

CASE STUDY

Budget Fluidity: The Key to Planning Your 2021 Strategy



Discuss the session live:

#09-budget-fluidity



Melissa Burdick

Co-Founder &
President, Pacvue



Mindy Fashaw

Chief Operating
Officer, Pacvue

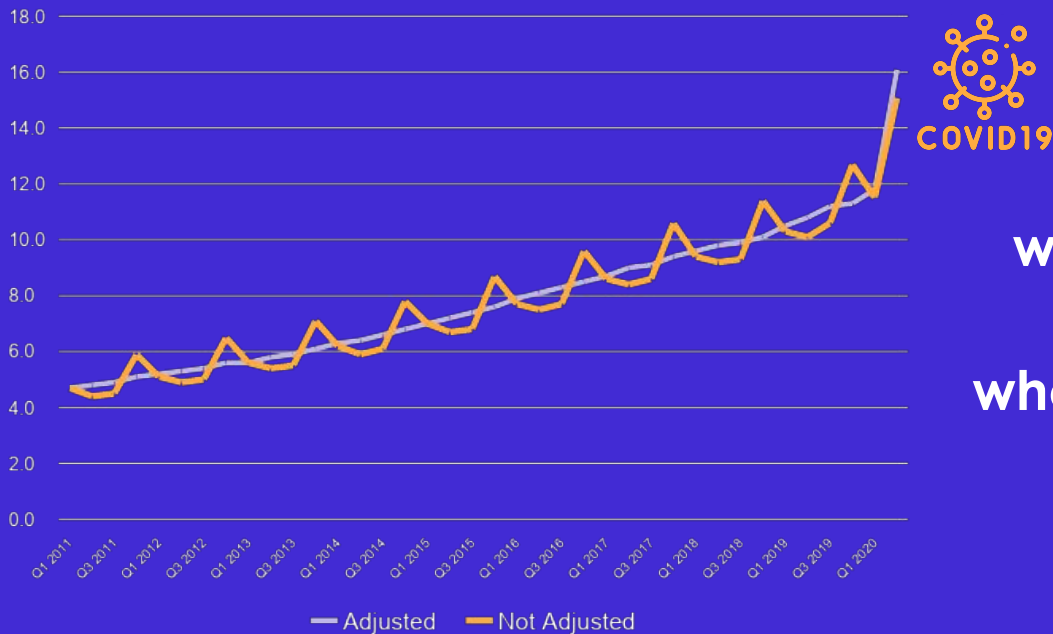


Laura Hyland

VP eCommerce
U.S., Henkel

The Unexpected Rise of eCommerce

Estimated Quarterly US Retail eCommerce Sales as a Percent of Total Quarterly Retail Sales: Q1 2011 – Q2 2020



**“There are decades
where nothing happens,
and there are weeks
where decades happen.”**

- Vladimir Lenin

1: US Census Bureau





Thanksgiving 2020

Walmart  **BEST
BUY™**



KOHL'S

**BED BATH &
BEYOND®**

DICK'S
SPORTING GOODS



It's Easy to Be Nimble...



if you're a nimble brand.

Big CPG Brand Response to COVID-19



From Demand to Conversion



Shifted budget into eRetail search

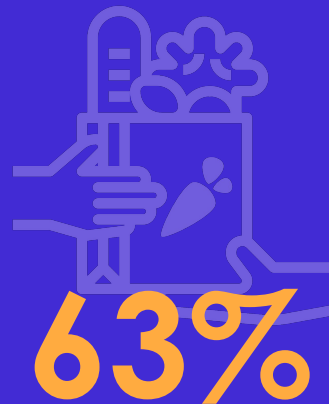
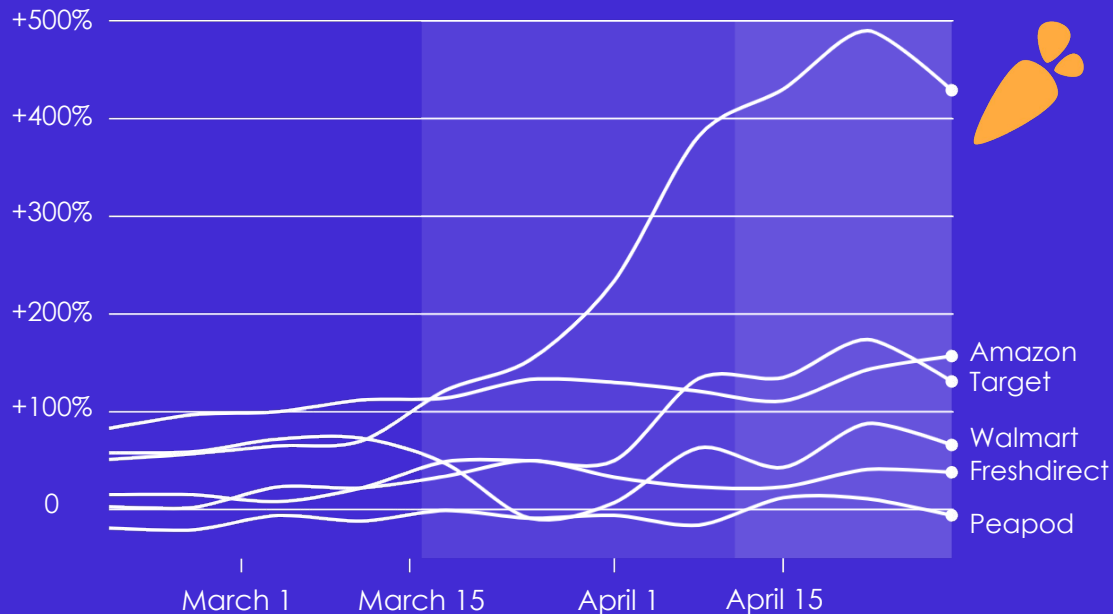


