

Episode 40: How Brands Can Optimize for Seasonal and Commercially-Driven Events Like Prime Day

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Keith Anderson: Hello, and welcome to another episode of the Profitero podcast. I'm Keith Anderson of Profitero, and my guest today is Nicole Vinson of Integer, a shopper marketing agency, based in my homeland of Denver. Nicole has traveled all the way here to our studio in Boston, not just for this podcast episode. She's here for a conference, but Nicole, thanks so much for joining us.

Nicole Vinson: Thanks for having me.

Keith Anderson: If you don't mind, just tell us a little bit about what Integer does and your role. What's the company all about?

Nicole Vinson: Sure. Integer is a commerce agency. We've been around for about 23 years. Based in Denver, we're about 1,200 globally. Offices in Denver, Dallas, Des Moines, New York, Chicago, Bentonville here in the US. I'm the group director of eCommerce. I've been working in this space for about 10 years on behalf of a lot of our CPG clients, so really excited to be here today. I'm out here in Boston for the eTail East Conference. Lots of interesting ideas and trends and discussion happening around this channel, so great to be here.

Keith Anderson: Yeah. Any highlights of the conference? I haven't been able to attend.

Nicole Vinson: Yeah, I think a lot of the big themes that I've been seeing is around AI and machine learning and how we can be personalizing shopping experiences for our consumers. Pretty much the other big piece is around mobile-first everything

experiences, so for so many years, we've been desktop-first and above the fold, below the fold. It's been interesting to see the evolution of digital, but now we're over the threshold now of mobile being the primary device that people are using to shop and research. That's been a big discussion around how do we optimize all of our experiences from a mobile-first perspective.

Keith Anderson: Are there any great ideas that you've heard about how to do that? I keep hearing, and the data keeps suggesting mobile represents a majority of traffic at this point, but conversion rates still lag desktop, I think by half, so I know everybody's trying to figure out, well, how do we optimize the content and not just get the eyeballs but actually convert. Were there any great ideas at the event?

Nicole Vinson: I think a lot of companies are really trying to figure out how they can be partnering with different technology stacks and really testing the overall user experience because if shoppers don't have a good experience when they actually get to that checkout experience, they are abandoning cart. It's how do you really optimize that, things like Apple Pay and Amazon, all of those types of technology that are enabling a faster checkout process, I think you're really helping to improve conversions on the mobile device, but really, I think that it comes down to folks always having a device in their hand when they're doing that researching or list-making, and then they're ending up going back to a desk to do that final purchase.

I think that they all play a pretty valuable role in the journey. You can't just think about one in isolation of the other, so how do you optimize all those to work in tandem together

Keith Anderson: Yeah. Yeah, well said. Actually, I'm reminded for those that are really interested in that topic, Oliver Bradley of Unilever was a guest on a podcast. My colleague Andrew Pearl hosted that episode.

He and University of Cambridge have done a lot of work on mobile-hero images, so getting away from just the traditional front-facing pack shot on a white background and making sure that just the essential information is really visible on that mobile form factor. If you want some insight and some guidelines that have proven to be pretty effective in increasing the legibility in both attracting people from a search result or a category page to a product page and then helping people get enough information to actually convert, it's a good episode and a good body of work to go take a look at.

Nicole Vinson: Yeah, absolutely. We're actually testing a lot of those on behalf of our clients today as well because of the scannability factor. No one actually takes time to read anymore, so it's how do I flip through all these things quickly and get the key information as fast as possible. Certainly, something that I think we're going to start seeing here in the US as a bigger trend. Western Europe is already a lot more ahead of where we are. I think it's really just figuring out with the retailers

how we can start making that a reality versus what their specs dictate for us today.

Keith Anderson: Well, speaking of new devices and new modes of interaction between people and computers, voice is something that's on the minds of a lot of our clients, and it's becoming a much bigger factor at Amazon, just Prime Day alone. There were some pretty stunning statistics about how many Alexa-enabled devices were sold.

How are you and how are your clients thinking about optimizing content and some of the other considerations for a voice-first world.

Nicole Vinson: I think that some of our clients are a bit more progressive as they're thinking about this today. I think that the combination of voice and images are going to be key in that selection process in overcoming specific barriers. I think we have to start thinking through the overall user experience and the decision tree in logic that people have when they're engaging with the Alexa device.

