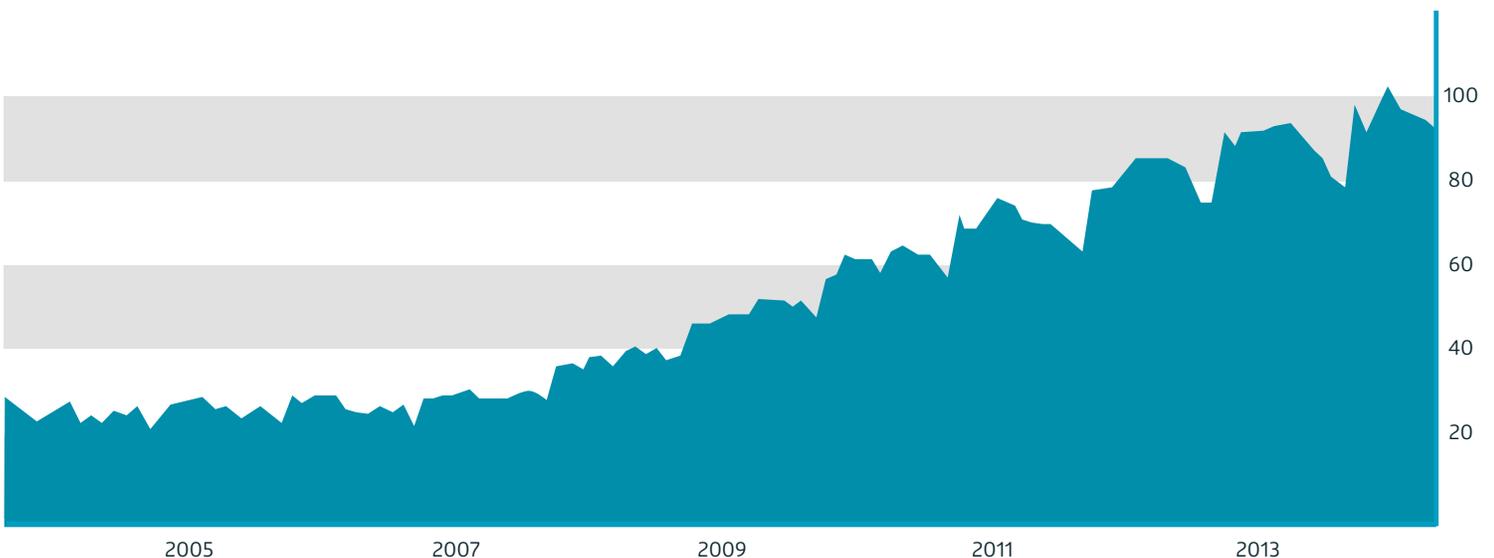


Digital Marketing: Are Grocers Leveraging the Power of SEO & Data Analytics Tools



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Introduction

The digital marketing landscape has evolved in recent years, providing grocers with new channels to learn about consumers' purchasing behavior and obtain brand loyalty. Learning about the next generation consumer requires vast amounts of data, powerful analytics tools and new traffic generating opportunities. More importantly, mobile adoption has provided grocers with new alternatives to reach and engage consumers in more interactive ways. By leveraging a new disruptive digital strategy, early adopters have been able to reduce their marketing expenditure by up to 20% and optimize engagement to increase market share by 85% in sales growth within one year. Making the best of traditional marketing methods such as flyers and coupons, while also adding new digital solutions to drive

increased engagements and loyalty, the digital marketing mix is now able to extend the influence and reach of grocer brands far beyond physical locations.

Despite these disruptive methods available in the industry, many grocers have missed the ability to tap into these solutions and continue to treat their website like an interactive brochure. The time has come for grocers to leverage the power of an integrated experience platform that has flexibility to grow with them and their consumers. This platform is based on the power of analytics tools, online marketing channels and related web technologies in order to spearhead new revenue growth opportunities and foster deeper customer relationships to achieve higher lifetime value.



Many retailers have been able to reduce marketing expenditure by up to **20%** and optimize engagement to outperform peers by **85%** in sales growth within one year.

The Problem

Many of today's grocers are continually struggling to translate the value and power of a positive in-store experience to a successful digital strategy.

