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Return on Ad Spend

04.14.22



Background

Objectives

- **Primary:** to understand the **sales lift** of advertising spend (sales contribution by media tactic)
- **Secondary:** to understand **brand lift** of advertising spend

Status

- Solicited proposals from three industry partners
 - IRI (utilizing NPD data)
 - Incidentally, during the scoping of this project, the two companies have announced a merger
 - Datassential
 - Technomic
- Received three different approaches, none of which address both objectives
- Have identified four potential paths

Acknowledgements

- While the equation for ROAS is relatively simple, there are significant challenges related to calculating in foodservice, such as availability of data and ability to establish benchmarks
- It is evident through conversations with the above partners that other foodservice manufacturers are **not** currently attempting to measure
- Even with significant investment, there is no guarantee of success



PATHS FORWARD | #1

Path 1 – Includes leveraging approaches of two partners, but lacks fiscal prudence

- Engage IRI on an analytical approach to measuring sales lift (soup only year 1)
 - Based on sales data from June 2020 to June 2023
- Engage Datassential or Technomic on a primary research study to measure brand lift
 - First survey to gather baseline numbers - June 2022
 - Second survey to measure lift - June 2023
- Engage 210 Analytics to collaborate with Marriner on reconciling the two bodies of work and on strategic vendor management

Timing: 16 weeks from start of IRI analysis

Anticipated Cost

- **Year 1 - \$257,750**
 - \$135,000 IRI (soup only)
 - \$80,750 Datassential (or \$110,000 for Technomic) - accounts for first and second wave
 - \$10,000 210 Analytics
 - \$32,000 Marriner Marketing
- **Year 2 - \$365,250**
 - \$285,000* IRI (soup and snacks is \$150K in year 1)
 - \$38,250 Datassential (or \$110,000 for Technomic) - accounts for first and second wave
 - \$10,000 210 Analytics
 - \$32,000 Marriner Marketing

*Subsequent years for IRI will be \$270K for both categories



PATHS FORWARD | #1 Cont'd

Path 1 – Includes leveraging approaches of two partners, but lacks fiscal prudence

Pros:

- Best-in-class vendors
- Accounts for both primary and secondary objective, including an analytical approach to sales lift
- Existing relationships with Campbells; familiar and accepted terminology and approach
- Ability to effectively impact spend for years to come

Cons:

- Leveraging a retail model for sales lift that has yet to be applied to foodservice; the model is unproven
- Cost is more than 25% of total marketing budget; is the investment worthy of the improvement in ROAS

Conclusion:

- While this approach fulfills both the primary and secondary objective with high caliber research partners, it represents too large of a portion of the annual budget and is unproven. We cannot prudently recommend it



PATHS FORWARD | #2

Path 2 – Includes addressing only primary objective

- Engage IRI on an analytical approach to measuring sales lift (soup only year 1)
 - Based on sales data from June 2020 to June 2023
- Engage 210 Analytics to collaborate with Marriner on strategic vendor management

Timing: 12-14 weeks

Anticipated Cost

- **Year 1 - \$145,500**
 - \$135,000 IRI (soup only)
 - \$2,500 210 Analytics
 - \$8,000 Marriner Marketing
- **Year 2 - \$303,500**
 - \$285,000* IRI (soup and snacks is \$150K in year 1)
 - \$2,500 210 Analytics
 - \$16,000 Marriner Marketing

*Subsequent years for IRI will be \$270K for both categories



PATHS FORWARD | #2 Cont'd

Path 2 – Includes addressing only primary objective

Pros:

- Analytical approach that leverages concrete sales data
- Best-in-class methodology based on tried-and-true principles
- Existing relationship with Campbells; familiar and accepted terminology and approach

Cons:

- Leveraging a retail model that has yet to be applied to foodservice
- Does not account for secondary objective – brand lift

Conclusion:

- This approach is most likely to achieve the primary research objective. Although it does not account for brand lift, we believe that it will represent a significant step in measurement in the food away from home space and will provide strong guidance for future campaigns. **We recommend and endorse this option.**



PATHS FORWARD | #3

Path 3 – Includes addressing secondary objective – brand lift – and top line ROAS at the campaign/category level; does not address marketing mix effectiveness

- Engage Datassential or Technomic on a primary research study to measure brand lift
 - First survey to gather baseline numbers - June 2022
 - Second survey to measure lift - June 2023
- Marriner and 210 Analytics to analyze the NPD Supply Track sales numbers in conjunction with the corresponding marketing spend to determine top line ROAS

Timing: 15 weeks starting from June 2023

Anticipated Cost

- **Year 1 - \$122,750**
 - \$80,750 Datassential
 - \$10,000 210 Analytics
 - \$32,000 Marriner Marketing
- **Year 2 - \$69,750**
 - \$38,250 Datassential
 - \$7,500 210 Analytics
 - \$24,000 Marriner Marketing



PATHS FORWARD | #3 Cont'd

Path 3 – Includes addressing secondary objective – brand lift – and top line ROAS at the campaign/category level; does not address marketing mix effectiveness

Pros:

- Veteran provider of foodservice primary research

Cons:

- Represents new territory for Marriner and does not offer as reliable a determination of marketing effectiveness
- The methodology relies too heavily on self reported number

Recommendation:

- While this approach attempts to reconcile the two objectives, it will not provide the data to advise future campaigns and represents new territory for the vendor partners. We consider this a back up approach and do not recommend it over IRI.



PATHS FORWARD | #4

Path 4 – Includes addressing top line ROAS at the campaign/category level; does not address marketing mix effectiveness or brand lift

- Marriner and 210 Analytics to analyze the NPD Supply Track sales numbers in conjunction with the corresponding marketing spend to determine top line ROAS

Timing: 12 weeks; start date TBD

Anticipated Cost

- **Year 1 - \$52,500**
 - \$12,500 210 Analytics
 - \$40,000 Marriner Marketing
- **Year 2 - \$42,000**
 - \$10,000 210 Analytics
 - \$32,000 Marriner Marketing



PATHS FORWARD | #4 Cont'd

Path 4 – Includes addressing top line ROAS at the campaign/category level; does not address marketing mix effectiveness or brand lift

Pros:

- Cost effective
- Could attempt to tie to campaign performance reporting

Cons:

- Represents new territory for Marriner and does not offer as reliable a determination of marketing effectiveness

Recommendation:

- While this is the least expensive approach, it addresses the primary objective but does not provide input on marketing mix.
- In addition it represents new territory for the vendor partners. We consider this a tertiary and do not recommend it over IRI.



Summary

		MARRINER RECOMMENDATION		
	PATH #1 - 210, IRI and Datassential Includes leveraging approaches of two partners, but lacks fiscal prudence	PATH #2 - 210, IRI Includes addressing only primary objective	PATH #3 - 210, Datassential Includes addressing secondary objective – brand lift – and top line ROAS at the campaign/category level; does not address marketing mix effectiveness	PATH #4 - 210 Includes addressing top line ROAS at the campaign/category level; does not address marketing mix effectiveness OR brand lift
PROS	<ul style="list-style-type: none">• Best-in-class vendors• Accounts for both primary and secondary objective, including an analytical approach to sales lift• Existing relationships with Campbells; familiar and accepted terminology and approach• Ability to effectively impact spend for years to come	<ul style="list-style-type: none">• Analytical approach that leverages concrete sales data• Best-in-class methodology based on tried-and-true principles• Existing relationship with Campbells; familiar and accepted terminology and approach	<ul style="list-style-type: none">• Veteran provider of foodservice primary research	<ul style="list-style-type: none">• Cost effective• Could attempt to tie to campaign performance reporting
CONS	<ul style="list-style-type: none">• Leveraging a retail model for sales lift that has yet to be applied to foodservice; the model is unproven• Cost is more than 25% of total marketing budget; is the investment worthy of the improvement in ROAS	<ul style="list-style-type: none">• Leveraging a retail model that has yet to be applied to foodservice• Does not account for secondary objective – brand lift	<ul style="list-style-type: none">• Represents new territory for Marriner and does not offer as reliable a determination of marketing effectiveness• The methodology relies too heavily on self reported number	<ul style="list-style-type: none">• Represents new territory for Marriner and does not offer as reliable a determination of marketing effectiveness
TIMING	16 weeks from start of IRI analysis	12-14 weeks	15 weeks starting from June 2023	12 weeks
YEAR 1 PRICE	\$257,750 (soup only)	\$145,500 (soup only)	\$122,750 (brand lift only)	\$52,500 (topline ROAS only)
YEAR 2 PRICE	\$365,250 (soups & snacks)	\$303,500 (soup & snacks)	\$69,750 (brand lift only)	\$42,500 (topline ROAS only)



