



2020 Mobile Advertising for CPGs

Informing Your Mobile Strategy:

How to position your CPG brand for success in 2020 without feeding the competition



Introduction: **What Will You Learn?**

Throughout this whitepaper, you will learn how to improve your CPG mobile advertising strategy in 2020. We know clicks and impressions are no longer the leading trusted measurement metrics for CPG brands. Luckily there are other ways to measure how your mobile media is increasing market share, driving awareness of your brand and influencing consumer behavior at shelf.

Topics discussed in detail include:

- 1) How to use Personalization & Utility to increase mobile performance
- 2) Leveraging List Data Intelligence in mobile programs

Furthermore, we will explore why in 2020 it will be critically important to diversify your advertising approach. The big retailer-owned media platforms are too risky to represent the majority of a CPGs media spend. They are, of course, happy to use your advertising dollars to drive customers to their stores, but they are also siphoning important insights that can be used against you later. Read on to learn about why this is not a sustainable approach and what you can do to combat this.



Level Set:

Mobile Consumers Still Shop In-Store; Personalization is Key

Mobile is King

As a starting point, let's consider the consumer trends that are driving the trajectory of where we advertise. [*Mobile has officially surpassed television in time spent by the US population*](#), according to Mary Meeker's *Internet Trends Report* 2019. Therefore, mobile will continue to become the preferred advertising avenue for a lot of brands. Furthermore, mobile's continued growth will lead to \$187 billion of ad expenditures in 2020, more than twice the \$88 billion spent on desktop ads ([*Mobile Marketer*](#)). So we can comfortably say Mobile > TV and Mobile > Desktop.

Still Buying In-Store

Despite all this time spent online, and specifically online on phones, most grocery shopping is still done in a brick and mortar store. In fact, of total U.S. food and beverage retail sales in 2019, only 2.7% was purchased online, up only slightly from 2.2% in 2018 ([*Supermarket News*](#)).

Therefore, although it's critical to reach shoppers when they are on their phones (which is now a lot of the time) the ultimate goal for CPGs is not necessarily to drive purchase via mobile, but instead to influence what they'll buy in-store.

Mobile > TV & Desktop



2.7%

Only 2.7% U.S. food and beverage retail sales in 2019 were purchased online.

90%

of consumers say messages from companies **not personally relevant** to them are **'annoying.'**

Personalization Wins

To influence in-store purchases, success lies in creating a mobile experience that resonates with the consumer.

One recent study revealed "90% of consumers say that messages from companies that are not personally relevant to them are 'annoying.' Of those irritating messages, 53% say advertising for an irrelevant product tops their list of messaging annoyances."

Challenge:

Personalizing CPG Ads in a Mobile World

Personalization is crucial to any effective ad campaign for two primary reasons;

1. Personalized ads result in **greater campaign effectiveness** across many campaign objectives including sales lift, foot traffic, engagement and more .
1. Personalization is no longer a nice to have; it **saves time, adds value, and consumers expect it** and when it's not there they are 'annoyed.'

What is Add-to-List?

Add-to-List = Presenting an ad unit to a consumer with a call-to-action (CTA) that allows consumers to **add promoted products directly to their favorite mobile shopping list.**

So, how do you personalize CPG mobile ads when you don't know what the consumer is buying in store? The answer lies in grocery apps and how to capitalize on consumer activity within them.

[93% of Americans use their phones while grocery shopping.](#) Their activities range from making grocery lists, to discovering recipes, to searching for coupons. Seeing these activities gives advertisers:

1) Shopper Insights: Know what consumers will buy before they go to the store.

2) Grocery Moments: An opportunity to advertise to said consumers as they are planning their next trip or are actively in-store shopping.



48% of Americans use their phone to keep track of what they are buying in-store

More and more CPGs are incorporating an add-to-list strategy to both take advantage of these Shopper Insights and to engage consumers during these key Grocery Moments.

