



The CPG Digital Marketing Playbook

Adapting to an Omnichannel Marketplace

Introduction

CPG marketing is both exciting and challenging. This category presents broad audiences that provide major revenue opportunities for brands. But the competition is heavy, especially when you are competing with mega brands with mega budgets.

So where should you put your budget to maximize your efforts? How can smaller brands compete with national brand budgets?

Continue reading to start uncovering answers to these questions. This guide will outline the **key considerations** when forming your marketing strategy including audience targeting, channel strategy, measurement tactics, and key trends to be aware of.

Learn How To...



Identify and reach your best customers



Select the most effective channels and tactics



Excel at e-commerce



Create a measurement strategy that drives results



Understand best practices to improve your strategies

Retail and CPG are the top industries for ad spend growth, both expected to increase 30% YOY through 2023.

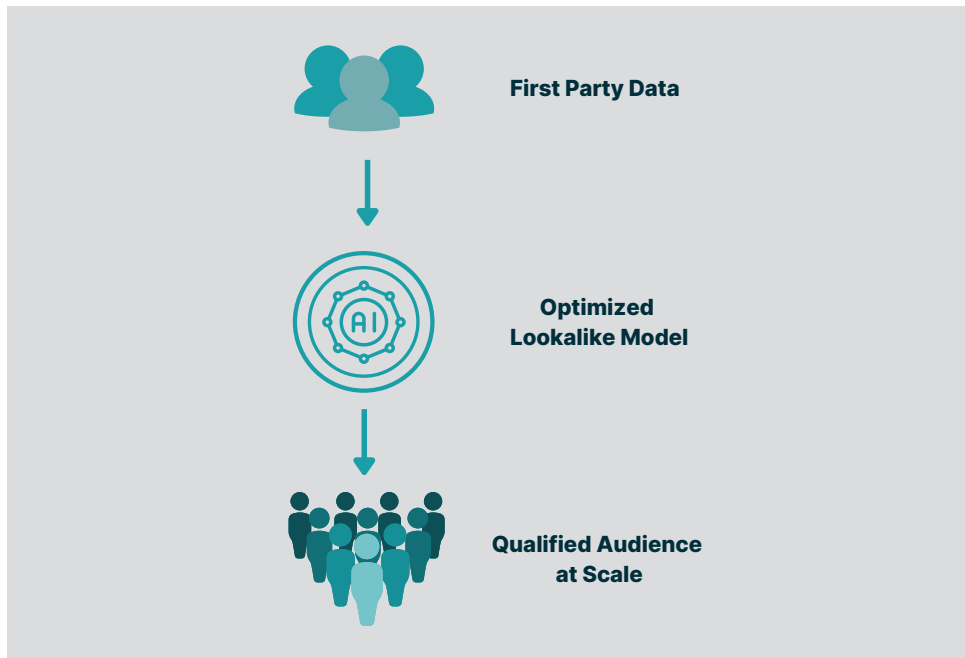


Connecting with Audiences that Matter Most

Leverage the Power of Consumer Data

When targeting consumers, focus on the most meaningful data first - your first party data. Use this data to gain a robust understanding of your customers, building long-term relationships with established buyers and using AI to build lookalike models that exhibit similar behavioral and demographic attributes.

It's also important to incorporate second and third party data based on purchase intent signals. Find in-market audiences based on their search history or use contextual and behavioral targeting to reach relevant audiences who are ready to buy.



case study

Gaining Market Share for a Challenger Brand

The Challenge

BODYARMOR was a new entrant into a well-defined CPG category: sports energy drinks. With a product that had less than half of the sugar of Gatorade, but with just 2% of overall market share in the category, BODYARMOR was looking to disrupt the paradigm.

The Strategy

Coegi knew the key to success was to identify distinct micro targeted audiences based on first party data, website engagements, and lookalike modeling, enabling personalized messaging and offers to each niche.

The Solution

Within a year, the brand saw double-digit lift in brand awareness and consideration across each micro targeted audience, yielding a 4% increase in market share. This success propelled BODYARMOR forward in the category, ultimately leading to an acquisition by Coca-Cola.

