

COLLABORATIVE MARKETING SUCCESS VIA NEXT GENERATION TRADE AND REVENUE OPTIMIZATION!



**SPRING
SUMMIT 2018**

“Winning with TPx, Retail Execution,
and Advanced Analytics Capabilities
Across Channels”



Johnson & Johnson
FAMILY OF CONSUMER COMPANIES

**Leveraging Insights and Advanced Analytics to
Succeed with Amazon and Other eCommerce
Retailers**

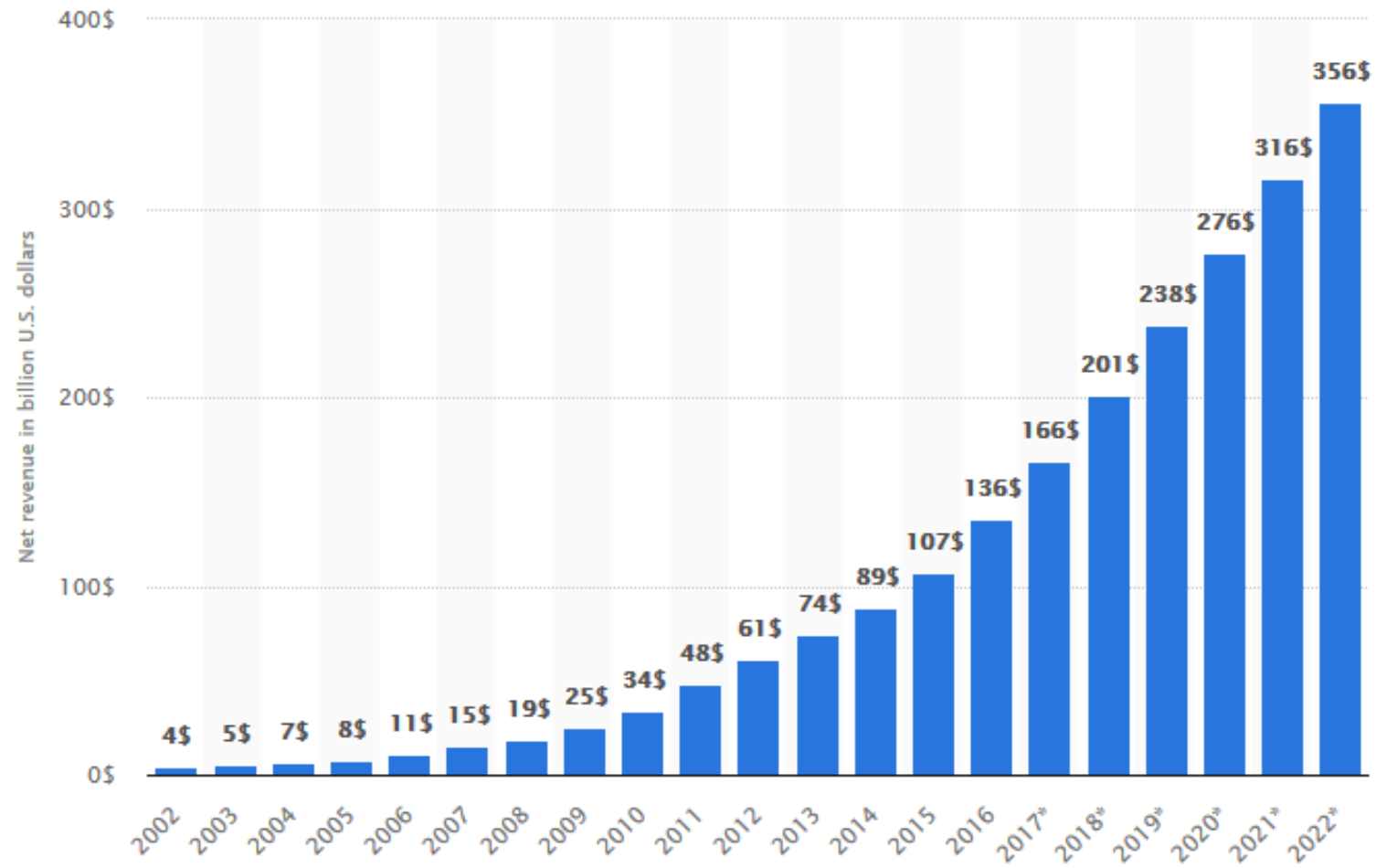
Johnson & Johnson

FAMILY OF CONSUMER COMPANIES



E-COMMERCE: AMAZON PROJECTED REVENUE

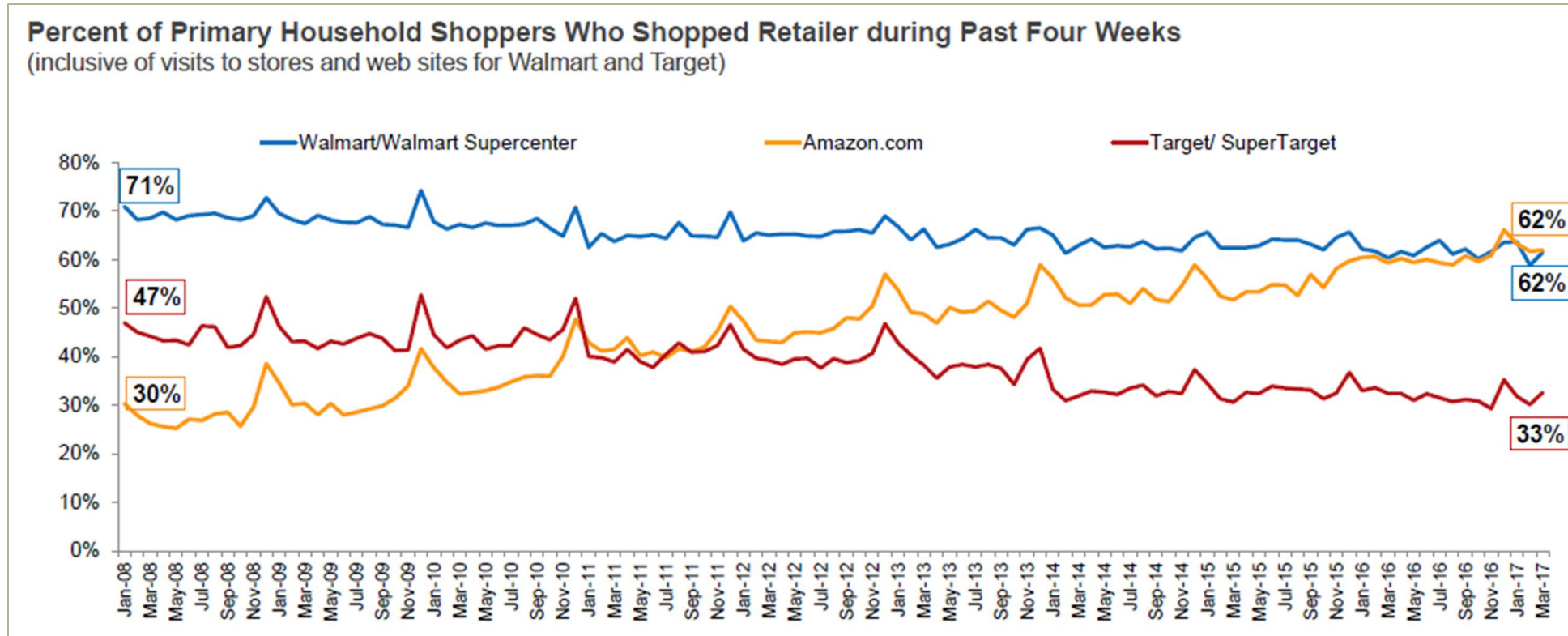
Projected total revenue of Amazon from 2002 to 2022 (in billion U.S. dollars)



