Webinar

Optimizing digital content for the ultimate e-commerce user experience

Access the report here

AGENDA

1

EVOLUTION OF SHOPPER EXPECTATIONS

2

RETAILER AUDIT KEY FINDINGS

3

RETAIL INDUSRY BEST PRACTICES

4

THE SOLUTION

Speakers

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Sales Leader

NielsenIQ Brandbank

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Director of Product

NielsenIQ

LABELINSIGHT.

The new normal and rise of the conscious shopper

By 2040 it is estimated that

95%

of all purchases will be made online.*

The pandemic accelerated the shift to online shopping by as much as

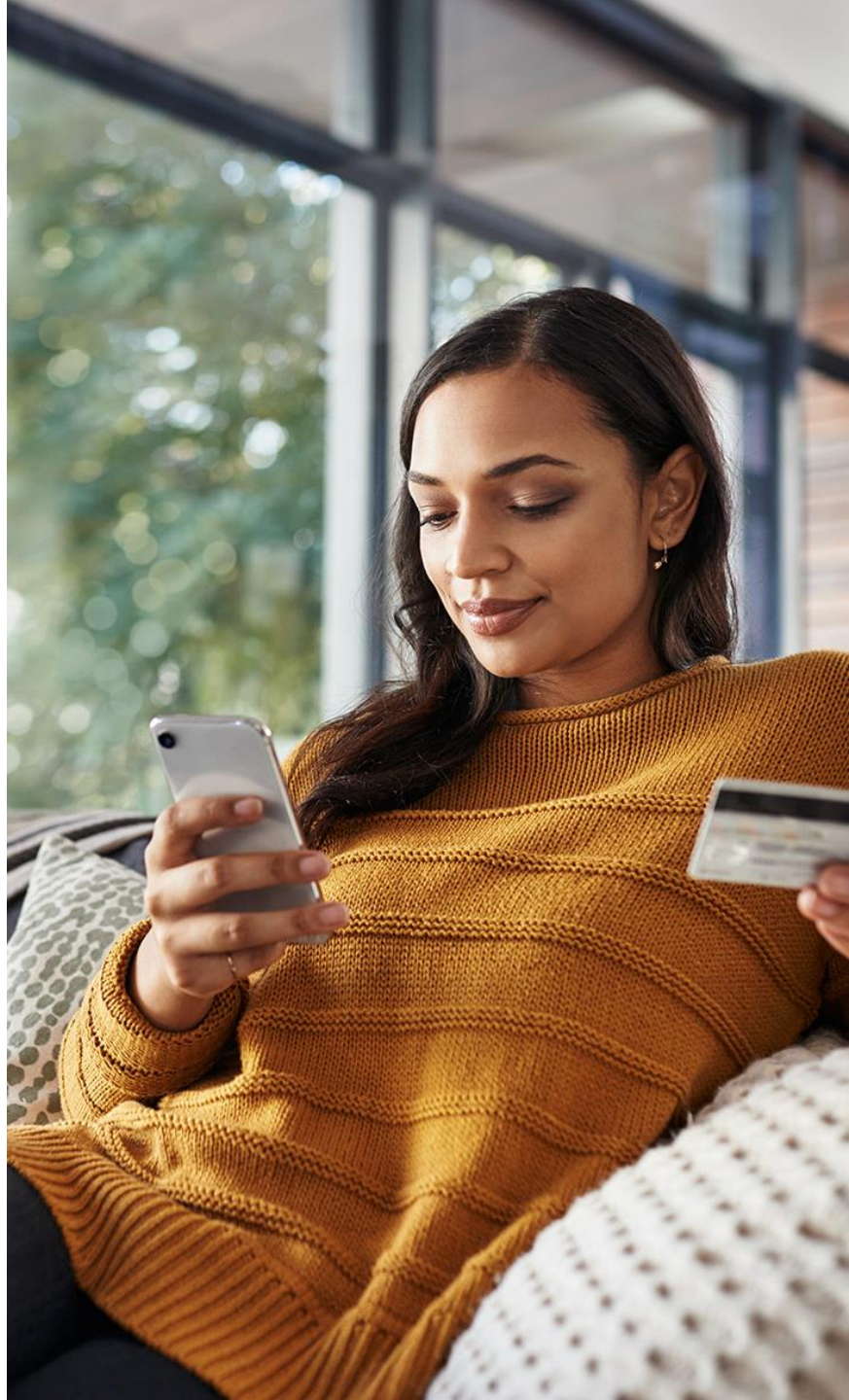
5 years.**

77%

of US shoppers expect product labels to be more transparent. ***

74%

of consumers globally have re-evaluated their priorities.****



Sources:
*Nasdaq
**IBM US Retail Index
*** Source: NielsenIQ Annual Shopper Health Study, 2021, Q10.
**** NielsenIQ 2022 Consumer Outlook Survey, Dec 2021

Roadblocks on the online path to purchase

How are retailers keeping up with the conscious shopper?

