

“From Byte to Bite”

REDEFINING MARKETING IN THE DIGITAL AGE

March 2016

What We Will Cover Today

1. Digital in Perspective
2. Redefine Marketing
3. Consumer Centricity
4. Brand Relevance

From Byte to Bite! We live in a Digilog World.



Digital



Analog

Technology is Changing Our Lives

Today is the slowest rate of change we will experience

More data generated in last 3 years than all of history

We receive 74GB Information a day... 5000 messages

The Business World is Changing...

Brand/Consumer relationship – consumer in control, co-creation

Shopping – e-commerce, informed, accessible

Business models – disruption, transformation, extinction

Food sectors is not immune!

The Big Picture?



“The picture’s pretty bleak, gentlemen... The world’s climates are changing, the mammals are taking over, and we all have a brain about the size of a walnut.”

The Big Picture!

OPPORTUNITY!

Tip #1... Digital is an Enabler

Deliver the **same** things in a **new, better** way



THE WHAT

Consumer Insight
Brands w purpose
Great products/services
Value
Experience
Emotion



THE HOW

Efficiency
Effectiveness
Impact
Accessibility
Convenience
Insightful

Tip #2... Embrace Technology Today



Don't miss the boat!

Tip #3... Have Clear Objectives

It's easy to get lost!

Clear Objectives = Journey

Unclear Objectives = Odyssey

Tip #4...Create a Digital Roadmap – Why, What, How?

Example

Improve customer experience and resource efficiency to create higher business value

Insight

Experience

Efficiency

Deliverable

Action better insights with data/fact-based approach

Improve customer experience, brand relevance, and added value

Get more bang for the buck (\$)

Phase 1

- **Data ecosystem (DMP)**
- **Next generation insights tools**

- **Programatic Media**
- **Content creation**

- **ROI focus and tools**
- **Process optimizations**

Phase 2

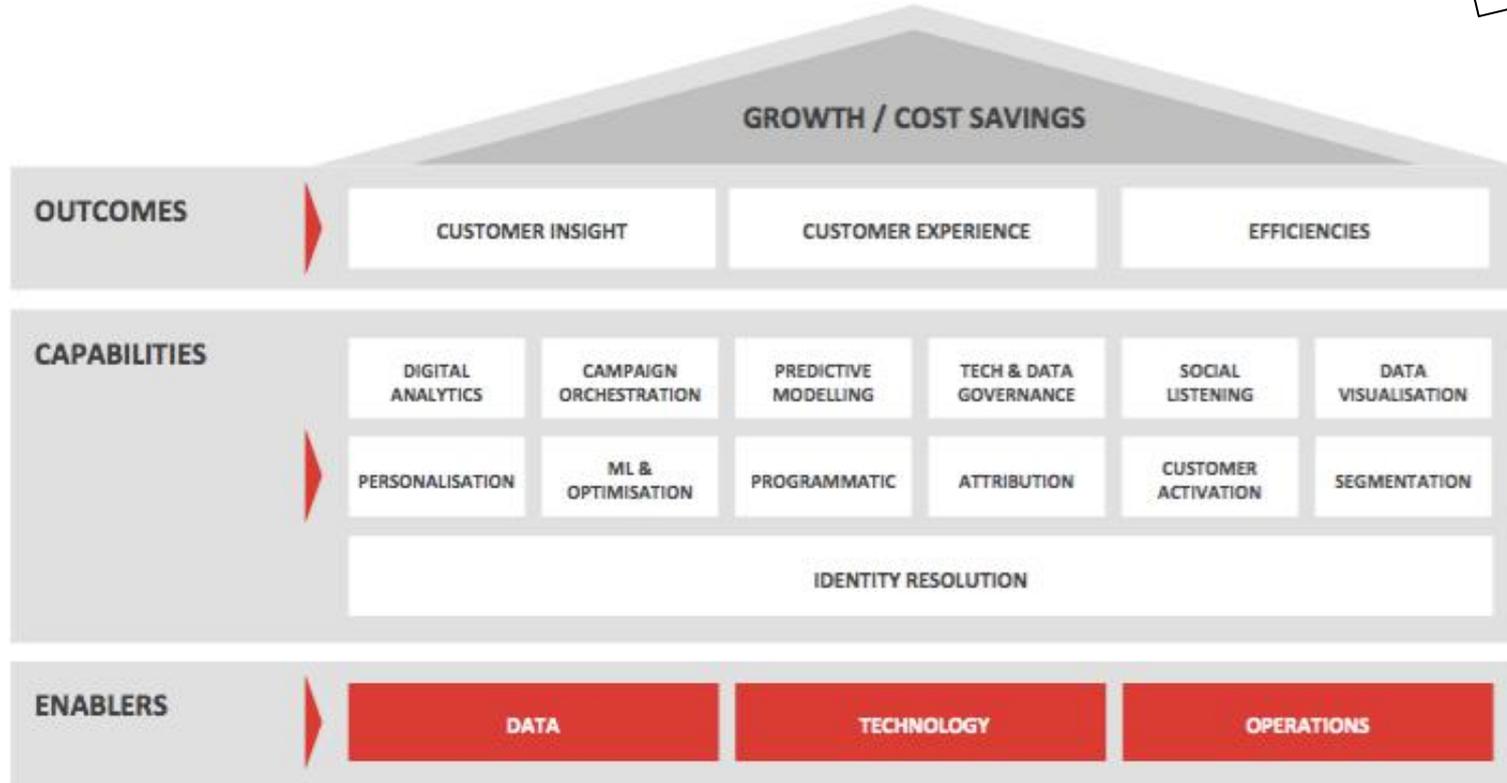
- Social listening
- Search
- Purchase history
- Web and mobile analytics
- Customer journey

- A/B testing
- New Social rules
- Target optimization
- Online/offline mix
- CRM

- Marketing mix optimization
- Data and library share tools
- Agile ways of working

Tip #5... Build Data and Analytics Capability to Deliver

Example



Learning

1. Digital in Perspective

Digital is an enabler. Start the journey (not odyssey).