It's not just about adding more skills to their database, but how can our content quickly answer some of those questions to really overcome those barriers. I think a lot more testing is needed and usability and things like that. I don't know that we're too far away, but we're going to get really quickly into the world of figuring out how all that content works together, but then also in isolation of each other.

Keith Anderson: I totally agree. Yeah, I was on a panel a few weeks ago, and someone from the Alexa team was representing Amazon and shared a couple of pointers, one of which was to think carefully about how you create a product title because I think historically, the guidance, or at least some of the common practices have been to stuff as much detail and as many keywords into that product title as possible, really optimize for desktop experience, but with Alexa, you're asking Alexa either to reorder something or searching for product. Alexa, by default, is going to read that entire product title.

The suggestion was when you're crafting a product title, actually read it aloud to yourself, or even better, ask Alexa by saying, "Simon says," and then read the whole thing so that you hear just how tedious it could be to listen to a 250-character product title when you're hearing it back over voice.

Nicole Vinson: I think you're totally right with that. I think that Amazon will probably quickly get to a point where, from a manufacturer standpoint, that you have different types of product titles that you'll be entering into their system versus being just one default that gets used across all devices and touchpoints. I know that we're not there yet today, but I'm hoping that we'll get there in the near future.

But I totally agree, and I also think that brands have a really unique opportunity right now in the early stages of Alexa to ensure that shoppers are getting these products into their cart and into their purchase history early on so that when

they are engaging with those devices and becoming more comfortable with them, we're already in that purchase history, and so we're the first product that she ends up talking about to get you to add to cart.

Keith Anderson: Yeah, I know I mentioned this to you a few minutes ago before we hit record, but in my own household, we order maybe five items a week via Alexa, but it's almost entirely items that we've purchased in the past just because through the speaker alone, I like to know that Alexa's going to be able to find the specific item that I'm looking for.

You mentioned that the combination of voice and images is probably going to be a big impact, and I totally agree. You mentioned that whether it's through your television, and there's obviously the Alexa-enabled Fire TV devices, but also the new look and show screen-enabled speakers. I think that input coming via voice is going to be much less friction than typing, but having the output be not just voice but a screen so that you're not limited to just one or two products and you can see essentially the same considerations that you might see if you had searched on a phone or desktop has huge potential.

Most people I talk to aren't yet thinking that way, but I suspect we'll probably see, sooner rather than later, not just through the TV or through these new screen-enabled Alexa devices, even on eCommerce sites and in mobile apps, you already, in the Amazon app, have a little microphone icon. That's not heavily promoted, but you can use Alexa whether or not you own an Echo device as long as you've got the Amazon app. I think it's a good thing just to try and play with and see how it compares to the experience of using your thumb to type in a query.

Nicole Vinson: Yeah, absolutely. I think people are going to become a lot more comfortable with the voice-activated searches and discussions with their Alexa devices. I do agree. I think that people that don't have the devices can benefit a whole lot from using that functionality within the app itself to get a better understanding and feeling of how that technology works. I think that we're going to see more and more adoption in a really rapid rate than we've seen with some of the other Amazon technology pieces that have come to market.

Keith Anderson: Yup. Well, shifting gears a little bit, one of the things that I wanted to ask you about is, since you've got such a diverse body of clients, many of whom are doing business not just with many online retailers but even with different Amazon formats ... I know you've supported clients in thinking through different trip types or missions online and how that translates to assortment strategy and different pack configurations. What would you tell us some of the lessons learned and how to think about and optimize the types of items and the types of pack configurations that are a good fit for different types of online retailers?

Nicole Vinson: Yeah, I think that's a great question. I would say that first and foremost is really thinking through the profitability piece with the retailers first because ultimately,

if your products aren't profitable, you could be delisted before you even get out of the gate. Not only that, but also your ability to market those products in that channel also becomes really difficult because the retailers won't let you feature them in advertising, but as it relates to trip types, thinking through the dot-com shopper, they're a bit more used to buying larger pack sizes, spending a bit more money.