Want more proof that digital grocery lists are the best way to engage the ever-growing mobile-minded audience? [48% of Americans say they use their phone to keep track of what they're going to buy in-store.](#) This is done via list apps, note-taking apps, retailer apps, etc. Add-to-List strategies let advertisers see what shoppers are putting on their lists while also allowing them to influence behavior.

Why should I care about Add-to-List?

Add-to-List is a unique way to engage mobile consumers, track purchase intent and gain valuable insights on preferences and grocery shopping tendencies.

Here's why it matters:

1. Add-to-List can be applied to all media campaigns, from **awareness** to **lower funnel**.
2. Add-to-List strategies track valuable insights that **inform personalization**.
3. Add-to-List measures the **purchase intent** of a consumer.

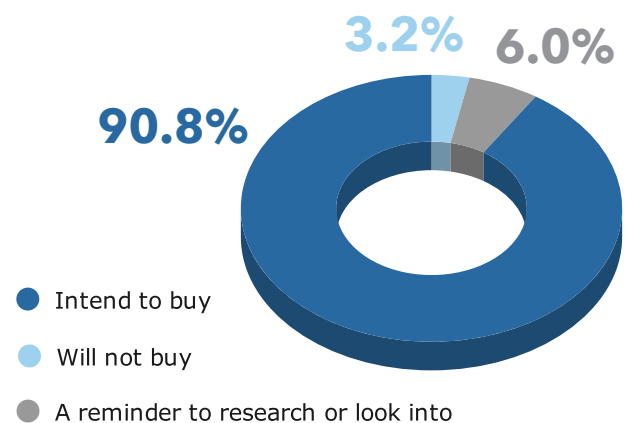
The insights collected from Add-to-List are actionable. For example, utilizing an Add-to-List platform can provide answers to questions like: What brand does this consumer prefer? What time do they typically plan and what time do they shop? Do they shop for a family or just themselves? Do they have a dog? What are they actually buying?

How reliable is Add-to-List as a measure of Purchase Intent?

Answer: Very. Purchase Intent = A reliable indicator of purchase based upon the action of adding an item to a list and then also crossing off said item.

In a recent consumer poll, AdAdapted found that 90.8% of consumers who utilize list building apps on their mobile device intend to buy all the products they add to their digital grocery list, further solidifying that Purchase Intent does in fact mean purchase.

90.8% of mobile list builders add products to their digital shopping list because they **INTEND** to buy them.



Source: Based on a poll of the AdAdapted Audience, December 2019

50.0% of mobile list building consumers find branded, suggested products that you click to add to your list not a nuisance, and in some cases helpful.

Source: Based on a poll of the AdAdapted Audience, December 2019

Solution:

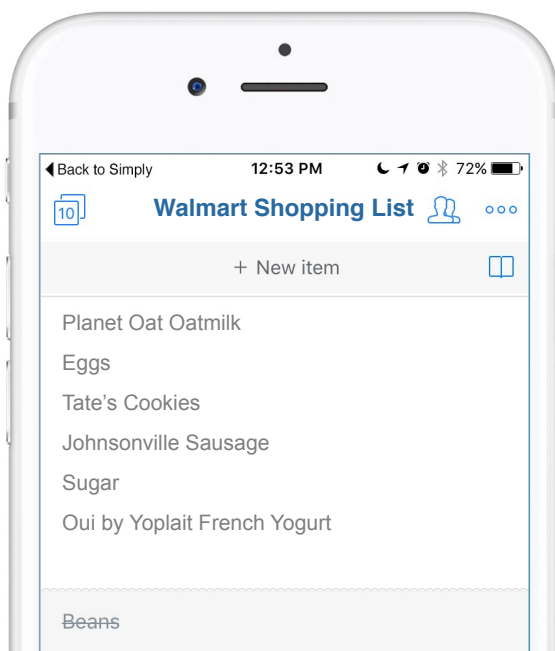
List Data Intelligence

We already talked about how in order to personalize ads, you need to know something about your target consumer. And, how it's especially hard for CPGs to aggregate digital insights from in-store shopping behavior.

