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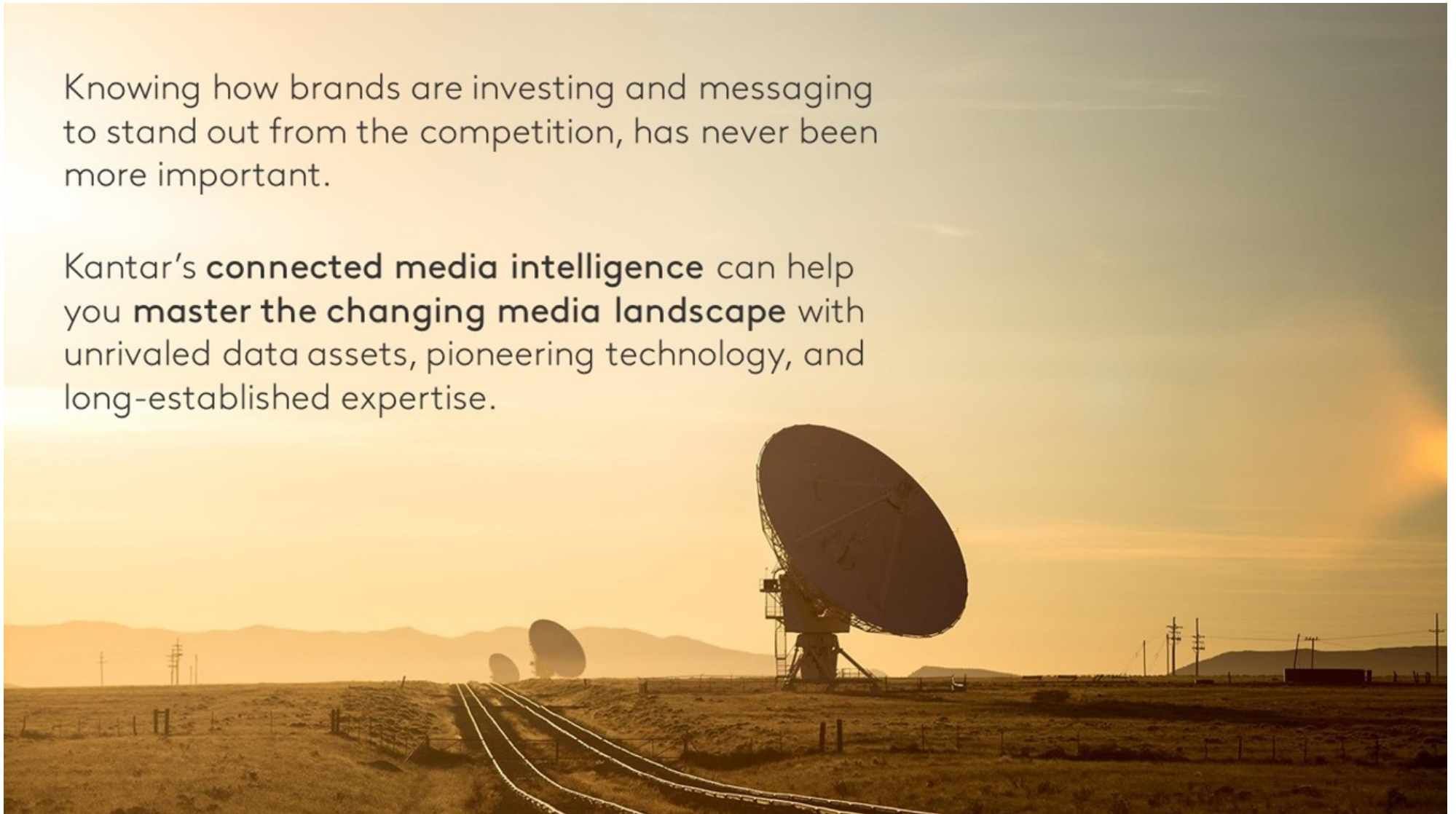
Integrated Print and Digital Promotion

2019 Trends and Insights



Knowing how brands are investing and messaging to stand out from the competition, has never been more important.

Kantar's **connected media intelligence** can help you **master the changing media landscape** with unrivaled data assets, pioneering technology, and long-established expertise.





27 media platforms covered
The most comprehensive coverage anywhere

Access to nearly

10 billion ad occurrences
+ millions added every day

In-market ad activity for
4 million+ brands

5,000+ clients
in North America (22,000 worldwide)

Paid search data for

2 million+ advertisers

Digital + traditional

Today's Agenda

1 The Advertising Landscape

2 2019 Advertising & CPG Promotion Highlights

CPG Promotion Deep-Dive

3 Seasonality

4 BOGO/Free Product & Digital Feature Price

5 Digital Rebates

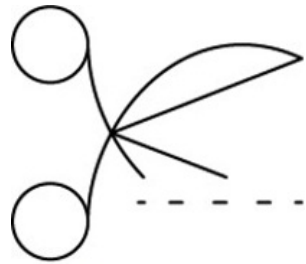
6 Creative Messaging

7 What's Next?



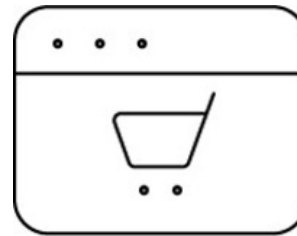
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Media



Print

FSI Coupons
Consumer Magazines
Sunday Magazines



Digital

100 Leading Network,
Aggregator, Retailer and other
websites, representing 95% of
traffic to websites that distribute
coupons

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Metrics

Print Coupons Dropped

The number of coupons on a promotion multiplied by the circulation of that promotion. Not to be confused with Page Circulation.

Pages Circulated

The number of FSI pages that circulated a given offer (be it a cents-off coupon offer or a Retailer feature within the FSI, etc.)

Digital Estimated Prints

Estimated # of prints (whether print at home, load to account or digital rebate) that occurred while a coupon was captured online*

Weighted Average Face Value

The result of combining and weighting the various coupon face values among a category or set of events and their respective coupon circulations.

Weighted Average Expiration

The average expiration length for a given entity weighted by the Circulation or Estimated Prints for the offer.

Class

We report at the Total Consumer Packaged Goods level as well as Food and Non Food

Area

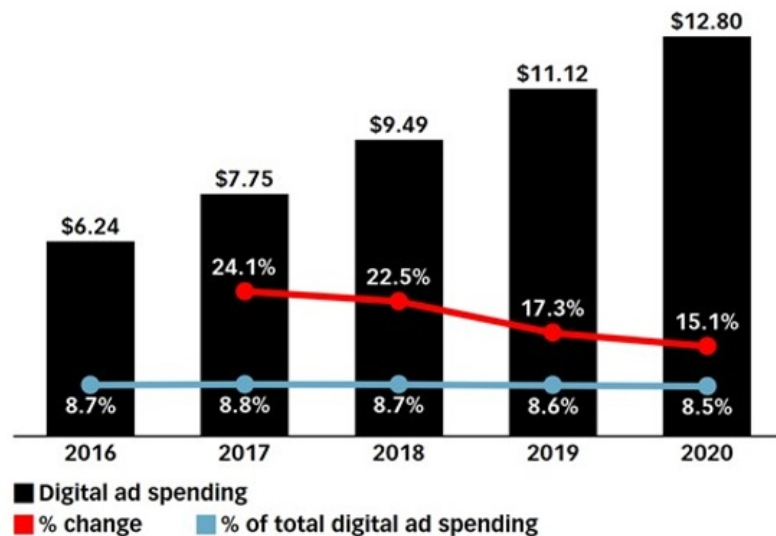
We report nine (9) various areas which include Cereals, Dry Grocery, Frozen Foods, Refrigerated Foods, Shelf Stable Beverages, Personal Care, Health Care, Household Goods and Other Packaged Goods

1 The Advertising Landscape



CPG & Consumer Products Industry Digital Ad Spending in the US, 2016-2020

billions, % change and % of total digital ad spending



Note: includes food products, household products, packaged goods, tobacco, personal care products, toiletries and cosmetic products; includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices, and includes all the various formats of advertising on those platforms
Source: eMarketer, July 2019

T10392

www.eMarketer.com

CPG advertisers
will increase
their digital ad
spending in 2020

Fragmented retail and coupon offer landscape demands a one-size-doesn't-fit-all approach to meet consumers' coupon and shopping behaviors



Shopper Value Offer Needs

- 58% of consumers feel coupons should be easier to use
- 53% prefer to be able to use paperless discounts at any store, not just the one offering the discount
- 46% need to search multiple places to find the coupons for products they want to buy.