BODYARMOR



A woman with her hair in a ponytail, wearing a black and white striped long-sleeve shirt and dark pants, is standing in a store. She is looking down at a smartphone she is holding in her hands. The background is a blurred display of various products on shelves.

Apply Cookieless Targeting to Future Proof Your Strategy

Third party audience availability and cross-channel targeting will diminish as cookies phase out in 2023. However, many CPG brands are primed for success with pre-existing POS and loyalty program data, allowing them to reach highly valuable audiences on a 1:1 basis.

Cookieless Targeting Strategies

- ✓ 1st Party & CRM data
- ✓ POS and purchase data
- ✓ Lookalike modeling
- ✓ 2nd party data
- ✓ Keyword targeting
- ✓ Contextual targeting
- ✓ Private marketplace deals
- ✓ ID-based publisher segments

"80% of consumers are more likely to make a purchase when brands offer personalized experiences."

From Epsilon's "The power of me: The impact of personalization on marketing performance."



Creating the Optimal CPG Media Mix

How can your marketing support your overall sales strategy? In this section, you'll learn how to incorporate key commerce channels into a holistic marketing strategy placing your brand at every customer touchpoint.

Determine Your Media Mix

CPG brands feel pressure to be on every channel. But you simply need to be where your audience is most engaged. Do in-depth audience research accompanied by channel testing to determine the optimal media mix for your brand.

That said, consumer products typically lead the way in adopting new marketing tactics. Understand and test high growth channels such as CTV, amplified influencer, SMS, social commerce and DOOH to identify tactics with the strongest impact on your business goals. Use data to decide when to be a first mover in channels that make the most sense for your brand.

Here are some of the **highest opportunity channels** for CPG brands to maximize the impact of media and e-commerce strategies.

“CPG marketers have an exciting opportunity to identify ways to drive ROI for their brand by straying away from early mass media investment and instead prioritizing smart learnings that are audience-focused and creative excellence obsessed.”

Elise Stieferman

Director of Marketing, Coegi



Channels to Consider

Social Video

Video ads are one of the most engaging mediums to capture user attention. This is why CPG video ad spend is predicted to increase by 38% in 2022. Video drives commerce and is highly effective in social platforms where both branding and performance goals can be achieved through short form video content as little as six seconds.

Video-first channels such as YouTube, TikTok, and now Instagram, are excellent because they are platforms where consumers go to learn and be entertained. Think how-to makeup tutorial videos for beauty brands or recipe videos for food and beverage brands.

Use short-form video to:

- Show brand personality and bring messaging to life
- Show your product/service in action
- Optimize for mobile placements



Connected TV (CTV)

CTV offers a major opportunity for CPG brands to convey their message.

Some key benefits include:

- High impact video content on largest screen in households
- Addressability with contextual and behavioral targeting
- Improved flexibility and affordability versus traditional TV
- Ability to ensure appropriate frequency with cross-channel integrations

Consider investing in CTV to support an existing linear TV strategy or to test TV with a smaller, more flexible budget.



Influencer Marketing

Creators are driving changes in the social commerce landscape with tactics such as livestream commerce, akin to digital-first QVC, as well as shoppable posts to drive down-funnel conversion. These individuals are both storytellers and social media experts, well-versed in creating authentic messaging for brands. Use their loyal follower bases to drive brand affinity and product sales via discount and affiliate codes.



"Allow creators to make authentic content that is not overly scripted. Learn from their social expertise and the community they have cultivated."

Natalie Carson
Sr Account Manager, Coegi

Brand Partnerships and Sponsorships

Brands can boost their reach among target audiences with strategic partnerships. These may be complementary products, brands with similar values, or brands with a strong audience overlap. Identify like-minded brands that can establish trust with your consumers, while potentially expanding awareness across new geographic regions or audiences.



Partner with influencers and brands that align with your brand image as well as your audience's values to boost authenticity and trust



Paid Search

Paid search gives brands the opportunity to have preferential placement on search engine results, with brands only paying based on click-based engagements. This channel is particularly important for DTC brands to show up in the discovery process. In tandem with paid search, SEO is also critical to drive website traffic and purchases with 30.5% of e-commerce traffic coming from this medium.