Statista, 2018



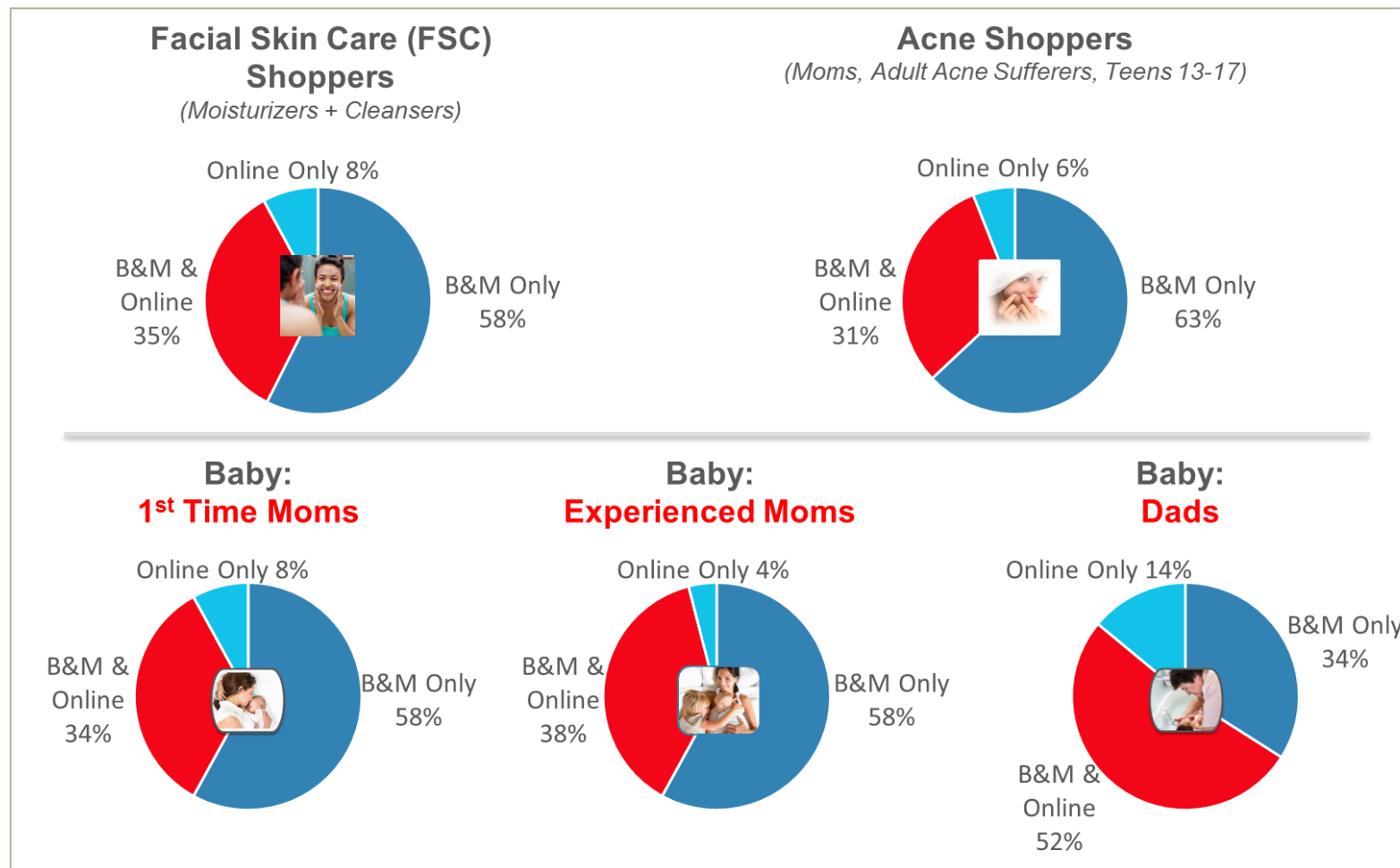
E-COMMERCE: AMAZON PROJECTED REVENUE



Kantar Retail, 2017



E-COMMERCE: CONSIDERATIONS TO BE AN EFFECTIVE TRADING PARTNER



Source: J&J Omni-Channel research Aug/Sept 2016; Powered by Ipsos



E-COMMERCE: IMPERATIVES

- ✓ What Go-To-Market Strategies Will Help Me to “WIN BIG” and “GO FASTER” in e-Commerce?
- ✓ How BIG Will e-Commerce Be for My Business?
- ✓ What Capabilities Do I Need to Effectively Manage and Execute my e-Commerce Business?
- ✓ What is The Right Size For My Digital Media, Retail Media and Search Spending?
- ✓ What ROI, ROAS and LIFT Do My Digital Media, Retail Media & Paid Search Give?

Historically ...

CPG has driven growth through momentum and strong **relationship marketing** needed for the Brick and Mortar environment

Now ...

eCommerce represents a **tremendous shift** to leveraging analytical, **data-driving marketing**

And ...

Amazon uniquely dominates eCommerce with its data and analytics

How do you fight and win against Amazon's robotic algorithms?

- Find new and unique ways to gather and interpret data
- Become fluent in developing insights and more responsible to the pace of eCommerce
- Leverage information to drive and influence across internal teams and external parties



WHAT WAS YOUR FIELD SALES COUNTERPART DRIVING WHEN



We can't beat Amazon at its game
But we have a shot if we play to our strengths

SCALE IT UP!

SPEED IT UP

DRILL IT DOWN

70 Billion



10 Billion

Hourly



Weekly

HH



Person

Case Study 1: Deploy Digital Shelf Insight to Drive Search Execution



E-COMMERCE: CATEGORY MANAGEMENT AND INSIGHTS HAVE SHIFTED

e-Commerce Category Management Digital Shelf

No aisle, shelf, category or planogram

No barrier to new item entry

SEM – Paid Search

Shoppers seek by keyword, not category

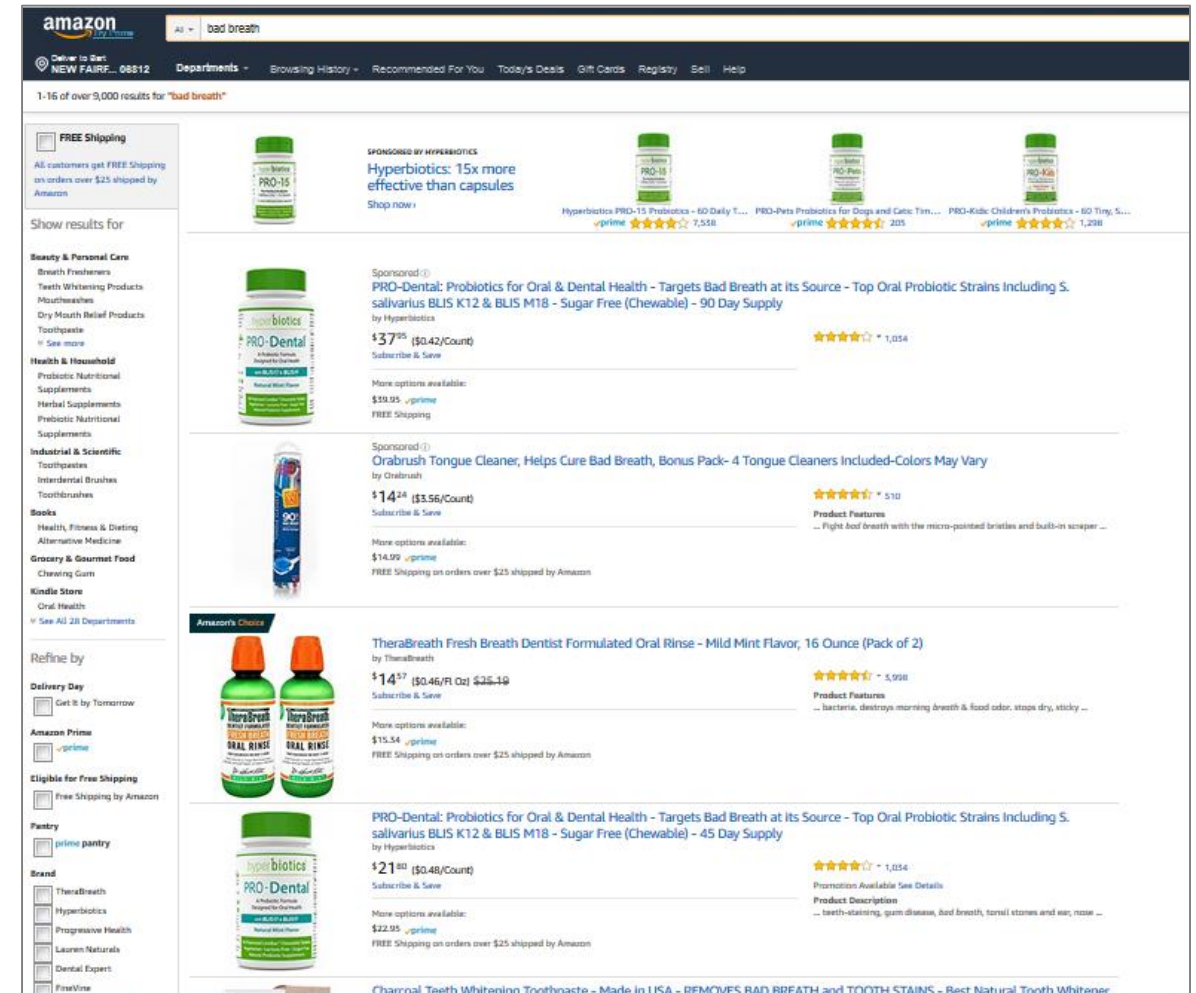
Shoppers seek by keyword, not category

Retailer recommendations - Amazon's Choice / Best Seller

Shopper Ratings and Reviews

National & DC level inventory management, not store

Alexa and voice





E-COMMERCE: CATEGORY MANAGEMENT AND INSIGHTS HAVE SHIFTED

What about the Product Detail Page (PDP)?

Digital not physical

Marketing Platform (FMOT, Awareness, Education, Equity)

SEO: Keywords and Search Terms

Sales Platform (Price, Promotions, Subscribe and Save)

LBB

3P Sellers

1-Click to Buy, Prime, Same Day

High frequency PDP optimization

Real time response to Reviews and Q&A

Listerine Cool Mint Antiseptic Mouthwash for Bad Breath, Plaque and Gingivitis, 1.5 l by Listerine

★★★★★ 477 customer reviews | 10 answered questions

Exclusively for Prime Members Details

Price: **\$5.99** (\$0.12 / Fl Oz) **prime pantry**
This item, priced at \$5.99 is reserved for Prime members.
Buy 5, Save \$6 Offer 1 Applicable Promotion

In Stock. Ships from and sold by Amazon.com.

Fills 8% of your Pantry box (?)

Want it Tuesday, April 10?
Order within the next **18 hrs 40 mins** Details

Try Prime

Cancel Anytime Already a member? [Sign in](#)

What is Prime Pantry?
Low-priced everyday essentials in everyday sizes

Share [f](#) [t](#) [p](#)

Freshen up your space for spring
Get ready for the spring season and find our top recommended backyard equipment, grills, and cleaning/organizing essentials for your home [Explore more](#)

About the product

- 1.5-L bottle of Listerine Cool Mint Antiseptic Mouthwash that kills germs that cause bad breath, plaque and gingivitis so you don't have to worry about maintaining fresh breath
- A germ-killing mouthwash clinically shown to reduce plaque more than brushing and flossing alone by up to 52 percent more and reduce gingivitis by 21 percent more, all while giving you fresh breath and germ protection
- As an ADA-accepted antiseptic mouthwash, Listerine Cool Mint Antiseptic Mouthwash does more than create

[More](#)



BUSINESS QUESTION: HOW IS MY DIGITAL SHELF HEA



CAPABILITIES REQUIRED

Skills and knowledge

- What paid search campaigns are running?
- When are the start/end dates?
- Gain alignment to the metrics to be used

- Expert on Paid and Organic Search

- Data integration
- Advanced analytics

Technology and Systems

Data required

- Search: Ranking by key work, competitive products
- Competitive retailer: data on key words
- Conversion metrics