Instead of embracing the new tools and technologies that are now available to reach and engage with consumers, the majority of grocers still treat their websites like a marketing brochure and company announcement tool. In the meantime, many lifestyle brands and top media publishers have stepped in to fill the void and capture a large portion of this massive audience. From large-scale recipe databases and custom video content to nutritional guides and interactive mobile apps, the demand for diet, health and fitness content has never been higher. The next generation of consumers turning to the Web to search for health related topics has increased to 80%; almost half of these consumers are also interested in nutrition and pricing. Unfortunately, despite the immense online growth in these lifestyle improvement categories in recent years, many grocers have lagged behind when it comes to capitalizing on this increased demand using content engagement.

Connected Consumer

Today's connected consumer is informed and looks for peer inputs and expert advice, which creates high demands when it comes

to the brands they trust. They go online to search for answers to common questions and specific problems. They will seek reviews from their peers when it comes to the products and services they want to purchase. They will actively consume, share and engage with content from influencers that they feel add value to their current lifestyle and they will do all of this across multiple devices throughout the day. Consumers are now sophisticated and focused on a changing lifestyle meeting their dynamic needs. For grocers, sustaining growth requires a smart yet simple digital strategy. To scale and sustain long term growth, there is a need to meet and engage with consumers wherever they are and respond to their needs across all devices and channels at all times of day.

Today the indicators of satisfaction have evolved from the more traditional competitive pricing strategy so although location, price and grocery options remain top of mind, consumers' interest in health, nutrition, convenience and atmosphere are on the rise. Therefore, it is now critical to integrate comprehensive interactive experiences to maintain mindshare of the consumers and to mitigate the increased pressure dominating the grocery sector. To stay on top of the online marketplace, grocers have to develop a comprehensive system to track the competition, identify new market trends, capture customer feedback and build a strong brand reputation online.



The Opportunity

The demand for having a community for consumers to interact and access services, product knowledge, support and a social community continues to be grocer priority.

As consumers have become more digitally connected and dependent on technology, the appetite and demand for instant access to information has also increased. Furthermore, as society ages, a growing desire to improve and live healthier lifestyles has become top priority. As a result, the opportunity available for grocers to tap into these emerging trends and play a deeper role in the improvement of people's day-to-day lives has never been greater.

The digital shifts and indicators in the market place that have defined new brand loyalty channels for grocers shows health, nutrition, convenience and atmosphere amongst the top priorities for both grocers and shoppers.

Growing Trends

1. Discoverability: 'Healthy' Search Demand and SEO Traffic Growth

With a significant growth in search, the discoverability of brand and the ability to carve 'mind share' of the consumer poses new opportunities to bridge the divide between independent search and the brand assets available. Through a tactical interactive experience strategy, new assets can be integrated to influence brand perceptions and introduce unique brand differentiation.

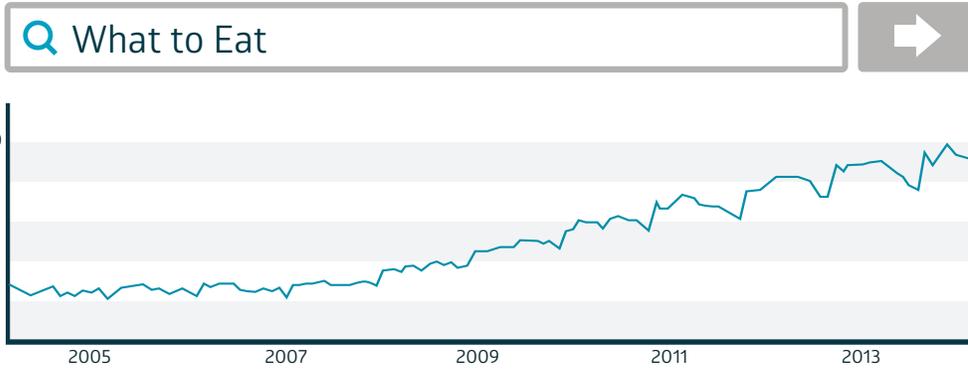


Figure 1: As consumers become increasingly engaged with digital technology, they are resorting to quick online searches for options and trends; the search for what to eat shows a strong and steady increase in recent years. Grocers can keep consumers engaged through resources and tools that meet their needs.