40% of all product searches begin on search engines

SMS Marketing

SMS marketing is a rapidly emerging channel due to its effectiveness in driving quick, inexpensive conversions. Brands can tie SMS marketing into loyalty programs to facilitate a value exchange with customers - you collect their contact information and they receive your special offers, coupons, and are the first to know about new offerings.

Redbox: This deal's a ray of sunshine. Get a FREE 1-night rental w/code VEURH35M. Add to wallet: <http://m.rbx.me/a22h4B> Exp7/17/17@11:59p. Txt STOP2end.

It pays to play! Rent 5 discs in July, get 1 FREE movie/game rental credit with Redbox Play Pass. Check your acct by 8/15/17. Details: <http://m.rbx.me/y24gco>





Digital Channels Where US Adults Begin Their Product Search When Digitally Purchasing Products, Aug 2020

53% Amazon

23% Search Engine

16% Brand/Retailer Web Site

8% Other Market Place

Source: [e-Marketer](#)



Amazon accounted for an estimated 76.2% of US e-Commerce ad spending in 2021.

Amazon Advertising Platform

Amazon offers multiple ways for brands to engage with its vast audience by advertising on-site or across the open internet. The data provides visibility into millions of consumers' shopping behaviors. Brands can utilize real-time data to target audiences actively in-market for related products or reach lookalike audiences with behaviors similar to their best customers to enhance awareness and consideration.

In Store Marketing

With more CPG product discovery starting digitally, it's important to gain awareness ahead of consumers' shopping trips. In-store marketing allows you to close that gap between your last digital touchpoint and the store checkout.

Digital Out of Home (DOOH)

DOOH placements are a great way to achieve mass market reach with greater flexibility, improved targeting, and quicker activation. DOOH also allows brands to more easily swap and test creatives, catering messaging to their core audiences and contextual placements.

For example:

- Day parting: A coffee brand only advertises before 2 PM
- Weather data: A pharmacy brand only serves ads to DMAs where allergy counts are high
- Inventory availability: A sports team pauses campaigns when tickets sell out

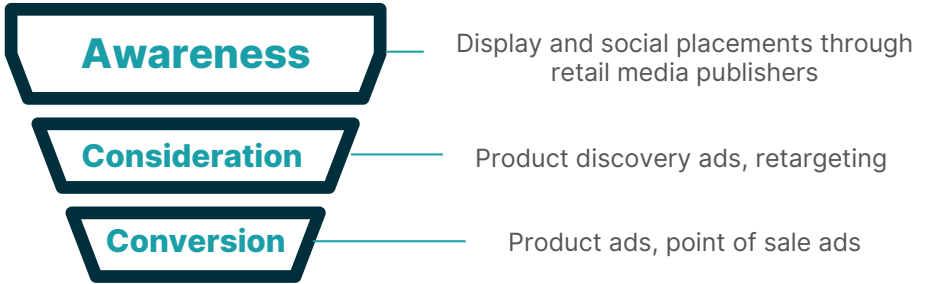




Retail Media

Retail media refers to media placements owned by retailers using their first-party POS data that can be executed on retailer sites or programmatically on social and display channels. It is now the 3rd largest digital ad channel in the US, making it a must-have tactic for CPG brands and a pivotal part of any e-commerce strategy.

Brands are seeing more full-funnel implications of retail media using these high value shopper audiences. Take advantage of e-commerce site ads as well as programmatic placements to find prospecting audiences and track them from awareness to point of purchase with closed-loop measurement.



"Consider how you can use retail media in a holistic, connected plan. Connect media across social, e-commerce and DTC channels to ensure they are supporting each other and driving customers through the funnel to maximize returns."

Monica Herschelmann
Sr Account Strategy Director, Coegi



Shopper Marketing

Creating shopper marketing campaigns is a win-win for brands and retailers. Retailers gain more shoppers and brands receive better shelf-space and visibility in return. Additionally, brands benefit from simplified product discovery for their products. To do this effectively, it is important to understand the consumer shopping journey, reaching them in between shopping visits and at a frequency that makes sense given the cadence of shopping for the product.