Data integration – ideally a dedicated technology platform

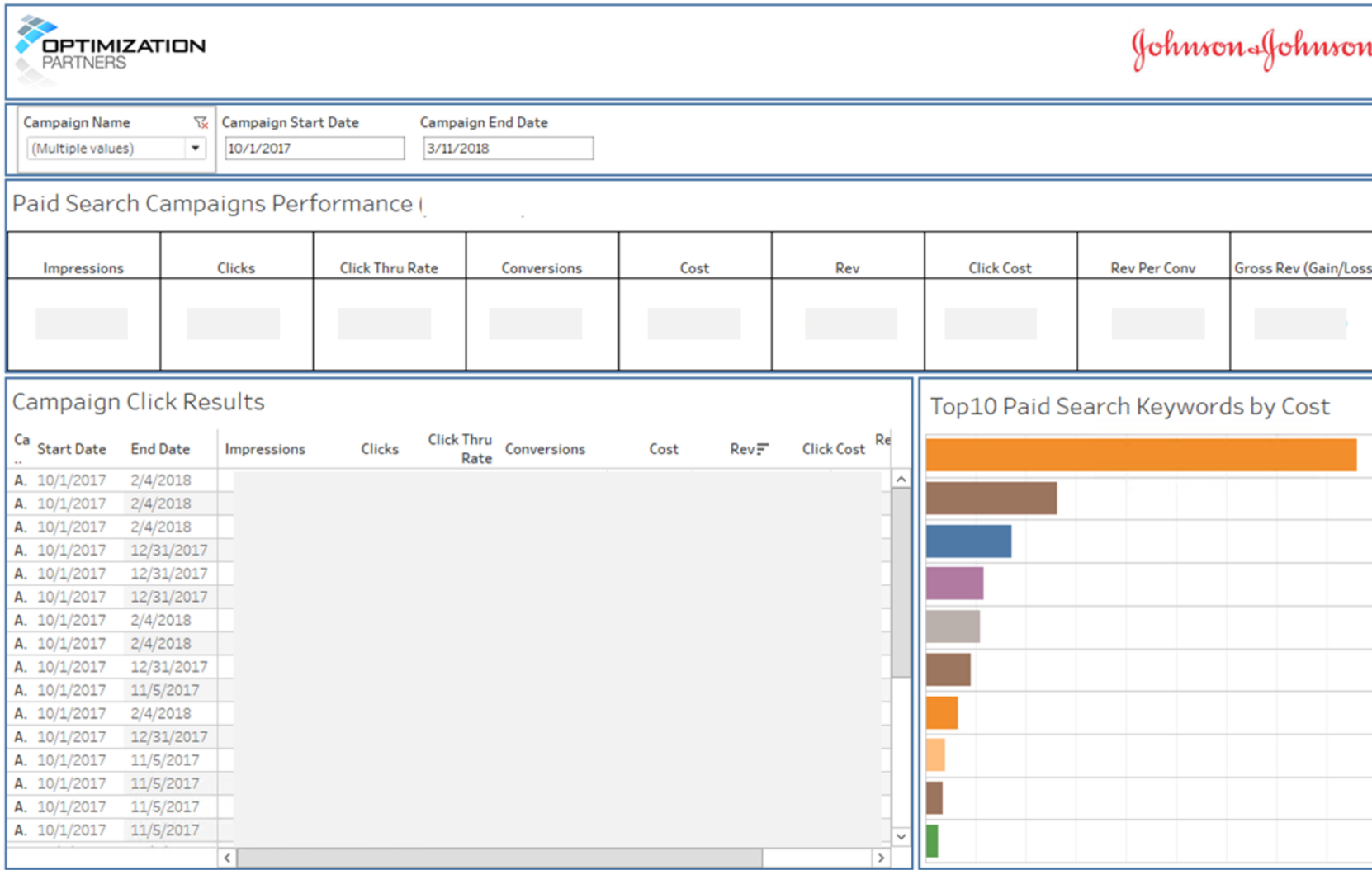


DIGITAL SHELF HEALTH ... BRAND LEVEL



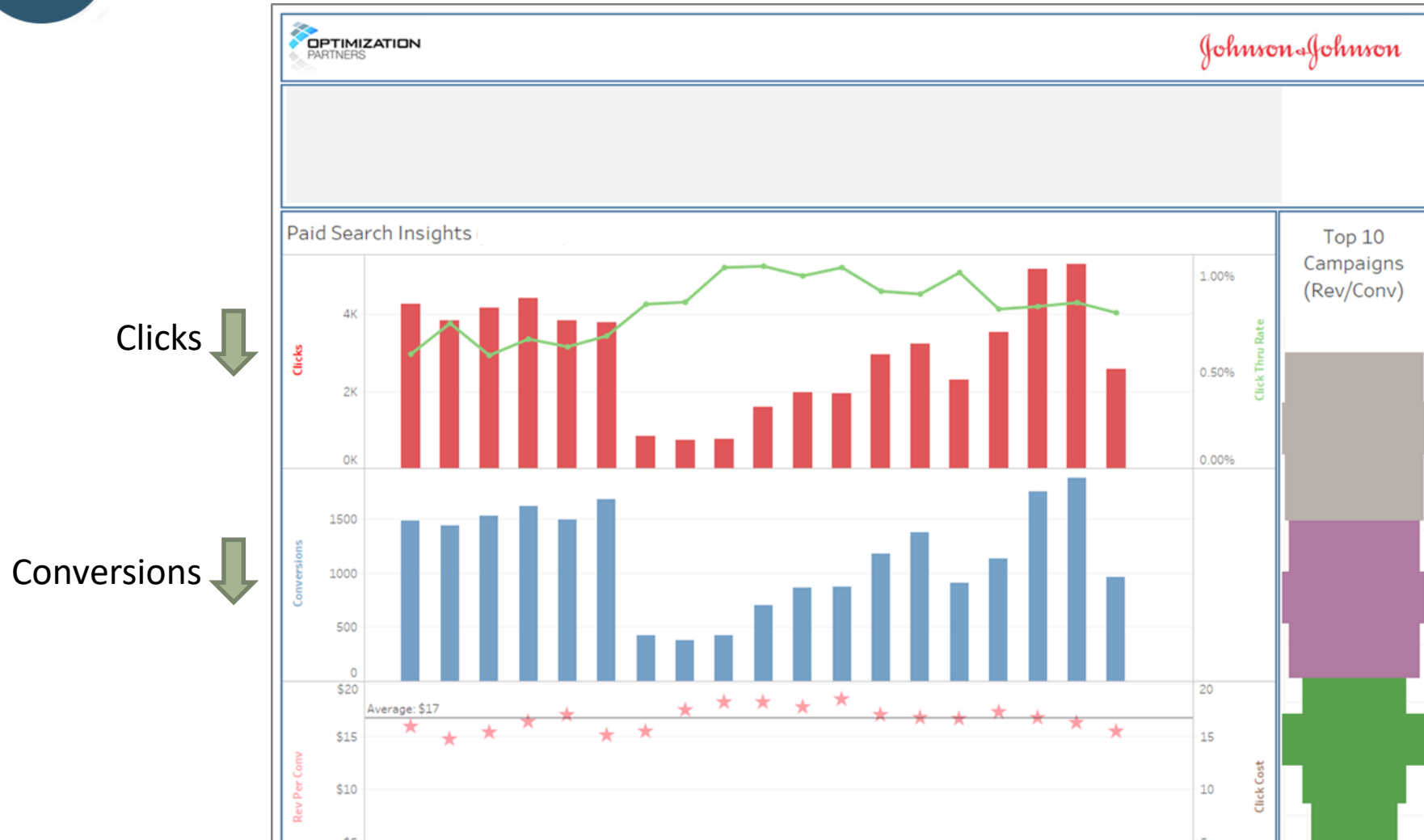


PAID SEARCH CAMPAIGN PERFORMANCE



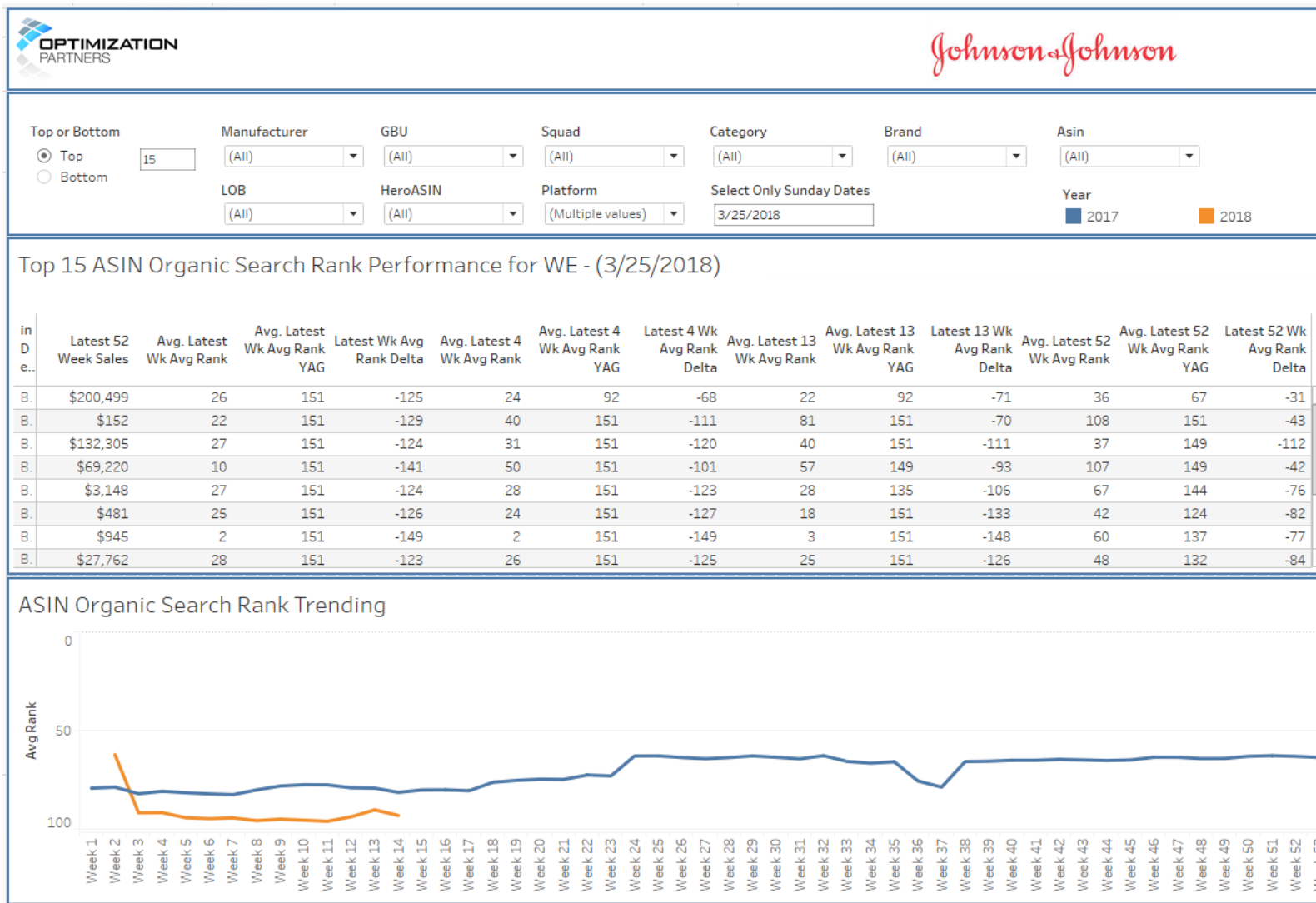


DIGITAL SHELF HEALTH ... DRILL DOWN TO PAID SEARCH







ORGANIC SEARCH RANK





ORGANIC SEARCH FOR KEY ASIN AND KEY TERM IS DO





ASIN Retailer Organic Search Rank for WE - (3/4/2018)

