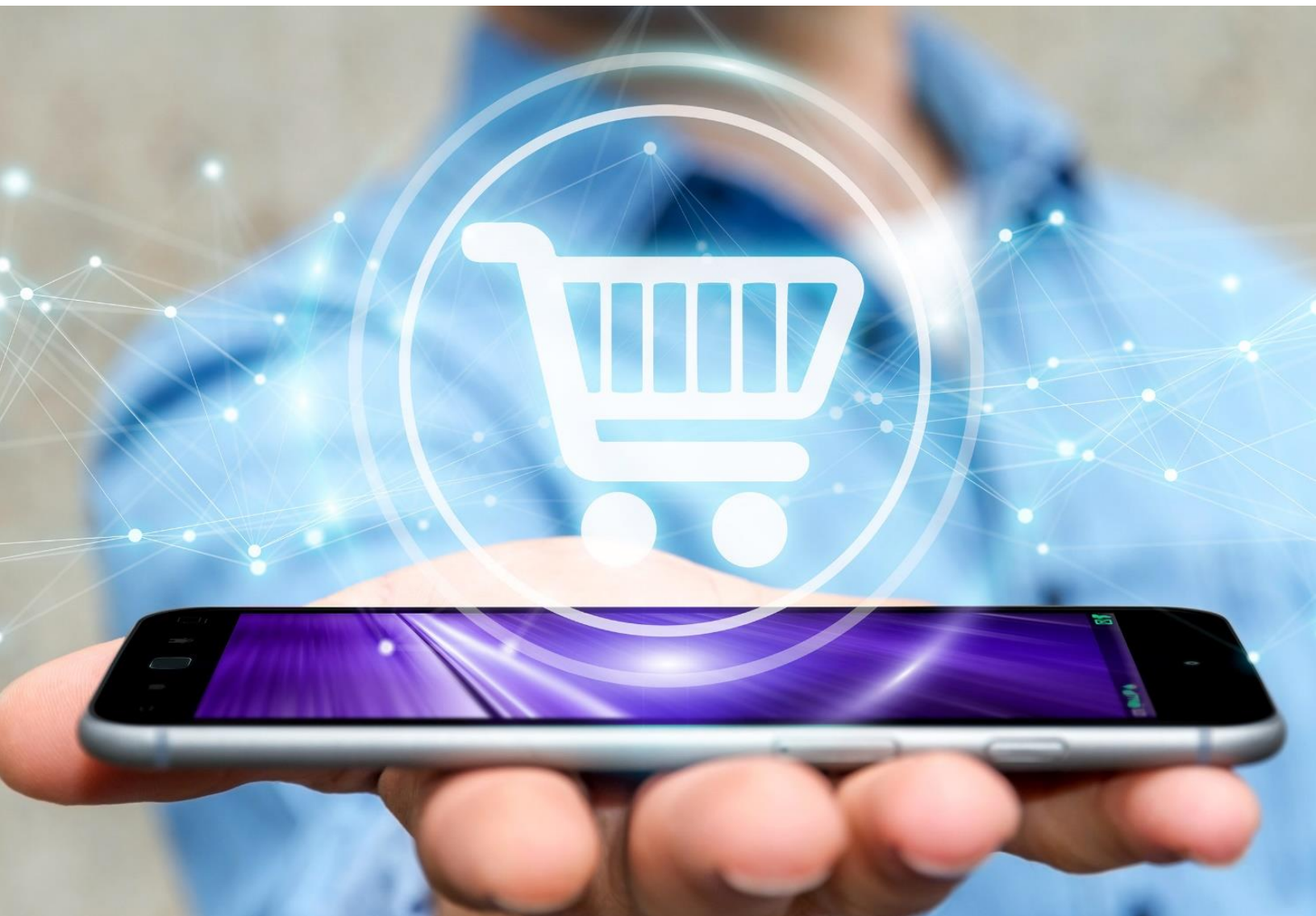# Research Solutions for eCommerce Category Leadership

Decision Insight embraces the 5-Step eCommerce Category Leadership process developed by CMA and TPG. Our research guides strategic and tactical recommendations for manufacturers and retailers to optimize the online shopping experience and generate sales.