Next Steps

- Client review and question development
- Facilitate/collect responses by vendor (as needed)
- Alignment on methodology
- Engage procurement for price negotiation
- Determine FY24 budget request



Appendix



DATASSENTIAL

GOAL

Marriner Marketing and Campbell's Foodservice seek to understand advertising awareness and impact on purchase behavior for Campbell's Foodservice among foodservice professionals.

To this end, Datassential proposes new primary research that will provide Marriner/Campbell's Foodservice with a strategy that will:

- Analyze operator awareness, recall, and impact of advertising and promotional campaigns
- Track changes in brand usage and perceptions with Campbell's Foodservice and its foodservice brands
- Identify the most compelling advertising and promotional campaigns for the brand
- Drive a more effective communication strategy

OPERATOR QUANT

Anticipated survey topics include those below but will ultimately be decided through joint consultation between Marriner/Campbell's Foodservice and Datassential. A survey length of 12-15 minutes has been estimated; if the survey length exceeds 15 minutes, a larger sample and incentive will be required and is not recommended.

Option 1:

200 Operators

- ✓ 100 Restaurants (LSR/FSR)
- ✓ 100 Onsite (Healthcare/K-12)

Option 2:

300 Operators

- ✓ 150 Restaurants (LSR/FSR)
- ✓ 150 Onsite (Healthcare/K-12)

Decision makers

Must serve soup, crackers, or chips in their establishment

OPERATION SPECIFICS

- o Segment
- o Chain vs. independent
- o Geography
- o Job responsibility
- o Category usage (crackers, chips, and soup-frozen and canned)

CATEGORY DIAGNOSTICS

- o Current usage of soup (frozen and canned), crackers, and chips
- o Purchase estimates by volume and dollar spend (by month)
- o Brands used
- o Brand ratings (quality, breadth, support, etc.)
- o Perceptions of Campbell's Foodservice
- o Loyalty & premium drivers
- o Additional topics TBD as survey length allows

BRAND COMMUNICATION AND POSITIONING

- o Unaided and aided brand awareness
- o Awareness and impact of advertising/messaging (print, social, digital, promotional)
- o Advertising and promotion recall (brands for which advertising/promotions are remembered within past year)
- o High-level positioning reaction: appeal, credibility, and uniqueness
- o Tactics to induce purchases / trial

ADVERTISING/PROMOTION DIAGNOSTICS

- o Tracking of specific advertising and promotional campaigns (and impact on brand usage/perceptions)
- o Activation / conversion tactics (appeal and ability to affect/change behavior)

ROAS TRACKING

YEAR 1

full diagnostics + initial benchmarking

foundational baseline read for full
spectrum of relevant metrics

see survey slide

FUTURE YEARS

KPI tracking + topical insights

annual tracking of key metrics

major KPIs (like awareness & recall, brand usage, NPS, etc.) + those that tend to change more frequently (such as sales engagement, ads, messaging initiatives, etc.)

