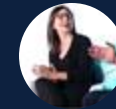


NOW ON

Navigating Brand Growth Through Paid Media: Case studies for Amazon and Walmart

Presenters:



Nicole Perrin

Principal Analyst, eMarketer



Melissa Burdick

President, Pacvue



Travis Johnson

Global CEO, Podean

Agenda

Nicole Perrin
Principal Analyst, eMarketer



Data & Trends

Melissa Burdick
President and Co-Founder, Pacvue



Lower Funnel Advertising Strategies and Tactics

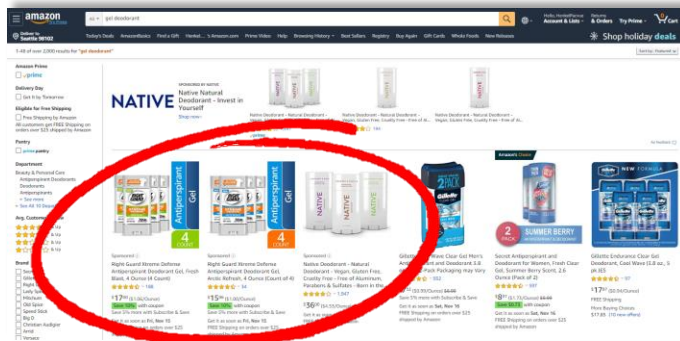
Travis Johnson
Global CEO, Podean



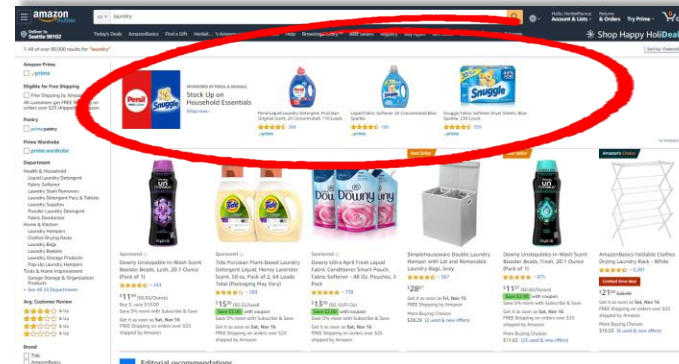
Building a Brand

Different Ad Types

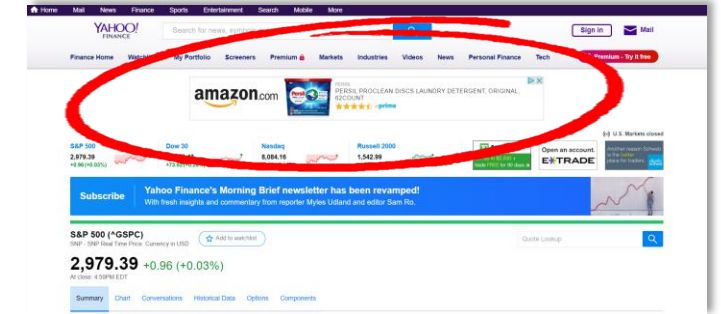
Sponsored Product



Sponsored Brand



Sponsored Display



Targeting

Auto, Manual, Product

Manual, Product

Retargeting, Audience, Product

Cost Model

Cost-per-click

Cost-per-click

Cost-per-click

Placements

On Amazon

On Amazon

On/off Amazon

Creative

Native product listing

Custom logo/pack shot; tagline, ASIN selection

Custom logo/pack shot; tagline

Landing Page

Product detail page

Brand Store, custom landing page, URL

Product Detail Page

Budget Allocation

70-75%

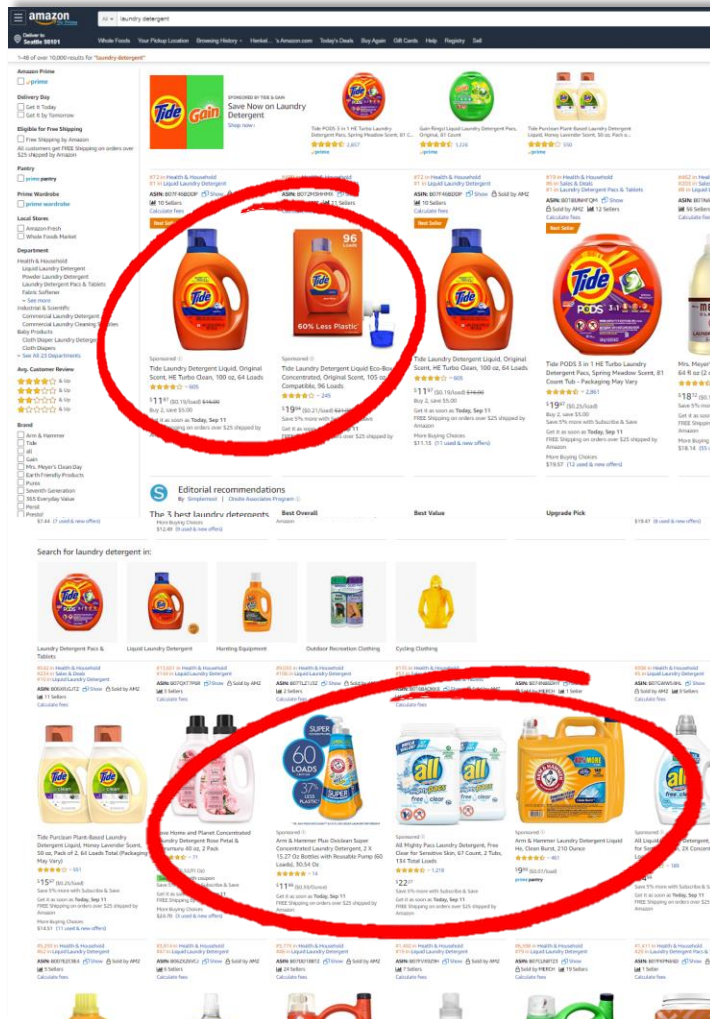
20-25%

<5%

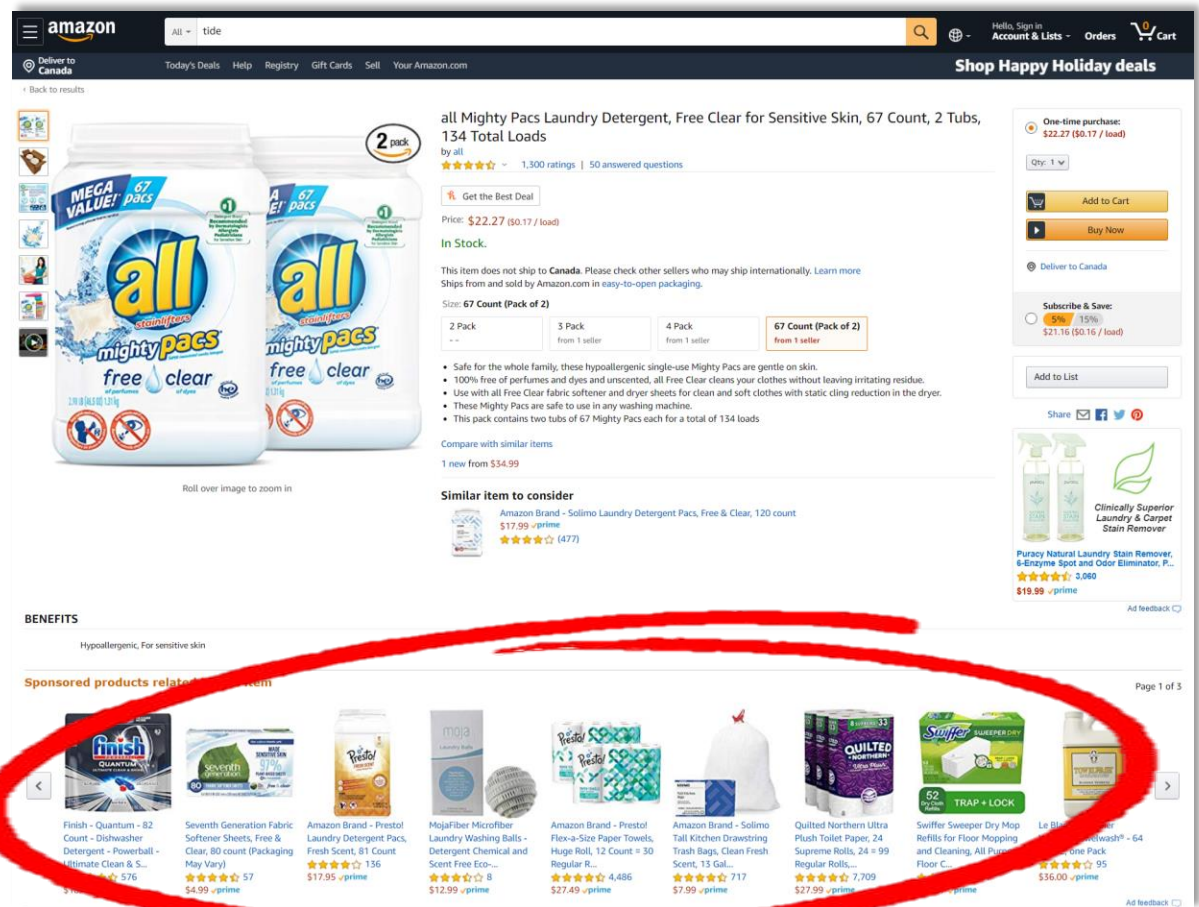
Sponsored Product Placements

4

Search Results

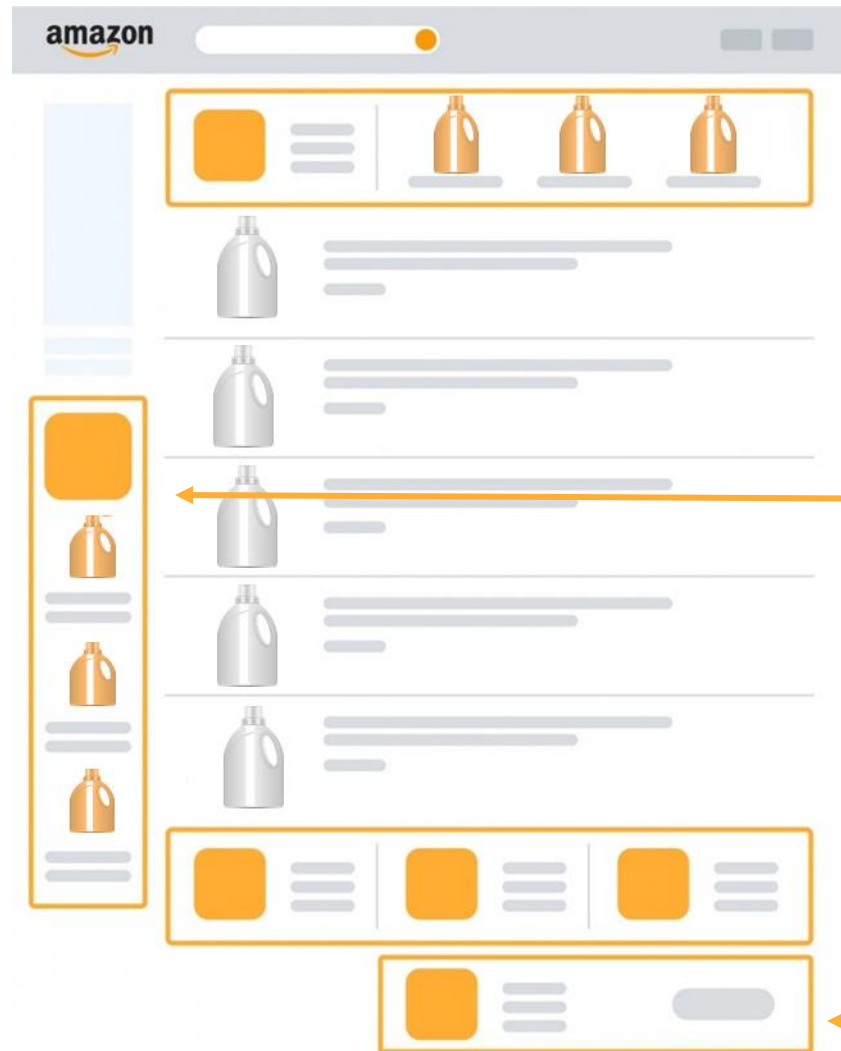


Product Detail Page



Sponsored Brand Placements

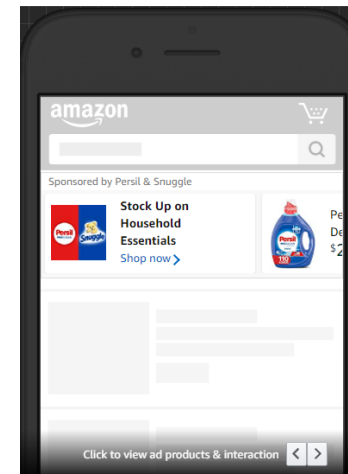
5



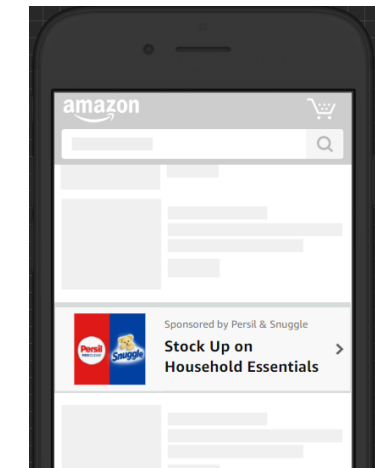
Additional Real Estate – Below the fold placements released in 2019 drove significant increase in impressions.

