KANTAR

# Integrated Print and Digital Promotion

2021 Trends and Insights

Understand People
Inspire Growth

# Today's Agenda

1 The CPG Landscape

2 2021 Highlights

3 Seasonality

4 Promotion Tactics

5 What's Next?

KANTAR

# Media Coverage

## Print + Digital

**Print**

FSI Coupons

**Digital**

Leading Network, Aggregator, Brand and Retailer websites, representing 95% of traffic to websites that distribute coupons*

## Metrics

### Print Coupons Dropped

The number of coupons on a promotion multiplied by the circulation of that promotion. Not to be confused with Page Circulation.

### Digital Estimated Prints

Estimated # of prints (whether print at home, load to account or digital rebate) that occurred while a coupon was captured online.

### Weighted Average Face Value

The result of combining and weighting the carious coupon face values among a category or set of events and their respective coupon circulations.

## Organization

### Class

We report at the Total Consumer Packaged Goods level as well as Food and Non-Food.

### Area

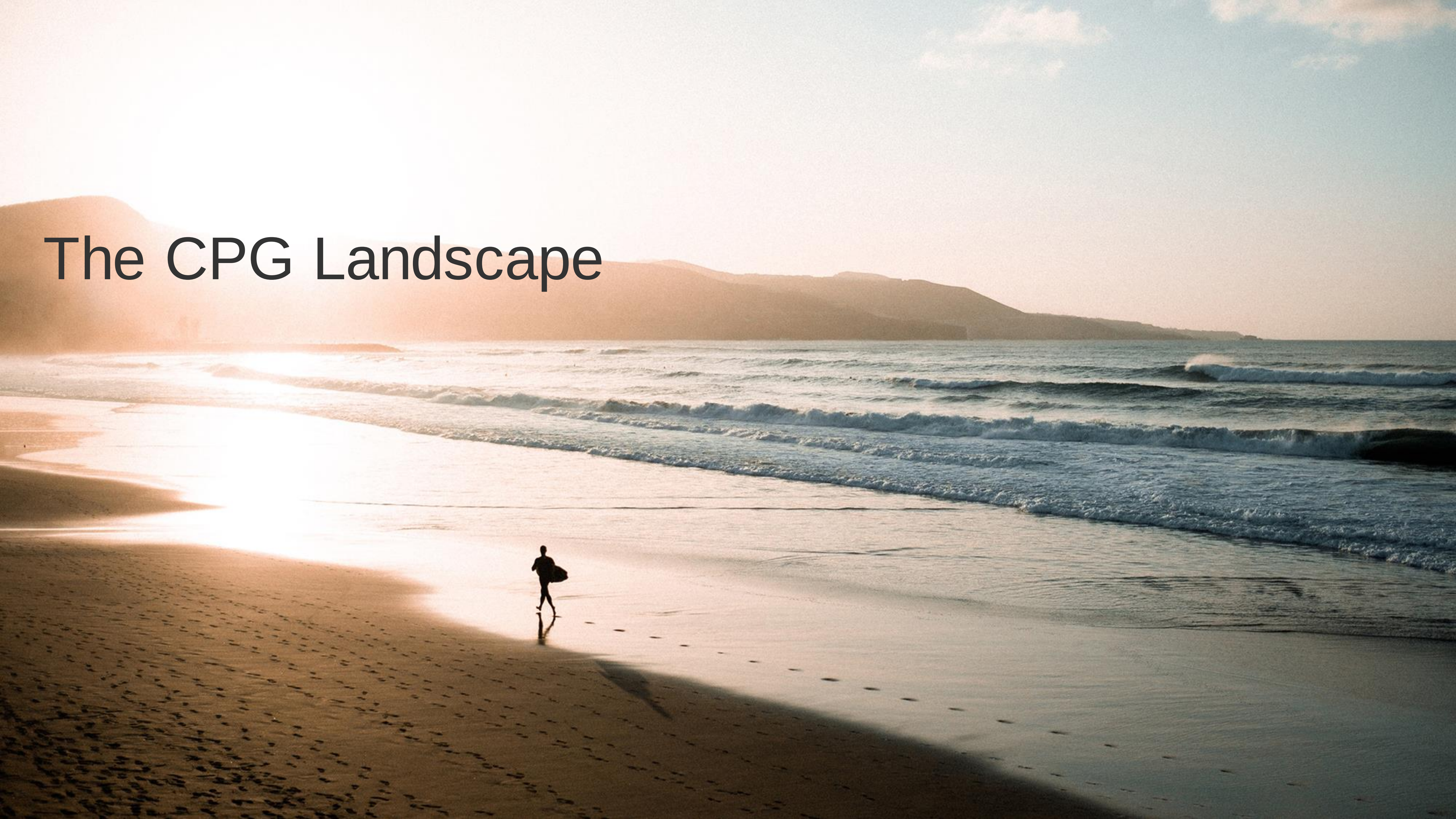
We report nine various areas which include Cereals, Dry Grocery, Frozen Foods, Refrigerated Foods, Shelf Stable Beverages, Personal Care, Health Care, Household Goods and Other Packaged Goods.

### Product Type

We look at an additional 150 product types to support category-specific insights within our data.

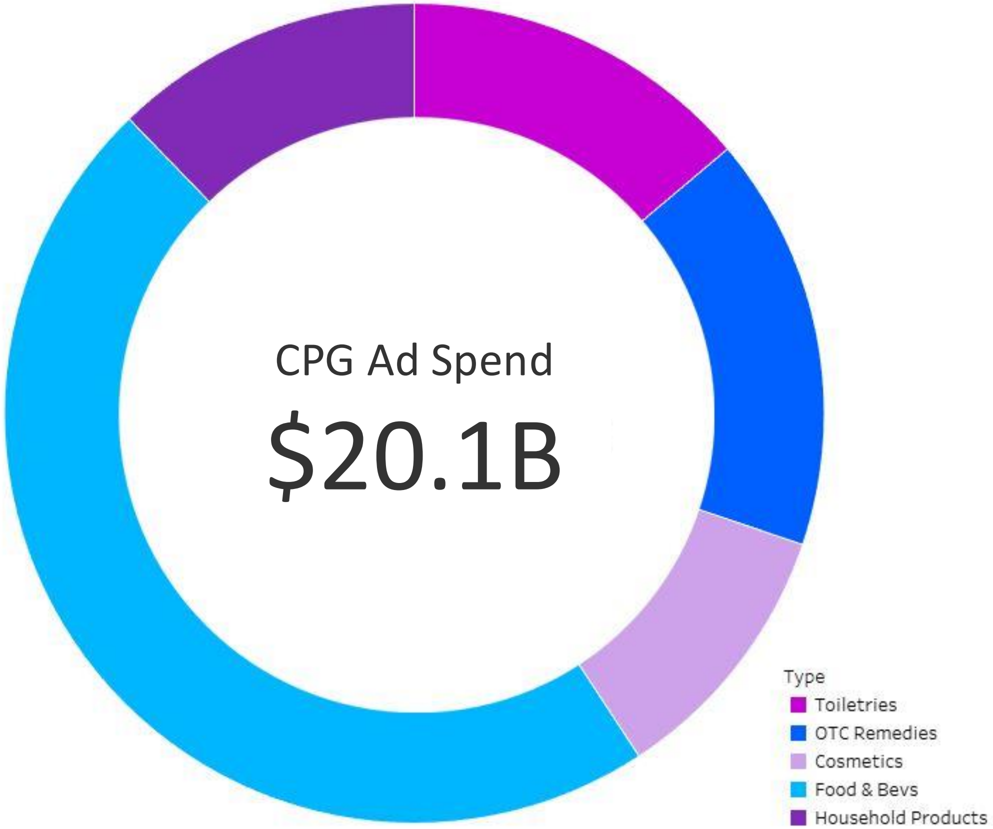
Note: Ad Spend provided by Kantar Advertising Insights – includes Digital, OOH, Print, Radio and TV.
*Amazon.com has been excluded from Digital in Promotion Trends analysis.