Evolving Value Offer Behaviors

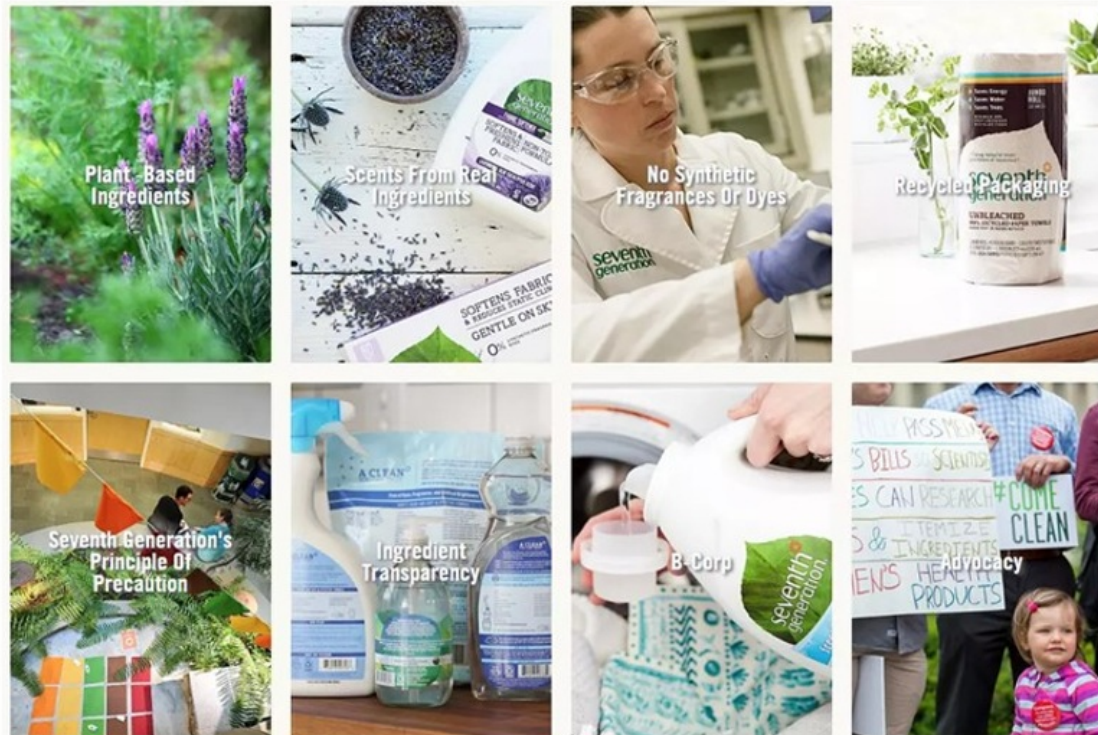
- 75% access and use paperless coupons in various ways
 - 30% use mobile apps
 - 23% plan their shopping list around paperless discounts
 - 23% make a list on their phone and check it while shopping



Channel Usage is Multi-Dimensional

- 51% use print media (mail, magazine, Sunday and weekday newspaper)
- 39% use digital coupons (email, text, QR code, internet sites/apps)
- 26% use loyalty cards (preferred customer card).

Consumers look for sustainability and 'purpose-driven' value and the CPG industry is responding

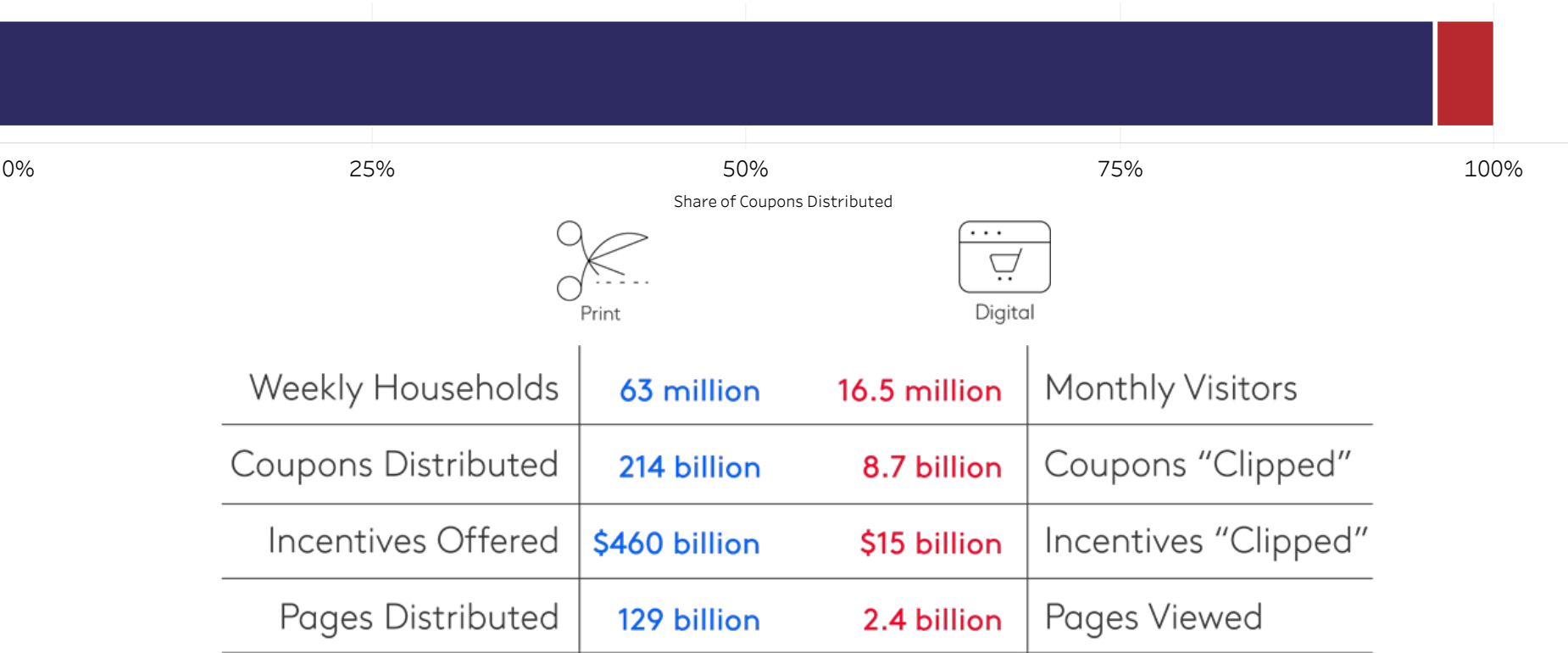


2 2019 Highlights



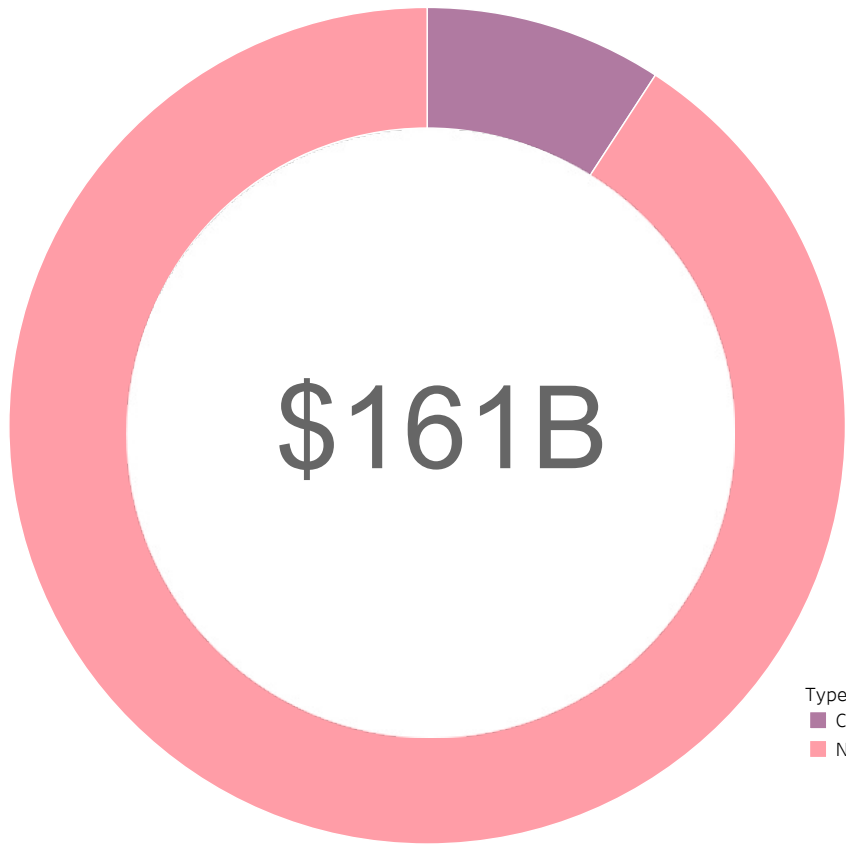
Highlights | Year End 2019

Quantifying the Promotion Landscape Weekly Households
FSI still dominates within **Print** and Total Promotion