Lower Engagement – Overall these below-the-fold placements get lower click-through rate and total traffic.

Mobile Top of Search



Mobile Rest of Search





| Data & Trends



Nicole Perrin

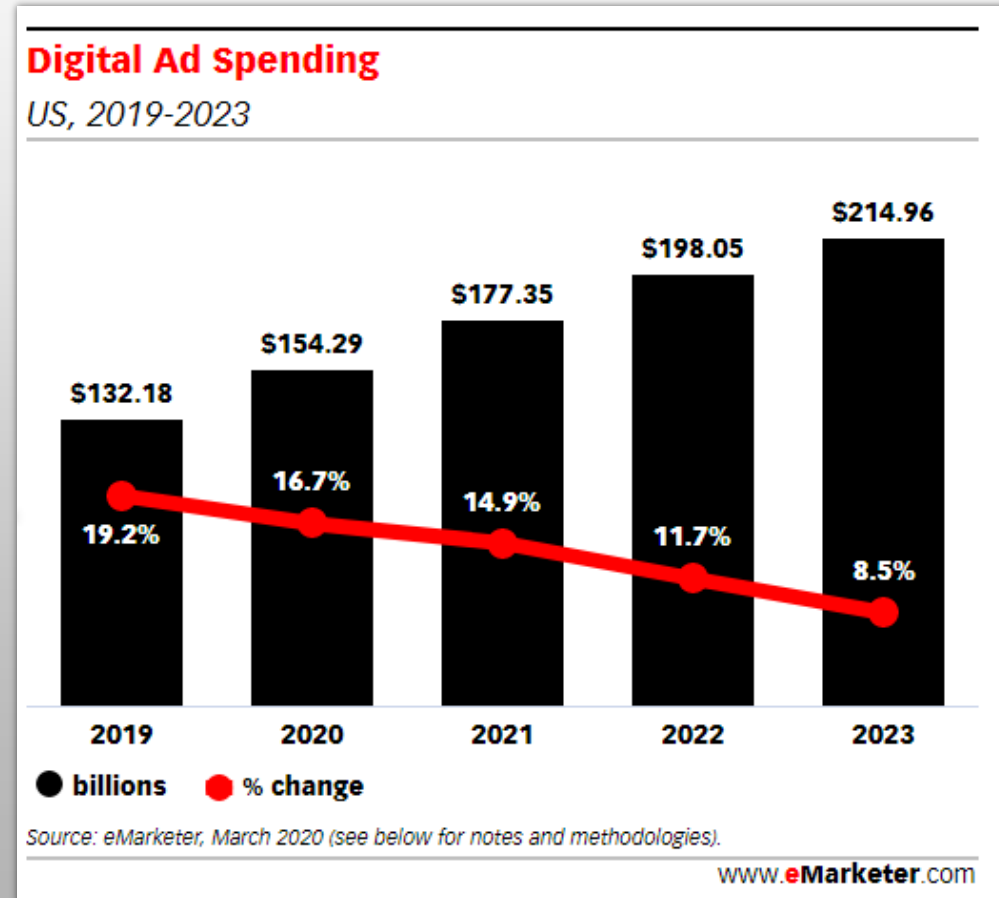
Principal Analyst, eMarketer

Agenda

- **Ad spending forecasts**
- **Amazon ad format trends**
- **Consumer search behavior**

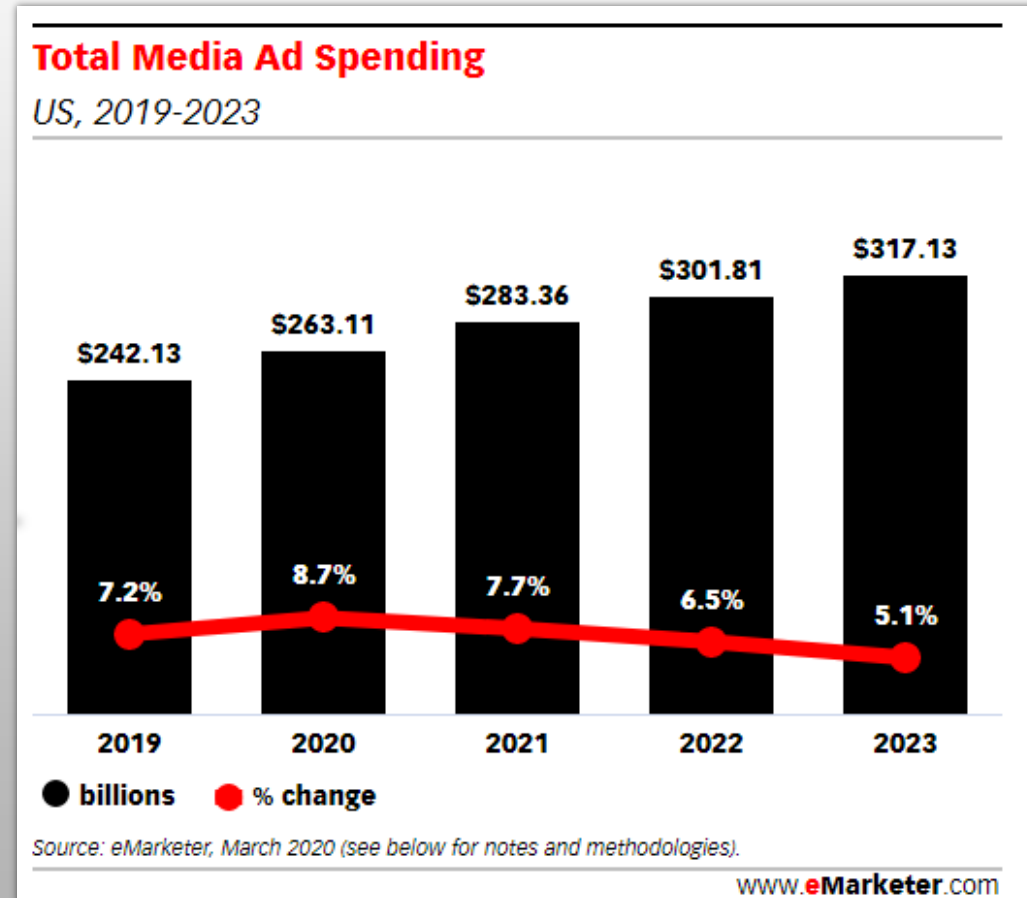
US digital ad spending to surpass \$150 billion this year

- **Forecast was finalized on March 6, 2020**
- **Assumes return to GDP growth in Q3 2019**
- **Recent events may lead to revisions!**



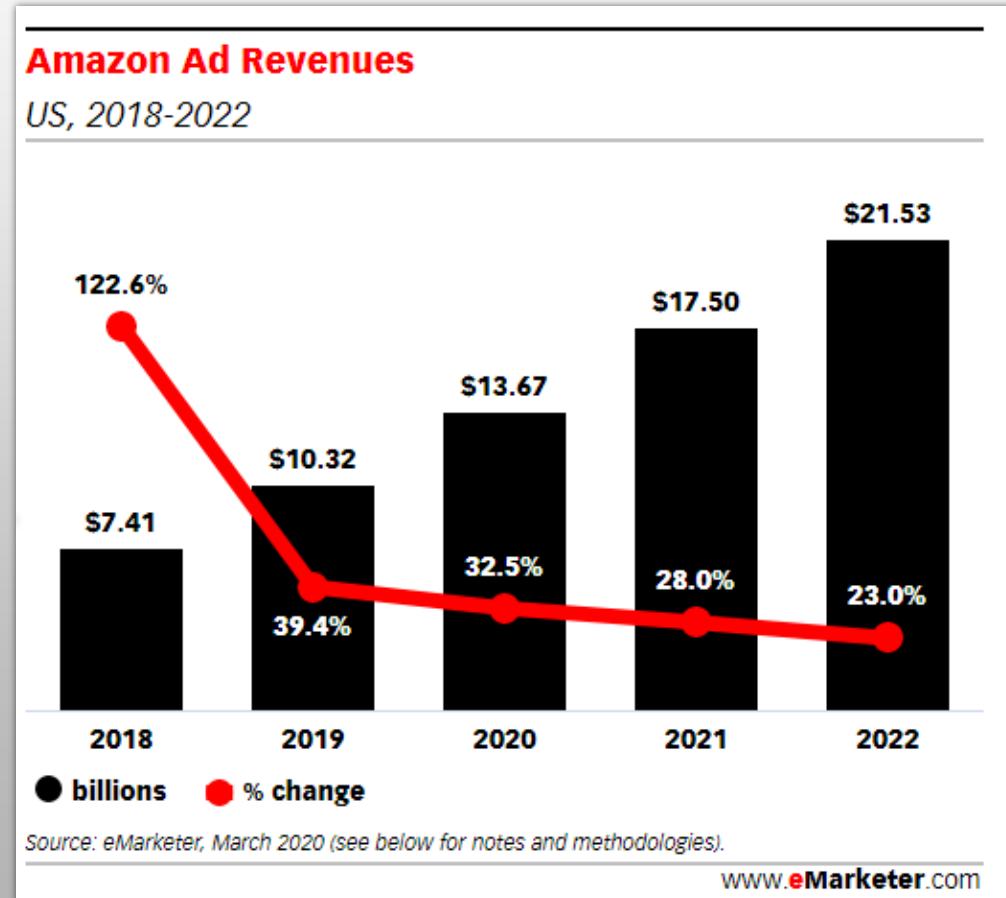
Total media ad spending growth expected to peak this year due to Olympics, election

- **Forecast was finalized on March 6, 2020**
- **Assumes return to GDP growth in Q3 2019**
- **Recent events may lead to revisions!**