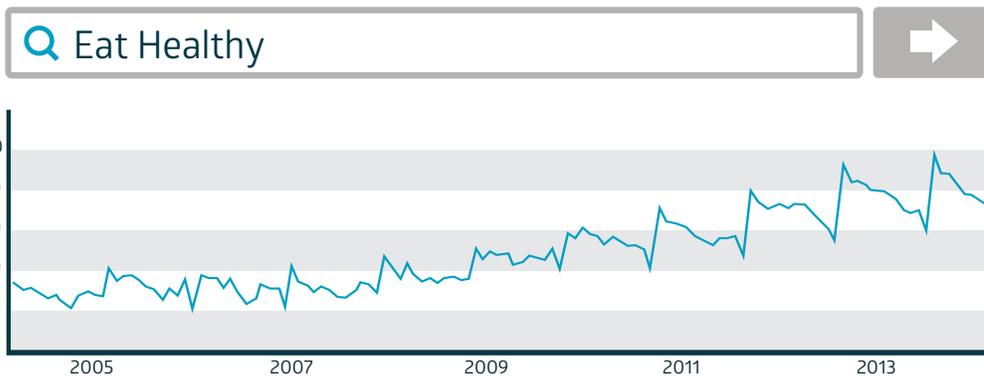


Figure 2: As consumers continue to gravitate towards a healthy lifestyle, the search for healthier eating options shows no sign of declining. Offering consumers information and options to sustain healthy eating habits will drive customer loyalty.

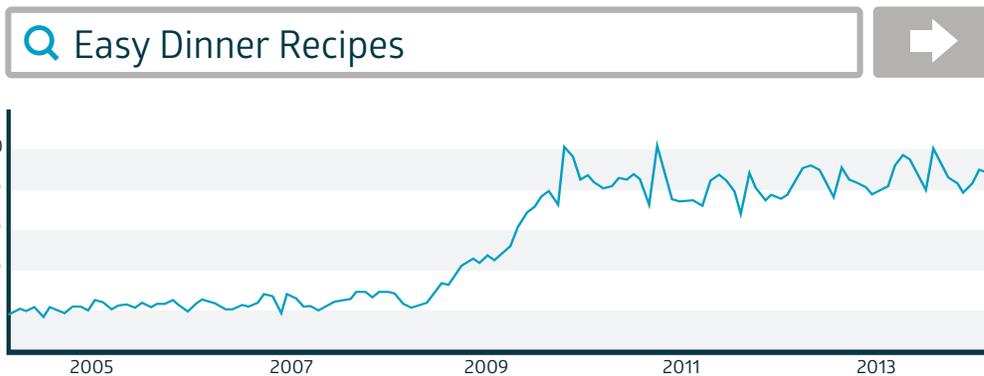


Figure 3: With lifestyles becoming busier, people are resorting to online searches for easy and fast dinner recipes they can prepare in their own kitchens. A sharp incline on this graph reveals opportunities for grocers to connect with their shoppers through a host of digital offerings.

Sources www.google.com/trends/

2. Knowledge: Healthy Recipes for Access to Services

A grocer can now tap into multiple discoverability techniques to generate awareness to the consumer and, through the focus of providing knowledge, demonstrate expertise of the particular area of interest - in this case health or nutrition. There are abundant opportunities to drive authority by utilizing a community focused on exposing knowledge and building trust. This is the secondary area where grocery can shift it's mindset from product, pricing and location and highlight it's commitment to service and best practices to keeping their shoppers 'in the know' on the subjects that matter to them. Some statistics have proven it is the critical juncture of taking a curious shopper and converting them. As a simple example, it can be perceived as the old practice of merchandising for the retail industry in getting window shoppers to enter the store. The key benefit of gaining trust through offering knowledge

based services or expertise is to not only influence buyer behavior through digital channels, but also to bring about positive change in how people live their lives based on the way they are able to interact with the brand online.

3. Engagement

When a grocer has gained trust and begins building on each consumer's satisfaction, the consumer's online interaction can transfer to her ability to share and engage, not only with the grocers' community, but also within her own community. This engagement creates an organic process of brand advocacy and new a form of loyalty. The key to success however, is being able to put together a repeatable system and process that can gather the necessary insights, identify the growing trends in the market, and deliver the strategies and marketing tactics required to deepen customer loyalty and satisfy consumer needs.



Source www.realSociable.com

Through a digital strategy built off a scalable solution, grocers can leverage **brand authority** and expand reach in meaningful interactive ways. They can also leverage the insight generated to enhance other areas of focus, creating additional layers of differentiations and a **sustainable competitive advantage**.