But just how much can tapping into digital shopping lists help?

The data these lists generate from grocery-minded consumers is relevant, real-time, and actionable in terms of how it can be applied to other mobile programs.

List building activity is recorded in real-time



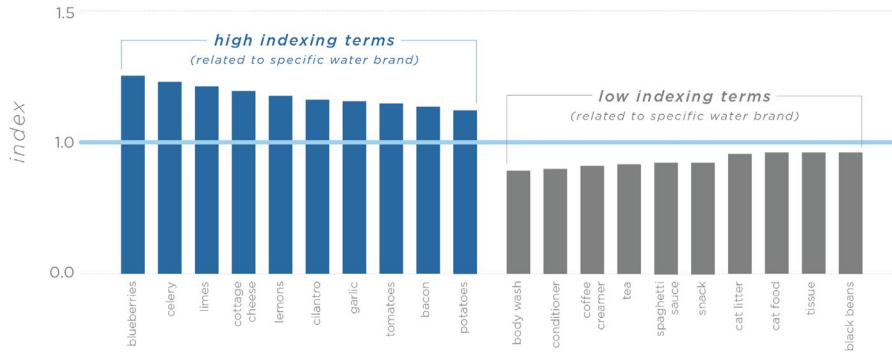
What does List Data Intelligence include?

- **Basket Correlation**
Indexing: What else are shoppers putting on their lists?
- **List Action Volume:** How often do they add specific products?
- **Market Correlation:** How is a specific brand of product doing against the category as a whole? Or other products?
- **Time of Day/Day of Week**
Activity: When are consumers thinking about specific products?
- **Engagement:** How likely is the shopper to add a product from an advertisement?

Valuable Insights to Inform Future Campaigns

Basket Correlation Index: Large Water Brand

High Indexing Items vs Low Indexing Items

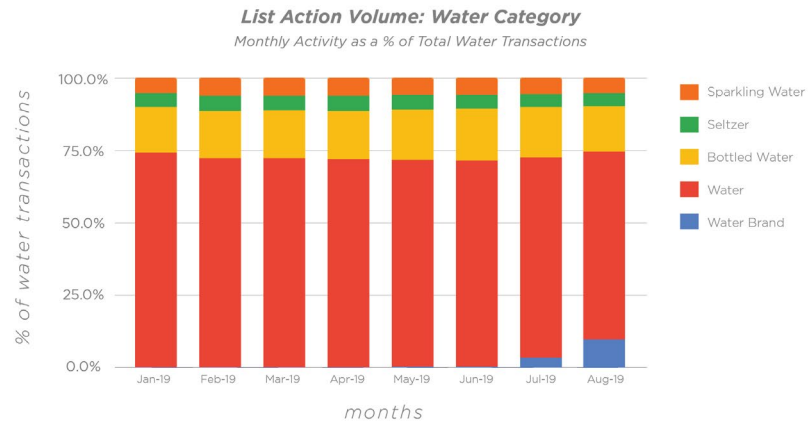


Basket Correlation Index (High & Low Indexing)

Shoppers who had this brand of water on their list tended to index high with items in the Produce Category.

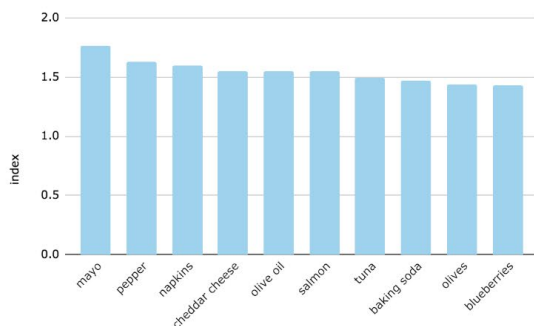
List Action Volume

While the overall volume of the transactions in the Water Category went up in July & August, AdAdapted was able to turn generic list items into branded items for this client.