Select Only Sunday Dates

3/4/2018

	Amazon		AmazonPrimeNow		Amazonprimepant..		Boxed		online_store cvs		Jet		Shoprite		Target		Ulta		Walgre
A. d..	Latest 4 Wk Avg ..	Latest 4 Wk Avg ..	Latest 4 Wk Avg ..	Latest 4 Wk Avg ..	Latest 4 Wk Avg ..	Latest 4 Wk Avg ..	Latest 4 Wk Avg ..	Latest 4 Wk Avg ..	Latest 4 Wk Avg ..	Latest 4 Wk Avg ..	Latest 4 Wk Avg ..	Latest 4 Wk Avg ..	Latest 4 Wk Avg ..	Latest 4 Wk Avg ..	Latest 4 Wk Avg ..	Latest 4 Wk Avg ..	Latest 4 Wk Avg ..	Latest 4 Wk Avg ..	Latest 4 Wk Avg ..
B. J..		151.0																	
B. L..	150.6	49.9	151.0			41.0					151.0	38.3							102
B. J..	112.3	25.6							38.2	36.5	85.9	24.8	58.4		45.9	76.9			57
B. J..	57.0	28.3							24.9	14.0	82.7	21.0	59.4		40.0				49
B. L..	128.5	48.8				63.1					82.6	28.8							117
B. L..	143.3	44.0							71.3	50.3		60.8	107.6		87.9	20.4			93
B. L..	121.0	23.0				51.6	33.2		91.4	57.6	132.0	81.1			87.1				84

<

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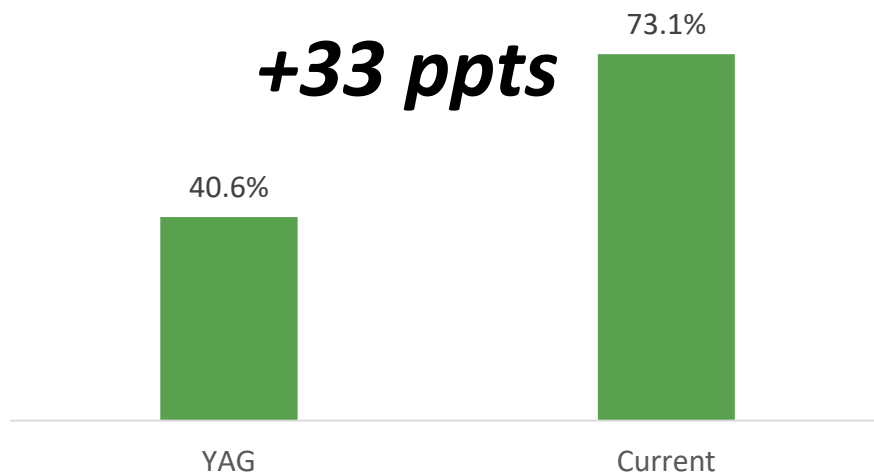
Organic Search Term By Retailer

	Amazon		Amazonprimepantry		Jet		Walgreens		Walmart	
s..	Latest 4 Wk Avg Rank	Latest 4 Wk Avg Rank YAG	Latest 4 Wk Avg Rank	Latest 4 Wk Avg Rank YAG	Latest 4 Wk Avg Rank	Latest 4 Wk Avg Rank YAG	Latest 4 Wk Avg Rank	Latest 4 Wk Avg Rank YAG	Latest 4 Wk Avg Rank	Latest 4 Wk Avg Rank YAG
H.	18.9						79.1			
I..	151.0				151.0		151.0		151.0	
L..				125.0						
L..	151	47		43.0	56	18	151.0		137	18
L..				8.8			18.2			
I..	151.0						11.7			
L..		36.0		8.5		3.0				14.0

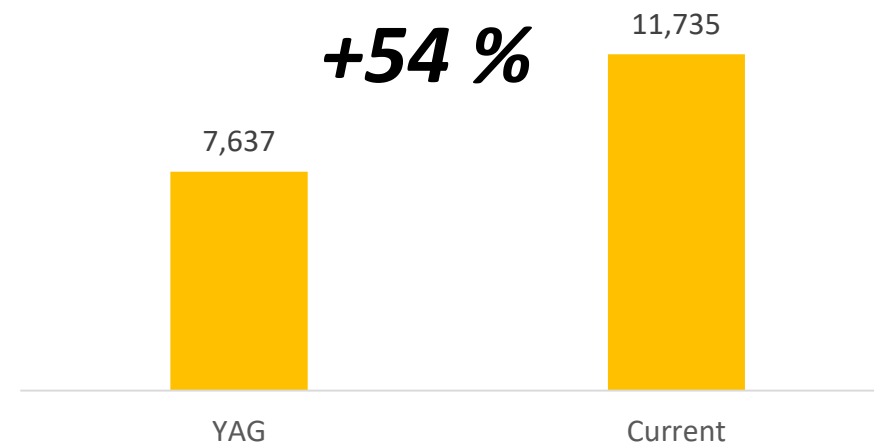


EXAMINE THE DATA

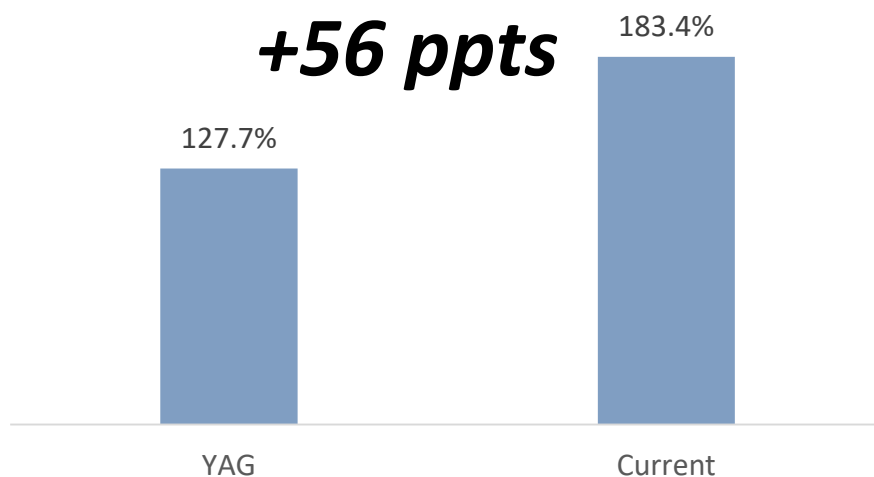
Chg. Glance Views



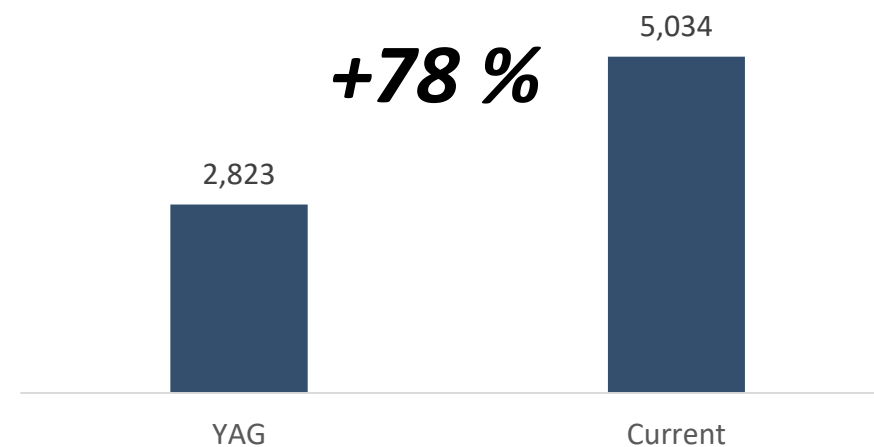
Page Views (000)



Chg. Conversion vs LY



Sales (000)





CAPABILITIES REQUIRED

Skills and knowledge

- Which pages were optimized?
- When did the new page go live?
- Be intimate with what the PDP is and does
- Expert on Paid and Organic Search
- Know terms like “glance views”
- Data integration
- Advanced analytics

Technology and Systems

Data required

PDP compliance metrics: Images, key words, hierarchy, A+
Search: Ranking by key work, competitive products
Performance: Glance views, LBB, % Rep OOS, Page Views, Conversion