The System:

Your 3 Step Approach to Digital Growth & Profitability

Step 1: Audit & Discovery

One of the most overlooked opportunities by grocers is the ability to learn more about their existing consumers and the next generation consumers by listening to the back channels and integrating analytics to their marketing mix. One starting point is to audit or consider the satisfaction index and correlate this with competitors or other leading indicators perceived as best practice. As a result, the first step to a successful search or digital marketing plan for any grocer should be a deep market and competitive analysis. Coupling this with the key interactive experiences, grocers can begin leveraging behavioral data along with market data to start evaluating the propensity to refer someone, share a unique promotion, or use a service offered by a grocer more often. The key though is not to necessarily limit the audit to other grocers, but to look at related publishers, influencers, networks and other outfits that may target the same market and have overcome their attrition and built new trusted customers.

Key Areas for Market Assessment

- Who are the target personas that direct competitors and market leaders appear to be going after? What are the most in-demand keyword combinations, content themes and asset types that my top competitors are currently using and ranking for?
- What landing pages on competitor websites appear to be getting the highest traffic, rankings, engagement and social activity?
- What are the top websites, influential blogs, online news publishers and social media circles that tend to link out most frequently to leading sites in the food and health industry? What type of content seems to have the highest traction for SEO and social?

All of these questions and more can now easily support the prioritization of defining the roadmap and the goals that can be supported with an optimized strategy. Starting with existing consumers and turning focus on the next generation consumer can establish the building blocks for the right set of research and automation tools to put in place. From keyword research and market discovery tools to campaign analytics and tracking platforms, there are tools available for just about anything to audit.

There is no longer a need to re-invent the wheel when it comes to building a strong online presence. Instead, focus on analyzing real world data and align what is actively working. Then use differentiated strengths to build on the foundation with a plan to iterate on something better through metrics.

Step 2: Targeting & Reach

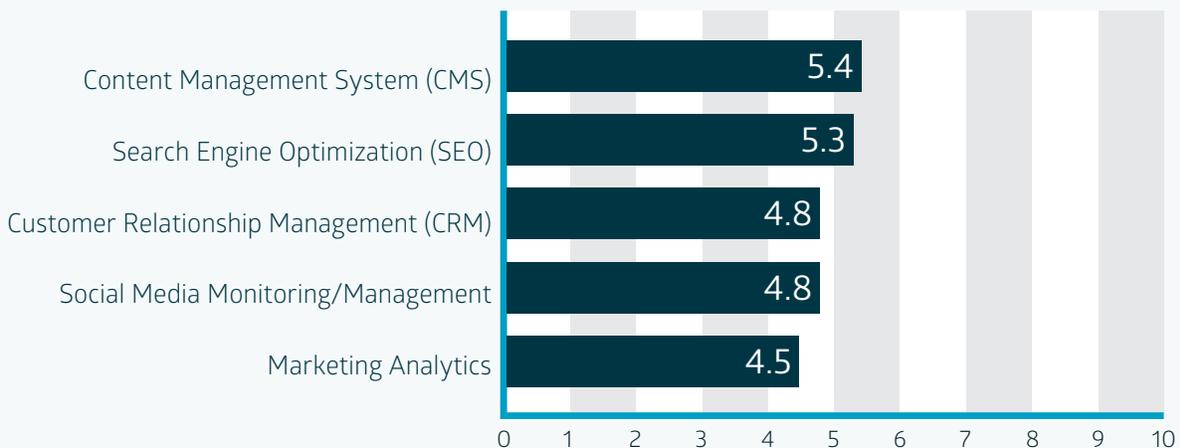
The next step in the process is to leverage all of the data and research from the competitive market assessment and determine what types of content and media assets you want to build, which audience profiles and segments you want to target and finally, what digital marketing channels you want to use in order to maximize your reach and achieve your goals.

Key Channels to Consider

- Organic search and content marketing strategies
- Pay per click marketing (both branded and non-branded)
- Display advertising on relevant and local sites
- Search retargeting for capturing a larger audience based on search activity
- Standard retargeting for recapturing traffic that has already visited your website
- Digital PR to amplify the signal for new launches or related marketing campaigns
- Email sponsorships and co-marketing initiatives for expanding reach and email opt-ins
- Digital coupon or crowdsourcing offers

With the right tools, competitive research and upfront planning, the number of low cost traffic generation and conversion opportunities increase dramatically. However, the key to maximizing reach and tapping into the most relevant audiences is not about stealing or ripping off your competition. The reach should focus on advancing the grocer's brand identity and having the conversation through various engagement points, increasing the consumer's interactive behavior and ultimately leading to their lifelong value. The key is ensuring that the toolkit and communication plans can scale and be flexible as the brand begins to grow, and enhancing the methods to target the next generation consumers as they also evolve. Choosing a flexible platform that can adhere to a dynamic set of consumer-facing solutions along with the ease of back-end operations gives the grocer advantage of high-value insight and data, spend and attrition while being agile to create new campaigns and engagement opportunities in a more efficient and cost effective way.