Growth in net US ad revenues at Amazon continues to moderate but remains robust

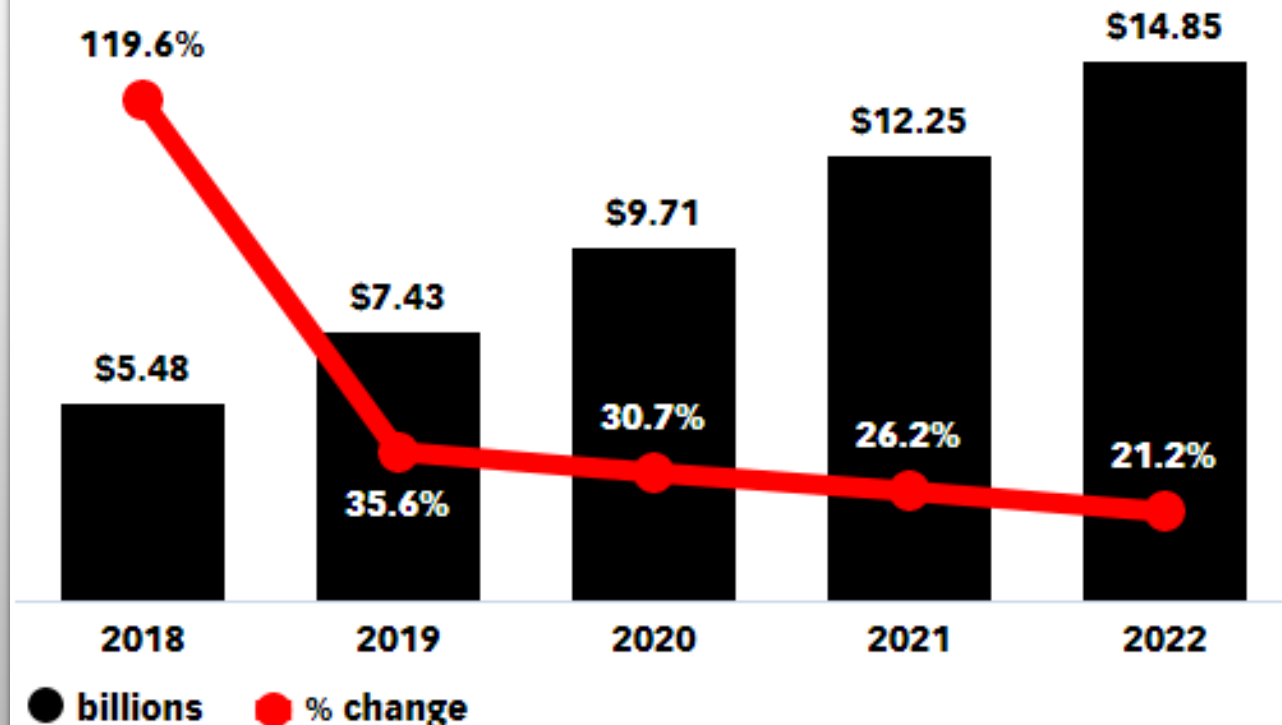
- **Forecast was finalized on March 6, 2020**
- **Assumes return to GDP growth in Q3 2019**
- **Recent events may lead to revisions!**



**We expect
about 71% of
Amazon's net
US revenues
to come from
CPC, primarily
keyword-
targeted
formats this
year**

Amazon Search Ad Revenues

US, 2018-2022

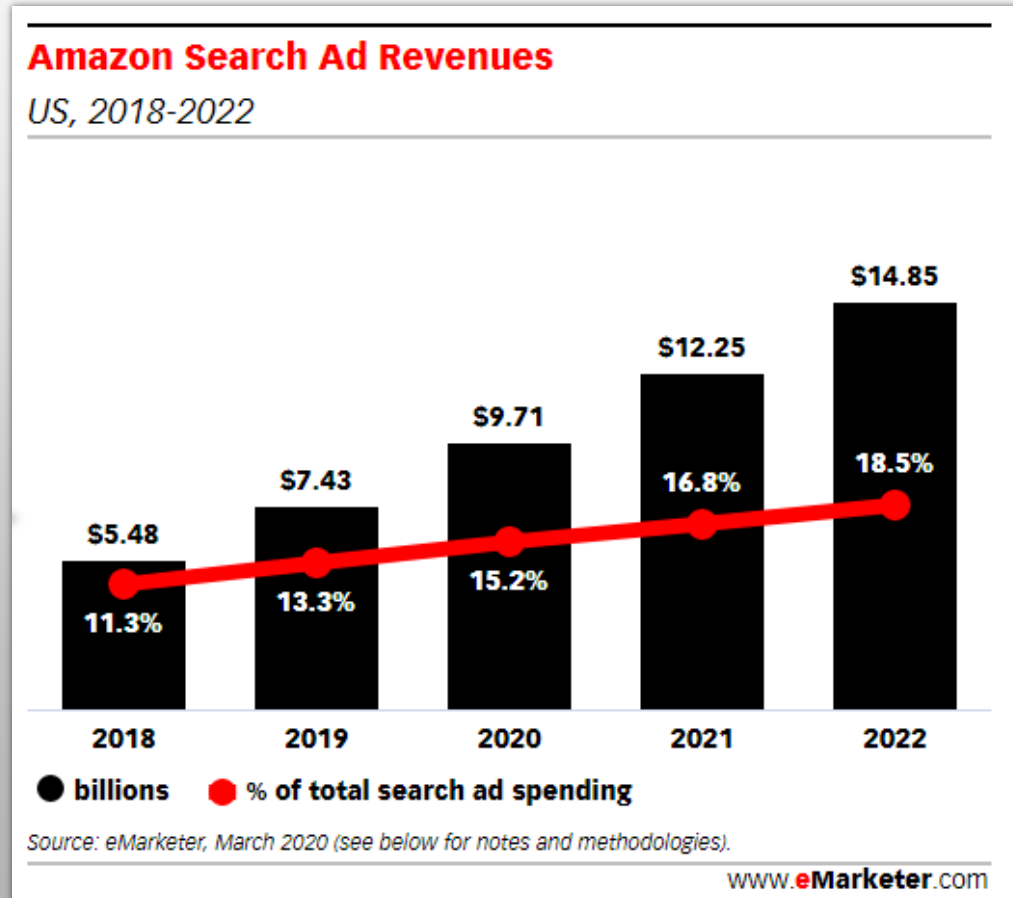


Source: eMarketer, March 2020 (see below for notes and methodologies).

www.eMarketer.com

Amazon will surpass 15% of the US search ad market this year

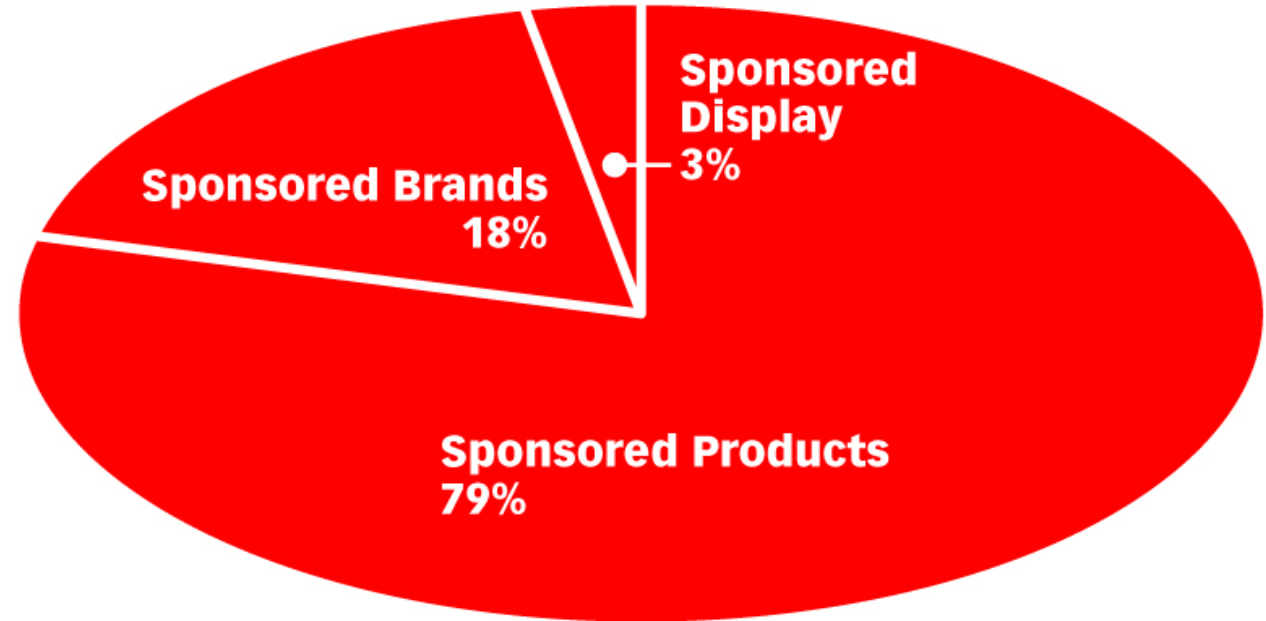
This is still far behind Google, which will net 60% of US search ad revenues this year, but it's an upward revision since October 2019.



Sponsored Product ads remain the dominant format among on-property options

Amazon Ad Spending Share in North America, by Format, Q4 2019

% of total



Note: based on campaigns analyzed by Merkle, broader industry metrics may vary

Source: Merkle, "Digital Marketing Report, Q4 2019," Jan 28, 2020

253009

www.eMarketer.com

**Performance
varies
significantly
by
placement...**

Amazon Sponsored Products Performance Metrics in North America, by Placement, Q4 2019

% of total

Impressions



Clicks



Spend



Sales



■ Product details page

■ Top of search

■ Other

Note: based on campaigns analyzed by Merkle, broader industry metrics may vary; numbers may not add up to 100% due to rounding

Source: Merkle, "Digital Marketing Report, Q4 2019," Jan 28, 2020

253010

www.eMarketer.com

**...but far
outshines
conversion
rates on
Google
Shopping ads**

Average Conversation Rate for Amazon Ads vs. Google Shopping Ads in North America, Q4 2019



Note: measured on an index where the baseline Google Shopping Ads=100; based on campaigns analyzed by Merkle, broader industry metrics may vary

Source: Merkle, "Digital Marketing Report, Q4 2019," Jan 28, 2020

253011

www.eMarketer.com

And prices for Amazon ads keep going up

Comparative Estimates: Amazon Sponsored Products Ad Benchmarks in North America, Q4 2019

% change vs. same period of prior year

	Ad spending	Clicks	Cost-per-click
Merkle	63%	42%	15%
Pacvue*	37%	18%	16%
Tinuiti*	30%	16%	12%

Note: *US only

Source: various, as noted, Feb 18, 2020

252893

www.eMarketer.com

Comparative Estimates: Amazon Sponsored Brand Ad Benchmarks in North America, Q4 2019

% change vs. same period of prior year

	Ad spending	Clicks	Cost-per-click
Merkle	56%	28%	21%
Pacvue*	27%	38%	-8%
Tinuiti*	27%	38%	-8%

Note: *US only

Source: various, as noted, Feb 18, 2020

252894

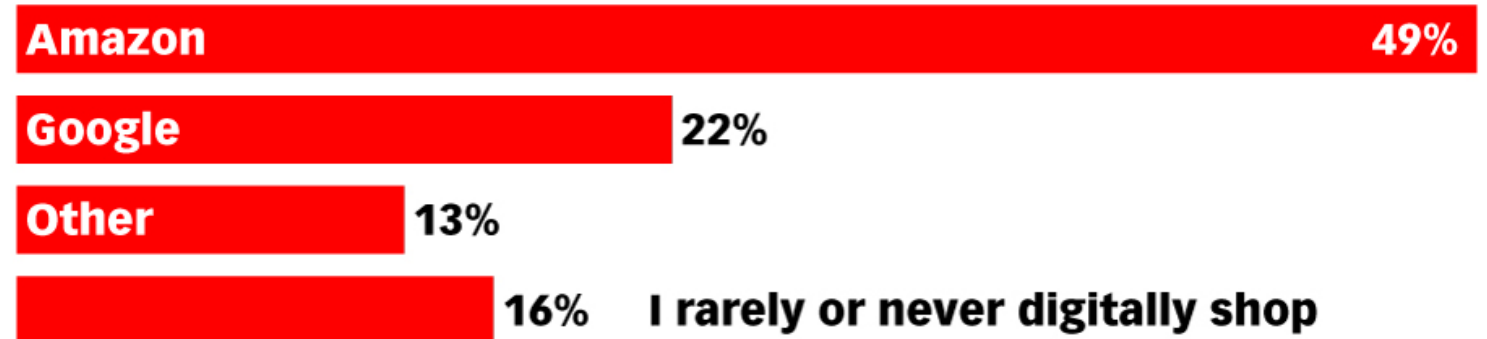
www.eMarketer.com

What's going on with consumer search behavior?

- **Yes, many start with Amazon rather than Google**
- **But it's important to note question wording and stage of purchase funnel**

Where Do US Internet Users Typically Start When Digitally Shopping for a Product?

% of respondents, June 2019



Note: n=4,969 ages 13+

Source: CivicScience as cited in company blog, Oct 17, 2019

251136

www.eMarketer.com

Age doesn't play much of a role in this behavior

When US Shoppers Digitally Shop for a Product, Where Do They Typically Start?