# The CPG Landscape

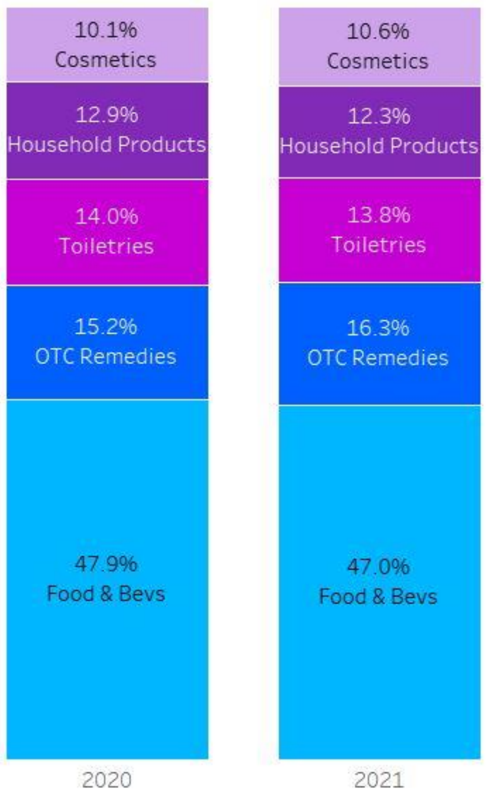


# The Advertising Landscape

## Total ad spending increased +36.2% to $210.9B in 2021 with CPG increasing +4.5% to $20.1B



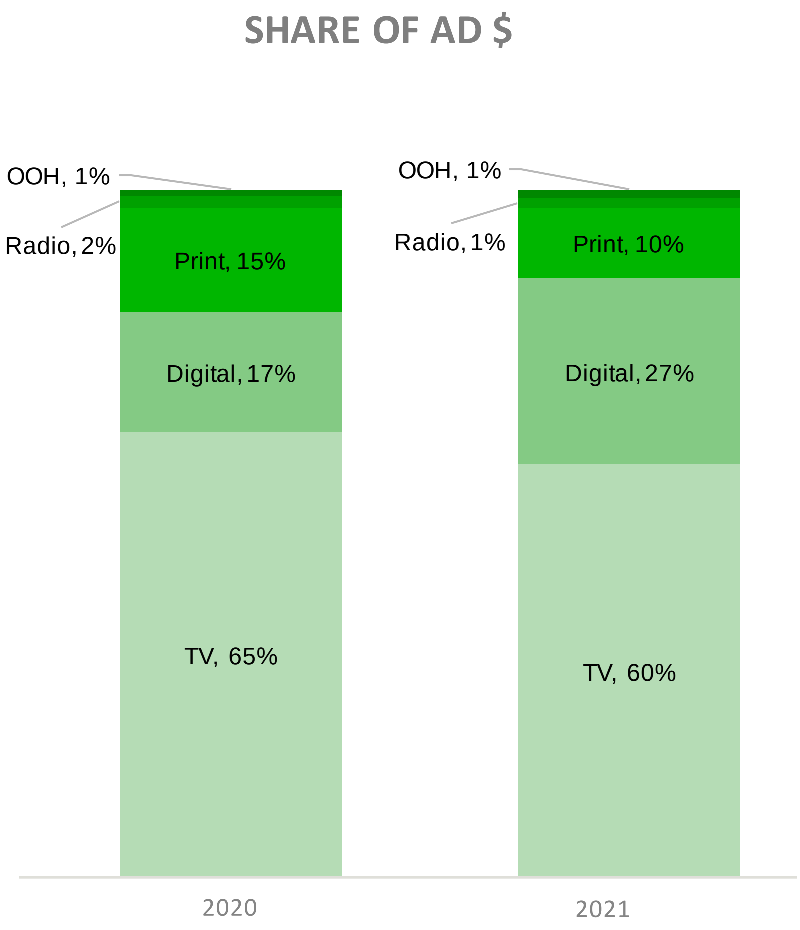

Segment Share of Voice

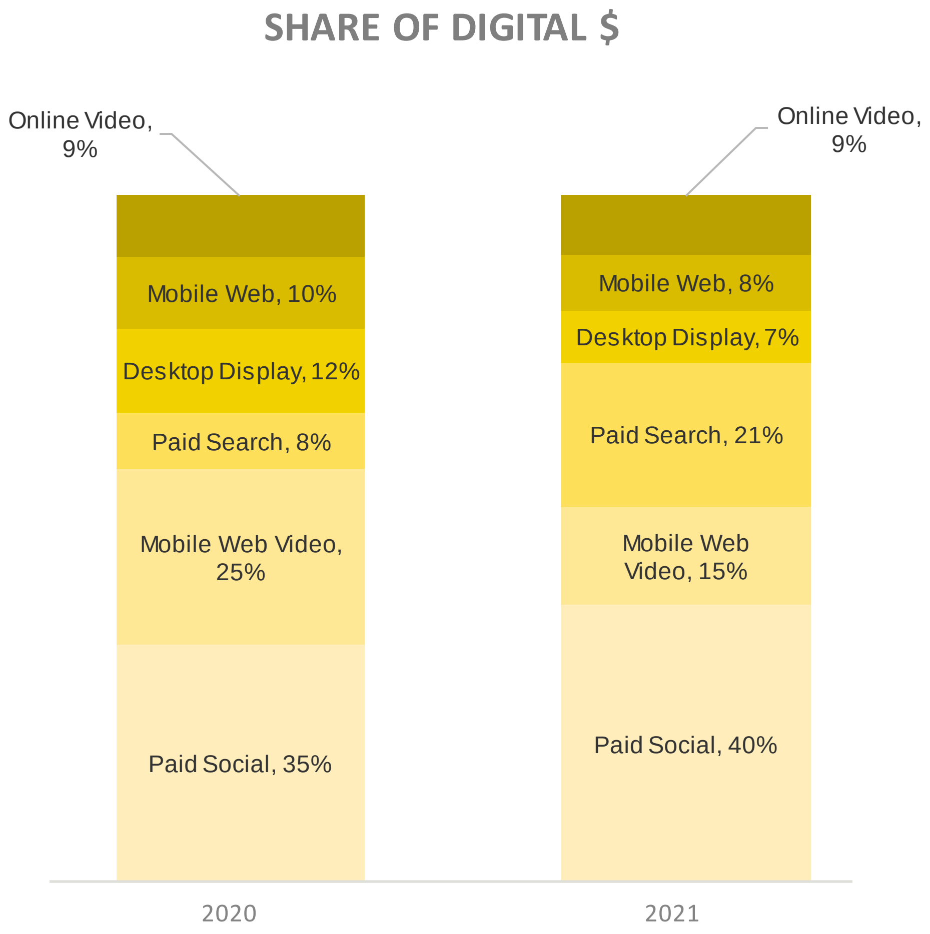



- Ad spending increased across all major CPG segments in 2021 with the exception of Household Products which received a sizable bump in 2020 due to COVID spending
- Cosmetics and OTC Remedies posted the largest year over year increases resulting in small share gains at the expense of Household Products, Toiletries and Food & Beverages

# The Advertising Landscape – CPG by Media

- Digital gained +10-share points in 2021 and became the 2nd largest media share of ad spending behind TV
- This shift came at the expense of TV and Print which each lost -5-share points each
- Paid Search and Paid Social saw the largest year over year increases within Digital gaining +13-share points and +5-share points mainly at the expense of Mobile Web Video and Desktop Display which lost a combined -15-share points)
- Online Video and Mobile Web also saw year over year increases without significant change in share