2. Redefine Marketing

Know your ambition. Put the market back in marketing. Kill the CMO (title). Break down the silo walls. New skills required. Democratize leadership.

3. Consumer Centricity

Create an insights roadmap. Link insights to action. Master the (consumption) moment. Understand the whole human. Get a passport (global).

4. Brand Relevance

Recognize your brand is fighting irrelevance. Strengthen brand proposition. Deliver great customer experience. Develop IMPACT brand identity.

CMO Unapproval Rating!*

80%

*Harvard Business Review Study

Ahad Afridi

Tip #1a... Define Business Aspiration- Purpose

Example

“To bring happiness to the world in every bite.”

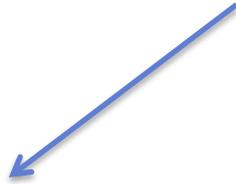
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Tip #1b...Define Business Aspiration...Values

Example

Goal 21

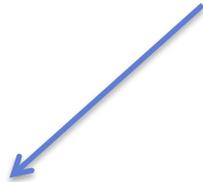


GOYA = Get off your @\$\$

Tip 1c...Define Business Aspiration- Strategic Framework

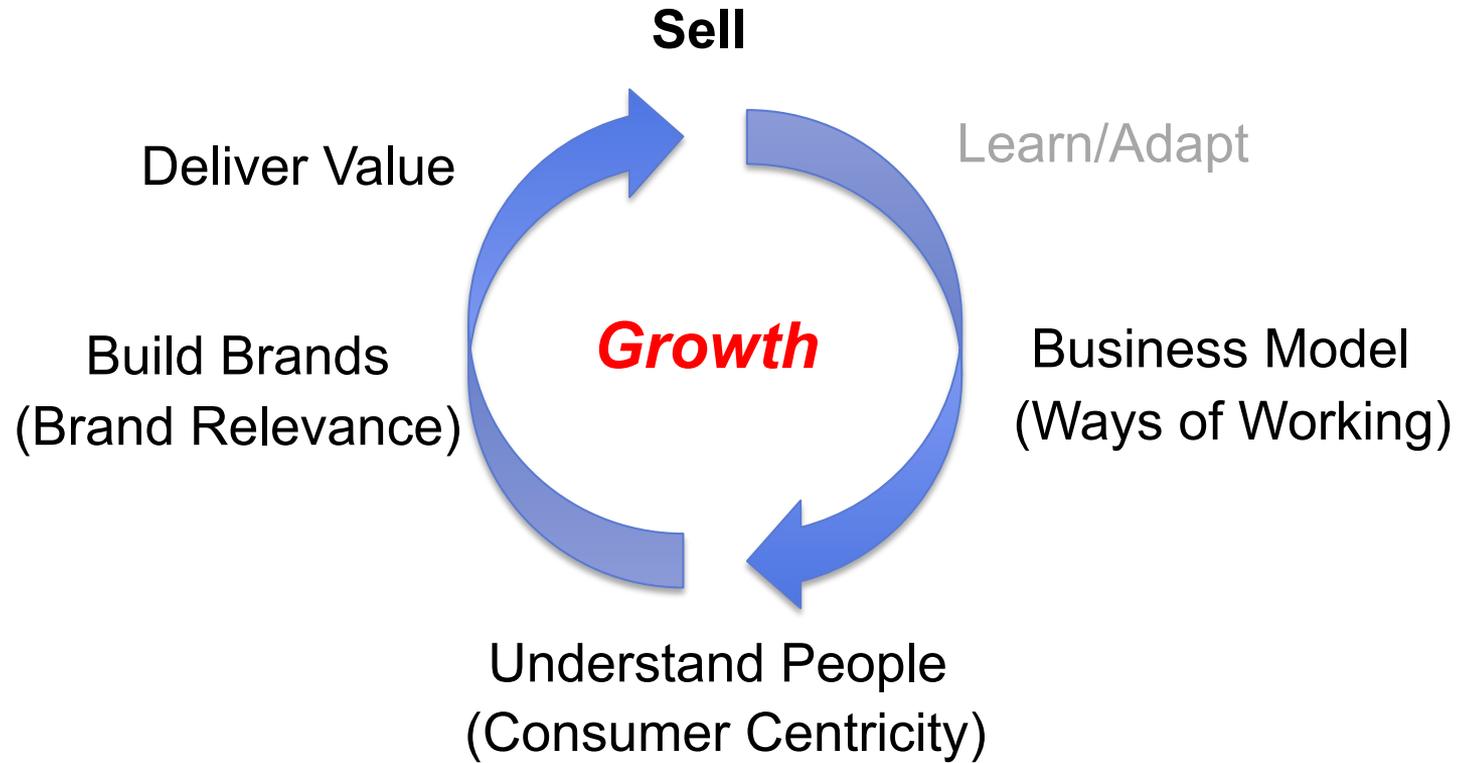
Example

MOVERS



MONEY = Show me the Money

Tip #2... Focus on Business Drivers - Marketing Model



Tip #3... Re-define Ways of Working

Put Market in Marketing – CEO align, external focus, build demand

Kill the CMO (term) –break silos, x-function

Democratize Leadership - unlock knowledge and ideas

Build Capabilities - Develop x AND y skills

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Consumer Centricity

IT PAYS TO BE CUSTOMER CENTRIC

“Customers who have a high-quality experience are **2.7 times more likely to keep doing business** with a brand than customers who have a low-quality experience.”