% of respondents, by age, June 2019

13-17



18-24



25-29



30-34



35-44



45-54



55-64



65+



■ Amazon ■ Google ■ Other

Note: n=4,164; numbers may not add up to 100% due to rounding

Source: CivicScience as cited in company blog, Oct 17, 2019

250521

www.eMarketer.com

But Amazon Prime status has a significant effect

- For frequent Prime shoppers, Amazon use is barely even a question
- But even among nonmembers, one in three start at Amazon

Starting Location for US Shoppers When Digitally Shopping for a Product, by Frequency of Amazon Prime Usage, June 2019

% of respondents

Use Amazon Prime weekly



Use Amazon Prime monthly or less



Not a Prime member



■ Amazon ■ Google ■ Other

Note: n=770 ages 13+; numbers may not add up to 100% due to rounding
Source: CivicScience as cited in company blog, Oct 17, 2019

251137

www.eMarketer.com



PACVUE

Lower Funnel Advertising Strategies and Tactics




Melissa Burdick

President and Co-Founder, Pacvue

The Basics Have **Not** Changed

Vita Coco Coconut Water, Pressed Coconut | Impossible To Hate | Smooth, Refreshing Coconut Taste | Naturally Hydrating | Gluten Free | 16.9 Oz Slim Bottle (Pack Of 12)
by Vita Coco



12
16.9 oz

★★★★☆ 191 ratings

Price: **\$23.88** (\$0.12 / Fl Oz) ✓prime

Pay ~~\$23.88~~ \$0.00 after using available Amazon Rewards Visa Card Points.

FREE delivery: **Tuesday** Details

Deliver to Melissa - Newcastle 98059
In Stock.

Sold by VitaCoco and Fulfilled by Amazon.

Style: **Pressed Coconut**

- \$23.88 (\$0.12 / Fl Oz) ✓prime
- \$23.88 (\$0.12 / Fl Oz) ✓prime
- \$23.88 (\$0.12 / Fl Oz) ✓prime

- SMOOTH, REFRESHING COCONUT TASTE | We blended our coconut water with fresh pressed coconut for all the benefits of coconut water drinks, like electrolytes, but tastes like how you wished coconut water would taste.
- REPLENISH LOST ELECTROLYTES | Full of naturally-occurring electrolytes and nutrients, Vita Coco is a great option for a pre workout and post workout recovery drink. Why choose other healthy drinks like Aloe vera juice, Vitamin water, pre workout powder, electrolyte powder, or electrolyte tablets when you can have fresh pressed coconut water.
- GLUTEN-FREE, and NON-GMO SMOOTHIE BOOST | Full of nutrients Vita Coco Pressed is great for your smoothie. No need for an electrolyte supplement or smoothie mix. Vita Coco pairs well with

One-time purchase: \$23.88 (\$0.12 / Fl Oz)

Subscribe & Save: 5% 10%
\$22.69 (\$0.11 / Fl Oz)

Unlock 10% by adding this product and 3 more to your next delivery.
[Learn more](#)

First delivery on Mar 23 change

Qty: 1

Deliver every:
1 month (Most common)

Set Up Now

Add to your Dash Buttons
[Learn more about Dash Buttons](#)

Add to List

Share

Have one to sell? [Sell on Amazon](#)

5 COCO FIVE
Clean Sports Hydration for Today's Athlete

COCOS All Natural Coconut Water, 6 Flavor Multipack
★★★★☆ 59
\$30.00 ✓prime

Ad feedback

Roll over image to zoom in



Strategies Have Gotten More Complex!

Feed the Funnel

- Fire TV
- Amazon Live
- Audio Ads

Engage New Customers

- Display
- Sponsored Display
- Fire Tablet

Maximize Purchase Intent

Own Your Aisle

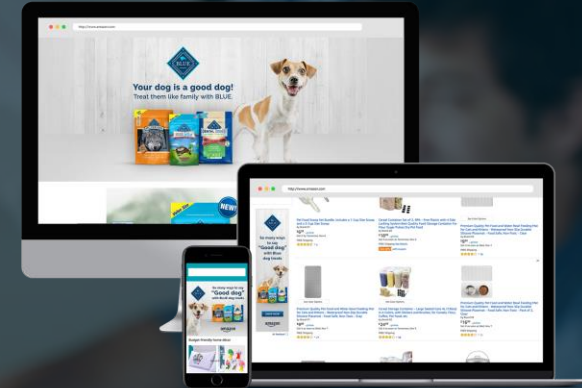
- Sponsored Brands / Stores
- Sponsored Products
- SB+V

Harvest Demand

- Sponsored Products
- Sponsored Brands / SB+V
- Display / Sponsored Display

Retail Readiness

- A+ Content
- Items in Stock
- Ratings and Reviews



Strategy



Technology

Branded

Baby
Bleach
Color
Concentrated
General Detergent
Liquid Detergent
Natural

detergent hypoallergenic
detergent laundry free and clear
detergent laundry sensitive
detergent liquid free and clear
detergent liquid sensitive
detergent liquid sensitive scent
...and more

Unit Dose

...and more

Category

Baby
Biodegradable
Concentrated
General Detergent
Liquid Detergent
Odor Control
Powder
Sensitive
Stain Remover
Unit Dose
w/ Fabric Softener
...and more

Competitor

Ajax
Ariel
Arm & Hammer
Babyganics
Biokleen
Charlies Soap
Cheer
Gain
Honest Company
Tide
...and more

New Product Launch

Spend **HIGH**

ROI **LOW**



ASIN: B085W9PQCR

Date first listed on Amazon: March 13, 2020



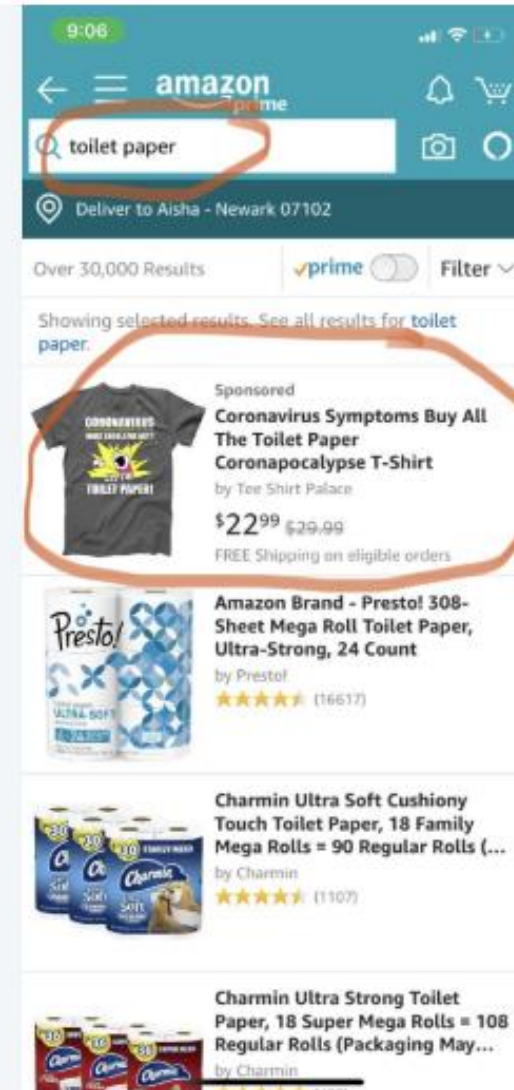
Aisha Khan • 1st

Chief Strategy Officer | eCommerce | Omnichannel Sales | Performance Marketing | ...

2h • Edited •







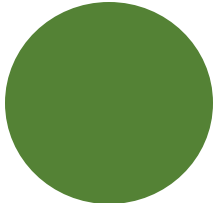





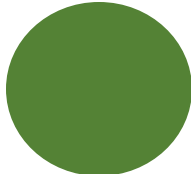

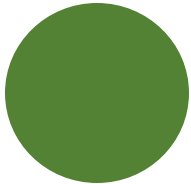


Amazon is now completely out of toilet paper but slow clap to this novelty tshirt seller for seeing the opportunity 🙌

#buyallthetoiletpaper



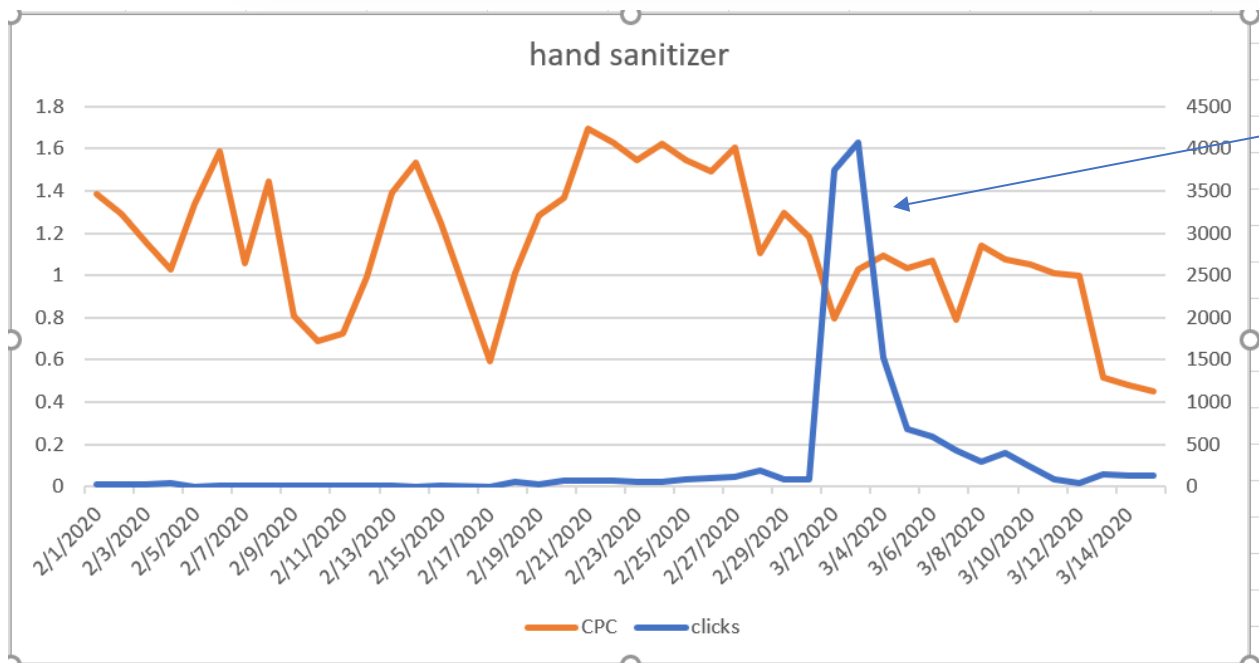
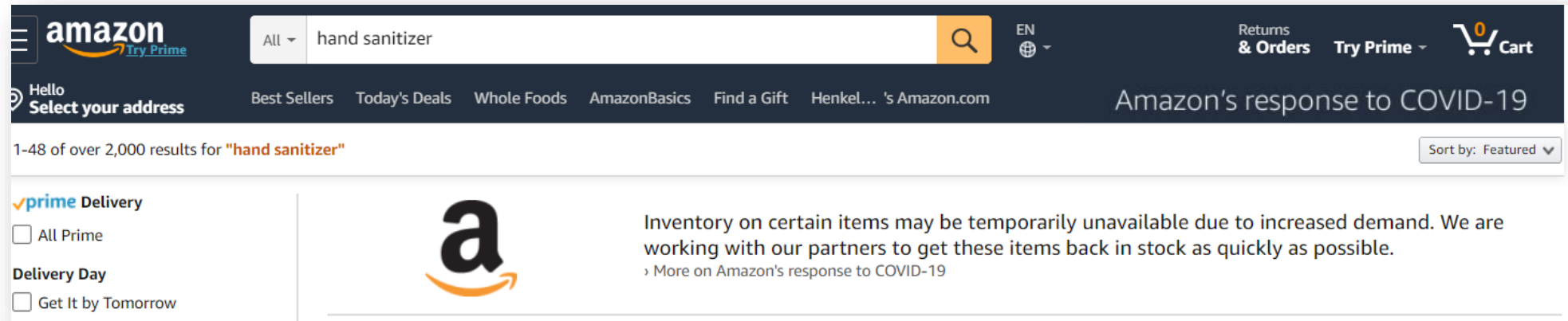
Key Goals

Different goals = **different tactics/investment levels**

			Branded "Pepsi"	Category "Soft Drink"	Competitor "Coke"	
	GOAL Gain Share	MAIN KPI Topline Sales				
	Defend Share	Market Share				Budget Allocation
	Incrementality	'New to Brand' Customers				
	Efficiency	ROAS				