Data integration – ideally a dedicated technology platform

Case Study 2: Evaluate Campaigns



MACHINE LEARNING ANALYZES HUNDREDS OF SCENARIOS AND VARIABLES

Tested Variables

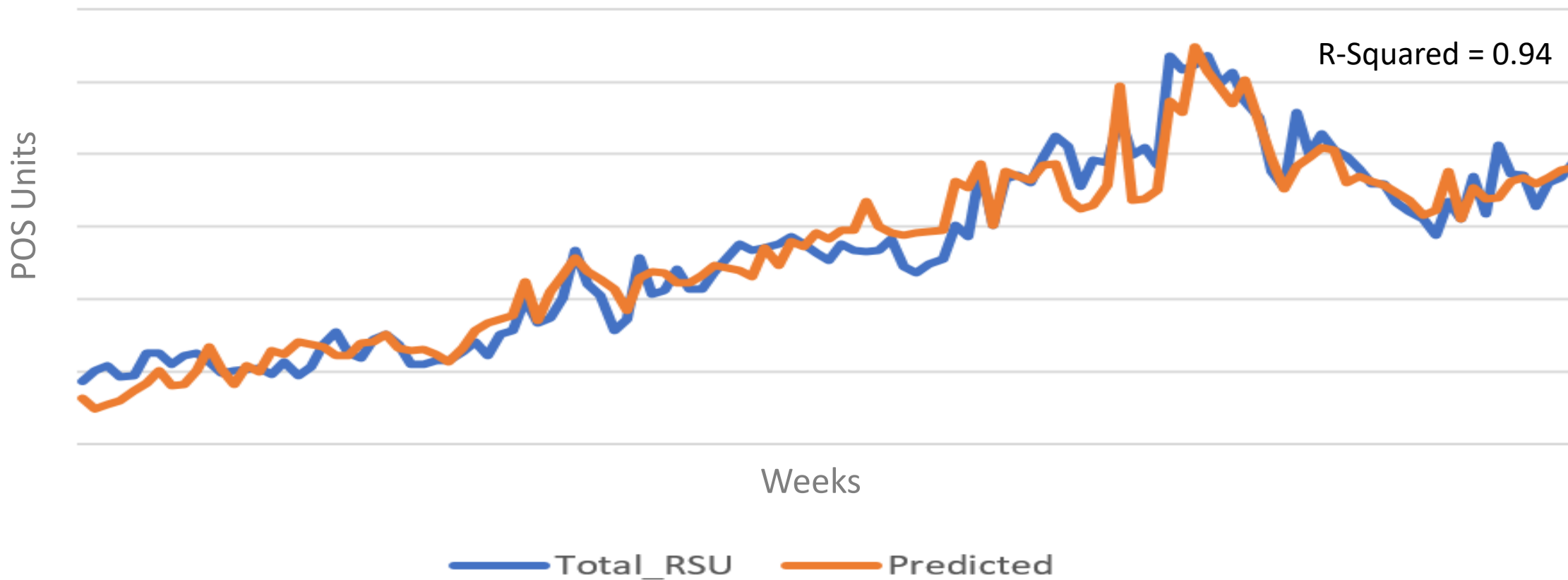
Total_RSU	Pantry_RSU	Base_RSU	Fresh_RSU	Trend_Base_units	Total_Order_Units	Pantry_Order_Units	Base_Order_Units	Fresh_Order_Units	Seasonality_Index	Weighted_ASP	Pantry_ASP	Base_ASP	Fresh_ASP
Pantry_Shippable_Units	Base_Shippable_Units	Fresh_Shippable_Units	Total_Units	Fresh_units	Pantry_units	Base_units	AMG_BTSDPV_Camp	AMG_BTSSold	DML_Bann_Impress	DML_Bann_Clicks	Halo_Bann_Impress	Halo_Bann_Clicks	Halo_Bann_Clicks
Halo_NIVid_Impress	Halo_NIVid_Clicks	FB_Total_Engage	FB_LinkPage_Engage	FB_PhotoPage_Engage	FB_VideoPage_Engage	Bing_Branded_Impress	DotComDisplay_US_Impress	DML_Video_Impress	DML_Video_Clicks	DML_NIVideo_Impress	Print_TRP	DotComVid_US_Impress	Bing_Branded_Clicks
DML_NIVideo_Clicks	Bing_Unbranded_Impress	Bing_Unbranded_Clicks	Bing_Unbranded_Cost	Google_Branded_Impress	Google_Branded_Clicks	Google_Branded_DOLS	Google_Unbranded_Impress	Google_Unbranded_Clicks	Google_Unbranded_Cost	Google_Hisp_Impress	Google_Hisp_Clicks	DML_IBVid_Clicks	HookLogic_Body_Impress
HookLogic_Body_Clicks	HookLogic_Body_DOLS	HookLogic_Franchise_Impress	HookLogic_Franchise_Clicks	DML_IBVid_Impress	GoogBing_Unbranded_Impress	GoogBing_Unbranded_Clicks	AMG_Winter_Impress_Camp	GoogBing_Branded_Impress	GoogBing_Branded_Clicks	GoogBing_Branded_DOLS	AMG_Winter_Click_Camp	TV_DML_TRP	TV_DML_Impress
AMG_DML_Impress_Camp	AMG_DML_Click_Camp	AMG_DML_CTR_Camp	AMG_DML_DPV_Camp	AMG_DML_UnitsSold_Camp	AMG_BTSS_Impress_Camp	AMG_BTSS_Click_Camp	AMG_BTSS_CTR_Camp	AMG_Winter_CTR_Camp	AMG_Winter_DPV_Camp	Total_AMG_Camp_CTR	TV_DML_TRP_AdStock	Total_AMG_Camp_Clicks	Total_AMG_Camp_Impress
Total_Sales	Base_sales	Pantry_sales	Fresh_sales	Pantry_Avg_Order_Prc	Base_Avg_Order_Prc	Fresh_Avg_Order_Prc	Pantry_SumCoupons	Base_SumCoupons	Pantry_SumPromo	J3KMediaRadio_DOLS	DotComDisplay_US_DOLS	Bing_Branded_Cost	DotComVid_US_DOLS
GoogBing_Unbranded_DOLS	TV_DML_DOLS	AMG_DML_DOLS_Camp	AMG_BTSS_DOLS_Camp	AMG_BTSS_DOLS_Camp	AMG_Winter_DOLS_Camp	Fresh_SumPromo	Fresh_SumCoupons	Base_SumPromotion	AMG_Winter_UnitsSold_Camp	Google_Hisp_DOLS	HookLogic_Franchise_DOLS	Fresh_PageView_Rank	Pantry_page_views
Total_Page_Views	Fresh_page_views	Fresh_unique_visitors	Base_page_views	Base_unique_visitors	Pantry_unique_visitors	Pantry_Avg_Rating	Total_Unique_Visitors	Total_PgViews	Base_page_views	Total_Unique_Vis	Base_unique_visitors	Base_CL_Search	Base_Avg_PerPg
Total_CL_Search	Pantry_CL_Search	Pantry_Avg_PerPg	Pantry_AvgRank	Pantry_AvgScore	Pantry_AvgScore_Basic	Pantry_AvgPriority_score	Fresh_Avg_Rating	Base_Avg_Rating	Fresh_AvgRank	Total_PgView_Rank	Pantry_PgView_Rank	Base_PgView_Rank	Fresh_AvgPriority_score
Base_AvgRank	Base_AvgScore	Base_AvgScore_Basic	Base_AvgPriority_score	Fresh_CL_Search	Fresh_Avg_PerPg	Fresh_AvgScore	Fresh_AvgScore_Basic	Pantry_Ibb	Base_LBB	Fresh_Ibb	Amazon_Prime_Days	Wghtd_Avg_Order_Prc	Holiday

Legend

Volume/Units
Base Factors
Offline Marketing Efforts
Online Marketing Efforts (OffSite)
Online Marketing Efforts (OnSite)