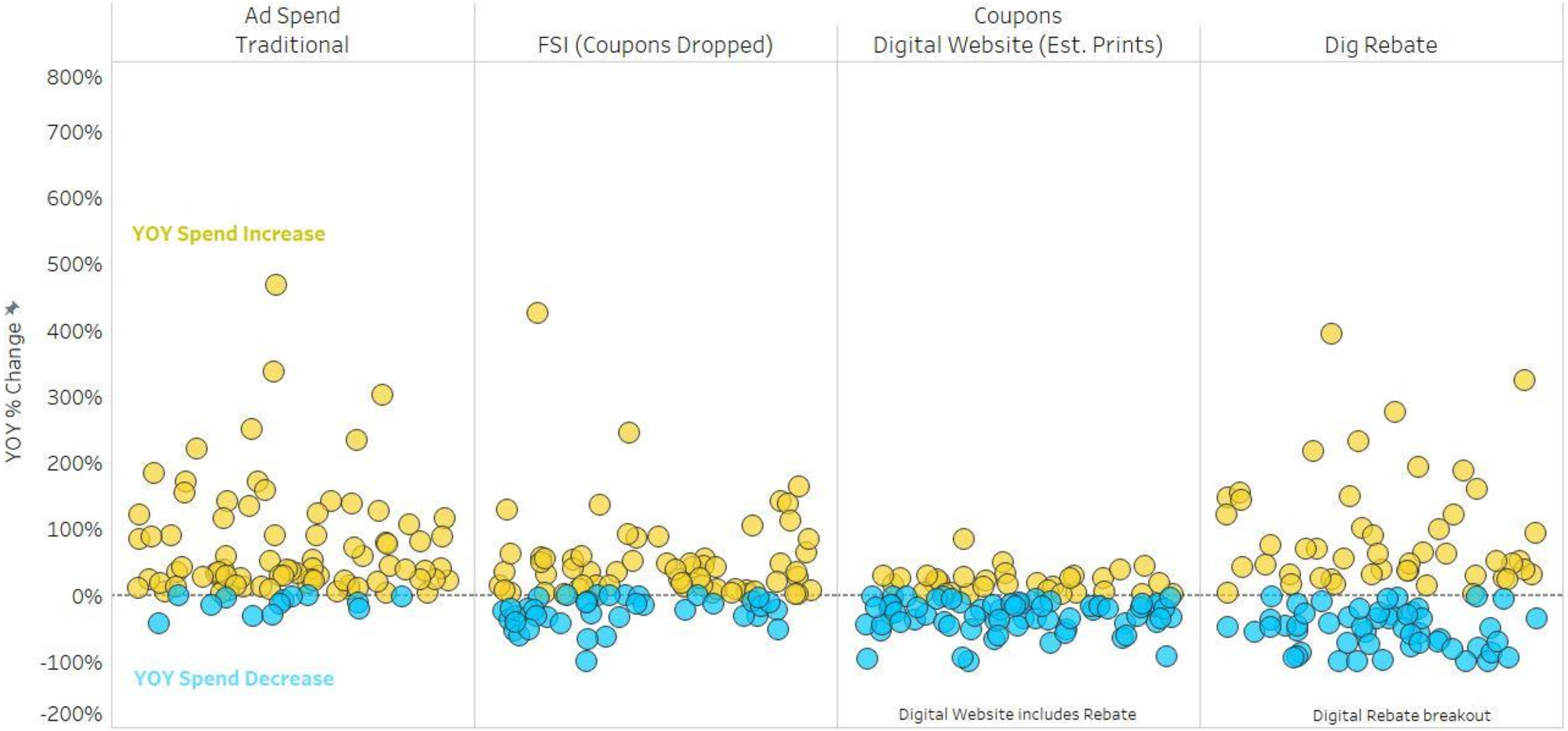




KANTAR

Source: Kantar Advertising Insights including 25 different media across 5 media types. Print includes B-to-B, New spapers and Magazines. Digital includes Desktop Display, Mobile Web, Mobile Web Video, Online Video, Paid Search and Paid Social. Paid Social data available via partnership w ith Pathmatics

# Top 100 Manufacturers

- In 2021, more than half of the Top 100 manufacturers in Branded ad spend and Print promotion saw year over year increases after being hit hard by the pandemic in 2020.
- Within Digital, increases were less pronounced than the previous year - however, the subset of Digital Rebates still saw 48 manufacturers increasing activity - 15 of which more than doubled activity in 2021.




| **Top 100 increasing** | |
|---|---|
| Branded | 80 |
| FSI | 61 |
| Digital | 32 |
| **Digital Rebate** | **48** |
| **Top 100 increasing by 100% or more** | |
| Branded | 21 |
| FSI | 9 |
| Digital | 0 |
| **Digital Rebate** | **15** |

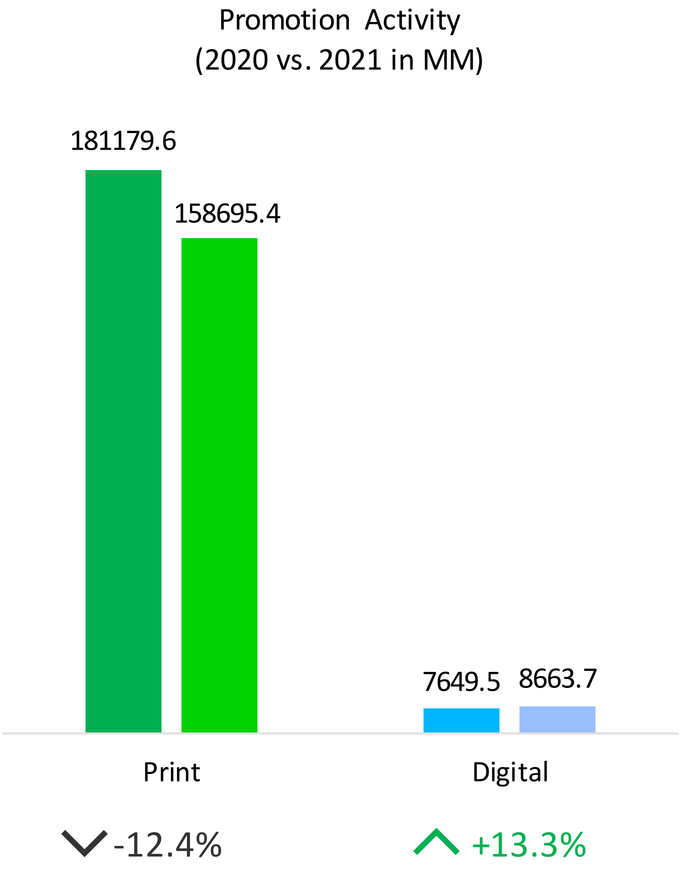
KANTAR

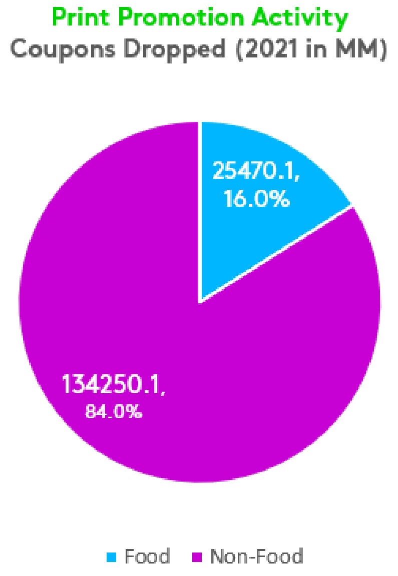
# The Promotion Landscape

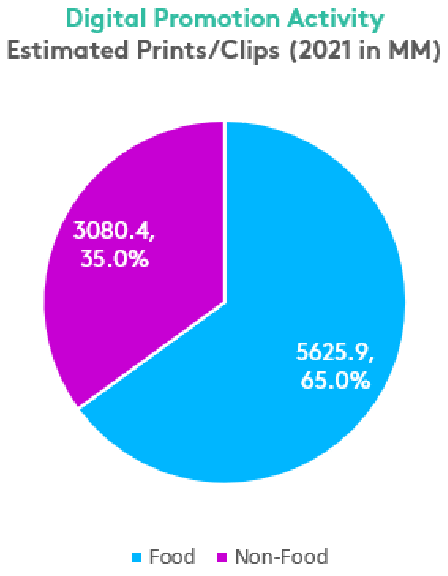
| | Print | Digital | |
|---|---|---|---|
| Weekly Households | 60 million | 8.9 million | Monthly Visitors |
| Coupons Distributed | 159 billion | 8.7 billion | Coupons “Clipped” |
| Incentives Offered | $410 billion | $15.4 billion | Incentives “Clipped” |
| Pages Distributed | 70 billion | 974 million | Pages Viewed |