Basket Correlation Index: Brand Name Refrigerated Soup Consumer

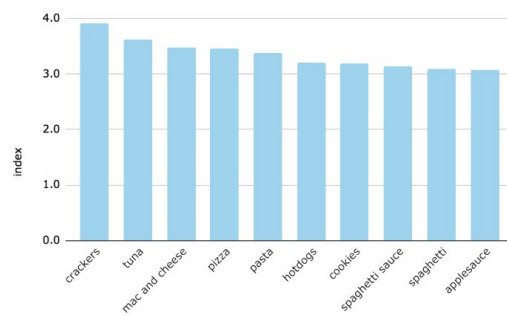
High Indexing Items



vs.

Basket Correlation Index: Generic Soup Consumer

High Indexing Items



Basket Correlation Index (Brand vs Generic Consumer)

When comparing the Branded Soup consumer to the Soup Consumer there was only one overlapping term (tuna). The Soup consumers do tend to lean less health-conscious vs the Brand Name Consumer. This data was helpful to define targeting for future campaigns.

What makes this data so special?

Real Time: List Data Intelligence serves as a constant flow of insights building upon new information on a daily basis. List building activities reveal a lot about a family or an individual. When dog food is added to the list, in real-time we know this family has a dog or will be adding one to the family. Advertisers can use this information for targeting and personalization purposes.

Persistent: List Data Intelligence is attached to the shopper's unique Mobile Ad Identifier (MAID). Compared to browser cookies, MAIDs have to be manually reset on the consumer's device, which most people don't do. Therefore, MAIDs have a much longer useful shelf life.

But isn't Retailer Add-to-List just as special?

No and here's why. A few major retailers can tap into this data through their own apps on behalf of their CPG clients, but buyer beware. Retailers have ulterior motives that may not benefit your brand in the end.

Large retailer owned advertising platforms will happily take brand marketing dollars to advertise to their shoppers that have their list apps downloaded. They will log and remember who adds your product and their preferences, learn the best way to reach that shopper on mobile, and track the attributes that will make that process easily repeatable in the future. Once identified, retailers can easily promote private label, competitive products.

You can't blame them, it is an excellent strategy for generating revenue in the short term and funding a long term strategy. But CPGs should think long and hard about just how much they want to fund these efforts that will eventually cost them customers.

Brands need a consumer data driven strategy that levels the playing field with retailers. Independent advertising platforms supporting Add-to-List provide the personalization and targeting intel you need without jeopardizing your customer base. Advertise smarter in the mobile space with List Data Intelligence.

Note: The AdAdapted Audience is a unique proprietary audience built through partnerships with the leading grocery and list building apps. The AdAdapted polls are a result of polling 300+ members of this audience at random. With this intel, we are able to understand the mobile list-builder in significantly greater depth and report on the results of these findings.

Why List Data Intelligence is more strategic than advertising with retailers?

- Retailers invest millions in private label products
- Target has 41 owned brands and recently rolled out more than 2,000 new private label products
- Walmart has expanded its share of online CPG private-label sales to 48%, up from 27% two years earlier
- Large retailers require a high spend levels from CPGs
- **#1 Reason To Diversify Your Approach Away from Retailers:** Retailers learn your consumers and retarget your consumers with their private label products.



Final Thoughts: **Taking Action**

Now that you know what you could be doing with Add-to-List and list-building data we are guessing that you are looking for a starting point to begin.

List Data Intelligence is offered by AdAdapted, a mobile advertising platform that specializes in Add-to-List and list-building data.

Take a minute to check us out on our website and reach out to request a demo. We'd love to hear from you!

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[**info@adapted.com**](mailto:info@adapted.com)







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