Highlights | Year End 2019

CPG accounts for 9.2% of Total Ad Spend



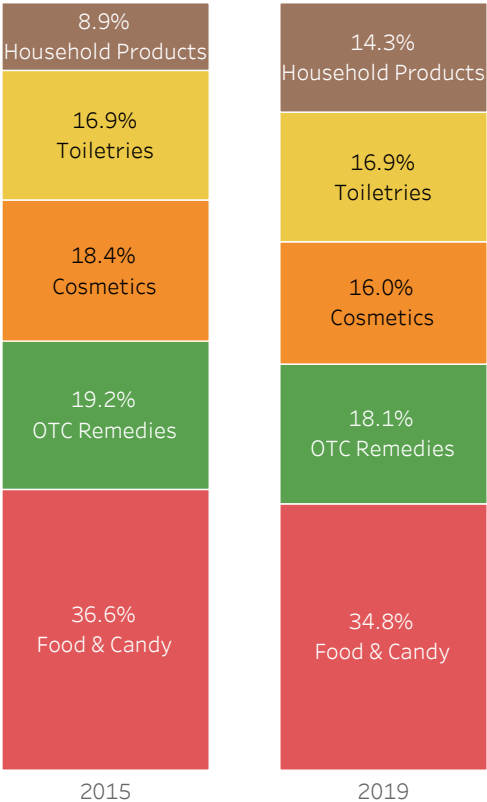
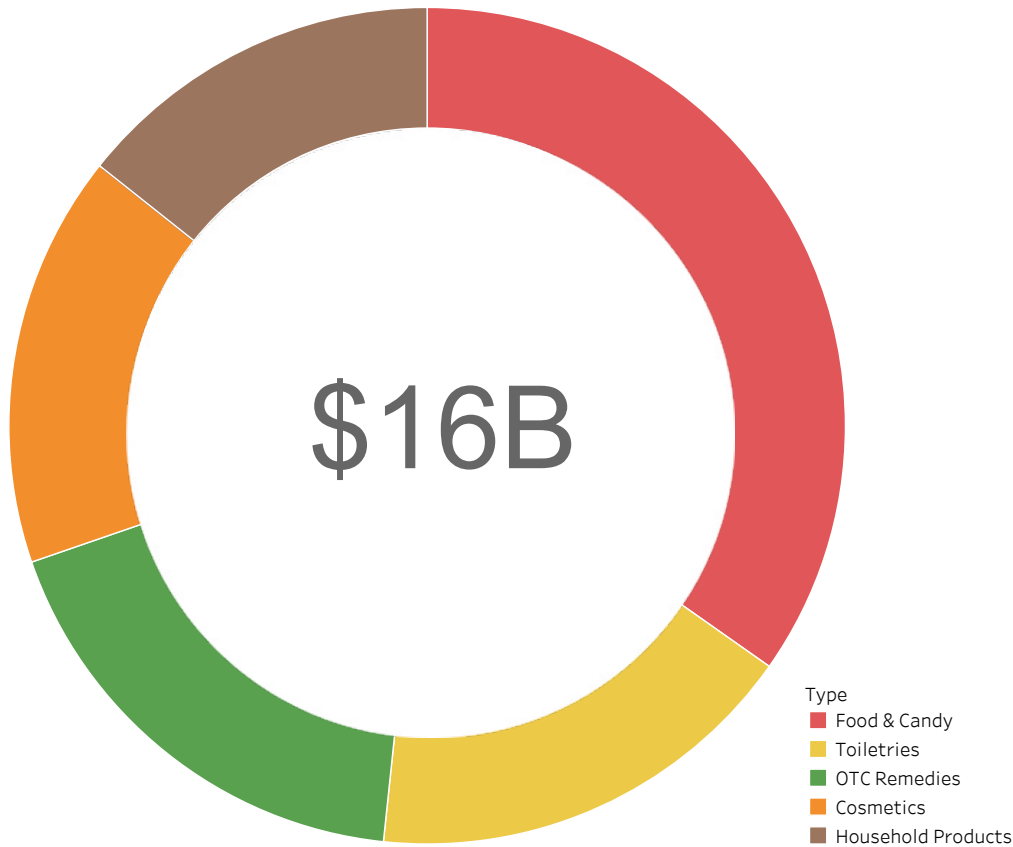
Type
■ CPG
■ Non-CPG

○ Total
● Industry
○ Segment

Highlights | Year End 2019

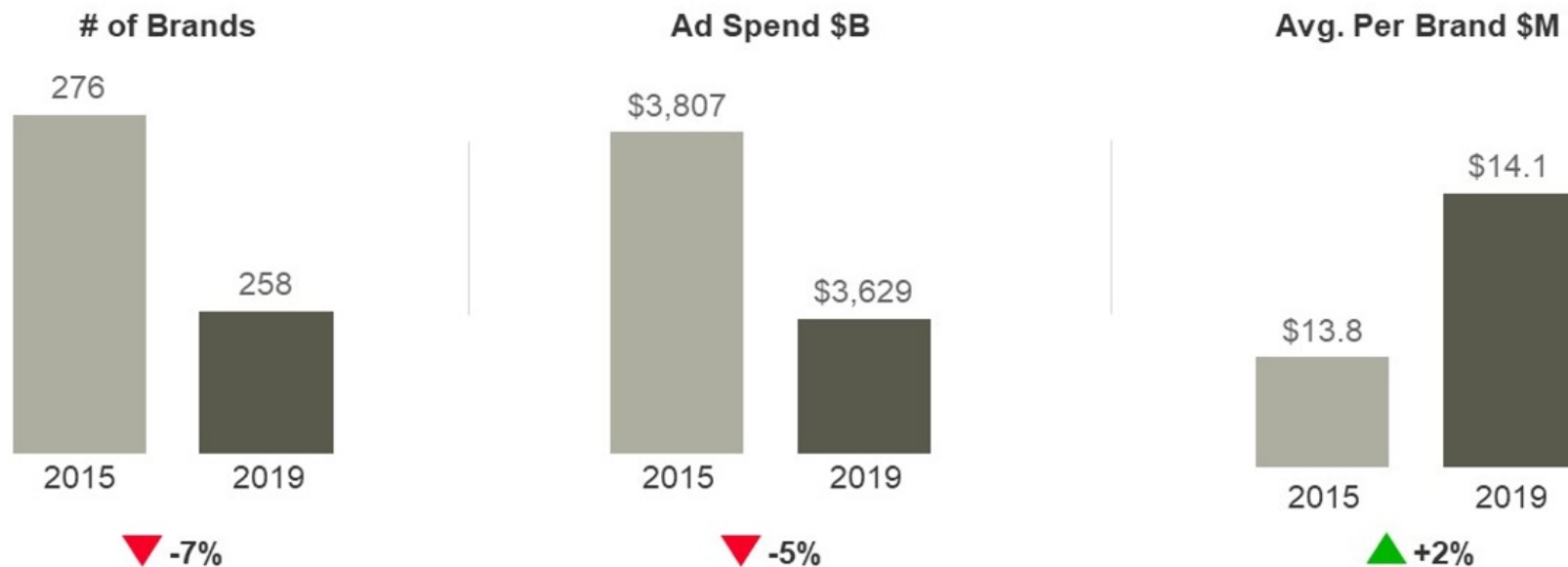
Only Household Products showed share growth vs. 2015

Segment Share of Voice



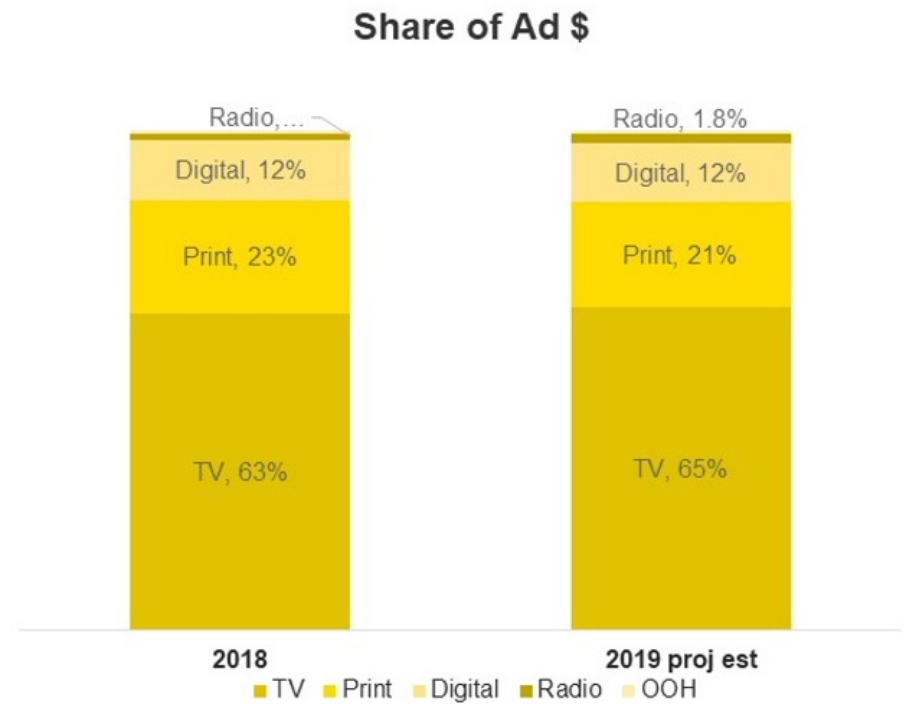
○ Total
○ Industry
● Segment

Trends continue to show that over the past few years, many leading CPGs have reduced the number of Brands receiving media ad support

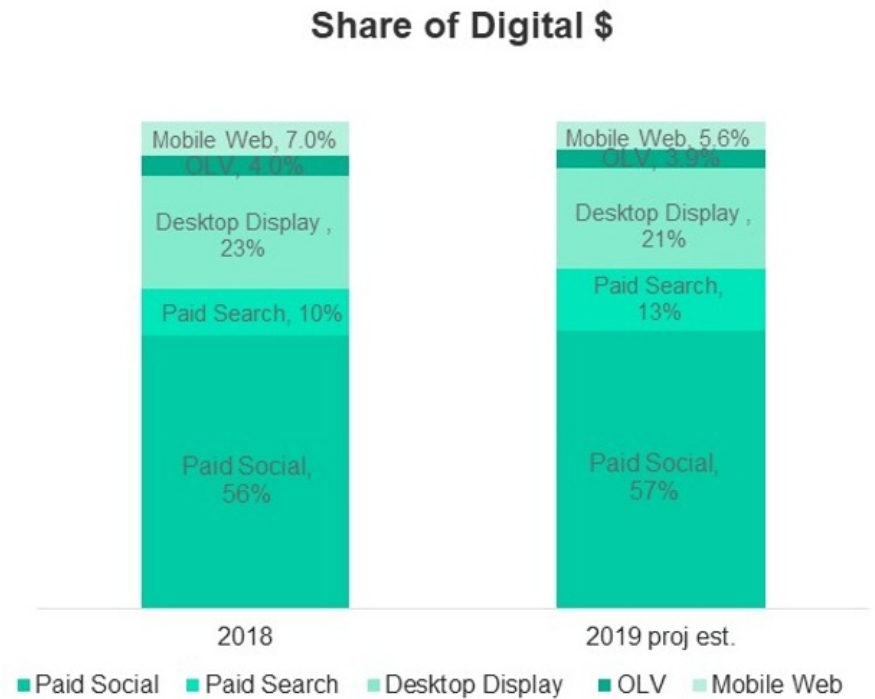


Among the top 20 CPG advertisers (Jan-Nov 2015 & 2019)