When you think about pantry, these shoppers are really stocking up for the week or they are stocking their pantry ultimately and really wanting access to smaller pack sizes than what you would typically get on Prime, so not thinking through, okay, am I going to a Costco or a BJ's wholesaler today? I don't need a \$25 box of cereal, because you also have to think through share of wallet when you're shopping in this channel. Not everyone has \$25 to shell out for cereal.

That's really where I think the AmazonFresh and Pantry come into play in getting smaller pack sizes, thinking through that the trip repeats are going to be more often and more frequent so shoppers don't necessarily need to be buying cases of things.

I also think that retailers and, are really pushing the brands to be thinking through as well. You can't just take the same packs that you have in brick and mortar and put them up in eCommerce. I think that there's a huge opportunity to drive channel differentiation of these packs and assortments, and even coming up with new combinations of packs as well and thinking through seasonal time frames or different types of occasions. Back to school is a huge opportunity as well. How can you think about putting together different combo packs or things like that that make more sense to moms as she's packing lunches five days a week for two kids and really trying to provide solutions versus just the same packs as she could get off the shelf when she walks into her neighborhood grocer?

Keith Anderson: Yeah. Yeah, I like the bundle idea a lot. We see a lot of virtual bundling in Europe. Virtual bundling simply means not necessarily physically co-packing items but presenting items together with some thought put into it, and then the items are picked and packed when the order is fulfilled.

We also just did a big study to get more insight into how CPG companies globally are organizing for eCommerce, and we've seen a huge uptake in the number of functional specialists dedicated to eCommerce supply chain. I'd say 85% of what we found was focused more on forecasting, replenishment, and handling customer service issues with the retailer, but there was, for the first time, a handful of executives that seem to be focused on actually developing new products or at least new product forms or pack configurations optimized for the online channel.

I think there's this spectrum that we've all seen that starts with trying to look inside your existing catalog or your existing portfolio and match an item that

you've already got in a configuration that you've already got to dot com or Pantry or Fresh or Boxed or any of these models, but there increasingly is a desire to actually develop something that's unique to the channel and optimize for the channel the economics both from a price point and price to weight ratio perspective. Even with programs like frustration-free packaging, which we still don't see a huge number of brands or items developing, but for items that are over a certain price point in doing sufficient velocity, there are cases where it makes sense to strip the packaging down since the content at the digital shelf does most of the selling for you. There's no reason to spend all that money on color ink and secondary packaging that might have been intended to prevent loss of a physical store and so on.

You also mentioned some of the seasonal opportunities. Can you expand a little bit on some of the opportunities and challenges that you found about both listing items that are unique to a season and then driving traffic in generating sales for seasonal items?

Nicole Vinson:

Yeah, absolutely. I think that seasonal items are a little bit tricky in this channel just because the retailers don't really like in-and-out products because they end up having to sit on a whole bunch of inventory after the season. We're actually seeing retailers like Amazon now requiring that manufacturers sell through about 90% of that inventory, otherwise, they end up having to buy it back from Amazon.

That can become a really tricky and dicey situation, so putting together really mindful and thoughtful strategies on how we're going to move that inventory and put the right media dollars and support behind it to move that product quickly during that seasonal time frame.

Some of the things that we're doing on behalf of clients is if they are true seasonal in-and-out SKUs, they aren't going to be there year-round. We definitely developed a lot of great A-plus content that's optimized for search driving a lot of those seasonally relevant search terms as well as driving usage occasion, so how can we get people to use this product faster, more often so that they hopefully can come back and buy more from us during that season.

In addition to putting some sufficient investment behind AMS and paid search, trying to get our product in front of shoppers at a higher search ranking because a lot of times, the seasonal products don't have the sales history, the ratings and review volume, and the page traffic to really put us on that front page of organic search, so we're having to pay to be there, which I think has been a great tactic in our toolbox to use from a paid-search perspective, as well as paid media. Whether that's through AMG or through some other programmatic buys offsite driving traffic in, we've seen a lot of success there.

Also, figuring out what is our right couponing strategy, things like that as well, and then having plan B in your back pocket in the event that we don't end up

moving as much inventory as we planned. How can we start to drive more awareness of any kind of offers and incentives that we're putting in place to move that inventory?