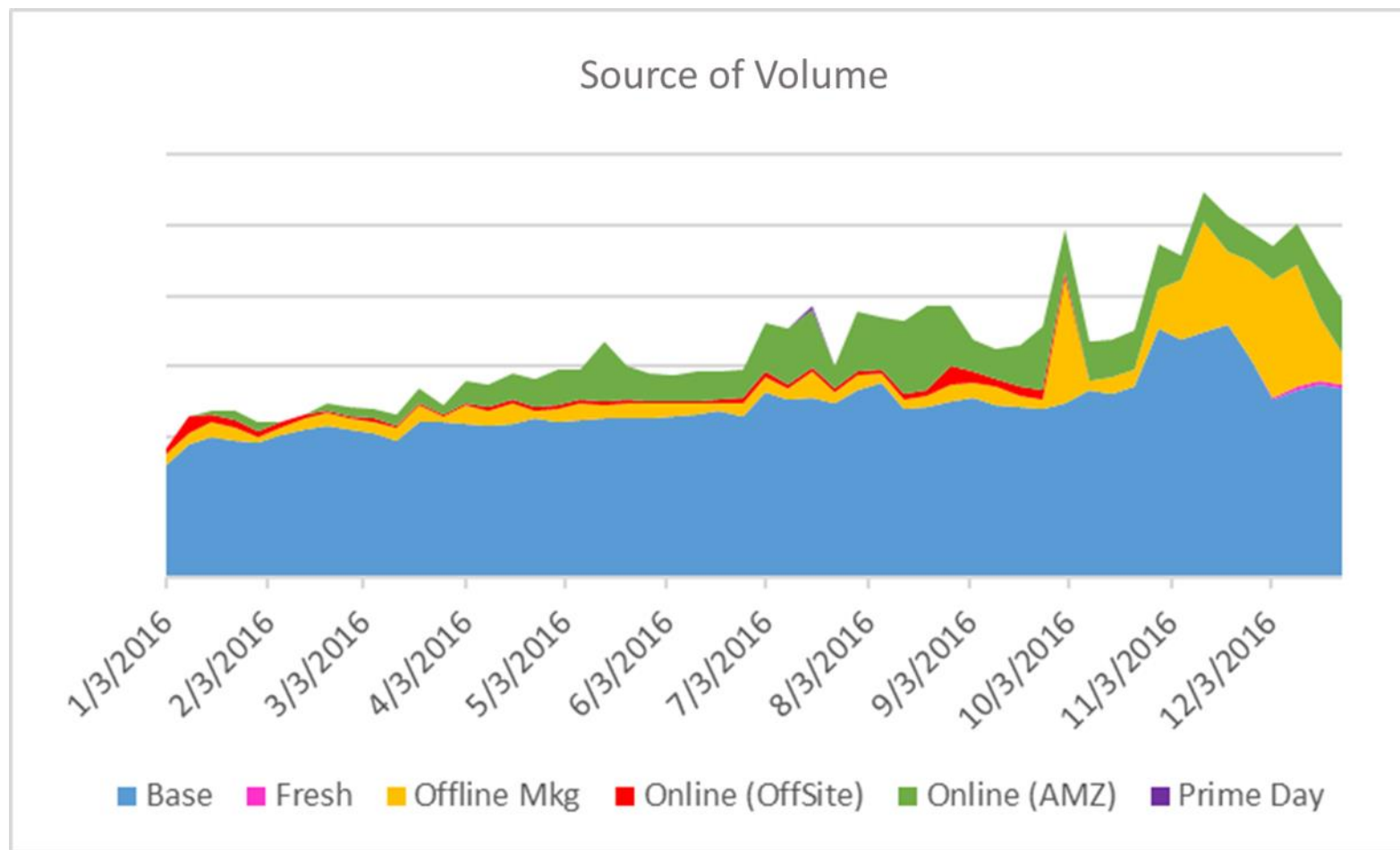


HBC CASE STUDY ... PREDICTIVE MODELING



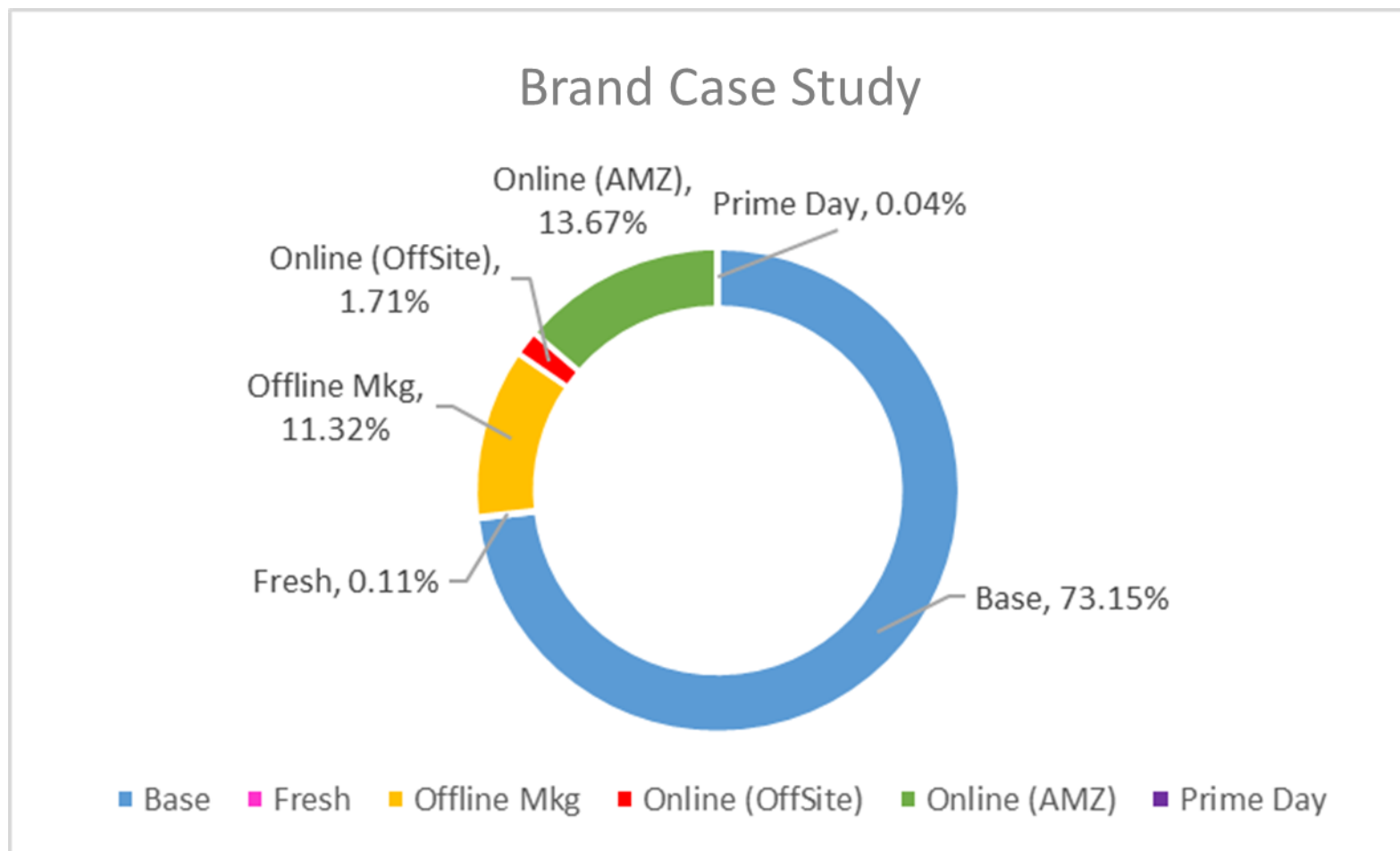


VOLUME DRIVERS





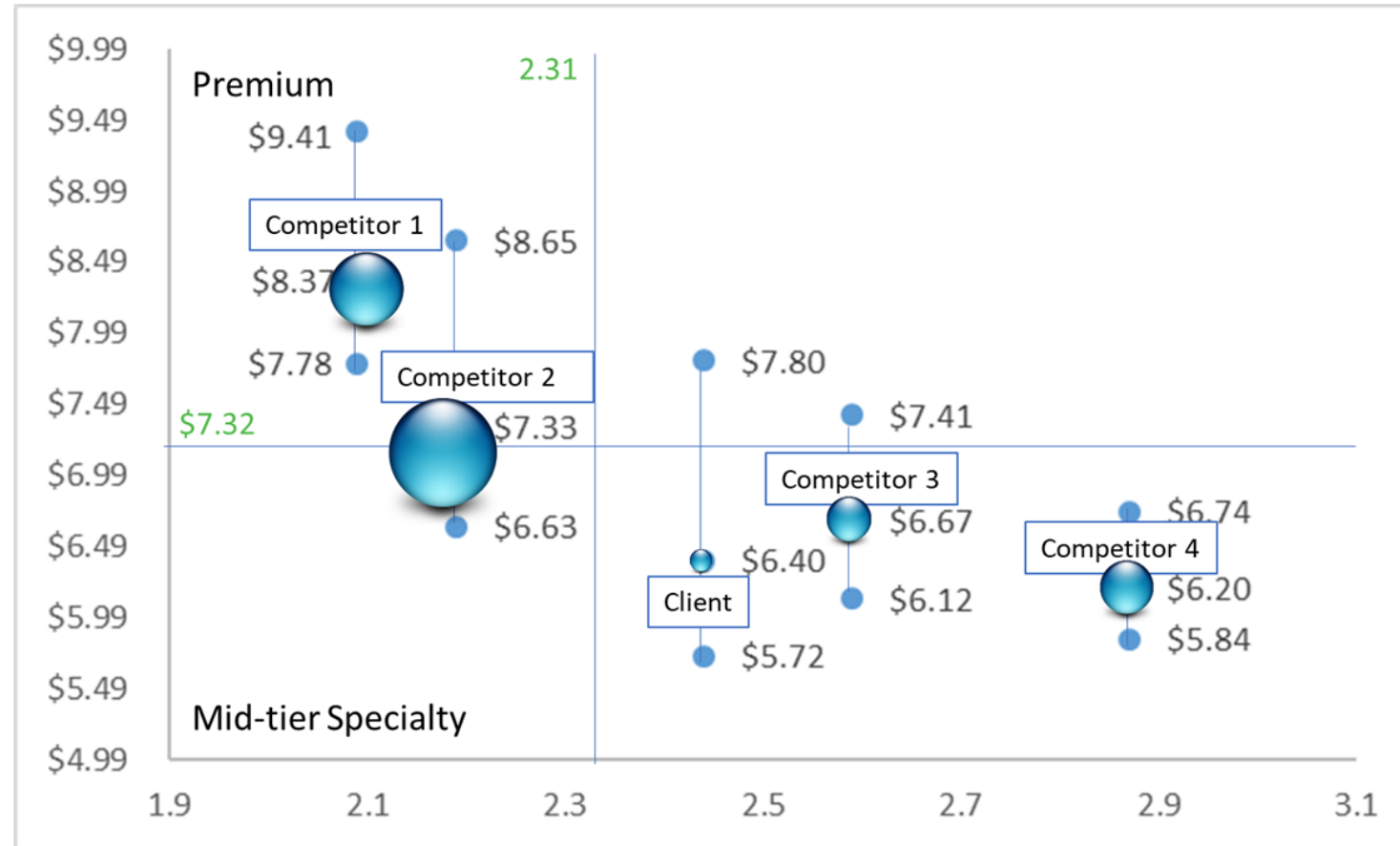
ODEL DECOMPOSITION





PRICE ARCHITECTURE HELPS MANAGE MAP PRICING ...

Avg. Price
Amazon
(Adjusted for
Coupon Offers)

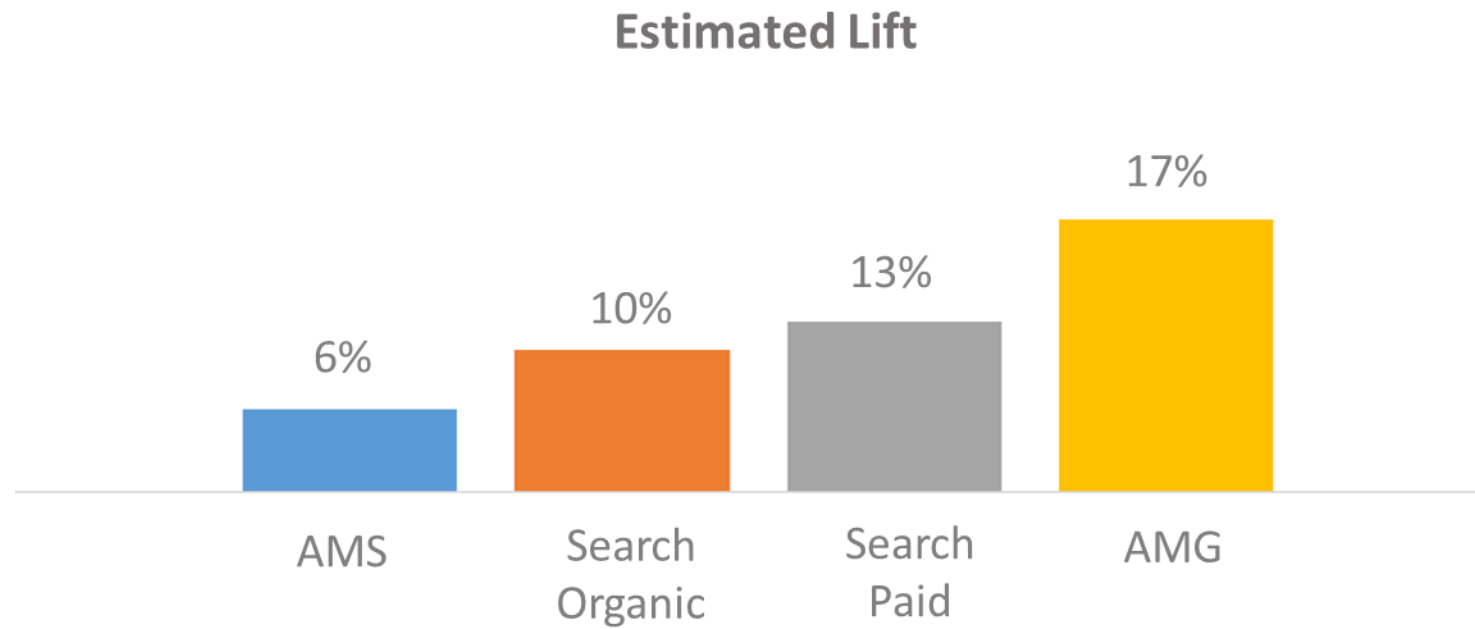


Base Price Elasticity (Amazon)