TV remains the dominant channel for media advertising

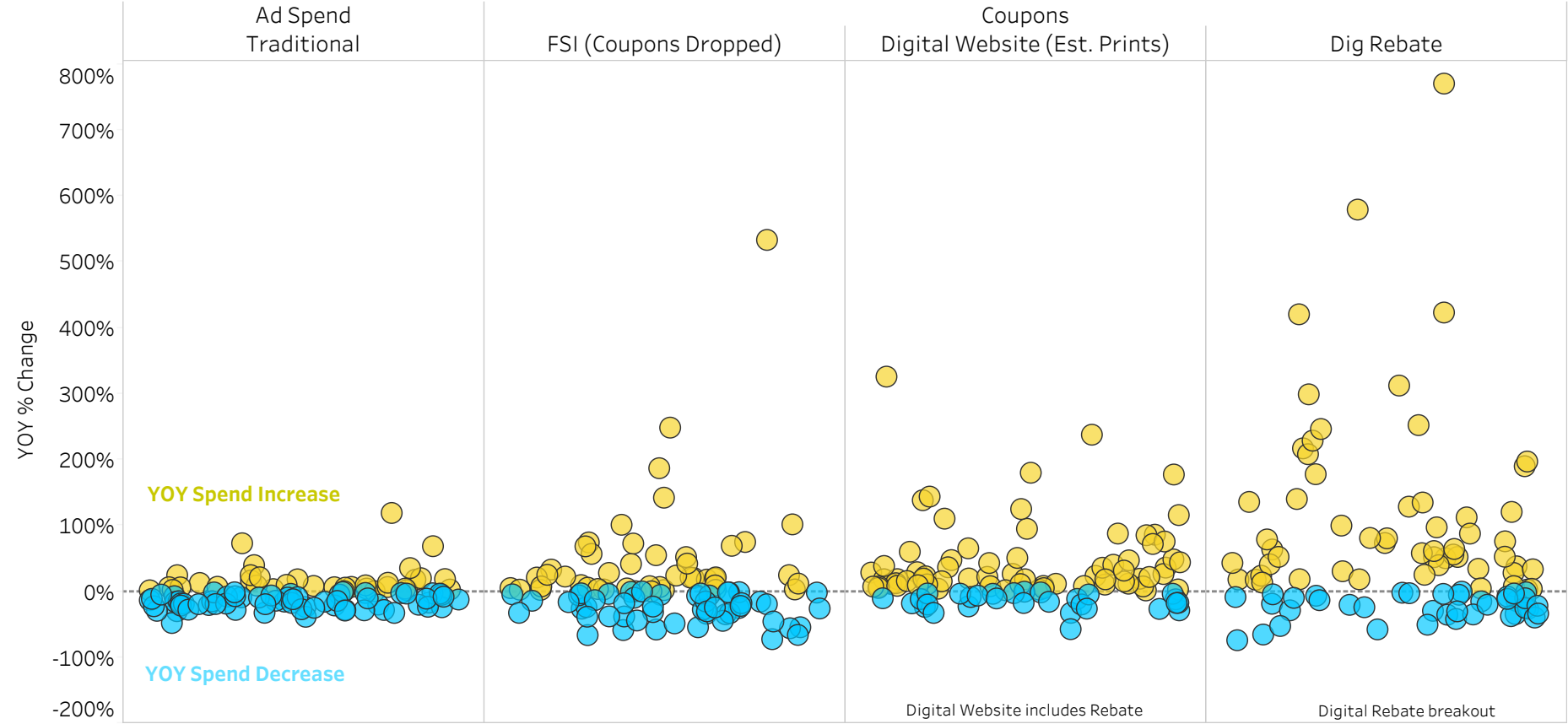


Paid Social and Search have emerged as priorities in Digital with combined share of 70% in 2019

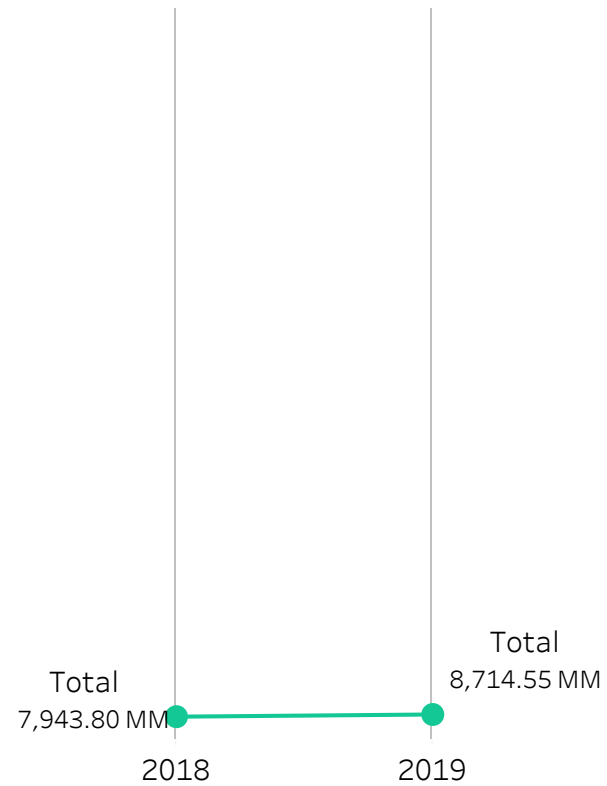
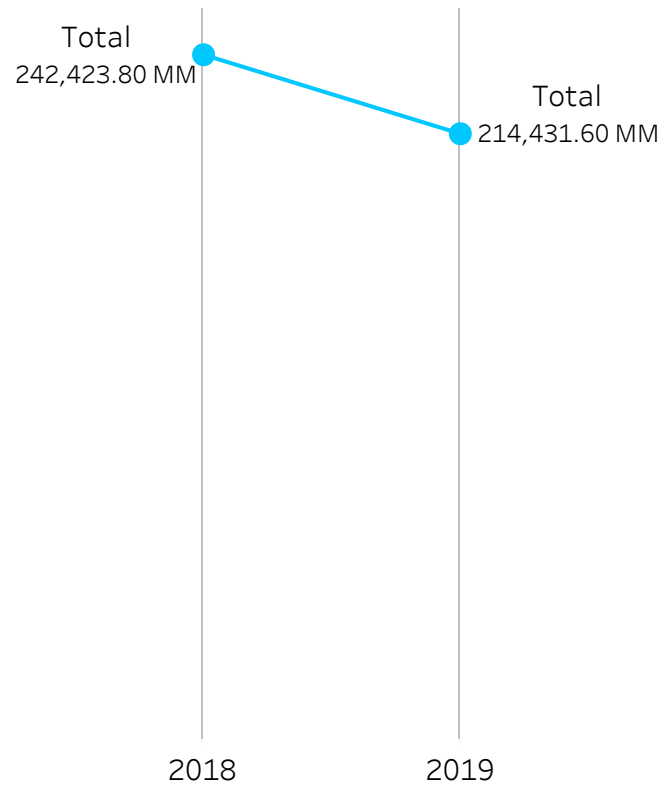
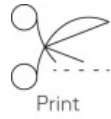


Highlights | Year End 2019

Manufacturers are growing in Digital media activity while Traditional media activity adopts more of a focused approach



Highlights | Year End 2019



Media Type
All

Level
☒ Overall
☐ Class
☐ Area

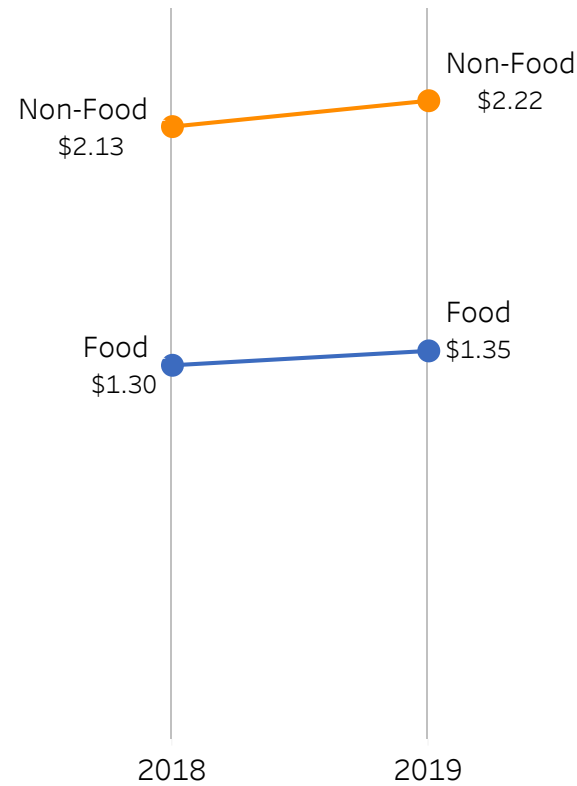
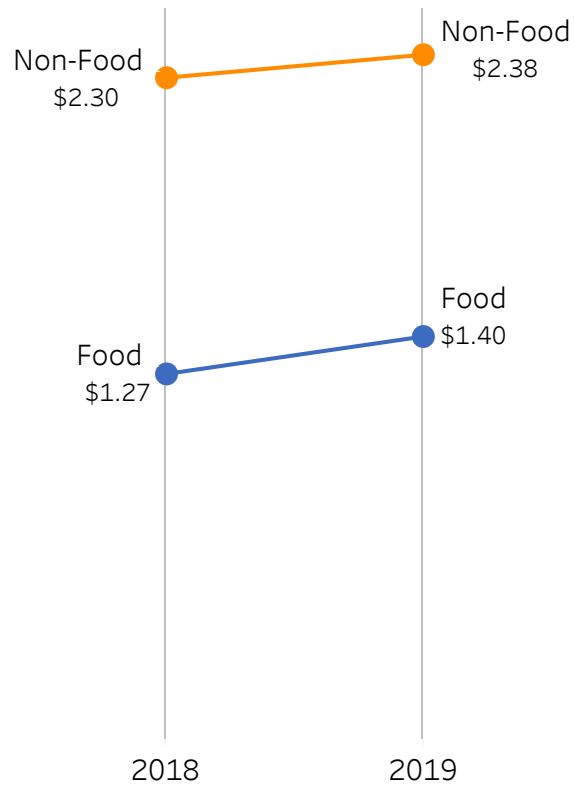
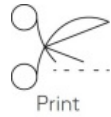
Class
All