# 2021 Highlights

# Promotion Activity

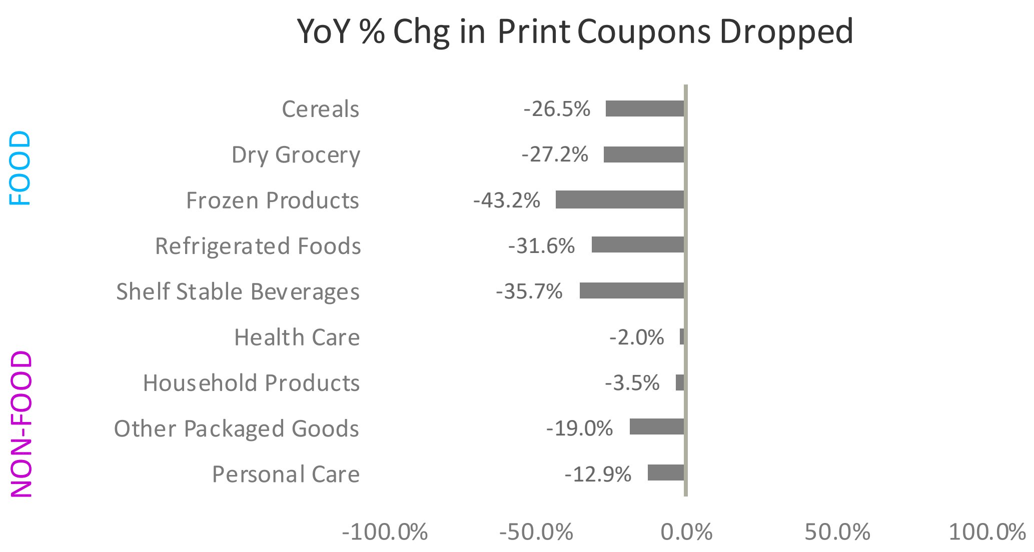


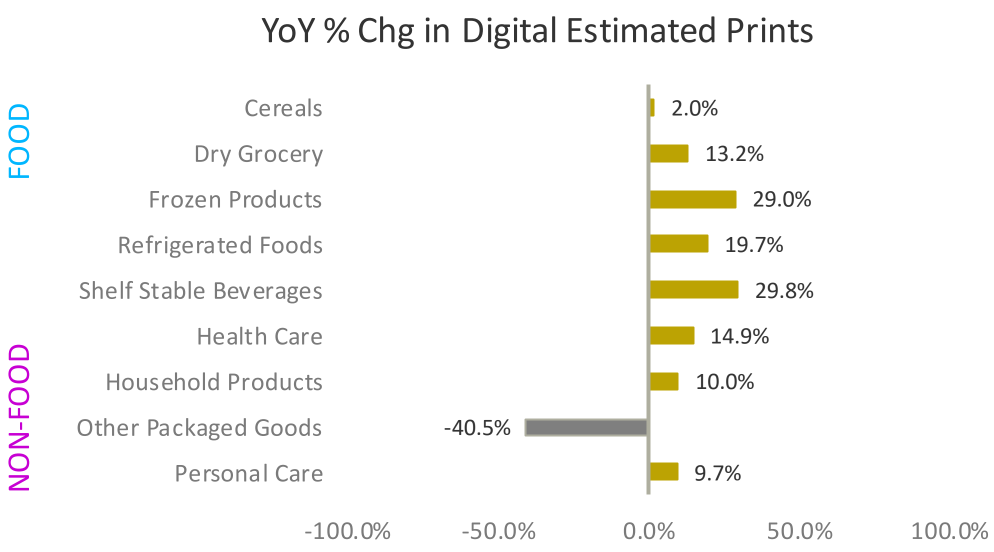




- In 2021, Print promotion activity saw a decrease of -12.4% to 159B coupons dropped, while Digital activity increased +13.3% to 8.7B estimated prints
- Non-Food was dominant in Print accounting for 84% of coupons dropped with 134.3B coupons dropped – this represented a +4-share point gain vs. 2020
- Food was strongest in Digital accounting for 65% of estimated prints with 5.6B estimated prints – this represented a +3.2-share point gain vs. 2020

# Promotion Activity by Area



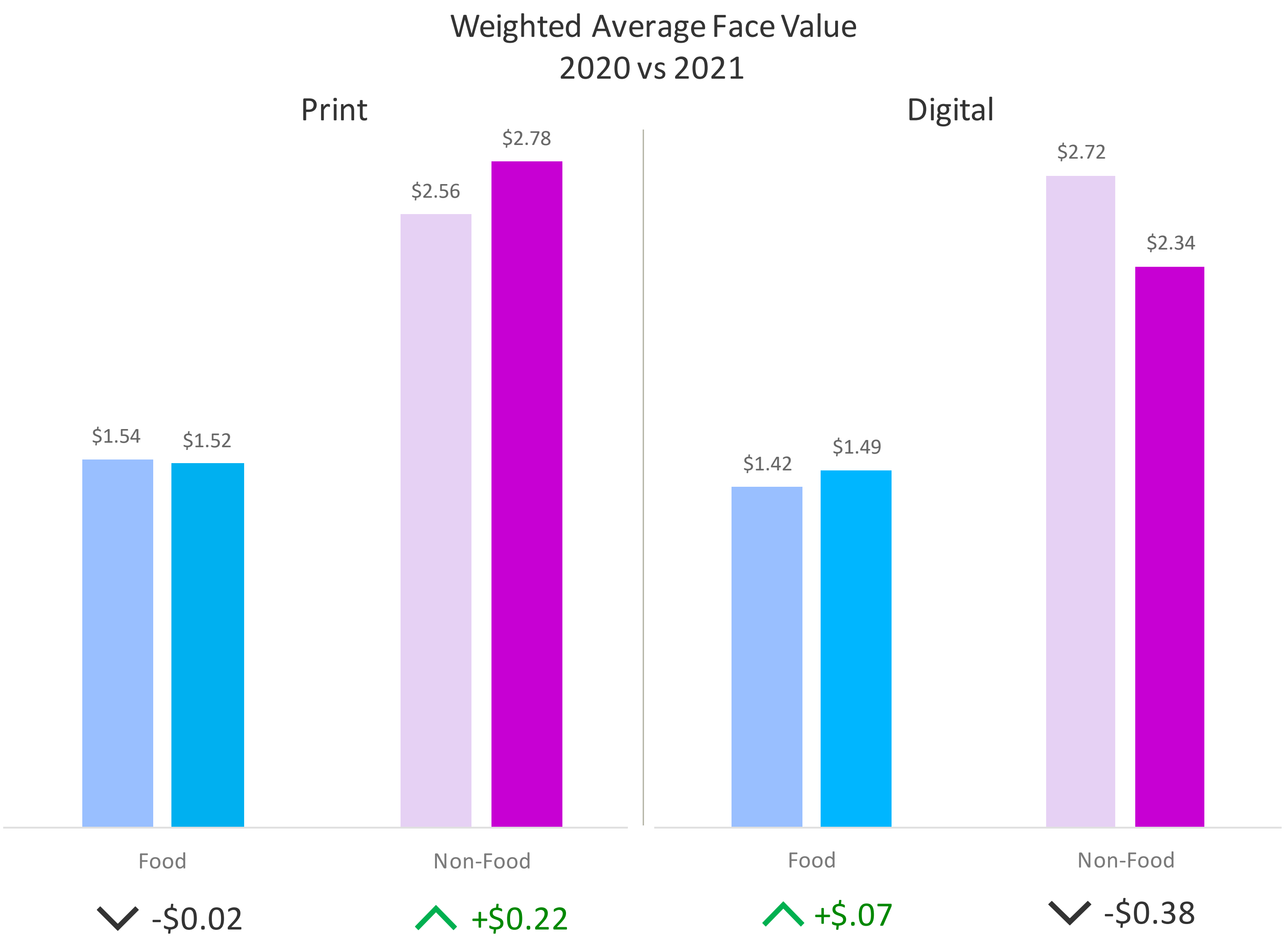




- Digital increased estimated prints in every area with the exception of Other Packaged Goods, while the Print decline was felt across all areas. Despite the area-level trends, 33 key product types including Facial Moisturizer, Bar/Liquid Soap, Toilet Tissue, Laundry Detergent and Pasta/Macaroni showed year over year growth in both Print and Digital.
- **Micro-trends:** These key product types showed the fastest year over year growth:

| | Print | Digital |
|---|---|---|
| Food | Fruit/Dried (+155%), Syrup & Molasses (+62%), Butter/Margarine (+41%) | Potatoes/Produce (+180%), Condiments/Dry Mixes (+100%), Syrup & Molasses (+99%) |
| Non-Food | Facial Moisturizer (+123%), Oven Cleaners (+111%), Suncare (+93%) | Water Conditioners (+354%), Motion Sickness (+322%), Tape/All Kinds (+255%) |