rotating tracking of secondary KPIs +
topical category insights

KPIs that are less likely to move annually (like attribute ratings, switching drivers, etc.)
+ topical coverage for ad hoc issues & internal priorities

Nicole Valenti

Senior Director, Custom Insights

Nicole joined Datassential in 2012 after 15 years as Director of Custom Research at the NPD Group, Inc. During her tenure with NPD, Nicole championed research studies using various analytical techniques including segmentation, discrete choice, pricing elasticity, TURF, and Max Diff; as well as brand equity, packaging, concept testing, and attitude and usage projects.

She holds a Master's Degree in Experimental Psychology and Statistics from Southern Illinois University at Edwardsville.

Janice Houser

Director, Custom Insights

Janice is a seasoned market researcher conducting quantitative custom studies, consumer and business-to-business, for an array of industries. Her focus has been in the service sector, particularly foodservice, as well as working with food & beverage manufacturers. Janice's background includes the supplier and client sides, bringing together insights that help her clients get to the answers they need.

She has degrees in Psychology and Fine Arts from Loyola University Chicago and the School of the Art Institute of Chicago which have trained her to be a clear and creative thinker.

THE PROJECT TEAM



HERE'S WHAT YOU GET



REPORT

executive summary plus topical detail;
key themes include purchase decision
dynamics and brand truths, positioning
and storyline preferences, and
opportunities.



CROSS TABS

cross-tabs of the data by operator channel,
ad/promotion awareness and impact,
unmet needs, and more



PRESENTATION

one virtual presentation shareout plus
collaborative consultation with key
stakeholders

TIMING

The reporting for this study is built around an estimated **11-week** total timeline as indicated below. Timeline does not include holidays or weekends; and doesn't begin until contract is signed and approved by both parties.

	W1	W2	W3	W4	W5	W6	W7	W8	W9	W10	W11
ARCHITECTURE											
Kickoff & alignment											
QUANTITATIVE ASSESSMENT											
Survey development											
Programming & testing											
Fieldwork											
Data analysis & reporting											
Presentation											

Should you have any additional specific timeline requirements, please notify us – we will do whatever we can to meet your schedule.

A FULL-SERVICE SOLUTION

OPERATOR RESEARCH

ONLINE QUANT		
Option 1	200 total (100 per channel)	\$34,700
Option 2	300 total (150 per channel)	\$42,500

*cost per wave

Rates are all-inclusive and cover study design, programming & fieldwork, analysis, reporting, online presentation, and any other reasonable requests made by Marriner Marketing/Campbell's Foodservice. Cost and timing estimates included in this proposal are valid for 30 days upon receipt.



TECHNOMIC

IMPACT AND EFFECTIVENESS OF MARKETING SPEND – APPROACH IDEATION

Return on Investment (of any type) is historically difficult to calculate in the foodservice industry. The inability to collect certain data points and the difficulty in measuring industry response/return are two of many reasons why the challenge is so significant. That said, Campbell's (and its partner, Marriner Marketing) are seeking innovative thinking of how certain marketing and advertising spend can be better evaluated for effectiveness. There is a need to be able to justify spending and spending levels going forward. Marriner Marketing has, therefore, asked Technomic to develop several approaches that may help get a better understanding of the impact and effectiveness of marketing and advertising spend. Technomic has communicated that a true Return on Advertising Spend analysis is not something it can complete in full, but that there may be key issues and key findings that the firm can assist in capturing. The following should be considered a thought starter. Any elements that are of particular interest to the Marriner team can be incorporated into a formal proposal.