Lots of different moving pieces to that pie, but we've seen a lot of great success and a lot of learnings and great opportunities to be putting more inventory out there the following season.

Keith Anderson: I'm just thinking about the lifecycle of some of those seasonal items, and you mentioned some of the challenges that we often encounter with clients as well, one of which is because Amazon's algorithms are so driven by history, an item that's in and out, almost by definition, doesn't have a record of demand.

Have you experimented with things like launching an item through a third-party seller presence to train Amazon's system that there is demand for an item like that, or have you used programs like the Vine sampling program to try and seed some verified, authentic reviews before a season really starts in full swing?

Nicole Vinson: Yeah, absolutely. The Vine is certainly something we participate in, especially when we're launching any kind of a new SKU. I think that there's also opportunity to be leveraging that same ASIN during multiple seasons, so trying to figure out with your brand if it's truly just an external packaging change, but the product physically is the same, could we use the same ASIN number multiple times and then really try and change our content out to be more applicable for that seasonal time frame.

That's another way that you can work around the system as long as that UPC number is the same and then your ASIN is the same, but really, it's just the packaging that's changing, that's a great way to continually use that ASIN during Easter and Halloween and Christmas, things like that.

Again, this is pretty particular to specific categories in CPG and food, I think, but I think that's one way to work around that.

Keith Anderson: I think that covers a lot of the traditional seasonal events. We just passed a pretty significant contrived event, in a sense, Prime Day. Any observations or anything that you found to be really successful or unsuccessful during the Prime Day event?

Nicole Vinson: Yeah, absolutely. I think that in specific categories, what we saw was that there was, if you weren't participating in a deal during that time frame, you virtually didn't exist. We had some clients that chose not to participate in Prime Day, and they ended up seeing a pretty significant share decline in their category because they were absent. I think that you really need to think through being there. I mean, if Amazon is putting this kind of dollars behind driving awareness and putting on this big show, you might want to pay attention a little bit and be there.

I also think that for brands that are trying to increase share, it's a great way for them to be present and get people to be adding those products to their cart, ultimately driving higher volume, more page traffic, things like that, all of which we want to help increase our organic search ranking over time. I think it's a great opportunity to use that blip of that promotional window to earn that opportunity.

Keith Anderson: Were there any specific promotion types or vehicles that you found to be more or less effective?

Nicole Vinson: I think that with the rise of the Alexa devices, we saw a pretty big increase in folks that were ordering off the device. Again, that's a huge win for brands because we're starting to change behavior in the way that people are shopping that ecosystem. I think that Amazon has done a really great job of giving brands the opportunity to be testing and learning and really owning specific category terms during these promotional windows, so I think that those have been really successful in trying to change behavior but also getting your brand on that history list early on.

I think that the combination of the Deal of the Days as well as the Alexa deals, I think in combination of those things were pretty much the successful tactics that we saw.

Keith Anderson: Yup. More broadly, you've mentioned AMS and AMG, and even programmatic buys outside of Amazon. Let's talk for just a few minutes about some of the emerging and the evolving marketing and merchandising vehicles. Which are you finding to be most effective, which are declining in relevance out of the large and growing number of opportunities to part with your funds?

Nicole Vinson: Yeah, I mean, I think that Amazon is, I use this term all time, they're sort of our frenemy. They're a consumer's best friend and a marketer's big challenge, to say that nicely. I think that what we're seeing is a lot of brands are starting to test outside of the world of AMG and trying to drive qualified leads and traffic into Amazon and we can do that at a much better cost-per-click versus just working within the AMG environment.

We have been testing a lot of those pieces in addition to working through with a lot of influence or programs and then leveraging them to then also drive traffic into an Amazon or into a retail environment as well, and then, really, from a video perspective, we've also been doing a lot programmatic buys around YouTube. People are searching a lot of different occasions or how-to type things, and so being relevant in those moments and then creating an opportunity to transact, we're also seeing a lot of great success with.

I think it's just not putting all of your eggs in one basket and testing and learning different things with each program that you do to figure out what the sweet spot

is, but then all of those things come with a price when it comes to data and analytics as well. Obviously, partnering with an AMG gives you a little bit more access to the total picture of what's happening in the Amazon world versus when you're using an outside programmatic buy, you don't have as much visibility into how all of that is moving the needle for you, so you have to make a bit more inferences on the success of a program.