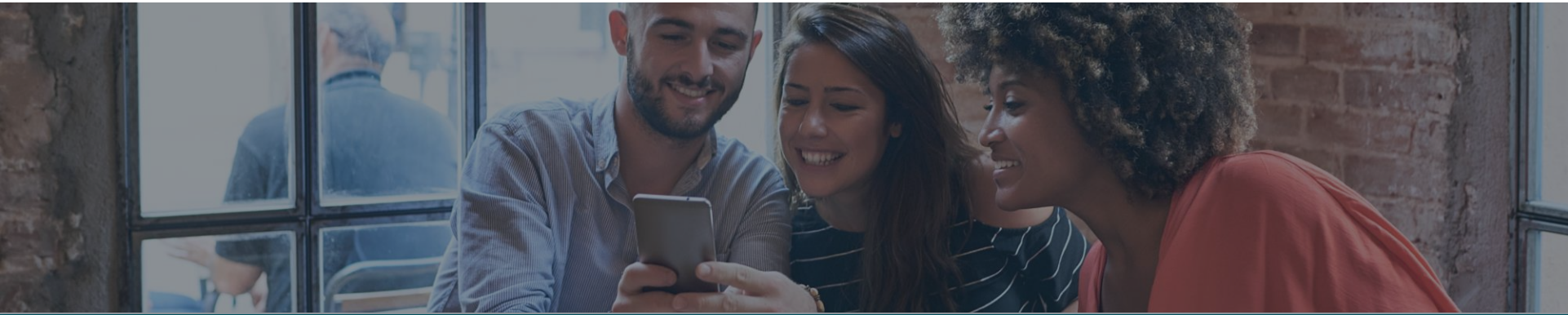
COVID-19 Impact

Opportunistic keyword traffic



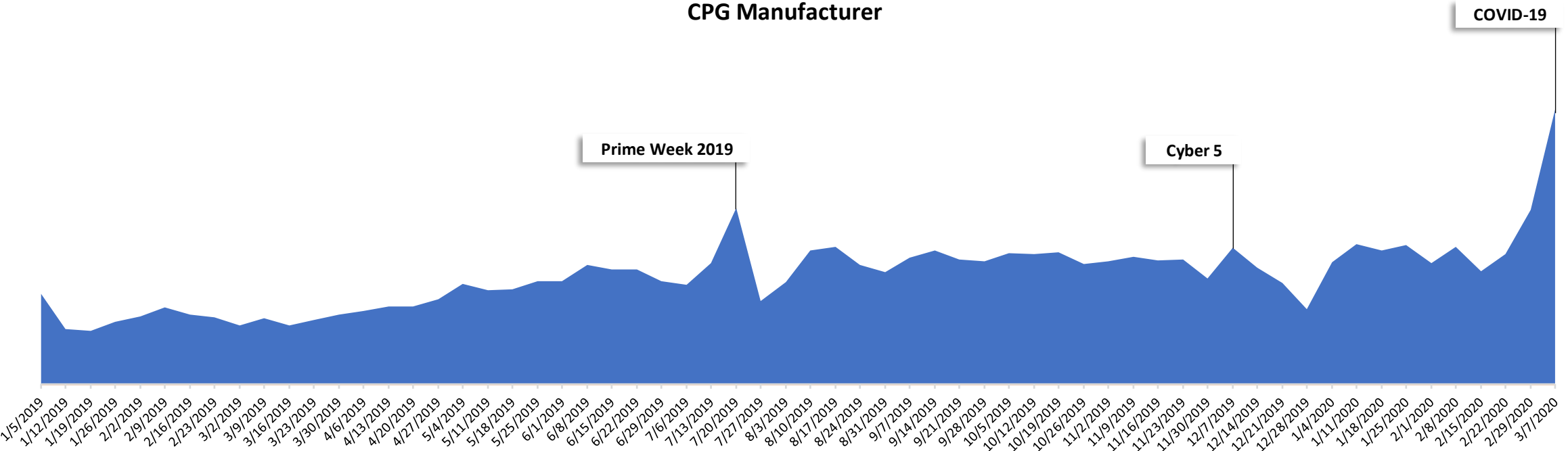
Amazon restricts sales of face masks and hand sanitizer due to coronavirus price gouging

The Verge · 8 days ago



“If you have the inventory, now’s the time to invest in paid search”

Weekly Ad Sales
CPG Manufacturer



Case Studies

How-to-Win // Highly Competitive Environments

How can brands in highly competitive categories optimize for additional efficiencies?



Ad Units

Should I test new ad types?



Search Placement

Is Top of Search Worth it?



Where to Play

Should I compete on top keywords?



Right to Win Brands

Which brand(s) should I prioritize?



Search Trends

How should I think of macro-trends?

What are you looking for?



Whole Foods

Fresh

Alexa Lists

Prime

Vid



Select a location to see product availability

Add Alexa to your car
echo auto



Grant a few birthday wishes
Shop gift cards ▶

Sign in for the best experience

Sign in

Create an account

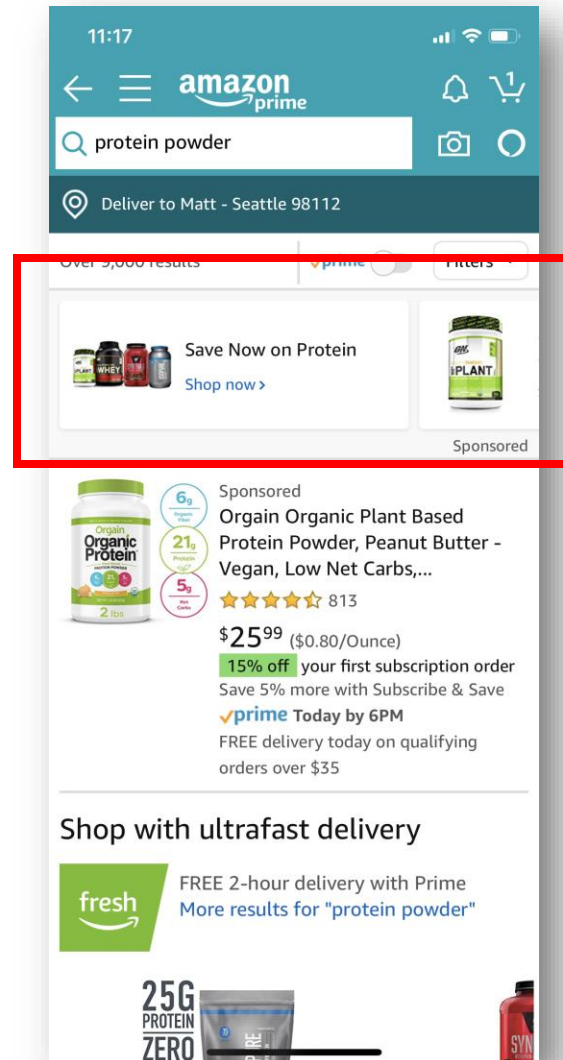


Deal of the Day

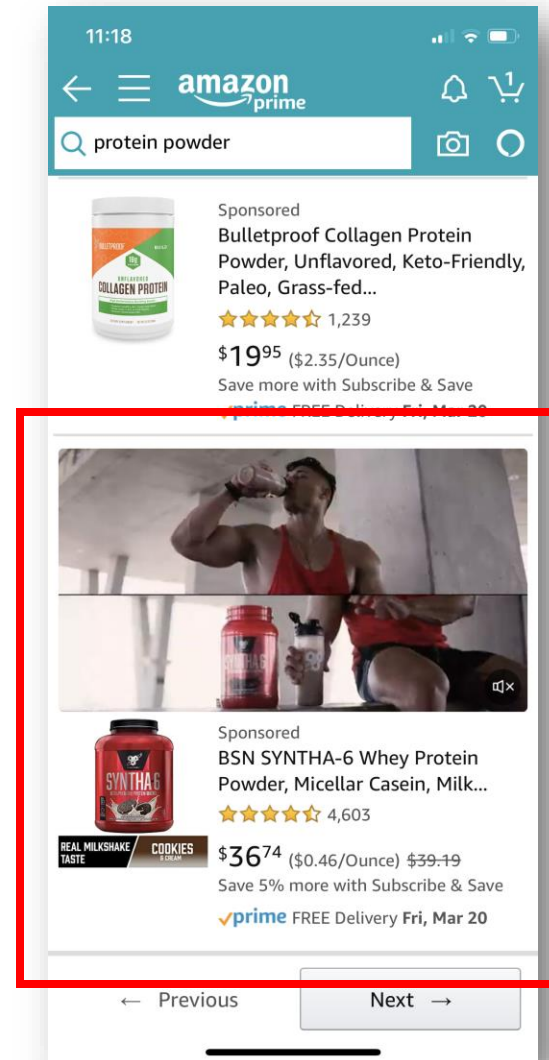


Ad Units // Video in Search

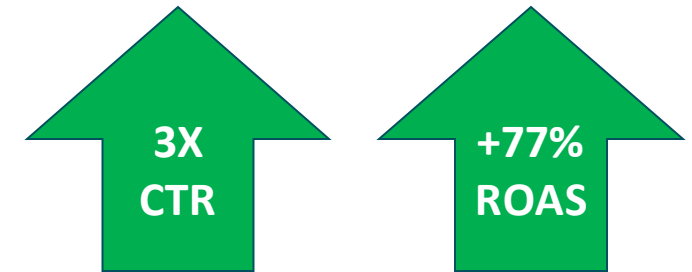
STATIC – ToS



VIDEO In Search



RESULTS



BEST PRACTICES

- ✓ Include on-screen text
- ✓ Keep below 60 seconds (15 seconds is ideal)
- ✓ Feature brand name and logo in first 5 seconds

Search Placement // What is the Value of Top of Search (ToS)?

The screenshot shows an Amazon search results page for 'protein powder'. The top three products are highlighted with a red dashed box, representing the 'Top of Search' (ToS). These products are 'REAL MILKSHAKE TASTE', '100% WHEY PROTEIN', and 'WHEY PROTEIN'. An orange arrow points from the text 'What is the value of appearing here at the ToS?' to this red box. The bottom two products are highlighted with a green dashed box, representing the 'Rest of Search' (RoS). These products are 'NITRO TECH' and 'Organic Protein'. A green arrow points from the text 'What is the value of appearing here at the RoS?' to this green box. The page includes filters on the left for Prime, shipping, local stores, and various product attributes.

What is the value of appearing here at the **ToS**?
vs. here in the **Rest of Search (RoS)**?

KPIs to Monitor

Overall Traffic/Clicks
Spend
Cost Per Click (CPC)
Return on Ad Spend (ROAS)
Conversion Rate