Methodology: Operator Surveys	Description
Online Quantitative Surveying	<ul style="list-style-type: none">Technomic believes that a surveying of approximately 600 foodservice operators (commercial and noncommercial) will allow for the collection of data that will help assess:<ul style="list-style-type: none">Impact of in-market advertisingImpact of advertising on purchase intentMessaging effectivenessMost effective media in terms of influenceBrand awarenessAdvertising awarenessBrand favorabilityMessage associationThe above are examples of the types of topics that can be presented to foodservice operators via online survey. One other consideration – heatmapping is an approach that could be added to the survey process. Operators can click on areas of advertising images and language to indicate their likes and dislikes. This can be shown via a mapping process.
Reporting	<ul style="list-style-type: none">Full PowerPoint reporting with executive summary, key findings, operator data results, and interpretationOperator data tables to be providedHeat maps developed and shared for each advertising pieceDeliverables to be provided within 12 to 13 weeks of kickoffWebinar with stakeholders to follow
Estimated Professional Fees	<ul style="list-style-type: none">\$55,000 to \$70,000 (depending on final scope and use of tools like heatmapping)

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Methodology: Operator Bulletin Boards	Description
Recruitment	<ul style="list-style-type: none">• Technomic <u>has the ability</u> to identify and recruit foodservice operators to participate in 3-day, moderated online focus groups (or bulletin boards).• Technomic will recruit 45 operators for three online bulletin boards. The three bulletin boards will run simultaneously – one for commercial operators, one for non-commercial operators and one split according to other pre-determined criteria. Technomic will engage the operators with a series of questions over the course of three days. The groups will be moderated by a Technomic consultant.
Approach	<ul style="list-style-type: none">• Operators will be required to participate in all three days of questioning/panel discussions (spending approximately 40 minutes on a designated discussion site daily). Each day they will answer pre-determined questions as well as follow-up questions from Technomic moderators and other operators. This approach will allow <u>Marriner Marketing</u> to review operator advertising perceptions and ask probing follow-ups (through the Technomic moderator) in order to capture more detail.• Based on <u>past experience</u>, Technomic anticipates these groups being an excellent environment for operators to answer core questions about advertising and marketing impact, optimal media tactics, and the value of marketing. In addition to spend-related questions, Technomic will also share ads for operator feedback and impact 'scoring'. These ads can be historical, current, future, and from Campbell's, competitive companies, or best-in-class foodservice suppliers.
Reporting	<ul style="list-style-type: none">• Full PowerPoint reporting with executive summary, key findings, implications, operator feedback, and analysis to be completed in 11-12 weeks• Transcripts from the bulletin boards also available
Estimated Professional Fees	<ul style="list-style-type: none">• \$35,000 to \$45,000 (cost is dependent on final scope)

IMPACT AND EFFECTIVENESS OF MARKETING SPEND – APPROACH IDEATION

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Methodology: Manufacturer Benchmarking	Description
Quant/Qual Approach	<ul style="list-style-type: none">• Technomic will reach out to 100 foodservice manufacturers via both quantitative surveys and qualitative outreach. The objective is to request participation in a benchmarking effort which will include collection of return on marketing spend metrics and manufacturer perspectives on optimizing advertising and marketing spending. Please note, many of this group will not participate. The ones that do choose to participate will also need some incentive for doing so. Technomic recommends providing an executive summary of findings to participating suppliers.• Results of this approach will be directional in nature. Feedback will not be collected from a statistically significant number of foodservice suppliers.
Best Efforts Basis	<ul style="list-style-type: none">• Based on experience, Technomic cannot guarantee a specific number of participating companies. As stated, this is a challenging topic to research and companies will need reasons to participate.• Campbell's will not be identified as research sponsor.• In a formal proposal, Technomic can outline the various contingency plans and outcomes based on participation rates.
Reporting	<ul style="list-style-type: none">• Full PowerPoint reporting with executive summary, key findings, implications, supplier metrics, and best-in-class analysis.• Research results will be completed in 13 to 14 weeks.• Webinar with stakeholders to follow.
Estimated Professional Fees	<ul style="list-style-type: none">• \$40,000 to \$50,000 (final cost is dependent on final scope)



IRI