KANTAR

# Face Value

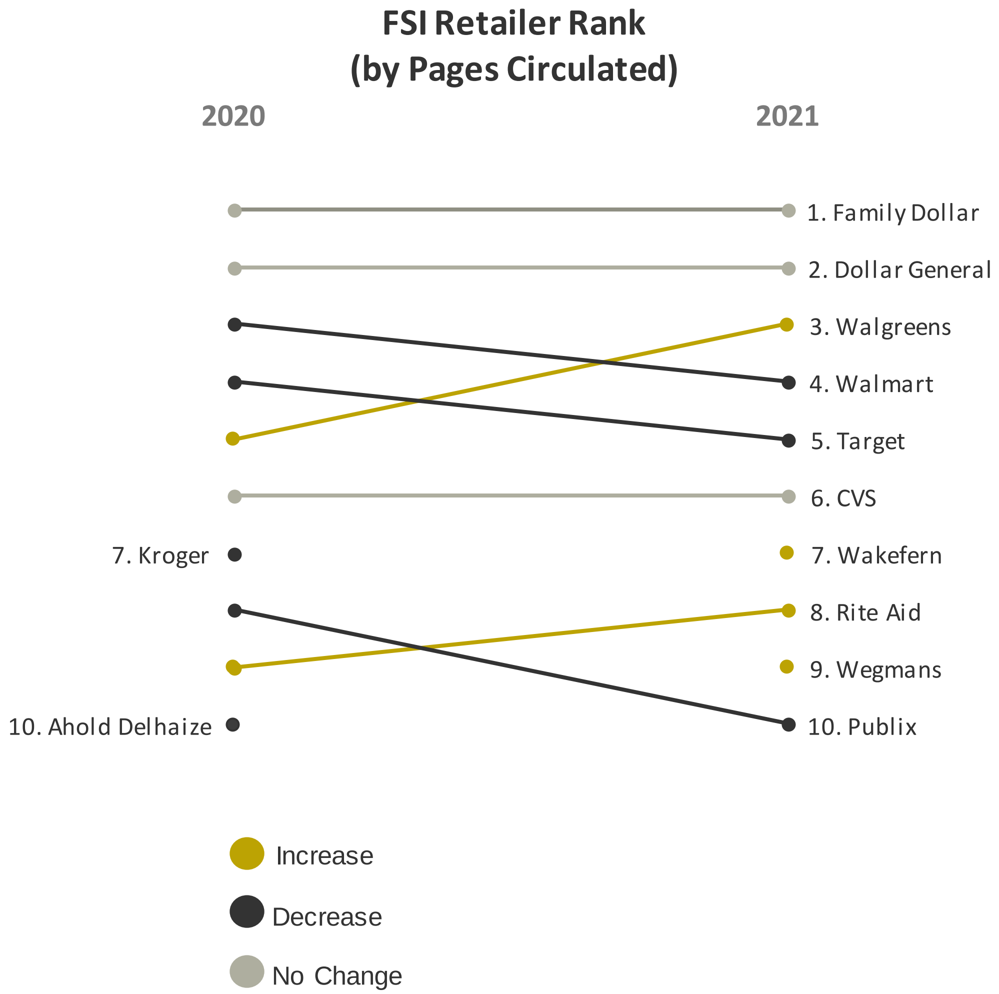



- Average Print incentives increased to $2.58 driven by Health Care and Personal Care
- In Digital, incentives fell to $1.78 driven by a -$0.38 decrease in Non-Food
- 5 of 9 areas increased WAFV in Print, while 7 out of 9 areas increased in Digital
- Weighted Average Face Value Per Unit (WAFVPU) now averages $2.23 in Print and $1.49 in Digital

| Class | Area | Print WAFV | Digital WAFV |
|---|---|---|---|
| Food | Cereals | $1.03 | $1.21 ^ |
| | Dry Grocery | $1.53 | $1.33 ^ |
| | Frozen Products | $0.96 | $1.36 ^ |
| | Refrigerated Foods | $0.96 ^ | $1.24 ^ |
| | Shelf Stable Beverages | $2.38 ^ | $2.23 ^ |
| Non-Food | Health Care | $3.32 ^ | $2.63 |
| | Household Products | $1.58 ^ | $1.82 ^ |
| | Other Packaged Goods | $1.19 | $6.99 |
| | Personal Care | $2.67 ^ | $2.21 ^ |

KANTAR

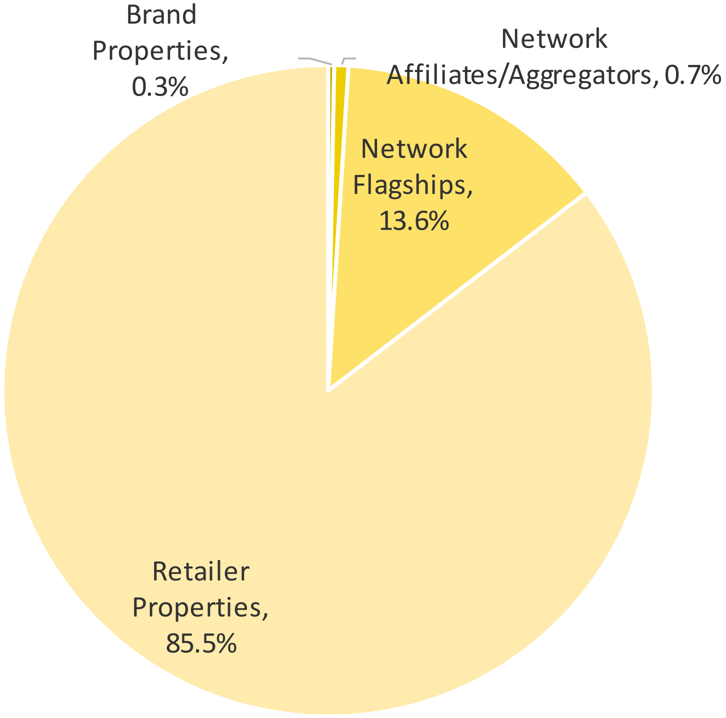
# FSI Retailer Rank

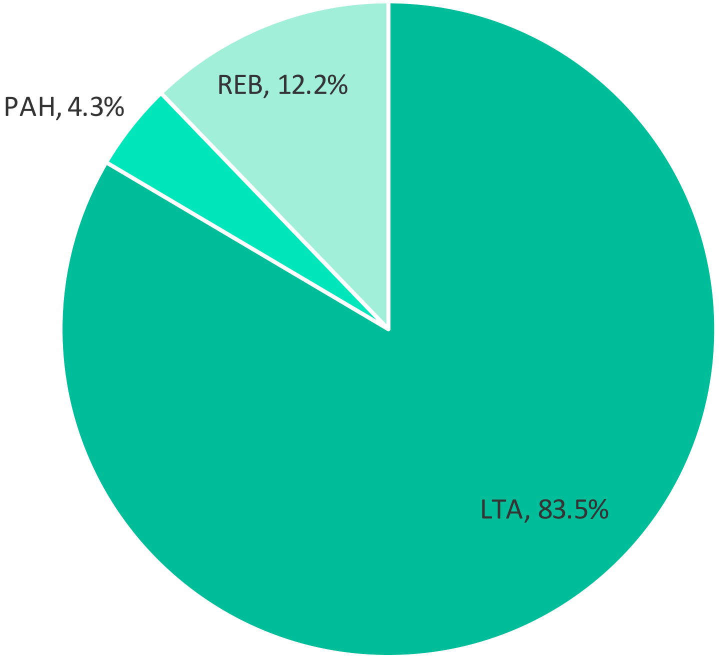


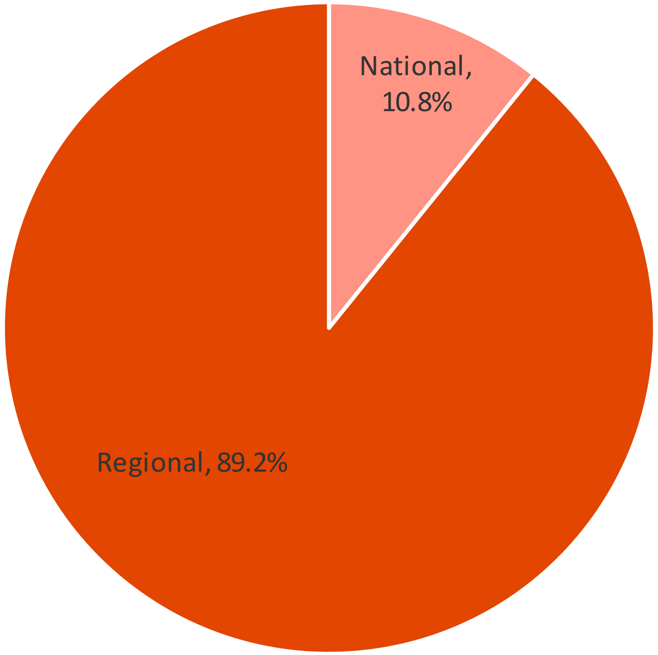

- Retailer FSI pages saw a -21% decrease in 2021, but still accounted for 10% of all FSI pages circulated
- The Value channel continued to dominate Retailer FSIs in 2021, with Family Dollar circulating 3.7B and Dollar General circulating 2.1B pages
- Walgreens moved up into the 3rd spot with mass merchandisers Walmart and Target rounding out the Top 5
- Walgreens, Wakefern and Wegmans were the only retailers in the Top 10 to increase Pages Circulated in 2021

