gerald.l.lohse@accenture.com

561 704 9443

Mike Gorshe

Accenture

michael.a.gorshe@accenture.com

630 461 1745

John LaRocca

dunnhumbyUSA

john.larocca@us.dunnhumby.com

513 632 0613

Mike Zeman

comScore

mzeman@comscore.com

312 775 6630