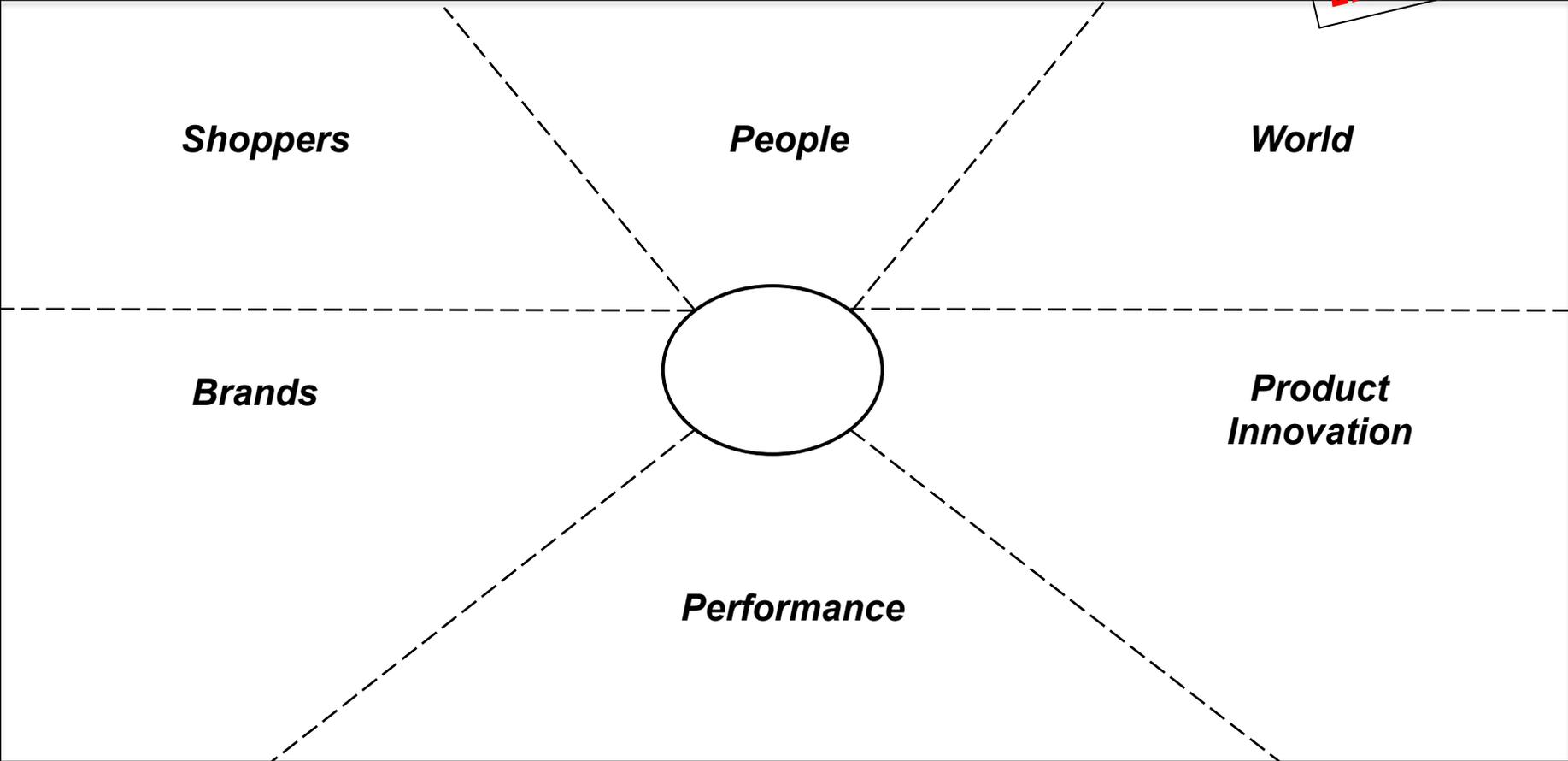
“CX leaders' **revenue outgrew** revenue from a group of CX laggard competitors by more than **5 to 1.**”

“Customers who have a high-quality experience are **3.6 times more likely to buy additional products** and services from a brand.”