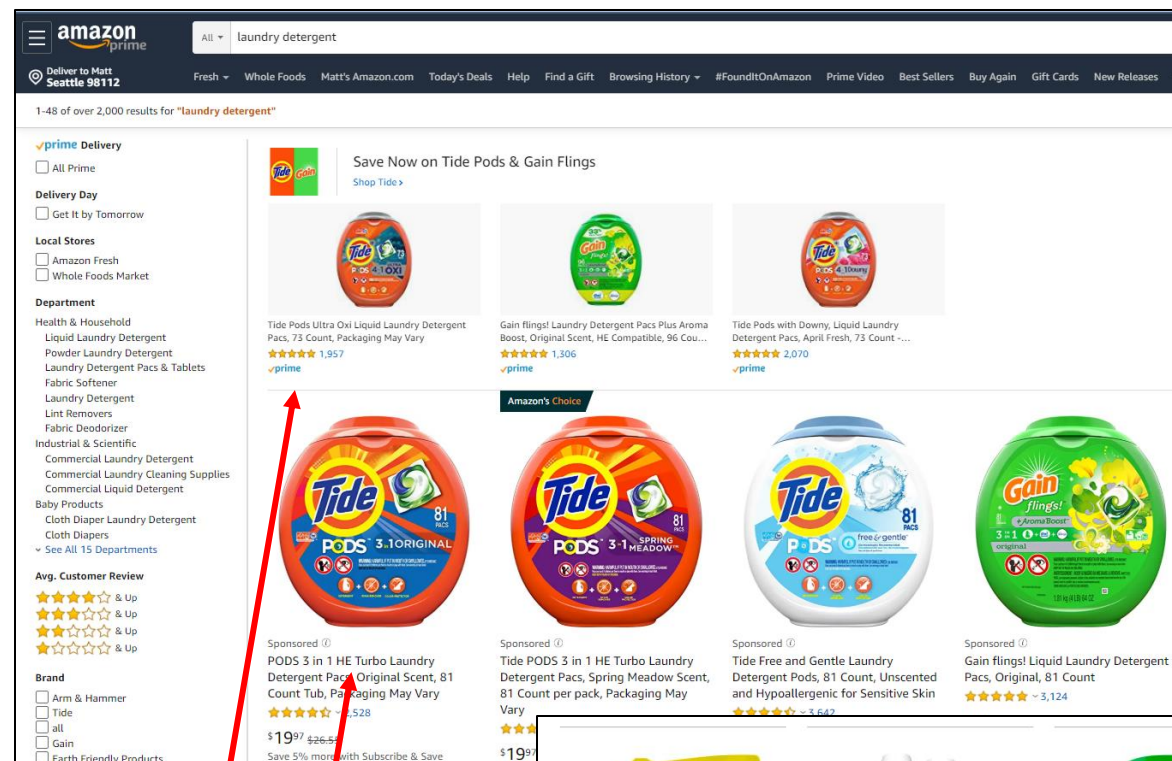
Result of Test & Learn

+9% ROAS improvement on top Category keywords

Right to Win Brands // Multi-Brand Strategy

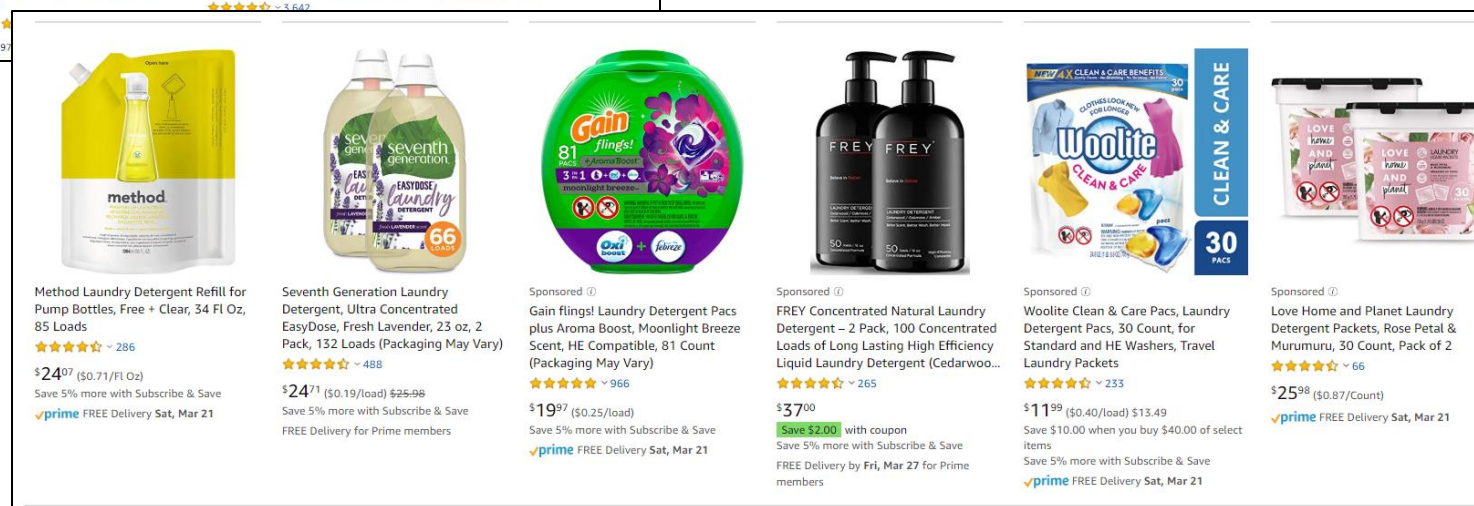
Not all brands are meant for the top row of Page 1

CPCs for the premium 'Top of Search' placement can be more than **triple** their 'Rest of Search' or 'Product Page' counterparts for the same search term. Prioritize premium brands for premium placements, and everyday brands for cheaper placements.



'Top of Search'

Avg. CPC = \$13+



'Rest of Search'
Avg. CPC = \$6

Where To Play // Knowing Where to Compete

Finding your niche (and the associated mid to lower-funnel keywords vs. broad upper-funnel keywords) can help brands **drive more efficient marketing** and **establish themselves within a specific subcategory**.

19 advertisers bidding on
'organic raw dog food'



'organic raw dog food' vs. 'dog food'

Avg. CPC: **-24%** lower
Avg. ROAS: **+119%** higher
Avg. CTR: **+374%** higher
Avg. Conversion: **+133%** higher

97 advertisers bidding on
'dog food'



New Retailer Platforms

Walmart Media Group Expands Sponsored Search Offering through Walmart Advertising Partners Program



Additional News



Shop all of Walmart in One Convenient Place
March 5, 2020



If You Build It (Together), They Will Come: Walmart Introduces New Fulfillment Service Built with Sellers, for Sellers
February 25, 2020



Moving Jet Block from Incubation into our Broader Business
February 16, 2020

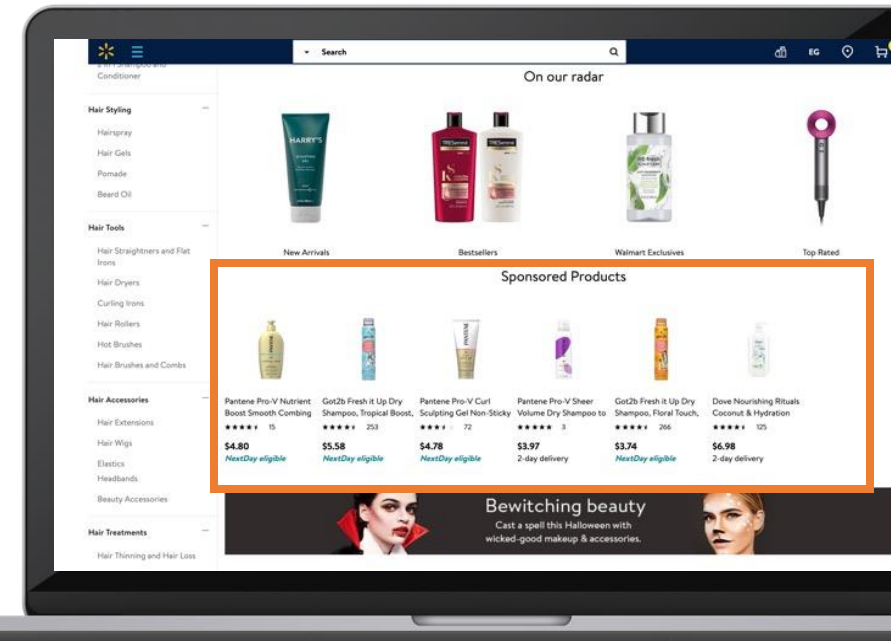
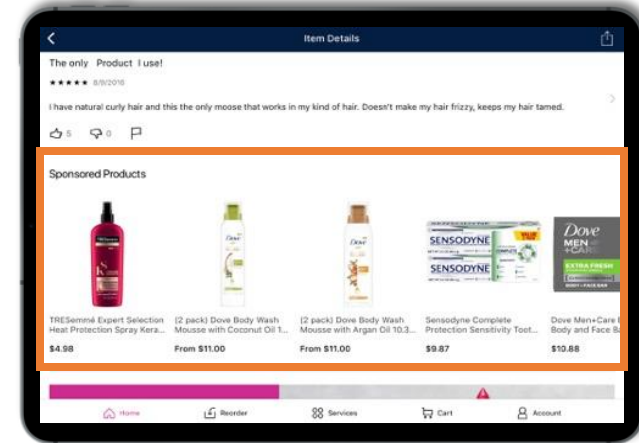
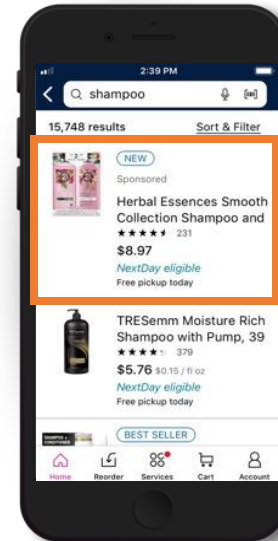
Jan. 3, 2020

By Lex Josephs, Vice President Sales and Media Partnerships, Walmart Media Group

Walmart has been investing in building a robust in-house advertising offering through the Walmart Media Group. In 2019, we grew our technology offering through the acquisition of Polymorph, strengthening our supply-side ad stack to deliver full native ad campaigns and reports to brands. We also brought on new talent across executive and engineering levels and achieved tremendous success with campaigns for brand partners like Kellogg's and Hershey's.

We have something unique to offer brands, the ability to maximize campaigns with rich data insights - based on both in-store and online data - at scale.

Today, we're kicking off 2020 with the launch of our Walmart Advertising Partners program to expand advertisers' direct access to their Sponsored Products campaigns, a bid-based auction-based marketplace, giving them more transparency and control. Brands will now be able to increase visibility with Walmart's diverse, sizable audience.





amazon
prime

Deliver to **Houston, Texas**
Newcastle 78055

Search: All - pepsi

1-48 of 721 results for "pepsi"

- Amazon Prime
- pepsine
- Amazon Pantry
- pantry
- Prime Wardrobe
- prime wardrobe
- Local Stores
- Amazon Fresh
- Department
- Grocery & Gourmet Food
- Soda Soft Drinks
- Cocktail Mixes
- Beverages
- Drinking Water
- Pantries
- Kitchen & Dining
- Tumblers & Water Glasses
- Books
- Antique & Collectible Pepsi-Cola Advertising
- Toys & Games
- Video, TV Series & Accessories
- Tools & Home Improvement
- Diversification Services
- See All 22 Departments

Any Customer Review

★★★★★ ~ 4k
★★★★☆ ~ 2k
★★★☆☆ ~ 1k
★★☆☆~ 1k
★☆☆~ 1k

Brand

- Pepsi
- Two Lids
- Diet Pepsi
- PepsiCo
- G&G Beauty
- Coca Cola
- Mountain Dew
- Pepsi Charlotte Knights
- PEPSI At The Neighborhood Corner Store
- Pepsi Bakerfield Blaze
- Minors Pepsi Richmond Braves
- Pepsi/Monster Race, Inc.

Subscribe & Save

☐ Subscribe & Save Eligible

Nutrition Facts Per Serving

- Fat Free (+0g)
- Total Fat (+0g)
- Fiber of Saturated Fat (+0g)
- Fiber of Trans Fat (0g)
- Cholesterol Free (+0mg)
- Sodium Free (+0mg)
- Low Sodium (+0mg)
- Carbohydrate Free (+0g)
- Sugar Free (+0g)
- Dietary Fiber (+0g)
- Protein (+0g)

Calories Per Serving

- 0 Calories
- Up to 40 Calories
- Up to 100 Calories
- 100 to 200 Calories
- 200 to 500 Calories

Sort By: Relevance

pepsi

- In Prime Pantry
- In Grocery & Gourmet Food
- pepsi cans
- pepsi bottles
- pepsi zero
- pepsi mini cans
- pepsi real sugar
- pepsi 2 liter
- pepsi max
- pepsi soda
- pepsi mini

Sponsored (1)
Pepsi Bottles 16.9 Fl Oz (pack of 6)
★★★★★ ~ 843
\$2nd (\$0.02/Ft Oz) \$4.44
fresh FREE 2-hour delivery

Sponsored (1)
Pepsi Soda 7.5 Ounce Mini Cans, 10 Pack
★★★★★ ~ 447
\$3rd (\$0.05/Ounce)
Save 5% more with Subscribe & Save
FREE Delivery for Prime members

Sponsored (1)
Pepsi Soda 1693, Original, 12 fl oz. cans (12 Pack)
★★★★★ ~ 1,155
\$17th (\$0.12/Ft Oz)
Save 5% more with Subscribe & Save
prime FREE Delivery Sun, Mar 15

Pepsi Soda, 7.5 Ounce Mini Cans, 10 Pack
★★★★★ ~ 447
\$3rd (\$0.05/Ounce)
Save 5% more with Subscribe & Save
FREE Delivery for Prime members

Pepsi Soda, 12 Ounce (24 Cans) (Packaging May Vary)
★★★★★ ~ 144
\$6th (\$0.02/Ft Oz) \$4.44
fresh FREE 2-hour delivery