Keith Anderson: What about AMS? It's obviously a little different than some of these other media buys, but are you seeing it grow in significance? Are you finding there are ways to optimize and manage campaigns and measure campaigns that are successful?

Nicole Vinson: Yeah, absolutely. I think that Amazon paid search is here to stay in a big way, and we're starting to see 55% of shoppers are starting a product search on Amazon versus on Google today. I heard a stat at the eTail Conference this week that that's expected to grow to 70% in the near future. We're starting to see a lot of our brands really reconsider their paid search strategy and what they're putting in the Googles and the Bings of the world versus what they're putting into the Amazon and the other retailers through Criteo or HookLogic as well because shoppers are trying to find specific products, and again, if you're not winning those top two spots, you're essentially undiscoverable.

We are seeing that more and more of our clients are investing and always on AMS programs, and then putting a lot more emphasis around little seasonal or promotional campaigns as well to drive volume during different time frames throughout the year, so certainly becoming a key part of their strategy as well as really taking a look at what are the strategies that we're trying to put in place to either move a product up from the bottom of the list to the top of search results or if we're trying to maintain our position at the top. It's sort of, you're damned if you do and you're damned if you don't, so you gotta be there. We're putting a lot more dollars behind it today.

Keith Anderson: How do you think differently about either organic or paid search at Amazon or another online retailer versus Google or Bing? We find that there are a lot of traditional SEO specialist that are suddenly finding themselves as the budget shift from Google and Bing to Amazon. They're trying to apply frameworks and approaches that are great when you can manage 1,000 or 2,000 keywords really efficiently, and when shoppers are just higher in the purchase funnel as they are on Google.

But what would you say is similar or different as you start thinking about how to optimize paid and organic search on Amazon?

Nicole Vinson: Yeah, I think that as you get your campaigns going, you'll start to figure out what are the keywords that are having the highest volume, the highest click through, and then really evaluating those terms and going back to your content and making sure that you have adequate placement of those terms within your basic and your A-plus content as well.

I think that it's, your content is never really complete. It's kind of a living, breathing being, and it always needs to be nurtured and loved. I think applying a lot of the learnings that you're seeing from your paid components can then feed back into your content to be organically optimizing constantly. That's kind of the way that we think about it with our clients, we well as the seasonal relevancy piece as well.

Keith Anderson: Do you find that brands are prioritizing a subset of their items to really try and focus on the winners or are they focusing on the full portfolio and trying to elevate some of the under performers? Are they trying to optimize or sponsor as many keywords are possible or are they picking either their own brands or even competitor's brands or, how are they prioritizing among everything that they could do?

Nicole Vinson: Yeah, I think every brand is a different position, especially as the categories differ in adoption of the overall opportunity there. I would say that a lot of our clients are focusing on what we call power SKUs or hero ASINs, and that's really where they're driving a majority of their traffic to because if they can put a lot more dollars behind specific products that are profitable, those are the products that are going to move higher up in search quicker.

I think, also, there's a huge opportunity with developing the parent-child relationships behind your products as well because when you're doing that, you're able to share ratings and reviews, you're able to share a page traffic, all of those sorts of things while giving the shopper the opportunity to, then, switch between a pack size or a flavor or a scent variation.

I think we are seeing a lot of our brands focusing on those power SKUs and putting more weight behind those, but then also taking a look at the entire assortment and figuring out, A, is it right, and then B, if it is right, then how do we want all of these to work holistically together.

Again, if we have a handful of product, they're on page five, that's kind of a problem, so we also might want to be directing some traffic to those pages as well in hopes of moving them back up.

Keith Anderson: Makes sense. Well, Nicole, this has been great. If people want to learn more, get in touch, what's the best way to reach you?

Nicole Vinson: Sure, you can reach me at nvinson, V-I-N-S-O-N, @integer.com. Phone number's 303-393-3141, and I'm happy to talk with any of you. Thanks again, Keith, for the opportunity to be part of your podcast today.

Keith Anderson: Really enjoyed it. Thanks again for coming to see us.