Measure
☒ Distribution (MM)
☐ Wtd. Avg. Face Value
☐ Wtd. Avg. Expiration (Weeks)

Color By
☐ Class
☒ Change

☒ Decrease
☒ Increase

Highlights | Year End 2019



Media Type
All

Level
☐ Overall
☒ Class
☐ Area

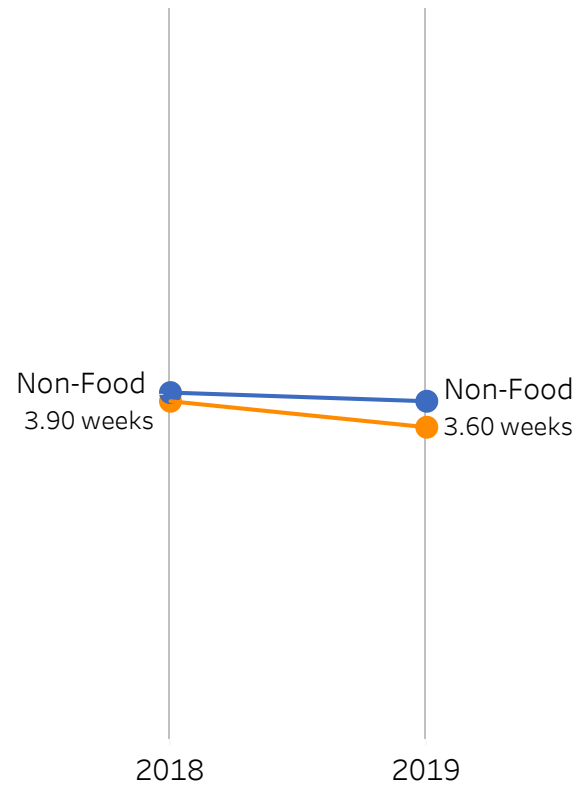
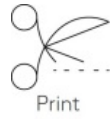
Class
All

Measure
☐ Distribution (MM)
☒ Wtd. Avg. Face Value
☐ Wtd. Avg. Expiration (Weeks)

Color By
☒ Class
☐ Change

☒ Food
☒ Non-Food

Highlights | Year End 2019



Media Type
All

Level
☐ Overall
☒ Class
☐ Area

Class
All

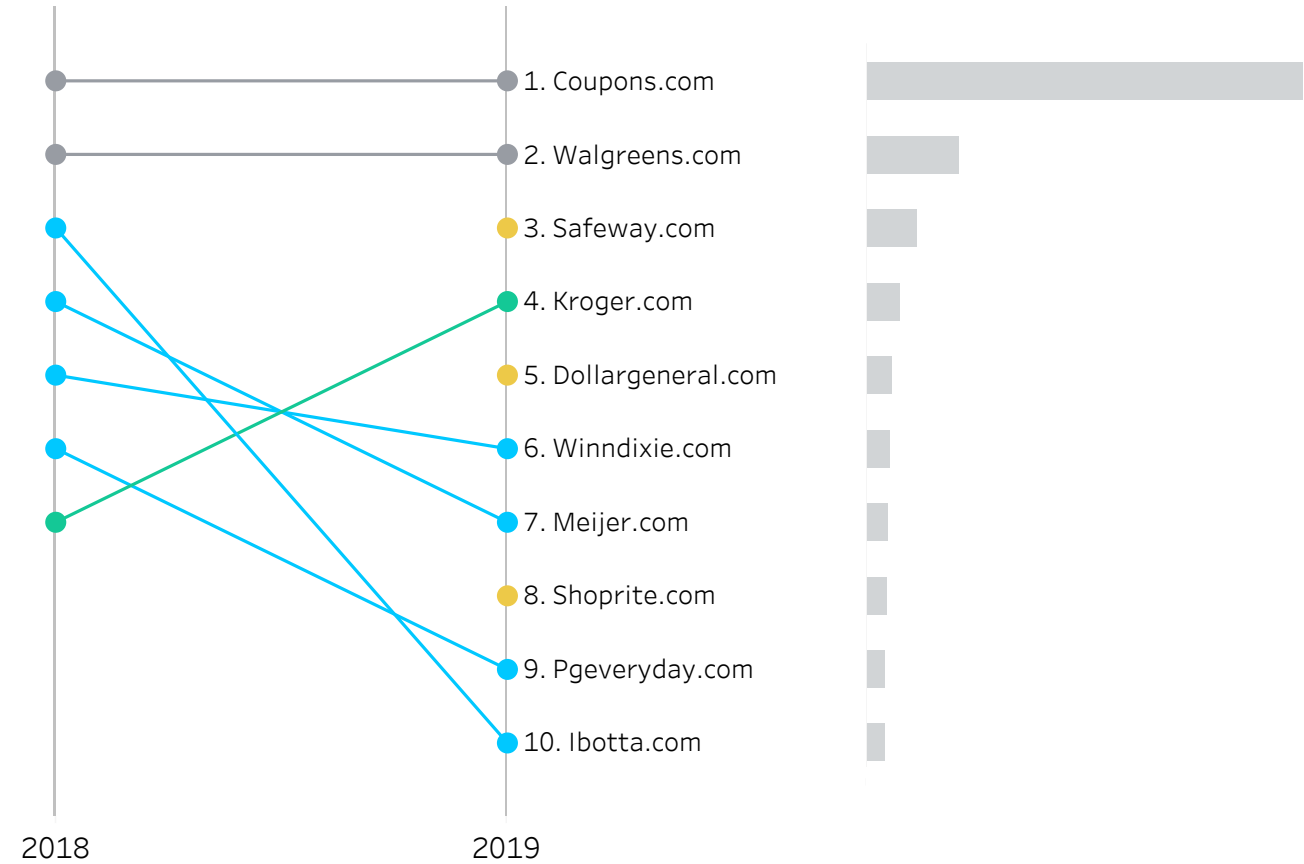
Measure
☐ Distribution (MM)
☐ Wtd. Avg. Face Value
☒ Wtd. Avg. Expiration (Weeks)

Color By
☒ Class
☐ Change

☒ Food
☒ Non-Food

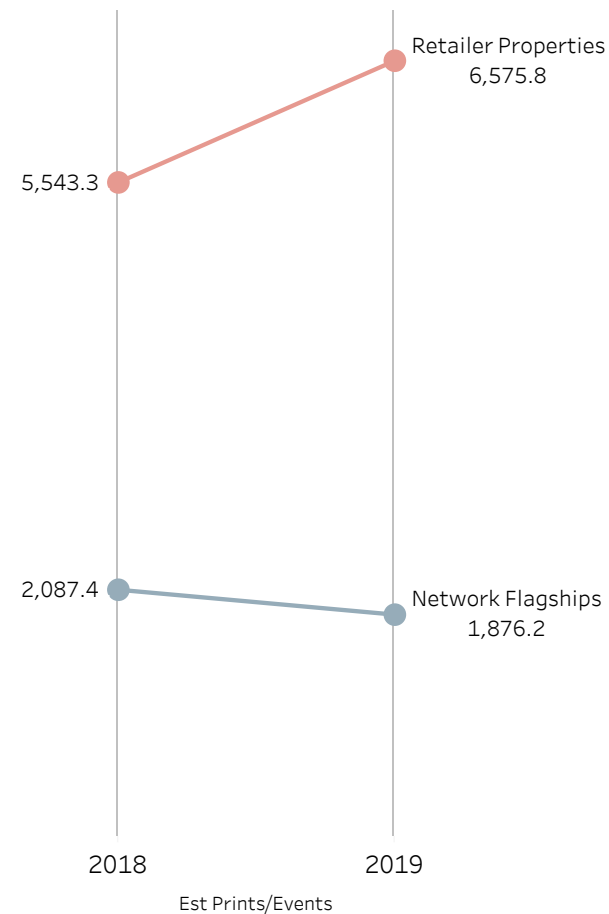
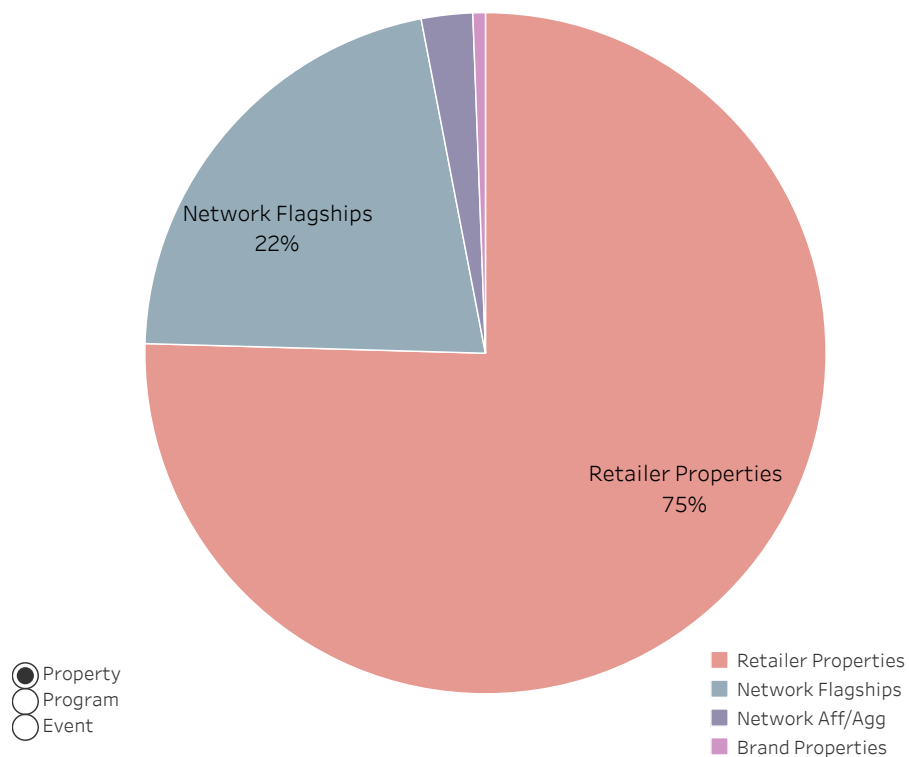
Highlights | Year End 2019