# Digital Breakdown

- Retailer Properties continued to dominate in 2021, gaining +7.5-share points for a total of 85.5% of Digital estimated prints
- Load to Account remained the most prominent Digital Program Type with 83.5% share of estimated prints and was the only program type to increase activity in 2021
- Coinciding with the shift toward Retailer Properties, Regional activity accounted for 89.2% of all Digital events captured in 2021



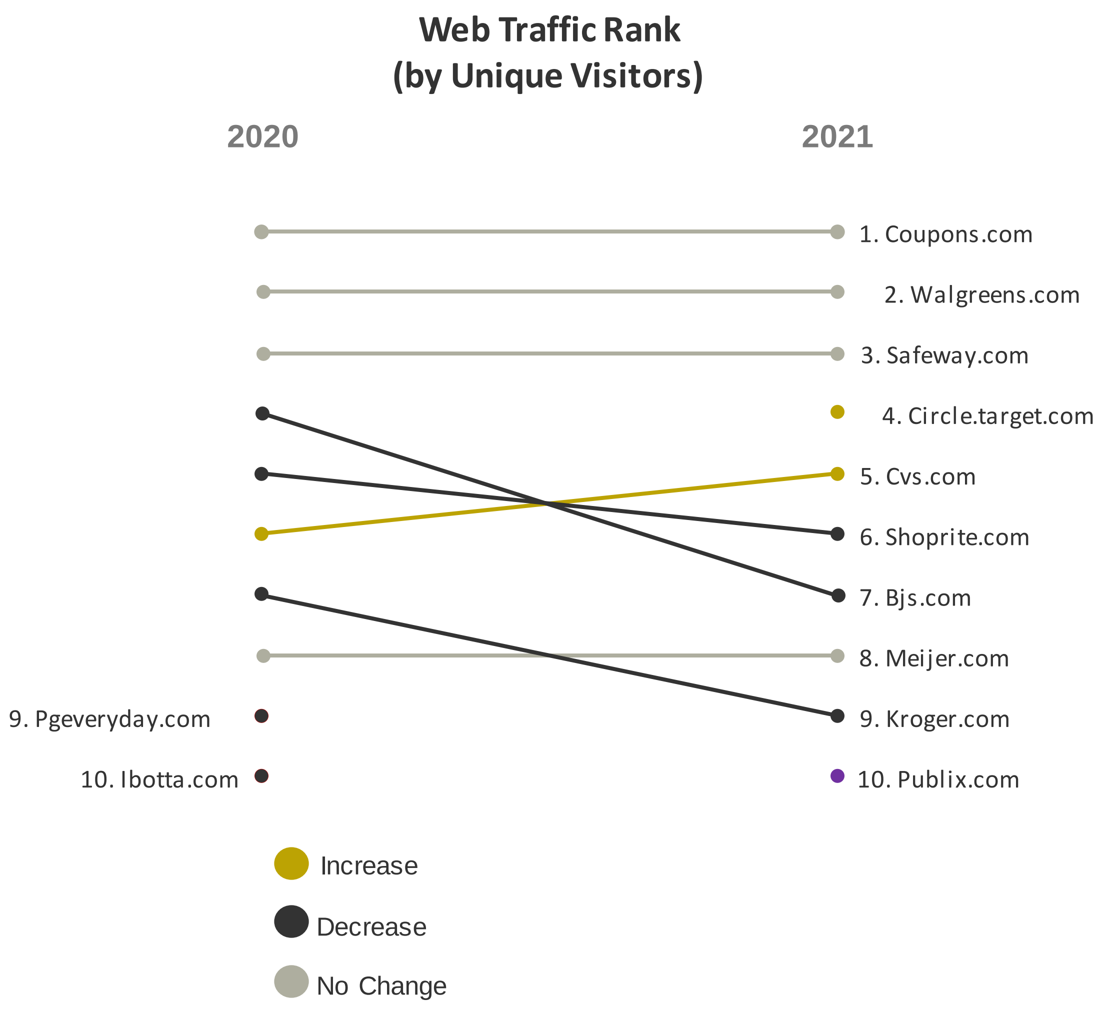




Property Type – high level groupings based on Retailer properties (i.e. Kroger.com), Network sites (i.e. coupons.com), Network Affiliates (i.e. couponmom.com) and Brand properties (i.e. pgeveryday.com)
Program Type – Digital offer types including Load To Account, Print at Home and Digital Rebate
National / Regional Events - National Digital defined as running on coupons.com, retailmenoteveryday.com, smartsource.com, target.com, walmart.com, cvs.com, dollargeneral.com or across 5 or more parent retailers.

KANTAR

# Web Traffic Rank




- Coupons.com, Walgreens.com and Safeway.com maintained their rankings within the Top 3, posting average unique visitors of 2.2M, 1.2M and .6M
- Circle.target.com and Publix.com entered the ranking in 2021, while Dollargeneral.com and Winndixie.com fell out of the Top 10
- 8 of the Top 10 coupon websites showed year over year increases in monthly visitors
- Outside of the Top 10, Pgeveryday.com and Ibotta.com remained the highest ranked Brand and Digital Rebate website



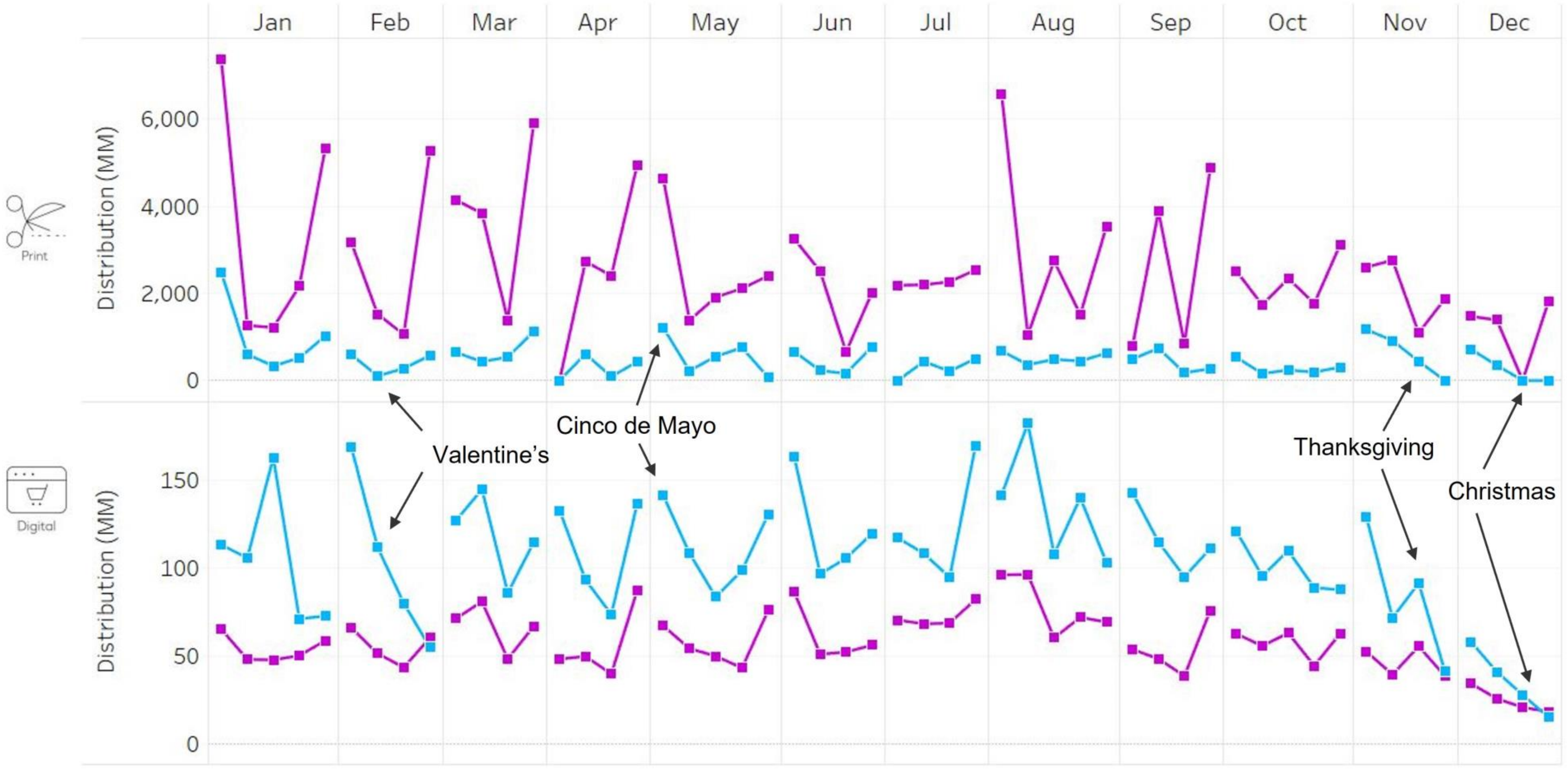
Measured with Unique Visitors which is defined as the estimated average # of people that visited a specific coupon site location each day the coupon was active.
Web traffic data provided by comScore.