Delivery provider ads are a strong shopper marketing option for brands highly focused on ROAS and driving attributable sales. These solutions help facilitate quick conversion with click and collect purchases. Serving ads in delivery platforms, such as Instacart or UberEats, creates closed-loop reporting so brands can connect marketing directly to in-platform sales.

High Impact Display

Display ads served programmatically or purchased via direct buys are a cost effective option for broad awareness campaigns.



Use dynamic display creative for personalized and interactive offers which drive measurable actions, rather than standard banner ads.

case study

Leveraging Instacart to Diversify Retail Purchases

The Challenge

A dynamic, “healthier for you” wine brand was seeing a change in consumer purchasing preferences during the early days of the pandemic. Fortunately, they had an e-commerce solution to supplement in-store sales and offer greater convenience for their customers. However, Coegi knew that additional flexibility was needed to keep the brand competitive.

The Strategy

Coegi planned an omnichannel digital campaign to support in-store, including a foot traffic study, while also exploring other channels to drive e-commerce sales. Facebook and Instagram proved to be valuable, especially when creating co-branded shopper marketing ads. We introduced Instacart, making the brand an early adopter to advertising in the self-service space.

The Solution

This strategy drove strong results and a particularly explosive year in e-commerce. In 2020, FB/IG drove over 4,500 on-site purchases with an average ROAS of 6.76x. In the first few months of running on Instacart, we saw nearly \$83K in attributable sales at a ROAS of 5.9X. Finally, the foot traffic study showed directional lift with nearly 9,700 store visits.



Bringing It All Together: *Omnichannel Solutions*

It's easy to get absorbed in individual channels. However, this causes campaigns to quickly turn from strategic to tactical. Instead, leverage a consumer-focused approach that determines who your most valuable audiences are and how you can best reach them.

By starting with your target market, then thinking about which channels can work together to support that consumer journey. Leveraging a cross-channel strategy offers multiple communication touch points, building awareness and consideration, but can cause challenges in measuring your key signals of success.

Types of e-Commerce Marketing

- ✓ *Influencer Marketing*
- ✓ *Live Commerce*
- ✓ *Shopper Marketing*
- ✓ *In-Store Marketing*
- ✓ *Delivery Provider Solutions*
- ✓ *Retail Media*
- ✓ *Social Commerce*
- ✓ *Direct-to-Consumer*

“A strong audience strategy backed by a robust understanding of their behaviors, motivations, preferences, and media consumption will drive reduced media waste by ensuring your ads are being shown in the ideal places and with an effective message.”

Maggie Gotszling

Sr. Account Strategy Director, Coegi



case study

Proving ROI for CPG Brands

The Challenge

Measuring campaign effectiveness can be complicated for CPG brands. Data from online and in-store sales combined with cyclical purchasing habits makes it difficult to determine ROI from a campaign and drive real-time optimizations. A global specialty cookie brand partnered with Coegi to help solve this problem.

The Strategy

Coegi activated data and measurement partner, Catalina, to target hyper-focused audiences across display, connected TV, Facebook and Instagram, tying exposure to in-store purchases. This allowed the brand to reach current, lost/lagged customers, and potential customers and have a stronger understanding of success.

The Solution

The combination of these tactics enabled us to surpass industry benchmarks, producing the following results:

28% sales lift

38% increase in new buyer base

8% repeat purchase rate

Measurement Solutions for CPG Brands

Did it work? This is the age-old question for marketers. With all the channel options available, how can CPG brands ensure those touchpoints are connected and measured?

In this section, we'll outline the tools, technology, and techniques needed to showcase meaningful marketing ROI.

"Customers expect more. Merchants will need to meet them where they're shopping through multichannel, provide on-demand customer support through automation and agents, and fulfill orders within 48 hours or less."

Kurt Elster

Host, *The Unofficial Shopify Podcast*

Using Data Partners to Aggregate Offline and Online Data

At Coegi, we work with our CPG clients to build connected commerce strategies that tie the customer journey together. For CPG brands, this can include DTC, offline, and online sales channels as well as a blend of programmatic, social, traditional, and even experiential marketing channels.