Forrester
June 2017

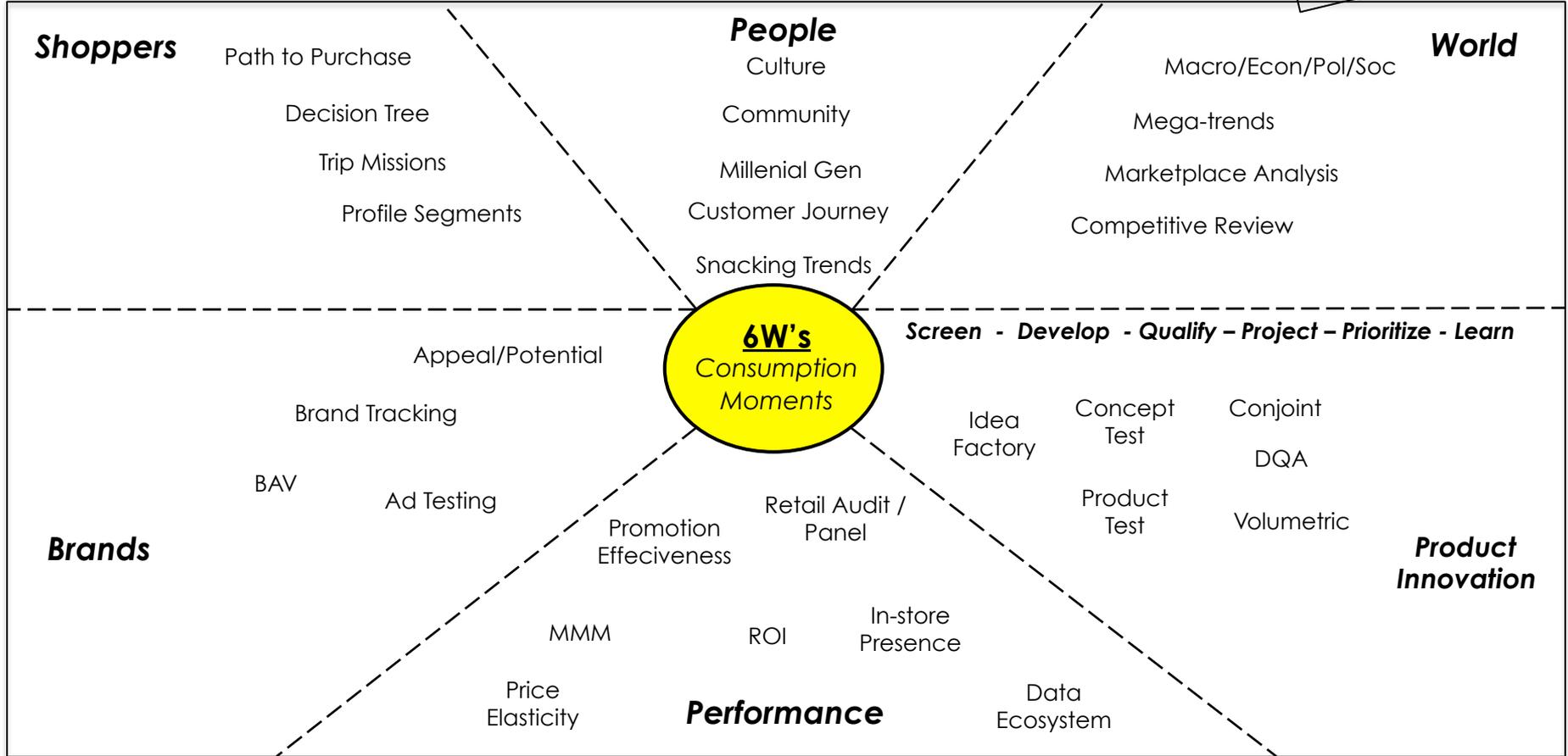
Consumer Insights Framework

Example



Consumer Insights Framework

Example



Question 1 – Growth Map...