Pepsi Wild Cherry Bottles (6 Count, 16.9 Fl Oz Each)
★★★★★ ~ 156
\$3rd (\$0.09/Ft Oz)
fresh FREE 2-hour delivery

Pepsi-Cola 1693, Original, 12 fl oz. cans (12 Pack)
★★★★★ ~ 1,155
\$17th (\$0.12/Ft Oz)
Save 5% more with Subscribe & Save
prime FREE Delivery Sun, Mar 15

Pepsi vs Cola: The Marketing Battle of the Century
★★★★★ ~ 25
Watch Now

Pepsi Zero Sugar, Vanilla, 12 fl oz. Cans (12 Pack)
\$5th (\$0.47/Canned) \$7.34
fresh FREE 2-hour delivery

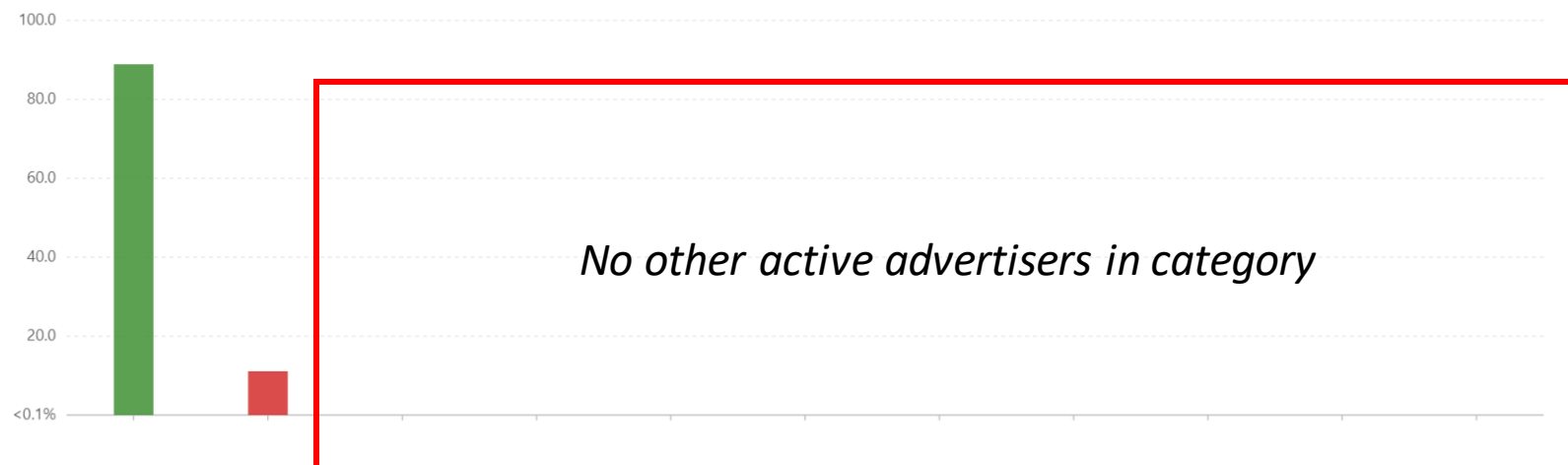
Pepsi AB 1200PB Cola Small (Beverage)
\$318th
Or \$63.74/month for 5 months
FREE Delivery by Fri, Mar 26 for Prime members

Walmart // Low Competition

There is significantly less competition right now for paid placements on Walmart vs. Amazon

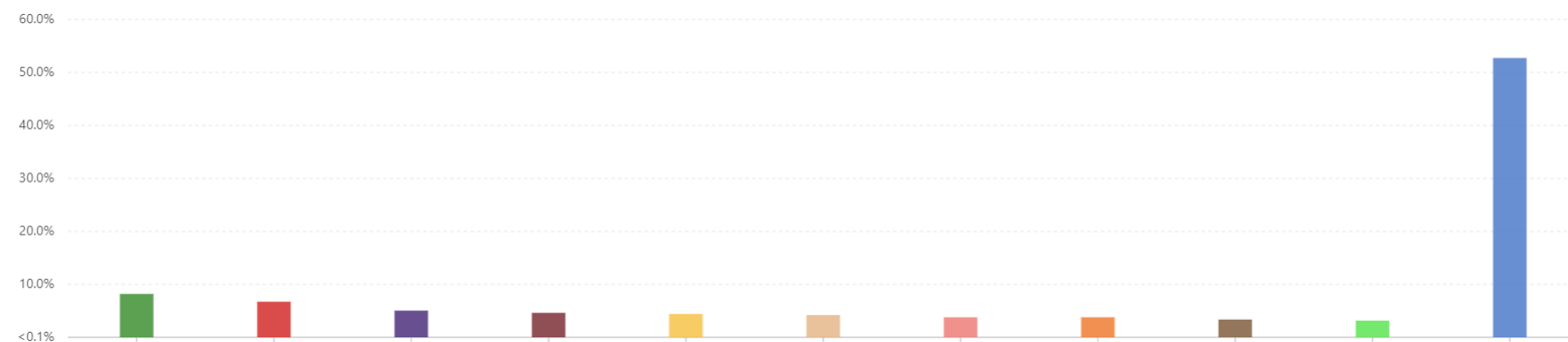
WALMART

In early March, just **one brand** accounted for nearly 90% of Paid Share of Voice for a set of 10 high-volume Consumer Electronic search terms.



AMAZON

For these same 10 keywords, **84 brands** own some amount of Paid Share of Voice on Amazon, and no single brand owns more than 10%.





| Building a Brand



Travis Johnson
Global CEO, Podean

STRICTLY CONFIDENTIAL

March 23rd, 2020

How to grow your brand in ecommerce

www.podean.com

———— Focused on clients. Created in collaboration with Amazon. ————
Podean: The marketplace marketing authority

Building Brands.

Standing Out.

Selling Product.

Podean (puh-dee-uhn) hails from the word “antipodean” that refers to things **diametrically opposed.**



Longer term success

Brands matter

www.podean.com

Building brands in ecommerce

Why do brands matter?

**Defense against
private labels**



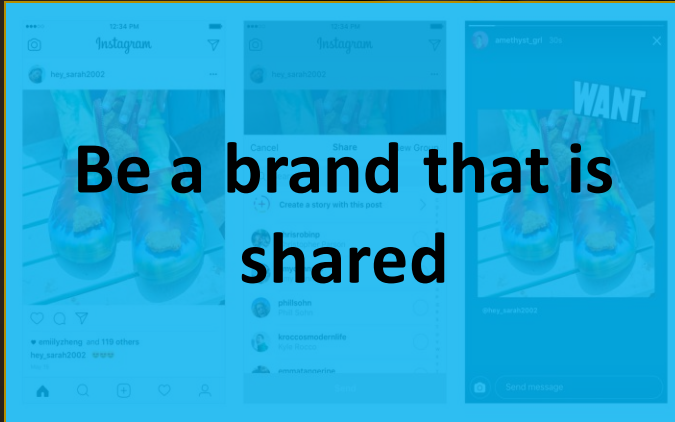
**New product/
New category/
Innovation**



Shareholder value



**Be a brand that is
shared**



**Command a
premium**



Top of mind = first choice



Building your brand

Some golden rules

Branding isn't a "type" of advertising or creative


Upper funnel activities drive lower funnel performance

Lower funnel activities impact brand metrics

There is no sequential consumer journey

Every impression makes an impression

Retail + Media + Marketing must work together



Building your brand

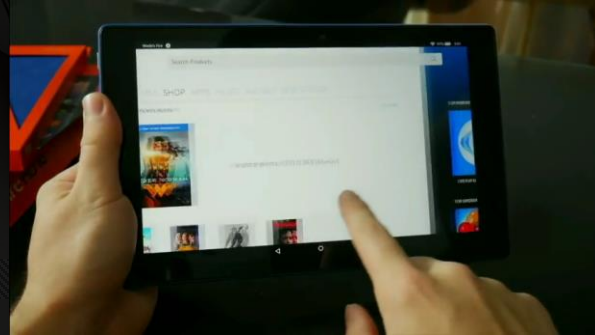
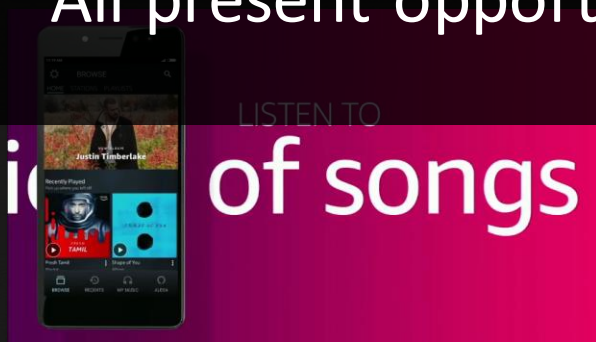
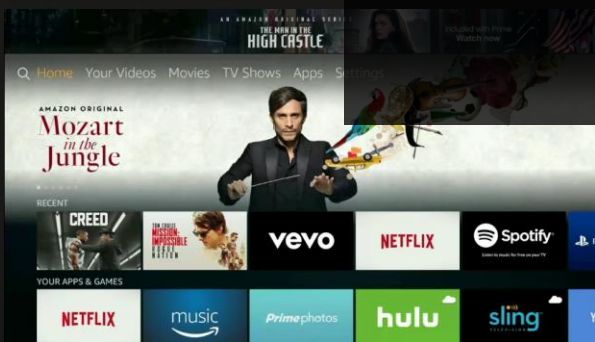
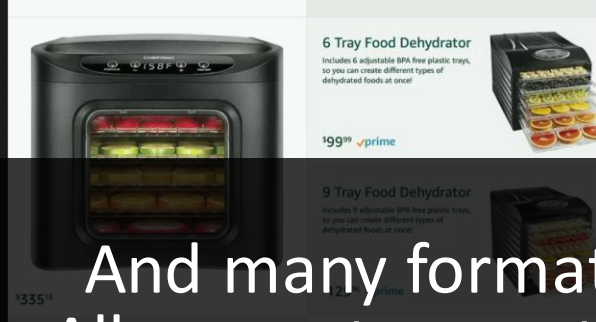
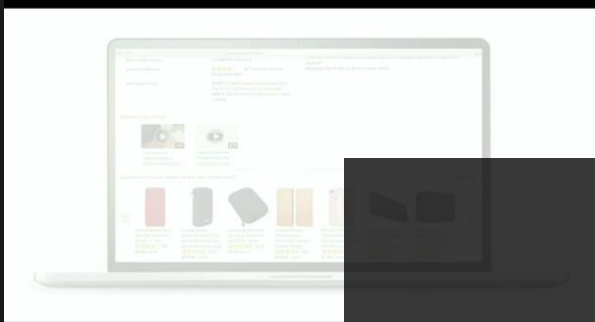
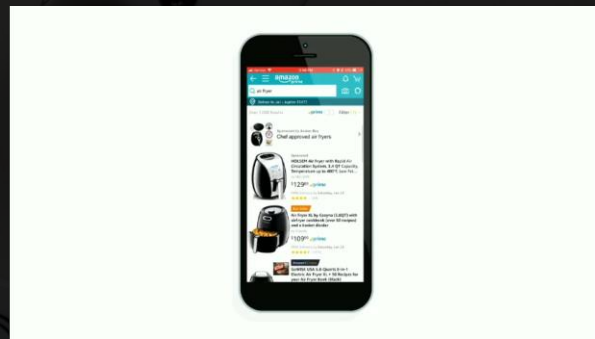
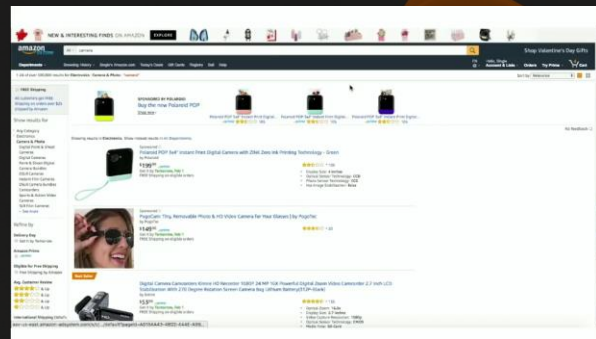
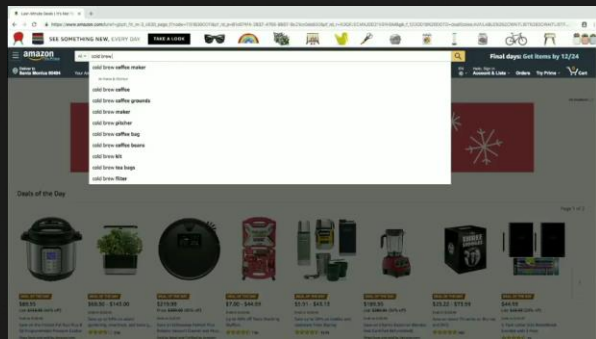
1. There's only one customer

There is no simple journey/funnel

Consumers interact with many different assets daily



You must think holistically



And many formats and experiences.
All present opportunity for marketers.