Holistically managing your advertising puts each channel's activity into the context of your broader marketing strategy. Managing all efforts within one dashboard allows for performance trends and learnings to be shared across tactics so they can be optimized to improve overall performance.



Base Campaign Performance on Core KPIs

When determining campaign performance, it's critical to understand how KPIs for all stages of the customer journey work together to create a holistic picture. Brands should start by building a custom measurement framework factoring in multiple KPIs correlated to core business goals. Think outside the box of typical metrics such as CTR, CPM and CPC to find new ways to track and attribute success in the most meaningful way.

Here is an example of what a custom scorecard formula can look like:

Lift in Unaided Brand Awareness (45%) + Location Visits (20%) + Clicks (10%) + Sales (25%) = **Brand Health Score**

Use Advanced Measurement to Answer Deeper Business Questions

When media metrics do not answer your business questions, layer advanced measurement tactics, such as brand lift, foot traffic lift and sales lift, on top of traditional media efficiency metrics. These data points will provide a more robust view of your overall performance and the campaign's impact on moving closer to the true business goals.

case study

Layering Foot Traffic with In-Store Sales

The Challenge

Evolution of Smooth (eos) wanted to increase purchases at major big-box retailers in the holiday season. Coegi needed to develop a customized solution that drove reach across eos's core audiences and holiday shoppers at large, while also measuring the directional impact of their ad exposure on in-store visitation.

The Strategy

We used three core audiences to target the campaign: eco consumers, millennial moms, and college consumers, along with holiday shoppers and audience segments that showed high visitation to the target retailers. Finally, Coegi implemented a foot traffic study to understand directional ROI, looking at volume of in-stores sales in correlation with store visitation.

The Solution

Overall cost per store visit was \$0.25 across all media and four retail chains. Q4 sales reports from the retailers indicate that top revenue state numbers were directly tied with efficient cost per visit metrics per retailer.



Focus on Incrementality to Measure What Matters

Marketers need to ensure they are looking beyond vanity metrics to identify trends that signal success. It is especially important to synchronize these data sets as we prepare for the deprecation of the third-party cookie. Instead of solely looking for direct attribution, explore a variety of business and media metrics over time to unveil unique learnings and better understand the incremental impact of advertising on your brand.



"Brands need to adopt a holistic approach that measures beyond the last click and accounts for incrementality, whenever possible."
Source: e-Marketer

Key Recommendations



Be customer obsessed - use an audience-first approach backed by in-depth consumer research to target the audiences that matter most.



Create a data-driven, omni-channel strategy to maximize your media spend and create a seamless customer journey.



Invest in robust measurement solutions and data reporting to see a holistic picture of your results and make informed decisions.





/ Performance Marketing Agency

Connecting Brands to the Audiences That Matter Most

About Coegi

Coegi is a performance marketing partner for brands and agencies that is enabled with a best-in-class technology stack to deliver custom digital solutions to meet your goals. Our team is made up of practitioners that strive for innovation and progression while treating brand dollars with the accountability of performance media.

Using data-backed personas, we create an audience targeting channel strategy brought to life with a continual “test & learn” approach toward optimization. This is all supported with a strong measurement strategy to ensure each and every channel contributes back to the established business goals.

For more information, visit:

www.coegipartners.com

For General Inquiries contact:

info@coegipartners.com

To Schedule a Discovery Call contact:

Elise Stieferman, Director of Marketing and New Business
estieferman@coegipartners.com

Capabilities

Programmatic

- Display
- Online Video
- Native
- CTV/OTT
- Streaming Audio
- DOOH
- Paid Search

Paid Social

- Facebook
- Instagram
- Twitter
- LinkedIn
- Snapchat
- Pinterest
- TikTok

Strategic Services

- Research
- Planning
- Strategy
- Audits
- Technology Vetting

Influencer

- Facebook
- Instagram
- Twitter
- LinkedIn
- Snapchat
- Pinterest
- TikTok