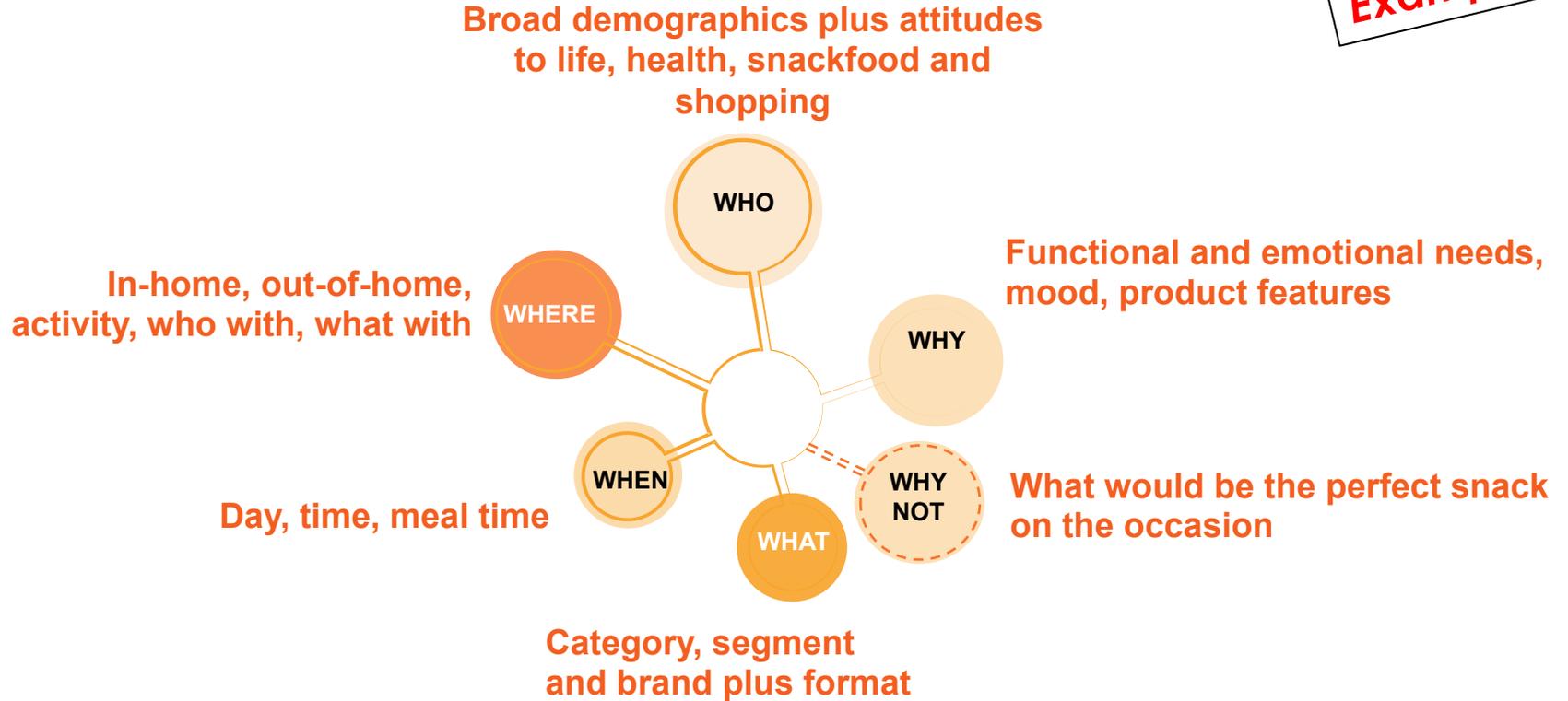
Example



How can we understand **consumers'** snackfood behaviors, in order to generate a **growth map** with optimal **product** line-up?

6W's analyze key drivers of consumption behavior

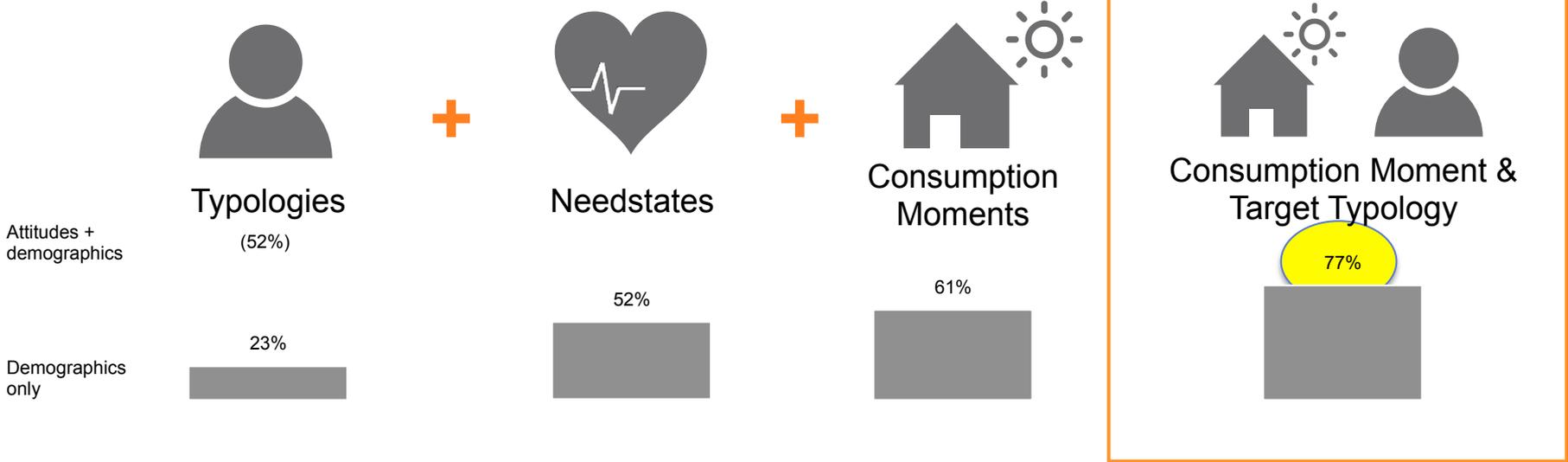
Example



The 6W framework is more robust and predictive

Key Driver analysis: % likelihood of predicting macro category choice

Understanding all the W's allows us to target our moments better



Key Findings of 6W study

Example

1. We are not just a xyz company! We compete against many other products and categories.
2. Consumption drivers are a mix of global and local dynamics: Needstates are mostly global; Consumption moments are a mix of global and local (glocal); Typologies are mostly local
3. There are six basic snackfood needstates across markets –
 - Vary by time of day – more functional early in day vs. more emotional later in day
 - Sweet delivers more against emotional needs, while Savory delivers against functional needs
 - Health is growing and prominent, but what defines health is different across markets
 - Sustain (energy) is also a growing needstate and different product forms are used to address need
 - There are similarities between US and UK and learning can be shared across markets
 - KSA has an additional needstate of “boredom breaker” due to culture of afternoon downtime
4. There are 14 global Consumptions Moments. Portfolio does well against x daypart, but not y daypart. Similarly, opportunities against x, y, z consumption moments.