Follow the Shoppers



COVID-19 Winner = instacart

Change in online sales for grocery delivery companies



of shoppers plan to use
Instacart more in the
future than they have
in the past

1. Econsult Research April 2020

2. Catalyst + Kantar: State of the Ecommerce Landscape Study April 2020

Instacart Expands Its Platform



Walmart and Instacart partner for same-day U.S. delivery in fight against Amazon's Whole Foods



Instacart expands Ahold Delhaize USA relationship with Hannaford launch



Instacart adds 7-Eleven as grocery delivery partner to compete in online delivery wars



The Vitamin Shoppe Partners With Instacart To Introduce Same-Day Delivery To Customers Nationwide

Speed to Market Case Study: It Pays to be Agile

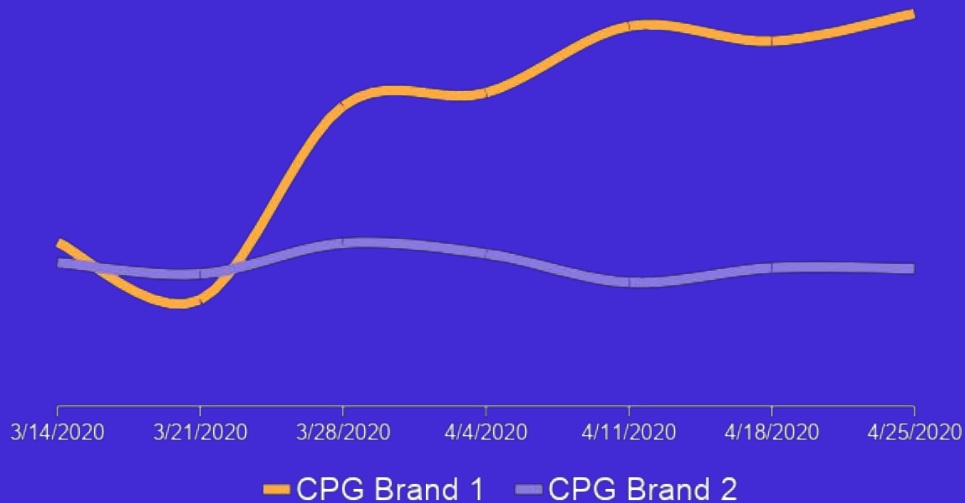
CPG Brand 2 plans budgets annually

CPG Brand 1 readjusts ad budgets monthly

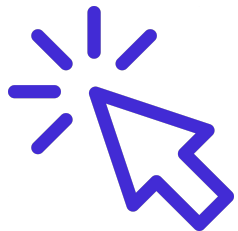
CPG Brand 1 reallocated budget from brick & mortar channels during w/e 3/21, driving +269% increase in Paid Share of Voice on Amazon

CPG Brand 1 has since overtaken **CPG Brand 2** and sustained their first-place SOV position

Amazon Paid Share of Voice



First Mover Advantage Lessons



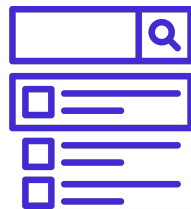
Cheap Clicks

Competitor CPCs as low as \$0.15-0.20



Shopper Lists

By customer's 10th Instacart order, 25% of all conversions are from *Your Items* list