DECISION INSIGHT
Shopper Centric › Retail Forward

CMA
CATEGORY MANAGEMENT ASSOCIATION
BUILDING SHOPPER SATISFACTION

As the leading shopper-centric virtual research firm, Decision Insight is dedicated to leveraging the key elements within each phase of the TPG CatMan 5-Step Process for eCommerce that best generate ROI for both retailer and manufacturer.

Using the art and science of DI's proprietary Test and Learn Digital.IQ™ research platform, Decision Insight guides clients with research-informed strategic direction and research-proven tactical recommendations designed to replace eCommerce uncertainty with market confidence and clarity and ultimately, post wins in the eCommerce marketplace.

Retailers and CPGs alike are frustrated with the lack of real-world success stories in developing winning strategies – let alone reliable tactics – for the eCommerce marketplace.

In the digital, screen-sized world of eCommerce – a world lacking the time-tested levers of physical aisles and shelf-impact – products displayed in the virtual wasteland beyond the first page (or even below the fold), may soon be endangered species.

But there is good news. Every day, the disruption that is the eCommerce/Digital/Online world presents manufacturers with growth opportunities like none witnessed in the last 100 years of traditional retail. Opportunities such as curated product sets, collaborative multi-brand communications, and reimagined shopping experiences (that create real shopper excitement that not just meet, but truly *exceed* shopper expectations), are just a few of the possibilities.

Decision Insight has developed a proprietary
eCommerce Test & Learn platform to test digital strategies
wherever you are in the new 5-step Process:

1	2	3	4	5
DEFINE your category in the eCommerce channel with Digital CDTs	**DISCOVER** shopper behavior across the larger marketplace with Path to Purchase	**DESIGN** strategies and tactics with Digital.IQ™ virtual eCommerce simulations	**DEVELOP** successful programs to optimize the shopper experience	**DELIVER** thought leadership to win at retail

Digital CDT Evolves from Defining Just a Single Category to Occasion/Solution Selling

In the CatMan 5-Step Process "Define" phase, the critical element is insight and alignment on the placement objective to be developed within eCommerce. Is it still Category? Or is it Category and Occasions/Solutions? And how does this all relate to Search? All critical questions that should have robust insight derived from cost-effective research before the process continues.

For retailers and CPGs alike, the burning question of the day is how to optimize eCommerce taxonomy without the physical shelves and fixed space of the Brick & Mortar world. Additional eCommerce-specific queries include:

o What is the optimal taxonomy within a specific eCommerce category to provide shopper emotional connectivity and/or best spark impulse-driven triggers?

o Considering the opportunity presented by eCommerce's lack of physical limitations (a staple of Brick & Mortar), what key adjacencies should be considered (e.g., Breakfast having Milk, Cereal, Bread, Yogurt, and Eggs side-curated online), and what Occasions/Solutions should a given category play in?

o How to best optimize the Search Function? When a shopper enters any given request, what display taxonomy should follow?
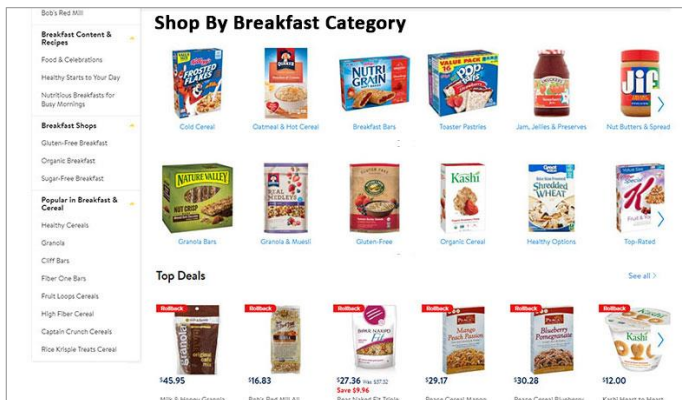
Research Shows: **More shoppers consistently noticed more product categories when an "Occasion Category" was added.**