There are six fundamental needs that drive snack food consumption across core markets

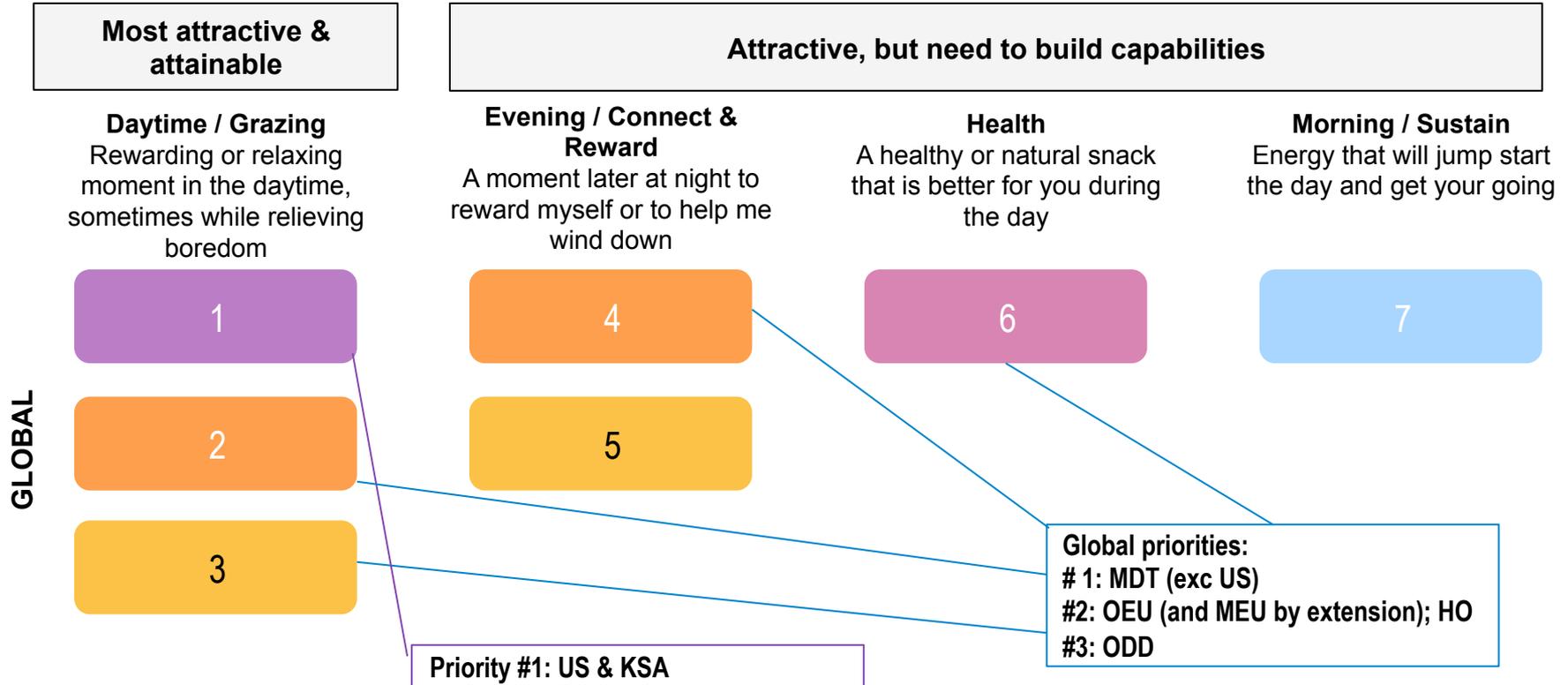
Example



Prioritized development initiatives

Example

- Hunger Fill
- Nibble
- Sustain
- Eating for Health
- Mood Shift
- Social Connect



Sweet & Savory Product Portfolio*

EXAMPLE

1

2

3

4

5

6

7

PRODUCT PORTFOLIO PLOTTED

Question 2 – Brand Portfolio...

Example



What is the ideal **brand portfolio** across markets and segments that will enable **growth**?

We Need to Segment Our Brands



Example



1. Global Brand



Expand an iconic brand with **full consistency** into a global power brand



2. Multi-Country (Harmonized)



Expand a product with **same positioning and "look & feel"**



3. Product/Platform Led



Expand the **product only** – all other elements can differ

We Mapped Yildiz Holding and Defined Criteria for Brand Segmentation

Yildiz Holding Map – Geography, Brands

Several anchor markets, significant white space

YILDIZ HOLDING GROUP BRAND MAP 2014



One Global brand, mostly local and multi-country

Portfolio Segmentation - Current



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Segmentation Criteria

Example

Defined brand segments: What is a Global Brand?



- Available in **one market only**, or majority of sales is in one market (90%)
- Has specific characteristics that *limit potential in other markets*



- Available in **multiple markets** with a target of at least 1/3 of sales coming from non-home market
- Has sizeable total sales in **multiple markets** and market share position of top 3 in category segment
- Has **appeal in multiple markets**



- Available in **many geographies around the world** (at least 4-5 continents) and across all time zones ("the sun never sets on the brand")
- Has **high awareness** in each market where available and some awareness in non-available markets
- Has **consistent brand elements** across the globe
- Name must be registered** and pronounceable
- Leadership position** in category segment (top 3)
- Has appeal across the globe
- Has **vision, company resource**, to drive growth and expansion

Set criteria for products with multi-country potential

How do we determine if a product can be expanded?