Optimize J&J
expenditures across retail
media, media and search
vehicles to maximize
sales

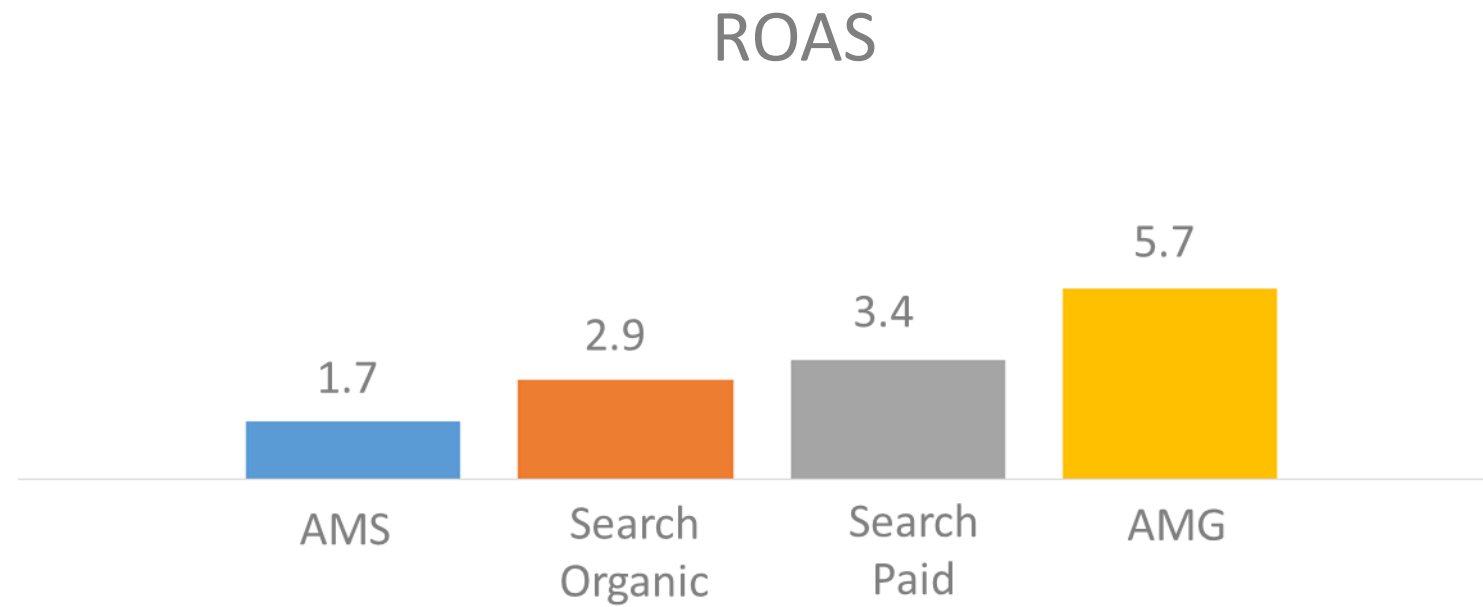


BRAND LIFT BY VEHICLE ...



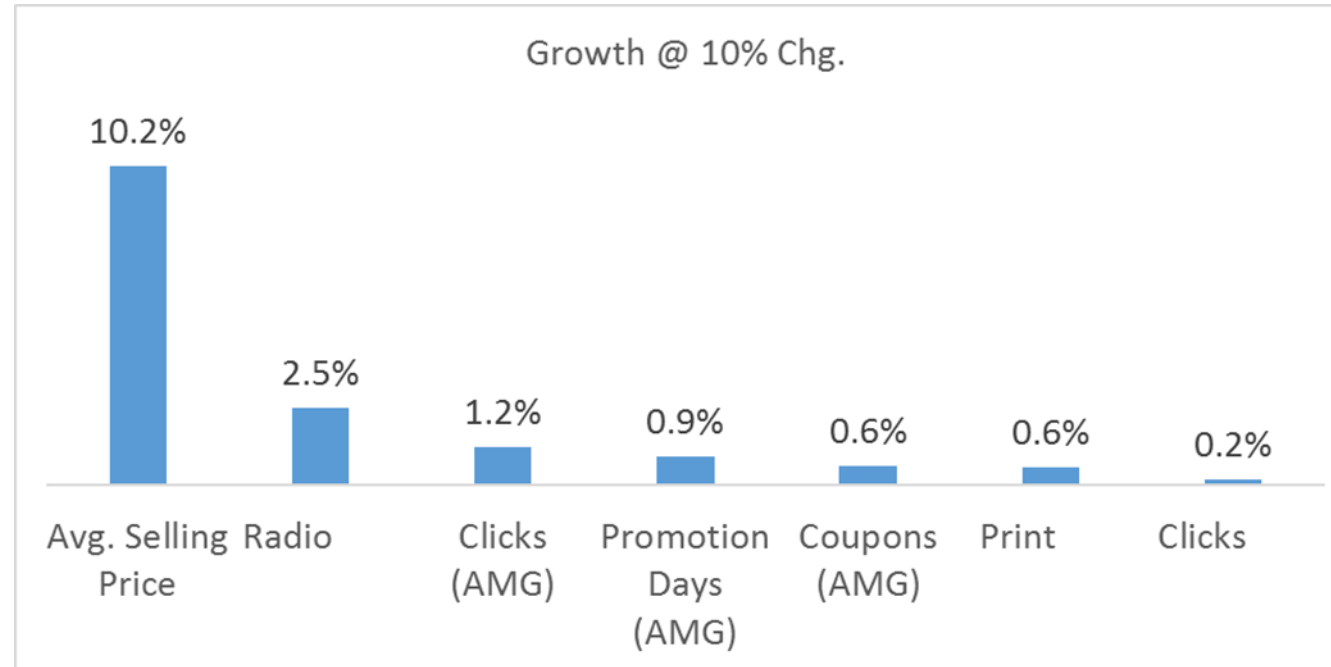


RAND ROAS BY VEHICLE ...





IULATED SALES, 10% INCREASE IN INVESTMENT

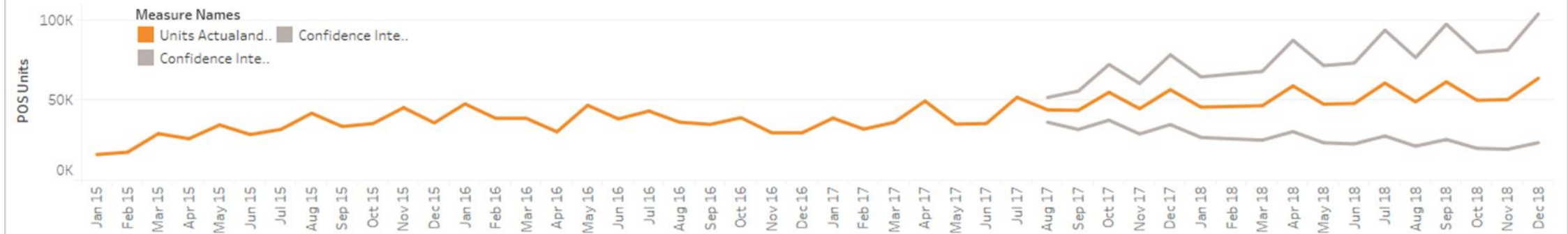


STEP CHANGE IN DEMAND PLANNING
EFFECTIVENESS: REDUCE OOS,
REDUCE ALLOCATIONS AND IMPROVE
CUSTOMER UFR

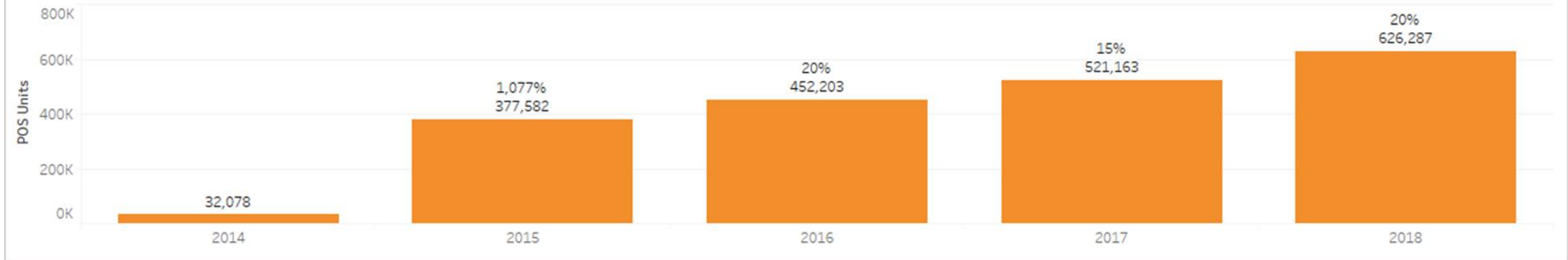


NIT FORECASTS

POS Unit Monthly Actual and Forecast for GBU: BU 4



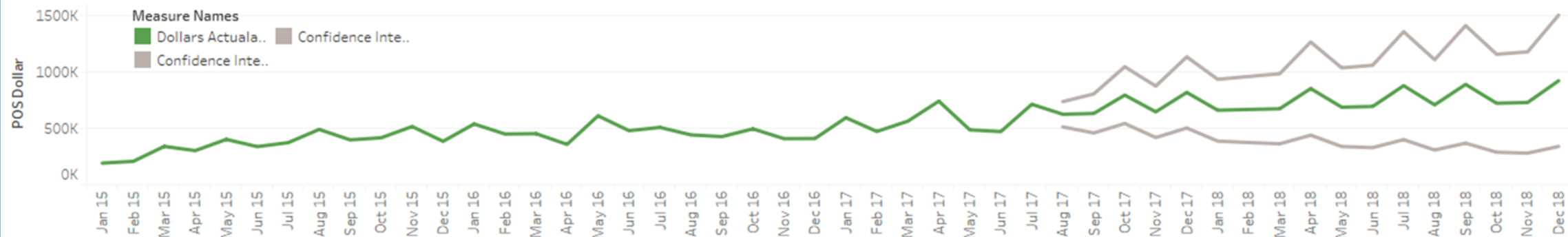
POS Unit Forecast Summary by Year for GBU: BU 4