% Who Recall Seeing Each Product Category
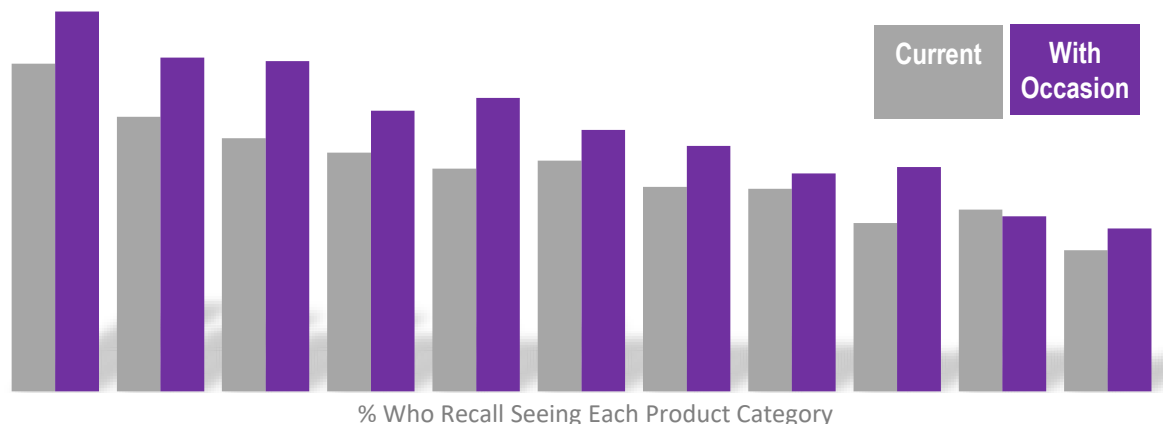
Decision Insight has developed a proprietary Digital CDT (Consumer Decision Tree) that considers both stated and actual shopping behaviors, producing the following benefits:

✓ Provides a specific display taxonomy for a given category that makes the shopping experience easier for today's time-starved shopper, which could be far different from what a Brick & Mortar decision process might be.

✓ While a leading brand may command four vertical feet of shelf space in Brick & Mortar, this is often replaced with just a single online image. The Digital CDT provides actionable insight for best use of imagery and content to break through eCommerce clutter – even when the product is below the fold – or not on the first page.

✓ Answers to which Occasions/Solutions categories and products should participate in to increase cross-category and impulse purchases – and also give the shopper a variety-seeking experience that closely replicates large vertical sections within Brick & Mortar.

Methodology / Deliverable

A Decision Insight client in the Baby Care category had questions concerning the taxonomy for one of their primary subcategories. Decision Insight's Digital CDT (Consumer Decision Tree) provided thought leadership and valuable insight for the client's internal marketing personnel – and ultimately their retailers – ensuring optimal eCommerce placement, providing a shopping cart win for both the client and their retailers.

2 DISCOVER SHOPPER BEHAVIOR

OmniChannel and Trip Mission Influence Purchase Decisions

There are many elements of the TPG CatMan 5-Step Process "Discover" step that focus on consumer and shopper targeting, along with understanding the Path to Purchase across both eCommerce and Brick & Mortar. With today's Path to Purchase zigzagging between multiple channels including Brick & Mortar, Online, and subsets like Mobile, *how do factors such as channel and trip mission influence the purchase decision?*

o This new Path to Purchase or "Journey" (as it is referred to within the TPG-CMA paper) varies considerably by category.

o There is emphasis on better understanding the Trip Mission for a category: Is it Stock Up, Impulse, or Fill In?

o Understanding how shoppers shop for your product is essential. For example, consider product type. Products like cell phones have a considerable amount of online research in the Plan phase, including buyer attitudes obtained through social media. Essentially, the brand decision has been made in the Plan phase. The Shop phase is less important after the initial research is done by the shopper. On the other end of the spectrum, a product like Cereal may have less importance placed in the Plan phase but the Shop phase becomes more important.