# Seasonality

# Seasonality

In Print, the biggest drop weeks for Non-Food were January 3rd and August 1st - driven by Personal Care and Health Care. Food activity peaked on January 3rd - driven by Dry Grocery.

In Digital, the biggest drop weeks for Food were July 25th and August 8th - however, 1/17, 2/7 and 6/6 were close behind with all top weeks driven by Dry Grocery. Non-Food activity peaked around the same time on August 1st and August 8th - driven by Personal Care.




Uptick in couponing before holidays: Valentine's (Print and Digital), Cinco de Mayo (Print and Digital Food), Thanksgiving (Print and Digital Food) and Christmas (Print and Digital)

# Promotion Tactics

# New Product Activity

**2,219**

Number of new products in **2021**

**90%**

Percentage of new products first seen in **Digital**

**73%**

Percentage of new products in **Food**

**245**

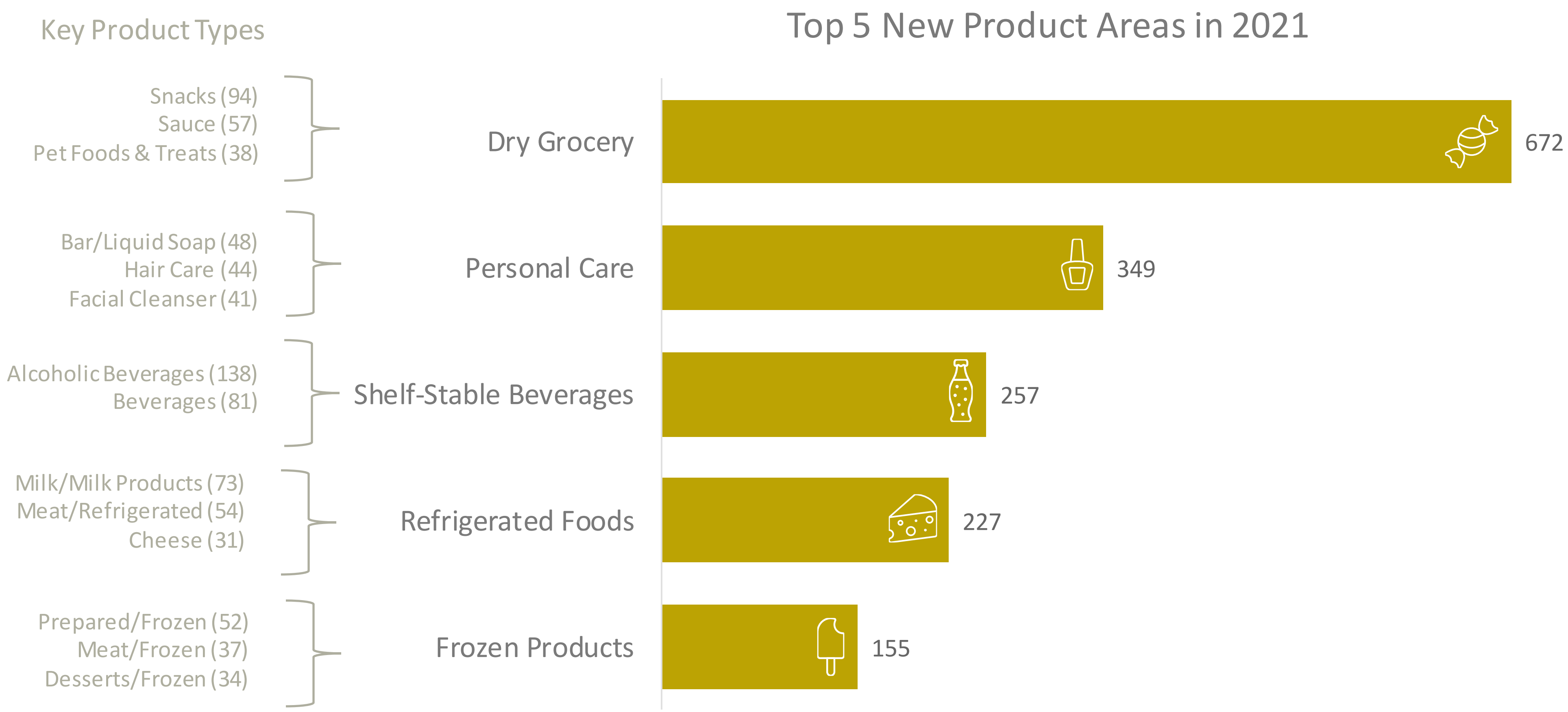
Number of new products first seen in **Digital Rebates**

– Digital continues to be the most popular media for couponing new products - with Food products making up the bulk of new product promotions

– New products receive more support in Digital, averaging 3.6 coupon events per new product vs. 2.2 coupon events per new product in Print

– Non-Food now accounts for 49% of new products first seen in Digital Rebates

# New Product Activity



# New Products – Vegan and Plant-Based

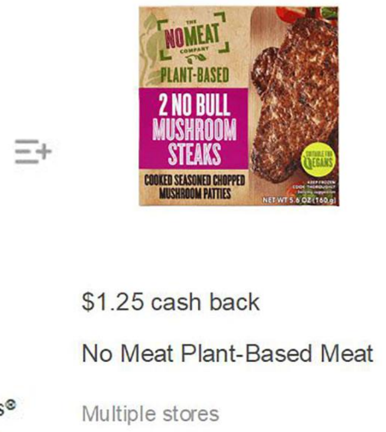
As more and more plant-based brands entered the market, we also saw an uptick in new product promotion in 2021.

Plant-based/meatless products were primarily seen in Digital and fell under both Refrigerated and Frozen Food.