Coupons.com is still ranked highest in Website Traffic for Digital



Highlights | Year End 2019

Consumers rely on Retailer websites for 75% of coupons clipped

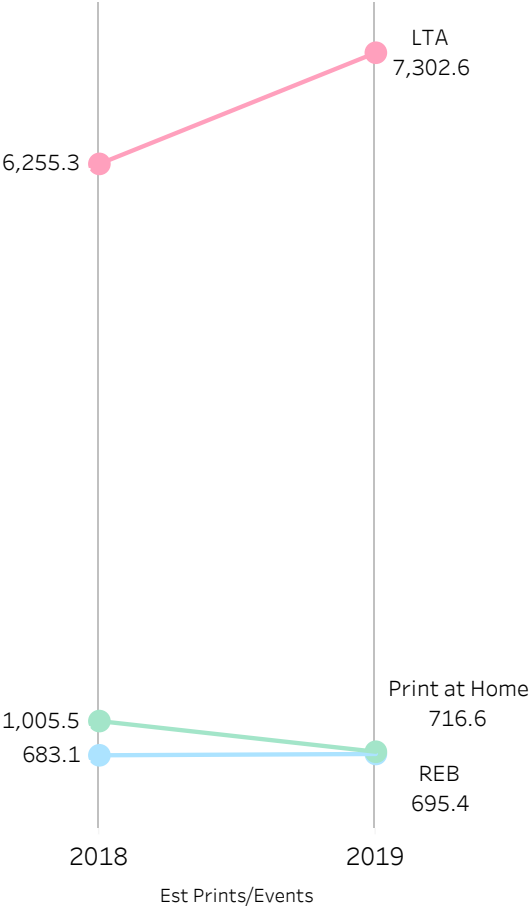
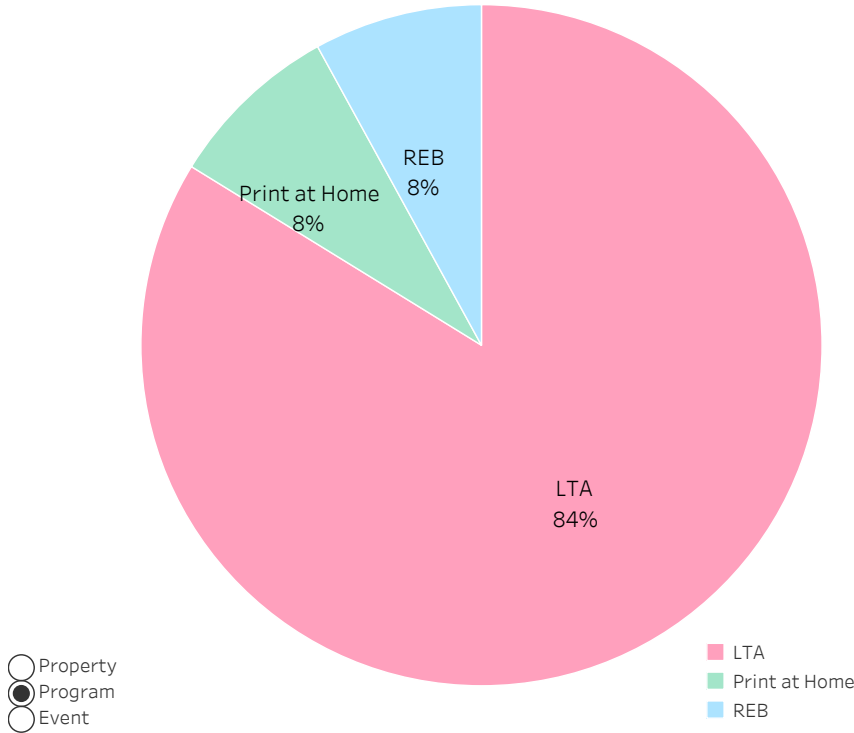


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Property Type – high level groupings of website prints based on Retailer properties (i.e. Kroger.com), Network sites (i.e. coupons.com), Network Affiliates (i.e. couponmom.com) and Brand properties (i.e. pgeveryday.com)
 Program Type – Digital offers including Load To Account, Print at Home and Digital Rebate.
 National / Regional Events - National Digital defined as running on coupons.com, redplum.com, smartsource.com, target.com, walmart.com, cvs.com, dollargeneral.com or across 5 or more parent retailers.

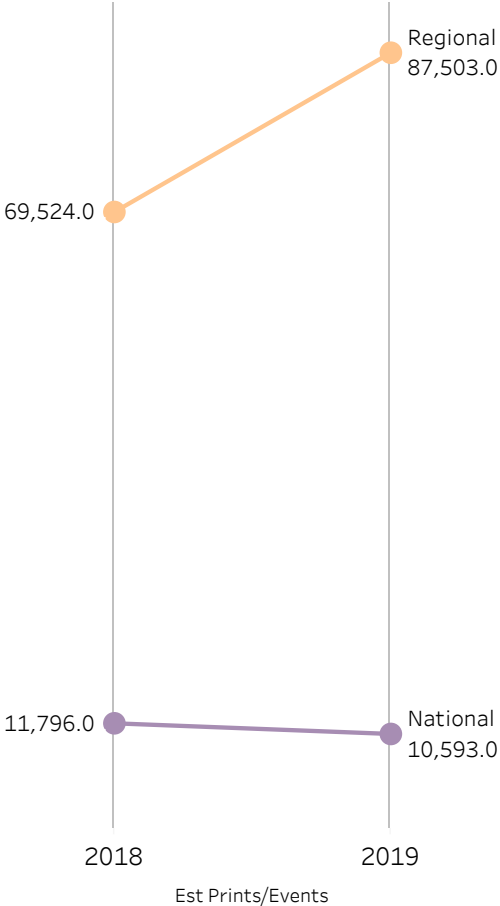
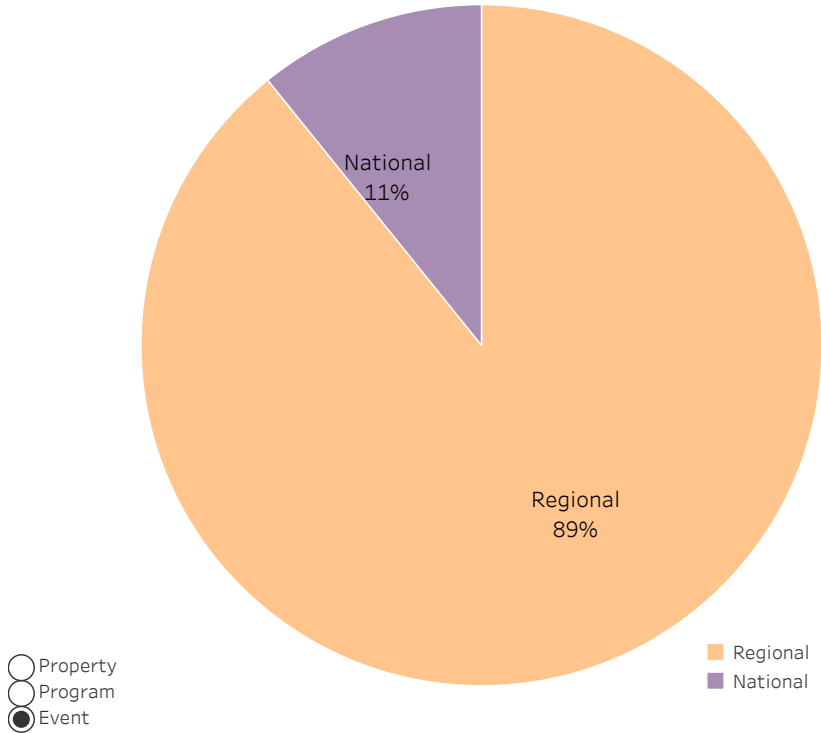
Highlights | Year End 2019

Digital Rebates now match PAH in share of clips

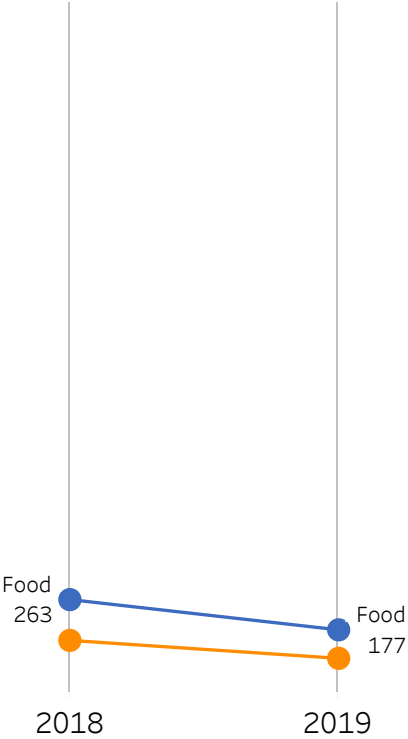
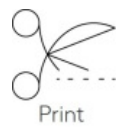