- During the CatMan "Discover" step, the most important considerations are two-fold:
  - First, **where is the shopper most ready to be intercepted** to obtain critical information that influences purchase? (This can vary dramatically as illustrated above.)
  - Second, **what type of interruption is needed to influence purchase**? (price, coupons, other forms of promotion?)

Decision Insight has developed a two-phase methodology within the new Path to Purchase that addresses the above questions.

- Phase 1 focus is identifying the most important drivers of purchase to sharpen direction along the path and set the agenda.

- Phase 2 gains understanding regarding the best strategic and tactical interruption opportunities – using tools that utilize not only attitudinal research but also behavioral research to project predictive sales results.

DI's proprietary two-phased approach also uses mobile technology – providing the following side benefits:

✓ Speed – Decision Insight's mobile research approach is much faster than traditional Ethnographies and Focus Groups.

✓ Cost-effectiveness – Decision Insight's mobile research approach is not only a time saver, it's also available at a much lower cost vs. historical methods.

✓ Greater breadth and depth – The mobile research platform spans the country, improving nationwide confidence in channels, retailers, and shoppers.

SAVE 20% TODAY when you set up your first Autoship | Learn more

Fancy Feast Classic Seafood Feast Variety Pack Canned Cat Food
By Fancy Feast
★★★★½ 475 Reviews | 8 Answered Questions

Price: **$15.92** FREE 1-2 DAY SHIPPING OVER $49

In stock

Size: **3-oz, case of 30**

| 3-oz, case of 12 | 3-oz, case of 24 | 3-oz, case of 30 |

1
Quantity

Add to Cart

Roll over image to zoom in

Methodology / Deliverable

A recent Decision Insight study found that in that client's specific category, the Plan phase heavily relied on online research – which was also a key interruption opportunity. Historically, in Brick & Mortar, the Shop phase was the interruption opportunity. Consequently, developing new merchandising material was a key factor for the client's past success in sales conversion. The new category insights gained through the Path to Purchase study provided learning and direction and ultimately thought leadership for the client's internal marketing personnel, and subsequently, in communicating direction to their retailers.

Test & Learn What Content and Promotion Strategies Win for eCommerce

Once the "Define" and "Discover" steps of the TPG CatMan 5-Step Process have been completed, key strategies have been identified along with tactics designed to drive them. "Design," the next step in the 5-Step process, is the critical junction of success and failure.

With eCommerce (as previously noted), no longer does a product enjoy first position on a physical shelf with the potential of multiple facings and brand blocking. In the "Design" step, one of the most important questions to be asked is: *Without changing physical packaging, what online content will be the most effective in capturing the shopper's attention and best impact conversion?*

Total Site Dollars Per Shopper

Research Shows:
Inserting featured items first in the sort order slightly outperforms a default sort order.
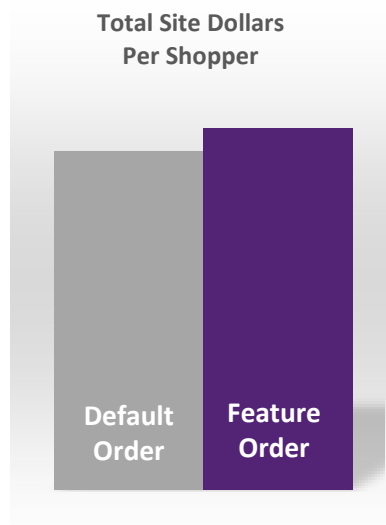
A question that is quickly followed by: *What sales promotion(s) will work best in eCommerce?*