Organic Visibility

Long-term benefits of improving how brand shows up on search results



Platform Expertise

Testing and learning first-hand on platforms

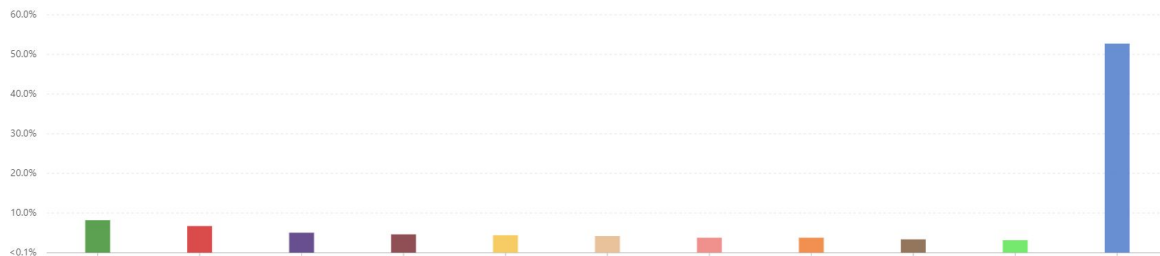
Lower Competition



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.



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



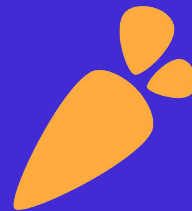
Early Expertise (Before Your Competitors Learn)



Lower ASP items
have better
conversion on
Walmart.com



Assortment & Price
Point segmentation
strategy



Ability to unlock
brand \$ (retailer
agnostic)



Budget Fluidity

The ability to move budget **flexibly** and **quickly** without layers of decision makers across platforms, channels and retailers based on **just-in-time** information



“You need to be
able to call an
audible at the line
of scrimmage”

- John Denny

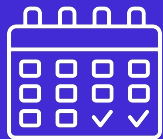
6 Challenges to Big Brand Budget Fluidity



Retailer
Expectations



Single-Threaded
Ownership



Static Planning
Cycles



Business Risk
Aversion



Comparable
Data Access

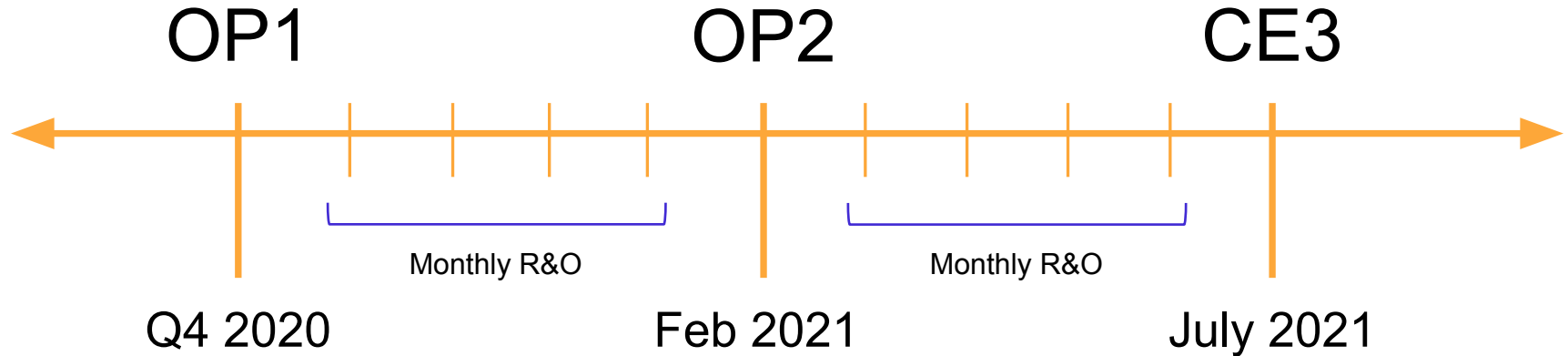


Domain
Knowledge

Amazon Annual Planning Cycle

Planning for 2021

Amazon reassess their forecast 10+ times per year



Achieve “**MORE**” Fluidity for 2021 Planning

1. Appoint **sponsor** and **champions**
2. Measure and monitor the **right KPI's**
3. Identify **early trends** for investment
4. Set aside an **innovation fund**
5. Activate a **cohesive** marketplace strategy
6. Ensure **backup fulfillment** options

Answer in Slack Channel:

Your solutions to budget fluidity challenges?

Discuss the session live:

#09-budget-fluidity

We're taking a 5 min break before the next session



Continue the discussion in Slack
#09-budget-fluidity

Just posted in the channel:

Pacvue best practice guides

- Get started with Instacart Featured Products
- Building a cohesive strategy across marketplaces

Join our slack network:
cutt.ly/commercelive2020

See full details at:
profitero.com/CommerceLive2020