Highlights | Year End 2019

Regional now accounts for 89% of Digital events



New Products | Year End 2019



Measure

- # of New Products
- New Product Events

Media Type

- All

Level

- Class
- Area

Class

- All

Color By

- Class
- Change

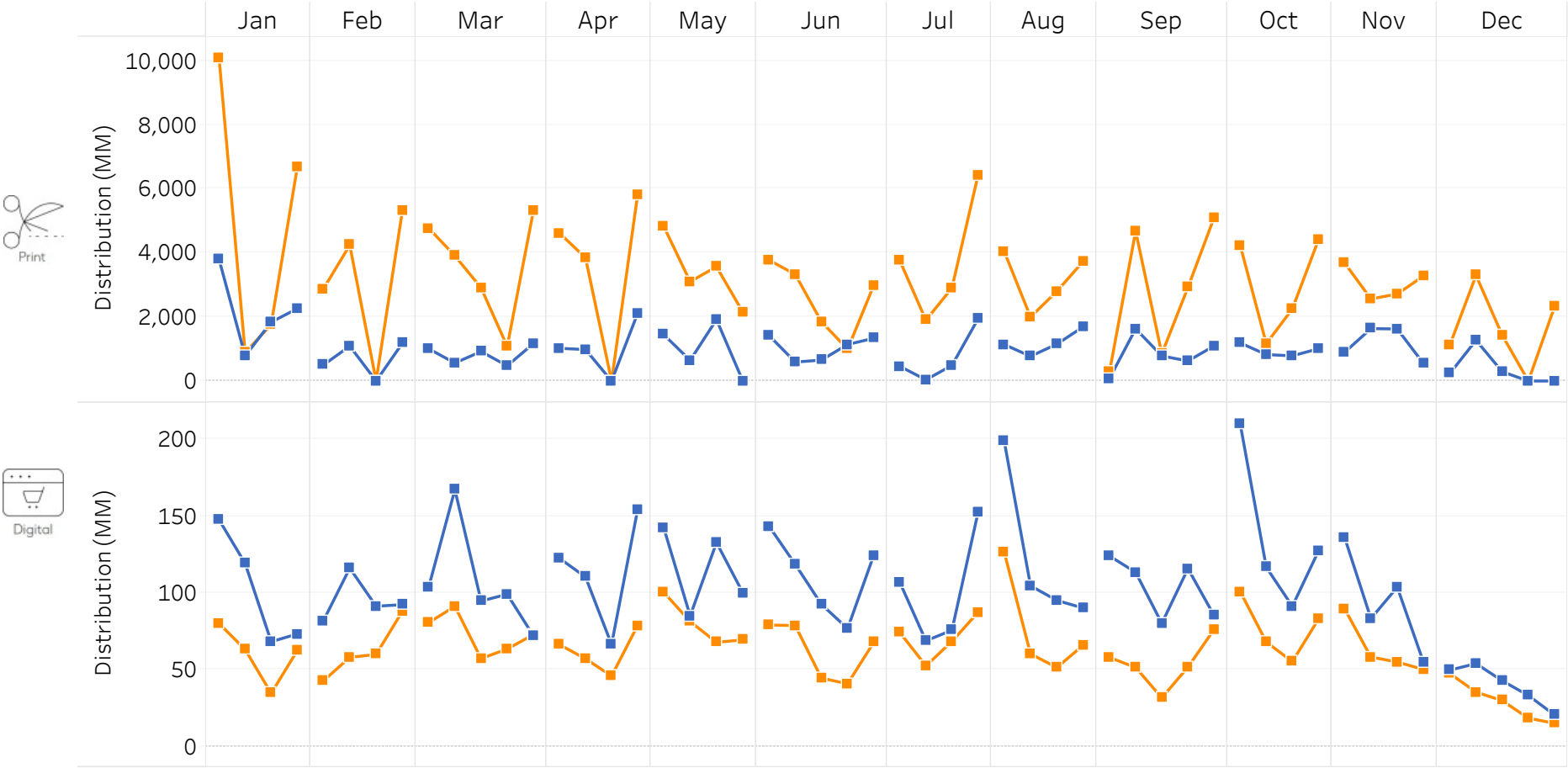
Food

Non-Food

3 Seasonality



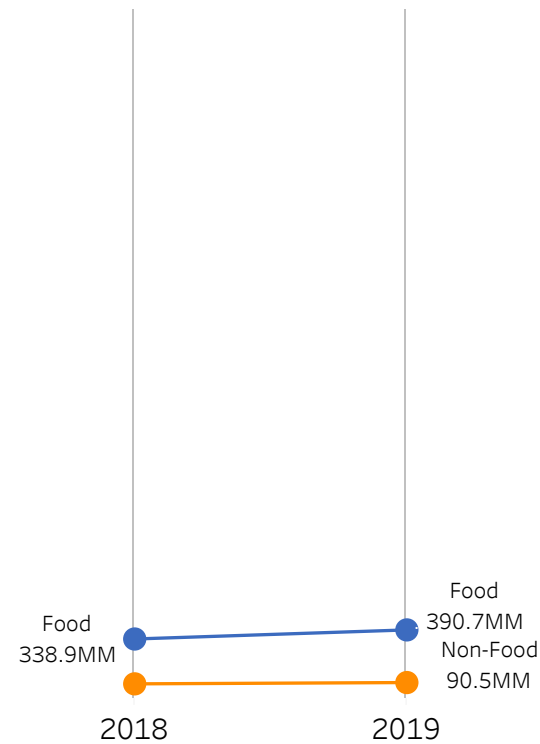
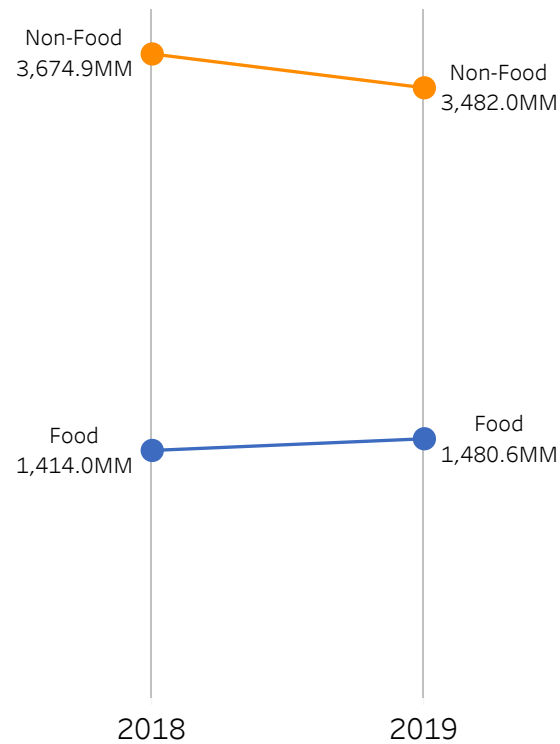
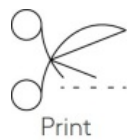
Seasonality | Year End 2019



4 From BOGO/Free Product to Digital Feature Price



BOGO & Free Product | Year End 2019



Media Type
All

Level
● Class
○ Area

Class
All

Color By
● Class
○ Change

■ Food
■ Non-Food

What's the offer?

Examples in 2019 Print and Digital Promotion



BOGO



Free Product



Digital Feature Price

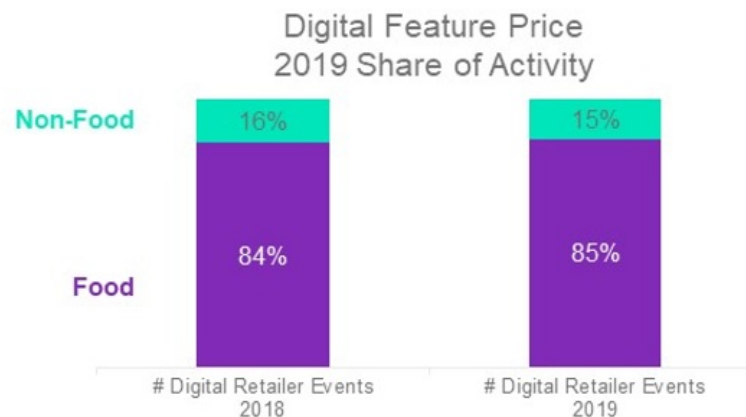
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Digital Feature Price

Offers provide a window into the price points used at Retailers

Digital Feature Price – Offers that appear only on Retailer websites and feature a sale or discounted price point rather than a redeemable coupon.

Food leads in share of Digital Feature Price events on retailer websites, however the growth of Digital Feature Price events was seen across all areas.



Area	YoY Change
Other Packaged Goods	▲ +540%
Frozen Products	▲
Refrigerated Foods	▲
Shelf Stable Beverages	▲
Health Care	▲
Personal Care	▲
Dry Grocery	▲
Household Products	▲
Cereals	▲ +53%

5 Digital Rebates



Digital Rebates

Digital offers where you get cash or points that can be redeemed later.

ACP Digital Receipt Rebate Incentives

These are offers distributed via phone app or website where consumer select incentives, meet the incentive requirements and redeem the offers by photographing the receipt and uploading the picture to the incentive distributor.

The distributor validates the incentive offer and sends the savings digitally. The rebate is received post-purchase.

Some programs are automated with participating retailers providing purchase data to the distributor that tracks the consumers purchases. Not to be confused with a traditional paper or digital store redeemable coupon.