As a result of experience in the eCommerce space, DI can offer several universal insights:

o *Matching product images to shopper expectations makes all the difference.* As an example, in an eCommerce store, a pack of 6 double rolls of Toilet Paper were represented with a single brand logo image for the product. Although copy noted the 6 double rolls, shoppers could not visually see the value of the offer. By changing the product image to 6 double rolls, shoppers could easily visualize the full value of the purchase. Subsequently, after changing imagery, the product's sales rose to the number one positon in just six weeks.

o *Product image online is not about changing packaging. It's about bringing your Brand to life.* The online universe offers tremendous opportunity as a brand communications tool. This is more than selling, it's an opportunity to engage shopper's emotions in ways like never before, leading not only to conversion, but brand preference, brand loyalty, and lifetime value.

o *Cross-category selling takes on a whole new meaning.* Cold-case products can be combined with non-refrigerated products. Entire Occasions such as Snack or Breakfast can have adjacencies not possible in Brick & Mortar.

o *Merchandising & Brand Communications Online.* Tools not available in Brick and Mortar – like video, animation, and keyboard-action-based prompts – are plentiful, and more are in development. A Snack Occasion offered online might feature a Laughing Cow Cheese promotion with a laughing cow popping out of the product – capturing the shoppers' attention and emotion and their purchase decision.

Decision Insight has developed a proprietary Test & Learn online research platform – complete with mobile-based testing compatibility – to understand what shoppers SEE, THINK, and DO in eCommerce environments. Using the Test & Learn research methodology, DI can *reliably* predict shopper behavior (based on a wide variety of variables) and even provide predictive sales results!

Manufacturers today invest millions of dollars in online promotions and product images for the eCommerce space. Relying on live A/B testing with a retailer to make eCommerce decisions may be fast but can put both the retailer's and the product's brand equity at risk and reveals much to competitors. Moreover, using live A/B testing for decision making and then failing hurts both the manufacturer's and the retailer's bottom lines – not to mention, again, overall brand equity.

The Decision Insight Test & Learn platform answers "What-if…" questions while also providing the following benefits:

✓ Explore alternative eCommerce strategies with cost-effective testing that places targeted shoppers within a simulated website that matches the targeted retailer.

✓ Discover easily and quickly if the product's images, promotions, and brand communications are "cutting through the clutter" for conversion.

✓ Validate marketing strategies and tactics before going to market.

✓ Reliable Activation – With predictive sales results for Occasion, Category, and Products, retailers are able to green-light product offerings and promotions ahead of the competition.
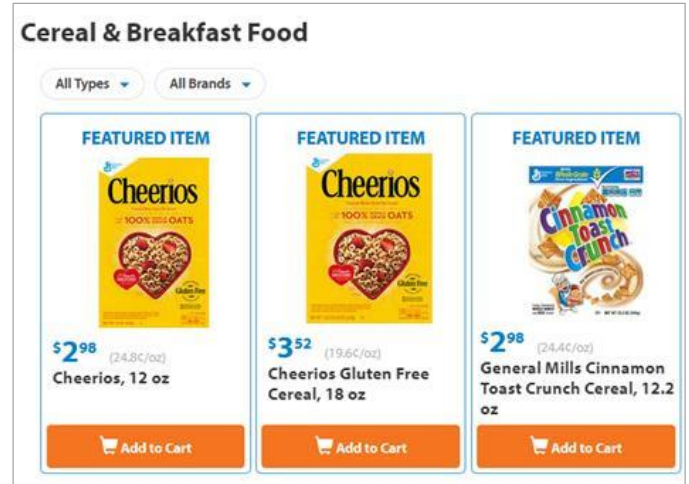
Methodology / Deliverable

The Decision Insight Test & Learn platform was used to test digital promotional solutions for Snack Cheese in a virtual eCommerce environment. As a result of this proprietary research, the client was able to develop a menu of eCommerce "Best Practices" for the entire brand to continue to grow eCommerce sales and increase shopper satisfaction. The research demonstrated the ability to grow the targeted retailer's shopper basket by nearly $7 *without use of pricing/discounting levers!*

Total Dollars Per Shopper

Research Shows:
Total Shopper Spending is up significantly (almost $7) with this eCommerce promotion solution.