Organizations Underutilizing Marketing Technologies



Step 3: Optimization & Conversion

The third and final step in the system is making sure you include ongoing optimization and conversion strategies into your digital marketing mix to ensure that you are consistently learning as you scale and grow. Too many businesses miss the opportunity to leverage the power of testing and iteration when it comes to their digital solutions and end up leaving large sums of money on the table- especially if the risked investment has not met the objective. Testing and improvement methodologies need to be baked into every piece of marketing you do, regardless of which side of the online marketing mix you happen to fall (organic or paid). Ideally you will want to have a unique mix that is meeting the goals.

As grocers learn more about their shoppers through their digital solutions, the need to adapt and go to market with various offerings or community enhancements will increase, creating a stronger emphasis on the need for a flexible and friendly platform that can adhere to the long-term roadmap. Many organizations, not limiting to grocers only, who seek quicker, faster go to market solutions on one single focus area realize within 18 months of operating that they need enhancements. This rapid 'launch' of service or digital solutions seem at first, an effective and competitive capability, yet can create significant diminishing returns due to the lack of visibility to key data that can connect the activity with the shopper and the infrastructure impact to improving the system.

Key Considerations for Optimizing Campaigns

- Define the goals of your campaign upfront and what media mix you will use
- Never run a campaign with just one ad unit; split at least two ads per campaign
- Test multiple landing pages for each campaign and marry your ad copy to the messaging in the landing page for increased engagement and conversion
- Keep your campaigns to a maximum of one call to action
- All campaigns should have proper tracking and conversion metrics in place
- Add a retargeting campaign to re-capture users who leave but do not convert
- For returning customers or paid users, follow up with value-added benefits and limited time offers
- For content marketing campaigns, optimize your content for SEO with proper keyword search, titles, descriptions, headings and related SEO 101 best practices
- Repurpose top quality articles and content into downloadable guides, infographics, interactive tools, videos, checklists and other digital formats that shoppers love to consume and share
- Most importantly, for customers looking to visit your store, make it easy for them to get directions, hours of operation, important contact information, etc.
- Extend your marketing reach by offering exclusive online offers to customers that sign up for your email newsletter, social media profiles or share your offers

Summary

Overall, despite the incredible search demand in the key areas of focus for grocers, many consumers are navigating into different market segments, possibly contributing to the pressure grocers face with consumer loyalty. These alternative online solutions that some consumers are turning to for advice and sometimes with a piece of their wallet, are contributing to the increasing battle to understand shopper behavior while managing bottom-line revenues. Lifestyle topics of interest along with the overall experience have introduced large media publishers and lifestyle brands who have rapidly entered the common market grocers are in through simple digital tactics such as the extensive use of search engine optimization, content marketing, social media, retargeting and other online media channels.

Grocers need to recognize the importance of digital marketing and leverage the opportunities that are in front of them in order to extend their influence and maximize their reach. As trusted brands in a consumer's mind, grocers have an opportunity to get closer to understanding how their overall experience can impact the perceptions of key priorities such as health, nutrition, convenience and atmosphere. Grocers have the ability to create a renewed level of influence on the buying behavior of their loyal shoppers, and play a positive and influential role when it comes to enriching their lifestyle and lifelong value. The time is now to open up the marketing funnel and begin to tap into the trends and demands of

a new digitally connected generation. Grocers need to look beyond the traditional website as a simple brochure for the products and services offered. Setting out with a roadmap for a truly interactive digital experience is a primary gateway into the needs, demands, desires and passions of your most loyal shoppers while also learning the next generation consumer's behavior and expectations.

Through a simple yet powerful platform, grocers can consider growing their efforts to drive discoverability, knowledge and expertise, and engagement that is tightly coupled with brand identity and can grow with the evolving needs of the consumer. Initiate a framework with the three step approach outlined above and discover the true power that digital marketing has in store.

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Mercatus Technologies is redefining the digital experience within grocery. Our purpose is to empower grocers to create best-in-breed shopping experiences for their customers.

We're thought partners dedicated to revolutionizing the way grocers approach digital by delivering Mercatus Integrated Commerce™.

Based in Toronto, Ontario, Mercatus helps leading North American grocers, which include Sprouts Farmers Markets, Price Chopper and Food Lion, integrate with multiple technology partners to deliver exceptional in-store and online shopping experiences.