Listen to
of songs

Amazon now sells stuff
out of the back of a truck

Solving channel planning on Amazon Journey is our proprietary tool

Customer journey
mapping and budget
allocation

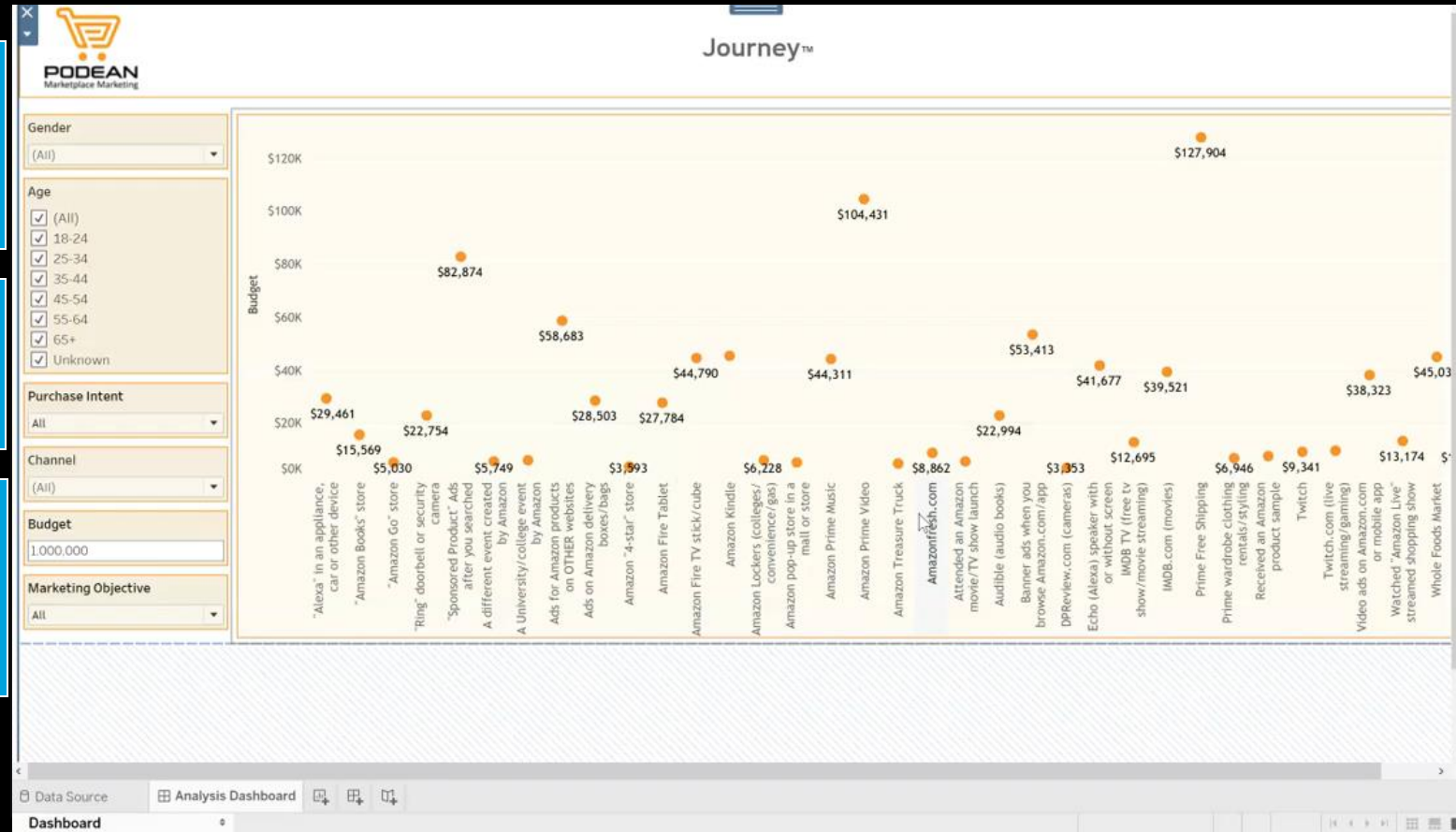
12 Age/demo
combinations

18 Purchase intent
categories / verticals

36 Amazon
advertising
opportunities

4 Marketing
objectives

Robust and
statistically significant
data – survey and
empirical calibration



Building your brand

2. It's not just about advertising

Innovation to improve and excite

Media, retail, logistics and beyond



Innovation – leading competitors



Brand Building – Display, Video, High Impact, Sampling



Performance Media – Search, Display



Fix the foundations – PDPs, A+, Store(s), 3P, Pricing, Forecasting, Business cases(s), Brand protection



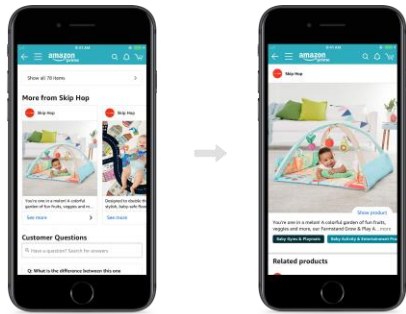
Strategy – holistic, go-to-market, across marketplaces, D2C approach



Audit – share of voice, brand consistency, PDPs, A+, stores

Innovation Media, retail, testing

Beta tests



Social Content



Voice SEO



Content/Integrations



Dynamic product bundles



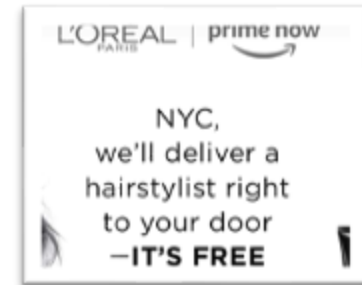
Digital gift with purchase



Reinvent the PDP



Activations



— Innovation —

Synthetic/AI video: scale cost-effectively



Innovation

Engaging video from stills

INPUT
CAMPAIGN ASSETS



OUTPUT
OUR SHORT FORM VIDEOS

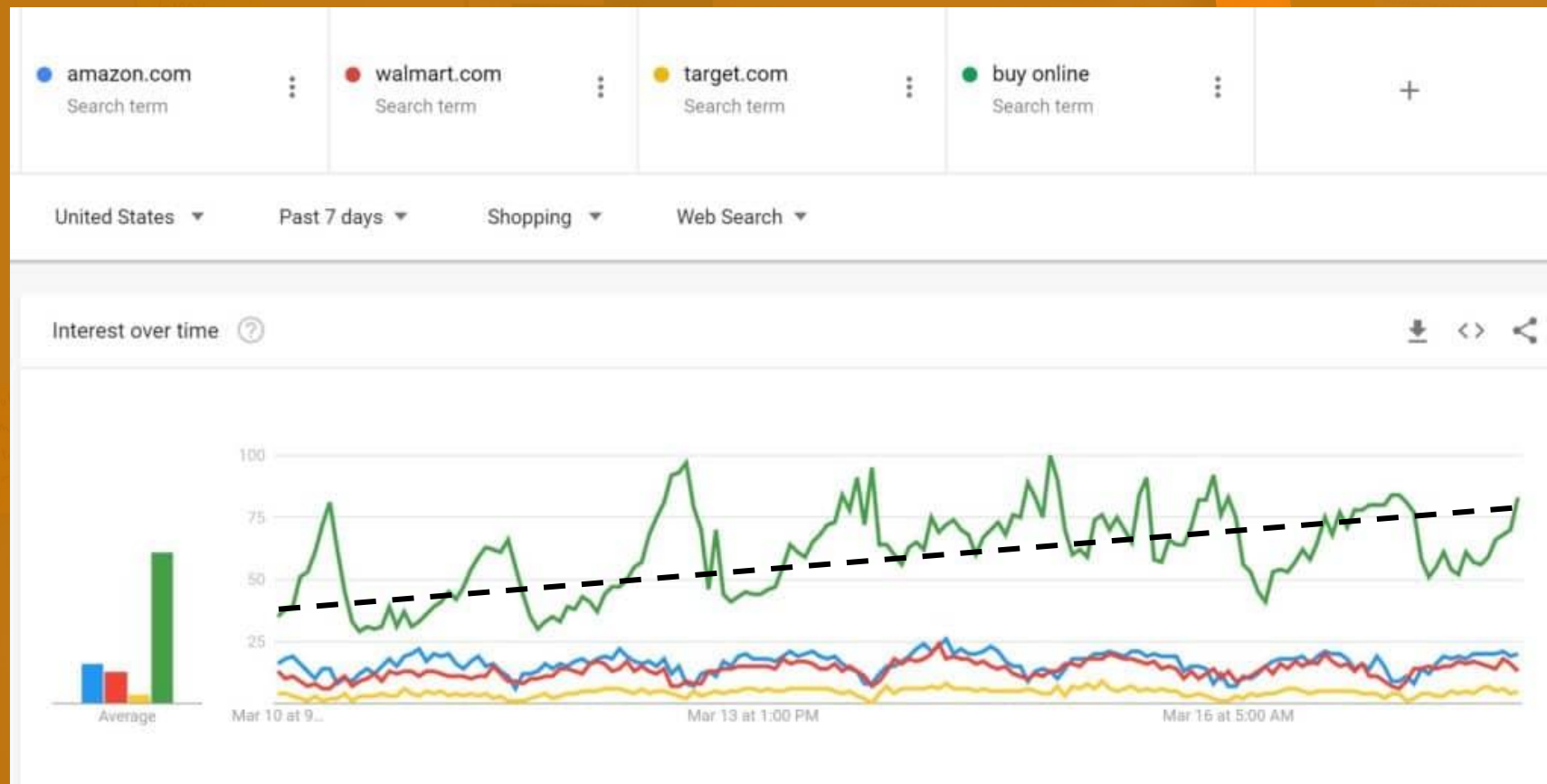


Some immediate opportunities

3. The current climate

Some opportunities

Ecommerce going nuts (obviously)



Google Trends L7D USA:

- “Buy Online” increased 51% (ix43 to ix65)
- Amazon.com +33
- Walmart.com + 66% from a slightly lower base
- Target.com +150% from tiny base

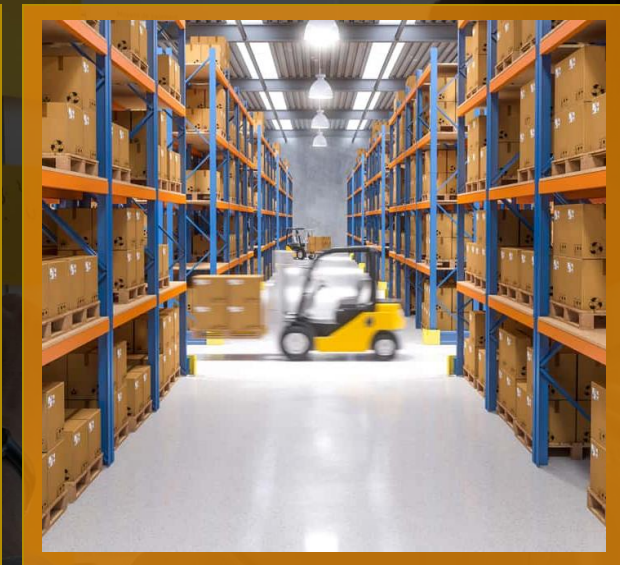
Some opportunities Surviving/Thriving in crazy times



**TACKLE EXPENSIVE
COMPETITORS HEAD-ON**



**UTILIZE VIDEO/DISPLAY:
AUDIENCES UP
COMPETITION DOWN**



SUPPLEMENT USING 3PL

THANK YOU!



Nicole Perrin

Principal Analyst, eMarketer

Nperrin@emarketer.com



Melissa Burdick

President, Co-Founder

Melissa@Pacvue.com



Travis Johnson

Global CEO, Podean

Travis@podean.com