Current

New Strategy

Total Snack
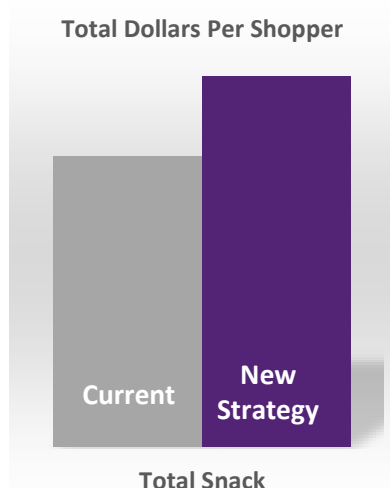
> " *What's great about working with Decision Insight is it's a real test and learn approach. We take ideas, test them, learn from them, and then cascade them out – that's the approach that manufacturers and retailers need to take. It's a way to bring our equity alive through this really dynamic media, and an opportunity to create this closer connection to our shoppers."*

Darlene Ampe, Director, Category Leadership, Bel Brands, USA

4 DEVELOP SUCCESSFUL PROGRAMS

Bring Successful Programs to Life

"Develop" is the fourth step of the TPG CatMan 5-Step Process – the place where traction becomes action. Using Test and Learn research during the "Design" step (above), will effectively sort the strategies and tactics that lead to eCommerce success.

But there are also general eCommerce platform enhancements that need to be addressed.

Decision Insight recommends that three critical aspects of the current eCommerce "Grid Platform" be redeveloped to optimize the shopper experience. Grid Platform issues for consideration:

o Visibility for base products that are not on page one or above the fold.

o Innovation products and their place in eCommerce site architecture. New products placed on pages less traveled will not attract shopper attention. Yet innovation is the lifeblood of a robust marketplace.

o Driving impulse purchases, especially within categories that offer single-serve products, for both trial and profitability. Online sales of single-serve products are a small fraction of those in Brick & Mortar.

Beyond the Grid – A Fresh Approach

A Grid Platform singularly defines each category and features a series of related products displayed with single images. In many deep categories, shoppers are presented with dozens of pages of similar products in a category.

There are other possibilities. For example, there are opportunities to curate categories based on Need States or Occasion/Mission. Without the physical limitations of a Brick & Mortar store, shoppers could shop across multiple categories within the same online store section. This "rearrangement" might include opportunities for variety seeking, impulse, and merchandising like never before – certainly unlike categories as they have been defined for decades on the Brick & Mortar shelf.

Decision Insight is actively engaged in ongoing research addressing these grid-related questions and subsequent opportunities with major CPGs across multiple categories. The research and testing has garnered a treasure trove of learnings, including:

✓ A curated set of products can eliminate Base and Innovation products from getting lost while increasing conversion and sales.

✓ Opportunities for shopper interruptions – such as creating a curated category of products within checkout – greatly encourages impulse sales. (e.g., single-serve products gain visibility and purchase).

✓ Creative Combinations – Products that would never be offered in Brick & Mortar checkout are viable online (e.g., seasonal items like single-serve soup and crackers combined with a soft drink).

✓ Active communication within a virtual shelf can gain shopper's attention and increase conversion – an opportunity unique to eCommerce. (e.g., behavior-based product animation).

Proprietary research results demonstrate sales gains across Occasions, Solutions, Categories, and Products.

The only limitation to these possibilities is the imagination – all can be tested virtually and executed in eCommerce. Innovation, new product leaders, and specific categories desperate to seize the opportunities – and sales – associated with Occasion and/or Need State will likely lead the way as they struggle to make eCommerce sales goals.