- Product is unique/distinct
- There is consumer appeal and potential in **multiple markets**
- The product provides added value and can be priced at a profitable margin
- There is a technological uniqueness/advantage that can be sustained (for a period of time)
- Product can be converted into different needstates/occasions
- There is **manufacturing and logistics** capability
- There is a fit with the company strategic intent and market specific strategies/needs for growth

Brands/Products with Potential for Expansion and Gaps

Example

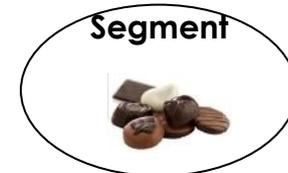
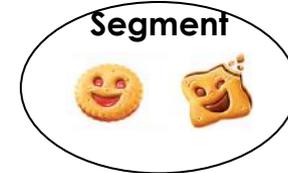
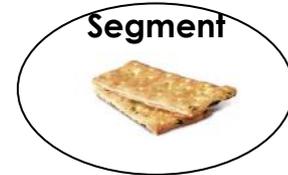
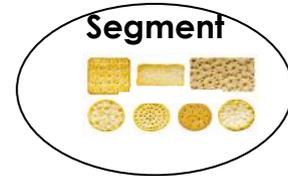
**3-5 POTENTIAL
GLOBAL BRANDS**



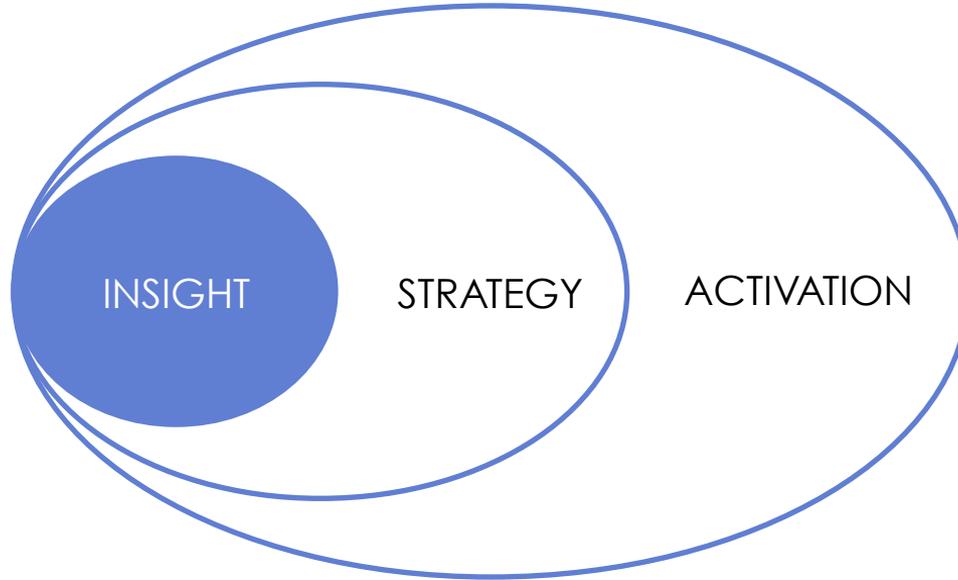
**17 PRODUCT/PLATFORMS
W/ EXPANSION POTENTIAL**



**GAPS IN OUR
PORTFOLIO**



Tip #1... Link Insight to Actions



Tip #2... Enable faster and simpler insights tools



Tip #3... Whole Human

Leveraging a connected data ecosystem to see the 'Whole Human', the individual behind each and every respondent

How you engage

Who you are

What you like

How you shop

How you respond

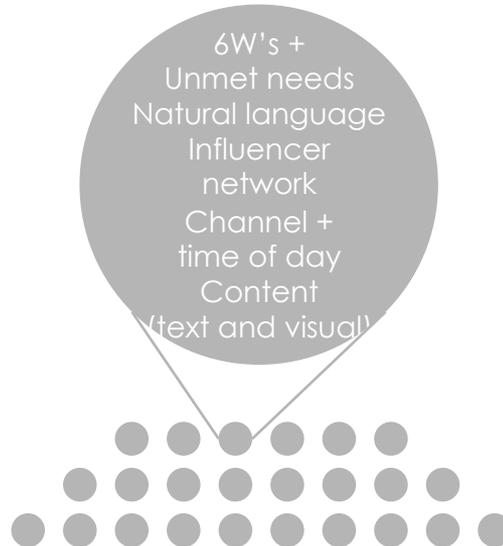


Tip #4 – Use Social to get deeper understanding

User-Generated Content



Micro-Moments



Outcomes



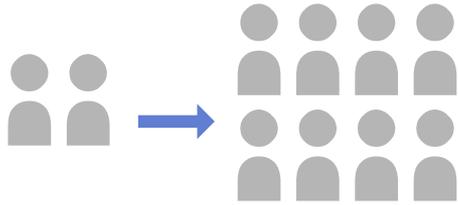
Digital Activation and Personalization



Innovation opportunities

Tip #5 – Leverage Insights Data for Execution

MODEL



Model an up-scaled 'LOOK-A-LIKE' AUDIENCE to target with uplift in incidence with sufficient reach

SERVE



Serve a DIGITAL CAMPAIGN to the look-a-like audience and control

UPLIFT KPI



Survey both audiences with AdIndex to look for a measurable UPLIFT in brand and creative response

Learning

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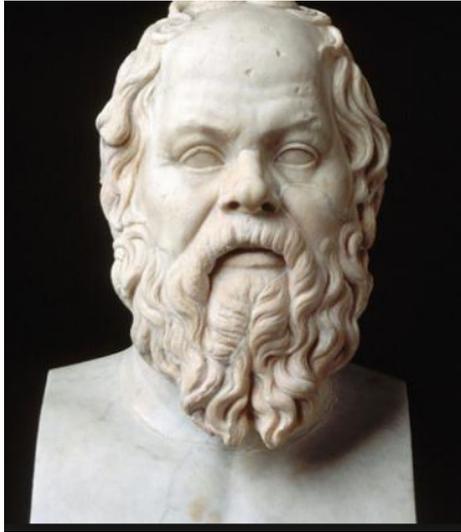
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The Wisdom of Ignorance



“The only true wisdom is knowing your ignorance”

- Socrates

The Paradox of Brand Relevance

Brands are mostly irrelevant...