Checkout 

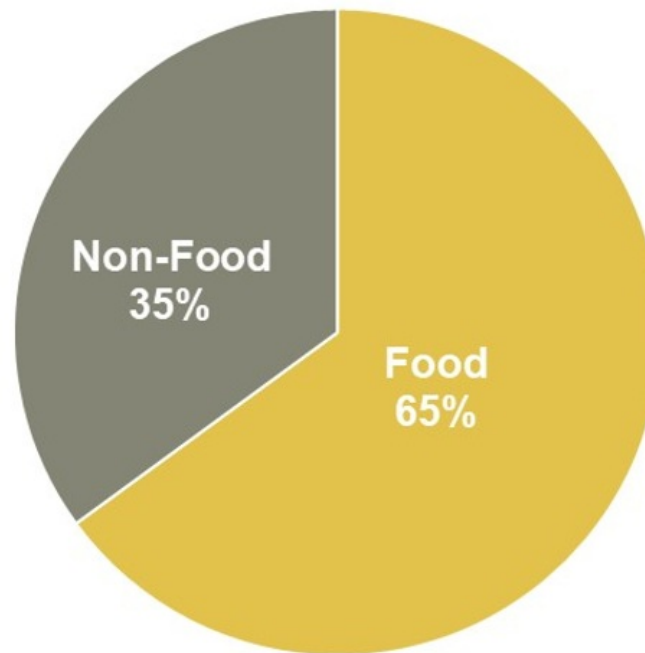
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Food remains on top – in Rebates and in Digital Promotion

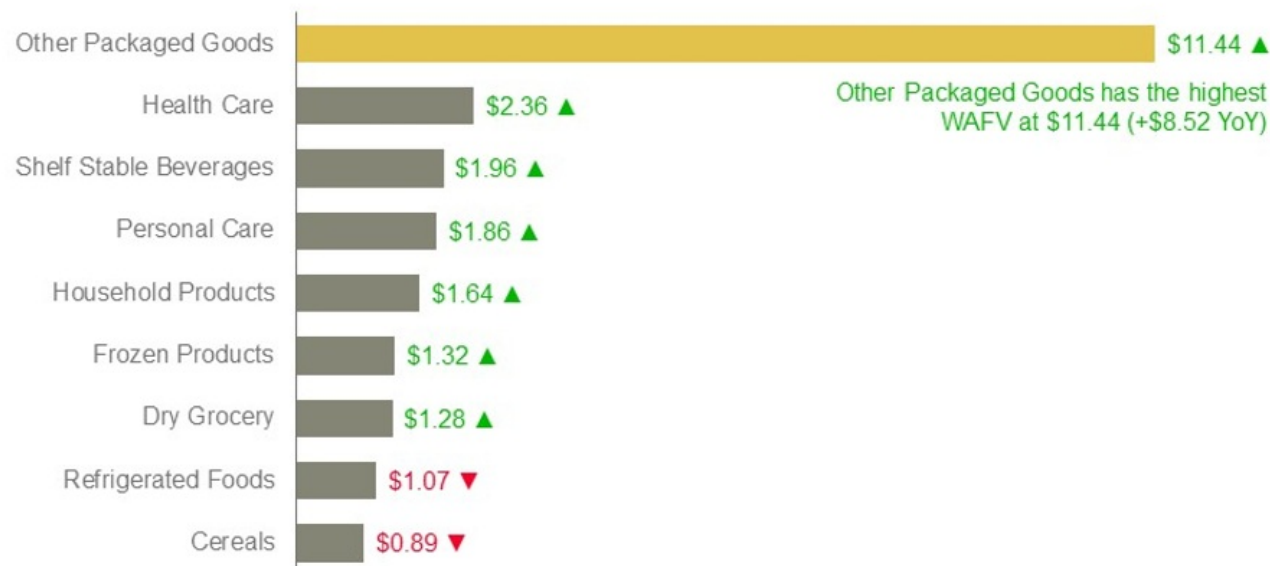
Digital Rebates 2019 Estimated Prints Share of Activity

Overall activity is up +0.3% YoY



Digital Rebates incentives on the rise in 7 out of 9 areas

Digital Rebate 2019 Weighted Avg Face Value



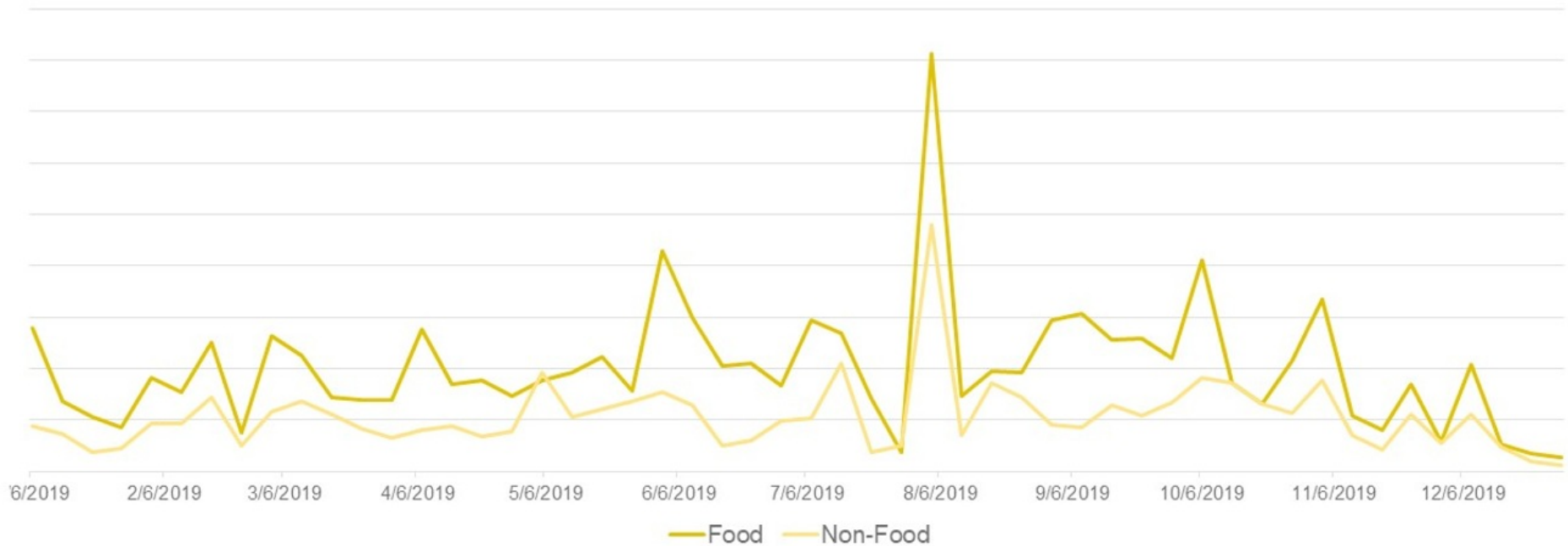
Top 5 Most Active Product Types in Digital Rebates

Product Type	WAFV
1. Snacks	\$1.10 ▼
2. Cereals	\$0.89 ▼
3. Other Packaged Goods	\$11.49 ▲
4. Alcoholic Beverages	\$2.69 ▲
5. Beverages	\$1.48 ▲

- Other Packaged Goods had the highest WAFV of any Product Type at \$11.49 followed by Pharmaceuticals at \$5.24 and Hair Other at \$5.00
- The number of manufacturers offering average incentives of \$10 or more in Digital Rebates grew dramatically in 2019 (+83 manufacturers YoY), almost exclusively in Other Packaged Goods.

Peak Season in August ahead of Back to School – driven by Food

Digital Rebate 2019 Seasonality



6 Creative Messaging



QR Codes

QR Codes appeared at least five times in FSI Creatives during the second half of 2019 – directing consumers to interact more closely with brands

QR Codes in FSI Creatives pointed consumers to brand websites with recipes, product quizzes, trend articles, and mailing list signups

QR Codes were primarily utilized by Home and Beauty brands



Use of QR Codes in TV advertising was also reported by Kantar's 2020 Media Trends & Predictions, in the section "Content Meets Commerce"

Brand Activism

As brands become more vocal in support of big causes, these messages have also found their way into FSI Creatives

- Two causes that appeared frequently in FSI Creative messaging in 2019 were **environmental responsibility** and **gender equity**
- Environmental messages included callouts for utilizing recycled materials, ethical ingredient sourcing, and 100% recyclable packaging
- Gender messages included programs donating to girls education, promoting self-esteem, and brand support for International Women's Day
- In 2019, social messages were most commonly seen among Beauty brands
- Brand Activism was also highlighted in Kantar's 2020 Media Trends & Predictions, in the section "Brands Take a Stand"



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Insight Summary

In December 2019, Kantar launched its [2020 Media Trends & Predictions report](#), which looked at 12 trends and predictions across three strategic themes: technology trends; newer spaces that brands can credibly occupy; and context and catalysts for change. This report brought together expert insights and trusted datasets from across Kantar, building on our earlier Social Media Trends and Media Predictions reports to provide a holistic perspective on the media landscape.

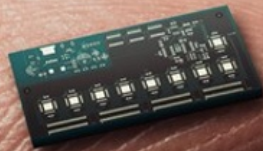
In 2019, Kantar saw these trends connect with **Promotion and CPG coupons in two areas: QR Codes and Social Activism.** As an emerging tactic, QR Codes have begun to appear in FSI Creatives for a number of brands adding a layer of interactivity to Print Promotion. Social responsibility messages have also become increasingly common as brands utilize the Creative space available alongside coupons to promote important causes and appeal to consumers. Kantar contributed both of these trends to CPG Matters January 2019 article entitled [“Bold Coupon Predictions for 2020 Reveal Diversity of Opinions.”](#)

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7 What's Next?



Digital coupon volume continues to increase, but there's still a long way to go in closing the gap with Print.



In Print and Digital,
incentives are
stronger than ever,
but not one-size-fits-all
across CPG.



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CPG brands are increasingly looking for new ways to be the “best offer on offer.”



Q&A



Thank you

Learn how these industry trends affect your category and how key competitors use Promotion to support their brands

Contact your Kantar account manager or our Client Service team to schedule a business review:

Promotion_ClientServices@kantarmedia.com or

952-925-5272

Darcy Douglas will present at the **Association of Coupon Professionals Industry Coupon Conference** on April 22



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Understand People Inspire Growth

About Kantar

Kantar's Media Division is a global leader in media intelligence, providing clients with the data they need to make informed decisions on all aspects of media measurement, monitoring and selection. Kantar provides the most comprehensive and accurate intelligence on media consumption, performance and value. For further information, please visit us at www.kantar.com

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