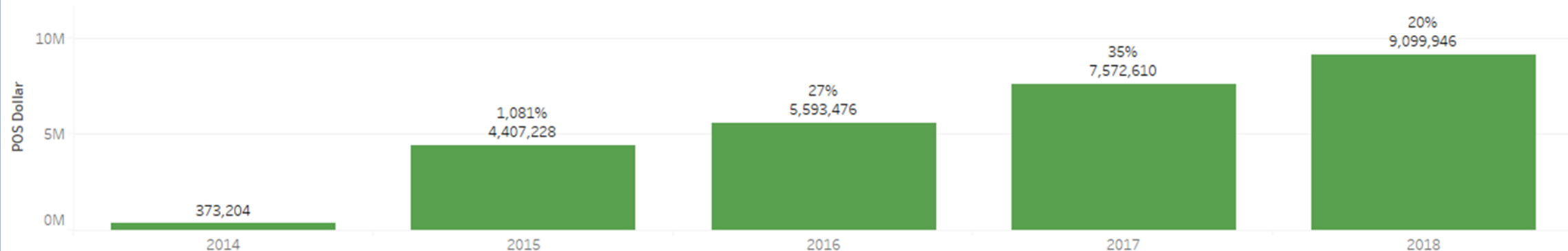


DOLLAR FORECASTS

POS Dollar Monthly Actual and Forecast for GBU: BU4

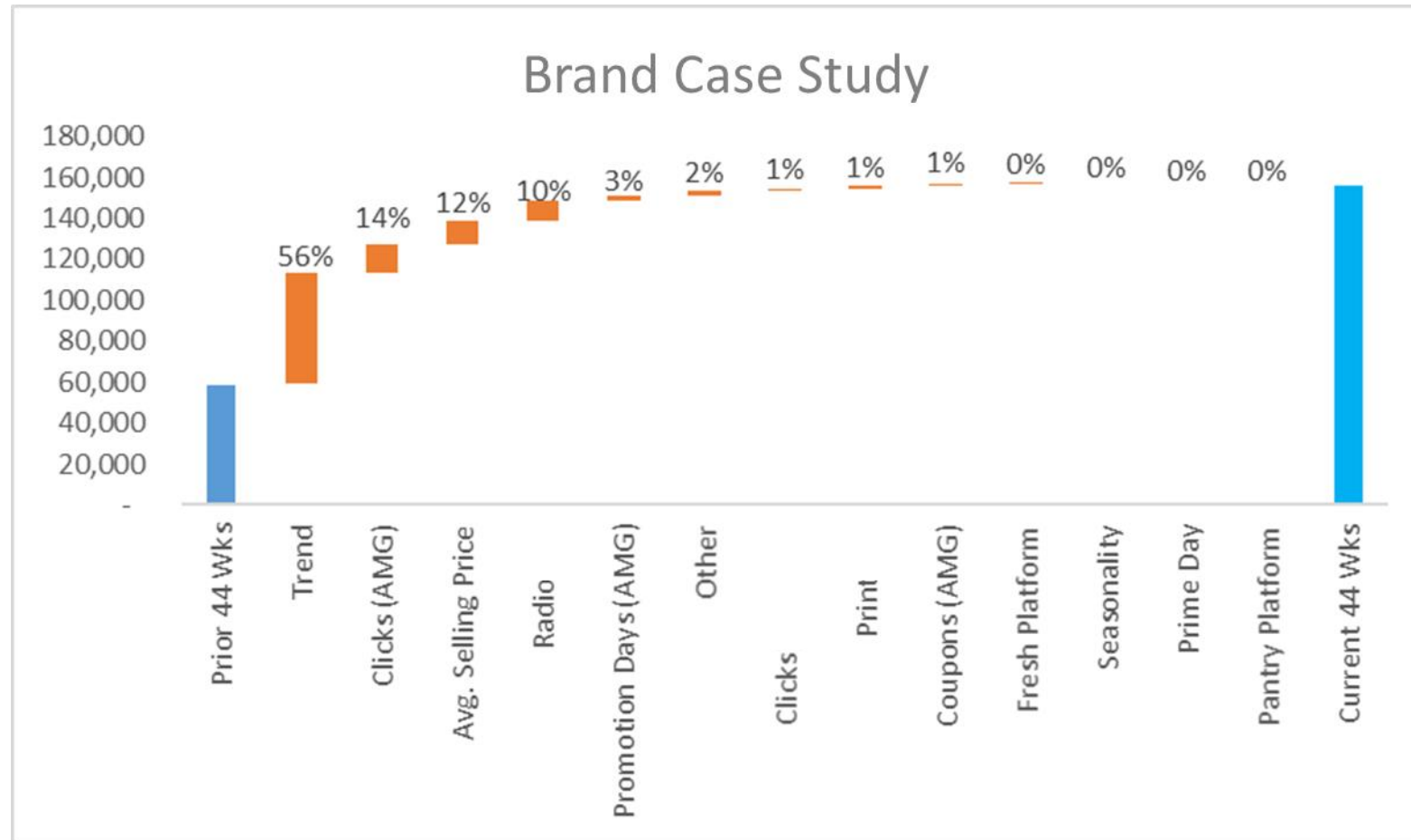


POS Dollar Forecast Summary by Year for GBU: BU4



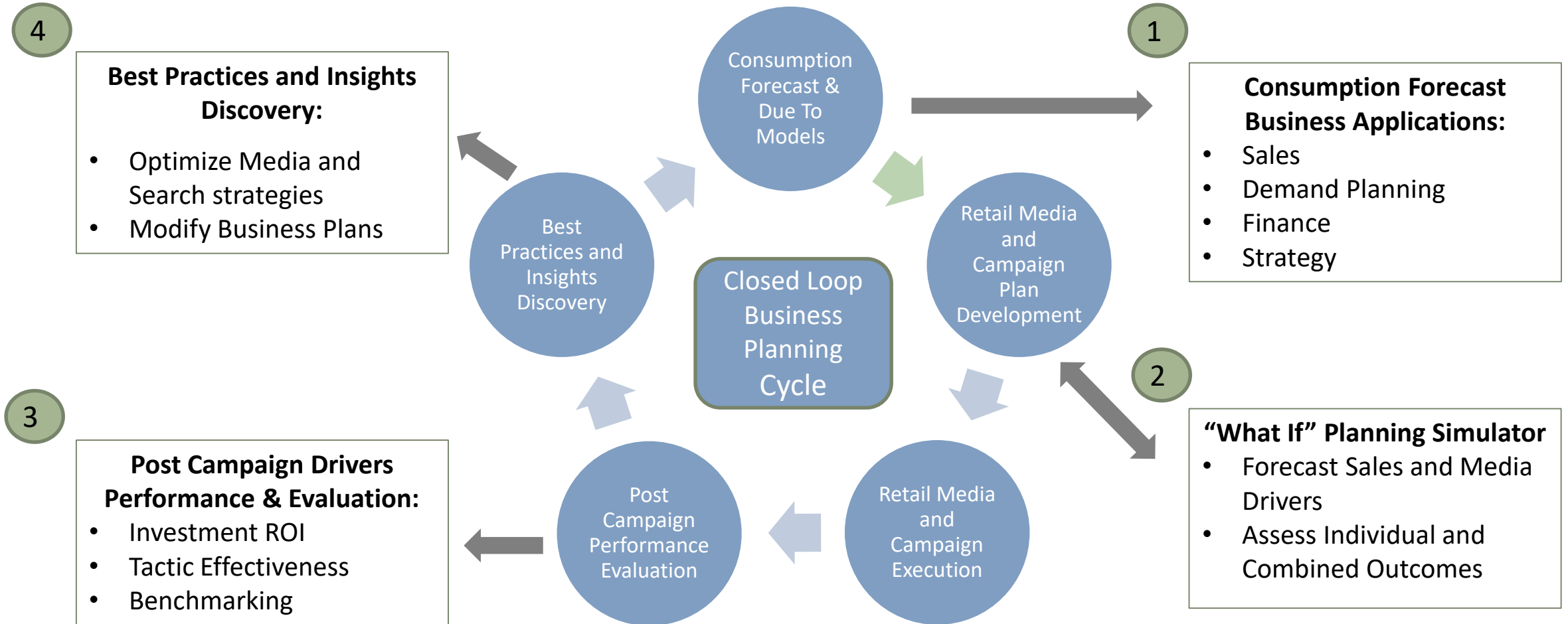


WATERFALL CHARTS EXPLAIN THE SALES BUILD OVER TIME





E-COMMERCE: CATEGORY MANAGEMENT AND INSIGHTS HAS SHIFTED





E-COMMERCE: CATEGORY MANAGEMENT AND INSIGHTS HAS SHIFTED

B&M

Slow to change in store experience

Space constrained

High barriers to new item/brand entry

Limited marketing communication

Multiple steps to transact

Robust syndicated data sources available

Search

e-Commerce

Fast paced, dynamic changes in near real time

Low barrier to competitor entry

Substantial marketing opportunity

Multiple campaign vehicles

Easy 0-1 Steps to transact

Multi-sourced data required

Fast paced, dynamic changes in near real time

Many more and new analytics needed