Consumers don't need us...

The brain is wired to filter out irrelevance...

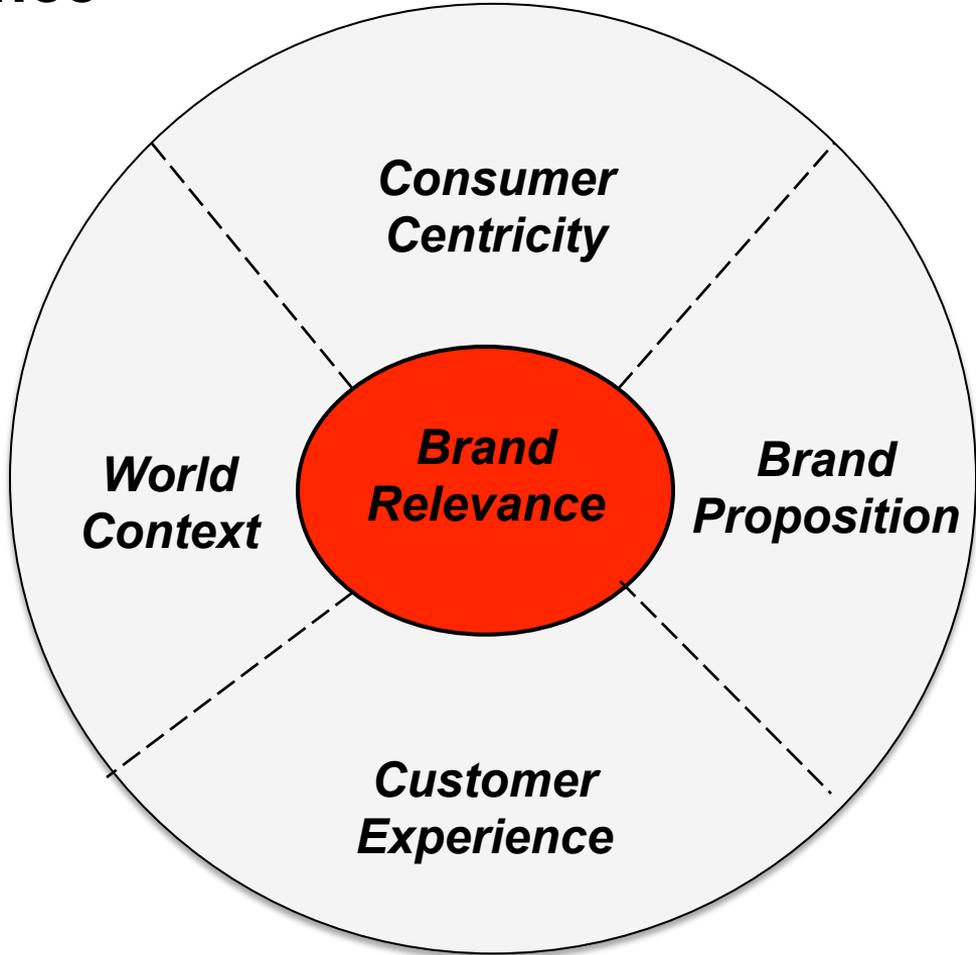
Brand Relevance Defined

A brand that understands consumers, delivers meaningful benefits, and adds value to people's lives.

A brand that provides positive customer experiences through right message x right time x right place x rights consumer

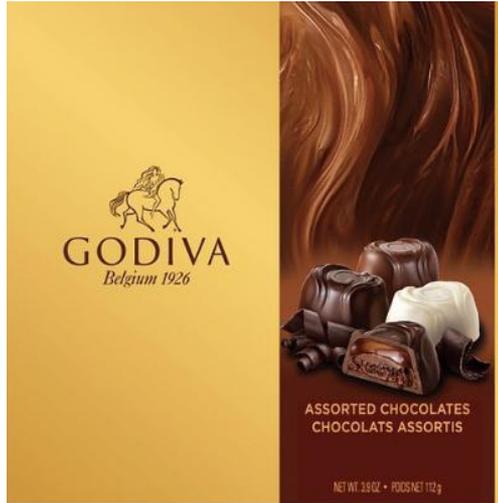
A brand that is distinct where it matters, has emotional connections, and a memorable image

Brand Relevance Framework



Godiva Brand Positioning

Example



The Ultimate Chocolate

Godiva Brand Relevance?

Example

Afridi explained that the former senior management at Godiva had focused on seasonal delivery channels and marketing research that looked at “two-dimensional issues” such as awareness, usage, and brand equity. With his expanded role and budget, Afridi used Young & Rubicam’s proprietary Brand Asset Valuator (BAV) to measure differentiation, relevance, esteem, and knowledge (see **Exhibit 6**). BAV aimed to better understand Godiva’s brand in a broad context—in the premium sector (among other high-end chocolate brands) and in the mass-market sector (among brands with mass distribution). Afridi and Zaza found the results striking. Godiva was a strong brand with “classic and chic” imagery. “But it ranked low in the innovation, fun, youth, and energy dimensions,”

Harvard Business Case, 2016

The “R Curve” for Maintaining Relevance



Refresh

*Minor updates to
contemporize*

Rejuvenate

*Medium change to
stimulate brand*

Re-invent

*Significant action to
re-frame or change
brand*

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