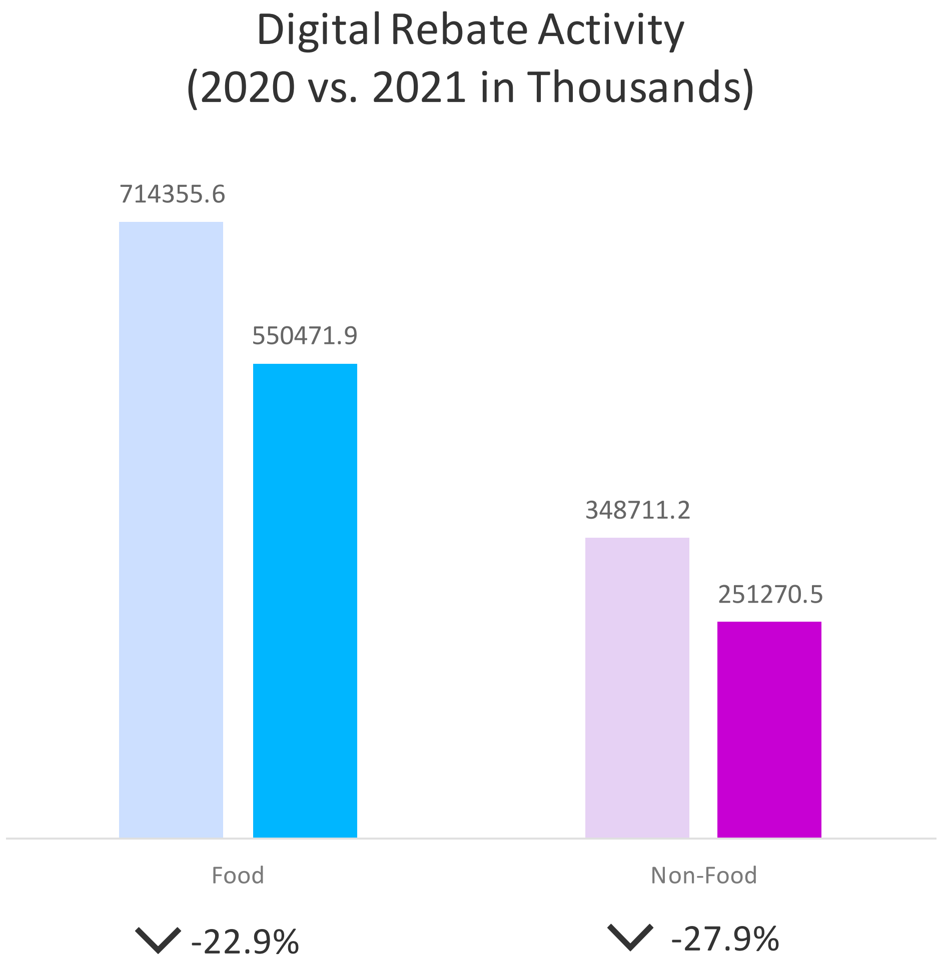
FSI creatives highlighted vegan and plant-based ingredients within Personal Care.







# Digital Rebates




**Digital Rebates offer cash or point incentives that can be redeemed post-purchase**

- Following an explosion of Digital Rebate activity in 2020, rebate programs decreased -24.7% to 800M estimated prints in 2021.
- Food accounted for 69% of Digital Rebate activity.
- Digital Rebate incentives averaged $1.44 in Food and $3.80 in Non-Food - Food face values in Digital Rebates increased across all areas in 2021.
- In 2021, the biggest drop weeks for Digital Rebates were October 17th (Food), August 8th (Food) and July 11th (Non-Food).

# Unique Offer Types in Digital

## BOGO

**2,747**

**promotion events averaging $3.53**

**BOGO** coupons are 'Buy One, Get One' offers – requiring consumers to make a specific purchase in order to receive a free product(s).

Dry Grocery accounted for 1,402 BOGO events, while Health Care offered the highest WAFV at $6.69.

## Percent Off

**18,775**

**promotion events averaging 17% off**

**Percent Off** coupons offer discounts as a percentage of the purchase price rather than a specific dollar amount.

Dry Grocery, Personal Care and Health Care were the top three areas for Percent Off coupons.

## Free Product

**477**

**promotion events averaging $3.02**

**Free Product** coupons offer a product(s) at no cost to the consumer.

Free Product events increased +21% year over year driven by Shelf Stable Beverages.

## Feature Price

**7,945**

**promotion events averaging $3.90**

**Digital Feature Price** offers appear only on retailer websites and feature a sale or discounted price point rather than a redeemable coupon.

92% of all Feature Price coupons were in Food.

# Scale Events and Rebate/Reward Programs


Despite an overall decrease in coupons dropped, the number of CPGs scale events remained strong in 2021

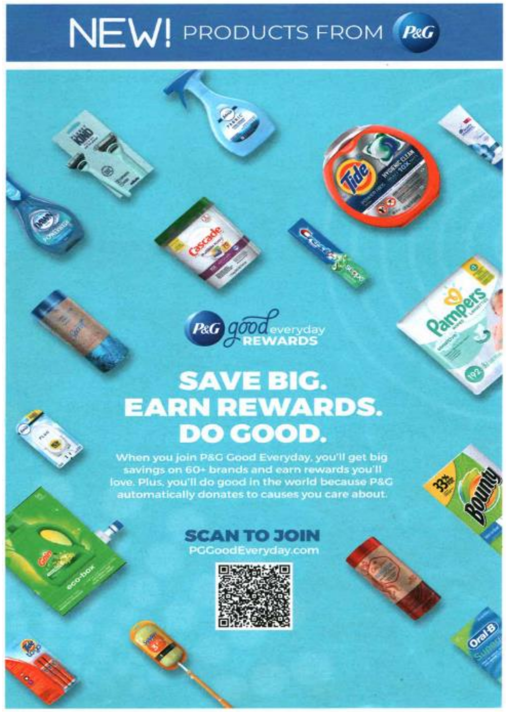
- 12 P&G brandSAVERs, 8 Unilever Super Savers
- 31 scale events appeared in RetailMeNot Everyday and SmartSource FSI from L'Oreal, Purina, GSK and more
- Rebate/reward programs exploded in 2021 offering shoppers cash back, points and gift cards


# Creative Messaging – QR Codes

Continuing the trend noted in 2020, QR code usage among brands increased for the 2nd year in a row - from 69 unique events in 2020 to **over 200** in 2021.

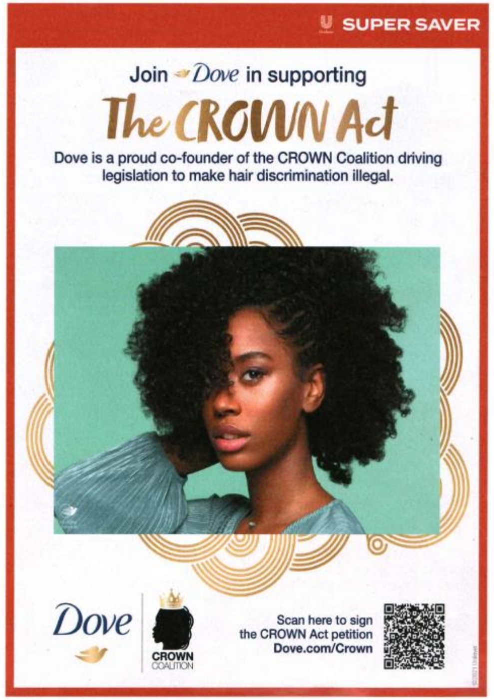
– QR codes linked to rebate/reward programs, sweepstakes, charitable causes, informational articles, product quizzes, free trials and additional savings.






# Creative Messaging – Social Responsibility

In 2021, CPGs continued to utilize FSI creatives to promote good causes centered on race, gender, sexual orientation, mental health and the environment – highlighting charitable donations and education programs as well as support for new legislation and sustainability practices, particularly among beauty brands.







## Predictions for 2022

In 2021, we saw a more targeted approach to face value with incentives increasing in Print Non-Food and Digital Food. As both CPGs and consumers battle against rising costs in 2022, we may see CPGs increasingly focus their best offers where they face the strongest competition.

90% of all new products captured in promotion in 2021 were first seen in Digital and 73% of all new products captured were in Food. As we move into 2022, we can expect to see strong support for new Food products continue in Digital promotion among both large and small CPGs.

The trend of unique creative messaging tactics is here to stay with CPGs continuing to utilize the FSI to promote important brand marketing messages. In 2022, we can expect to see Print coupons side-by-side with QR codes, as well as social responsibility and sustainability messaging.

# Thank you!

Learn how these industry trends affect your category and how key competitors use Promotion to support their brands

Contact your Kantar account manager or our Client Service team to schedule a business review:

Promotion_ClientServices@kantarmedia.com

**About Kantar:** Kantar is the world's leading evidence-based insights and consulting company. We have a complete, unique and rounded understanding of how people think, feel and act; globally and locally in over 90 markets. By combining the deep expertise of our people, our data resources and benchmarks, our innovative analytics and technology, we help our clients understand people and inspire growth.