Research Shows: **With an interruption, the % of shoppers buying checkout items more than doubles and total dollars spent increases substantially.**
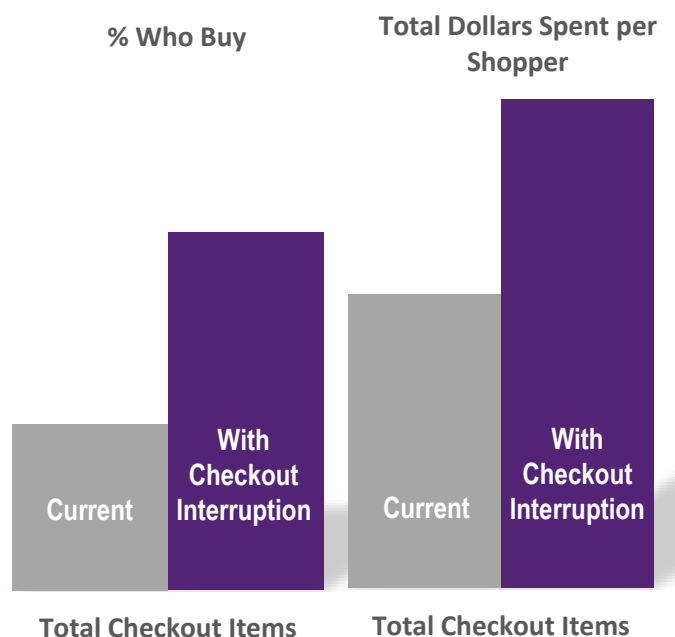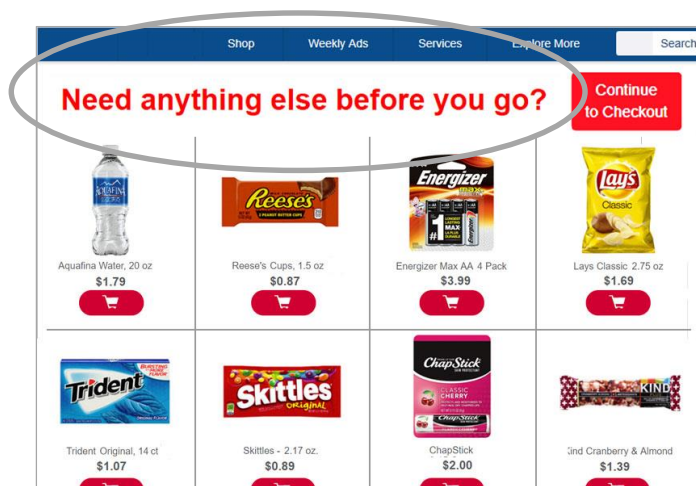
Actionable Insights Deliver Wins

There are many elements to "Deliver," this fifth and final phase of the TPG CatMan 5-Step eCommerce Process. The most important is scorecarding the entire business plan to make the necessary adjustments and iterations that pave the path to sales success. After all, we get what we measure.

Decision Insight is in a unique position to provide the trusted advice needed to successfully enable the new 5-Step eCommerce Process.

With engagements across a variety of brands and categories, Decision Insight is able to share real-world eCommerce learning and success stories.

If you're ready to optimize your eCommerce and Digital planning to create your own eCommerce success story within your organization, please contact us.

For more information, email info@decisioninsight.com or call 816-221-0445.
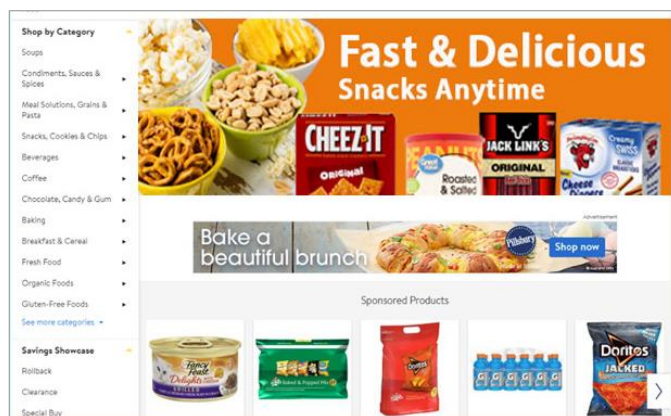
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