75%
of shoppers are likely to switch to a brand that provides more product information than what appears on the physical label.

50%
of potential sales are lost because shoppers can't find what they're looking for

40%
of customers say lack of information is the biggest challenge they face when shopping online

80%
of shoppers are more likely to make a purchase from a retailer that provides personalized experiences

Discover
Rich attribution

How are shoppers discovering products through search?

Empower
Impactful core content

Does the PDP empower shoppers with product information they need?

Engage
Detailed and robust enhanced content

Is the PDP engaging shoppers and answering their questions on the path to purchase?

Personalize
Special features

Are you creating personalized and unique experiences for your shoppers?

The Digital Depth Analysis

An analysis on how retailers have improved the digital shelf, where they still trail, and how to better serve shoppers through search, product detail pages, personalization, and more.

In May 2022, we completed a new enhanced audit of the top 40 retailers analyzing the holistic shopper journey:

- Advanced Filters - Empty Aisles 1.0
- Organic Search
- Product Detail Page Content –core + enhanced
- Personalization and Wellness

Methodology

- The auditors started by identifying top retailers that are key players in the grocery, health and beauty, and pet industries, according to both reputation and revenue.
- Next, any retailer using Instacart, Shipt, or DoorDash as a singular source for e-commerce was excluded, as results would have skewed the data and provided inaccurate results.
- Of those top retailers, 40 chains were selected with an operational e-commerce experience.
- Amazon was excluded from this audit as they are too large to determine accurate product discoverability metrics.

Grocery
Food Lion
Albertsons
Aldi
Giant Eagle
HEB
Hy-Vee
Kroger
Meijer
Price Chopper
Publix
Raleys
Rouse
Smart & Final
Harvey's Supermarket
Family Fare
Target
Cub Foods
United Supermarkets
Shop Rite
Walmart
Wegmans
Weis

Pet
Chewy
Petco
PetSmart

Wholesale Club
BJs
Costco
Sam's Club

Drug
CVS
Rite Aid
Walgreens

Health & Beauty
Sally Beauty
Sephora
Ulta

Natural/ Specialty
Fresh Market
Fresh Thyme
Sprouts
Whole Foods

Discount/ Dollar Store
Dollar General
Family Dollar

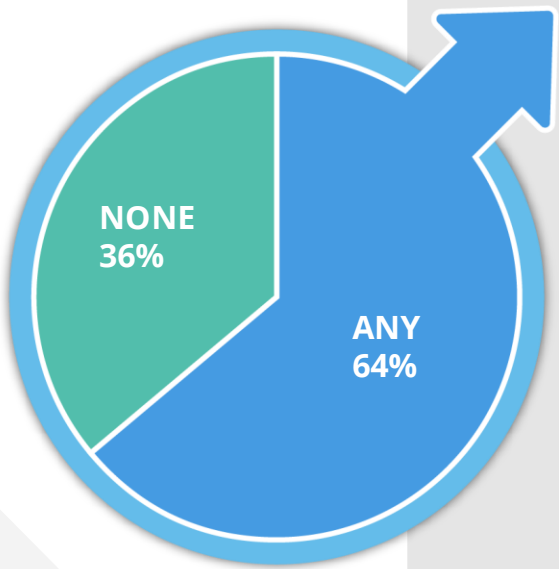
Are shoppers able to discover products through advanced filters or organic search?

Discover | Empower | Engage | Personalize

Provide customers an array of options through **faceted search**

Increase product discover ability through attribute powered **organic search**

Propensity for Diets



TOP MENTIONS	
LOW / NO SUGAR	25%
HIGH PROTEIN	21%
LOW CARB	20%
HEART-HEALTHY	18%
GLUTEN-FREE	16%
HIGH FIBER DIET	14%
DAIRY-FREE	13%
VEGETARIAN	13%
WEIGHT WATCHERS	11%
VEGAN	9%
KETOGENIC DIET	9%
ANTI-INFLAMMATORY DIET	7%
FLEXITARIAN DIET	7%
MEDITERRANEAN DIET	7%
JENNY CRAIG	6%
ATKINS DIET	6%
WHOLE30	5%
PALEO	4%

How has e-commerce shifted since Covid19?

Comparison of Empty Aisles 1.0 to Digital Depth Analysis

	2020 Retailer Landscape	Change	2022 Retailer Landscape
Retailers with advanced filter functionality present	70%	(+15%)	85%
Qualified products missing from retailer's product results based on on-pack information	86%	(-65%)	21%
Qualified products missing from retailer's product results based on derived analysis	92%	(-20%)	72%

Source:
1. NielsenIQ Label Insight Empty Aisles 1.0 Report; 2020
2. Digital Depth Analysis: The e-commerce experience audit; 2022

How well are retailers returning products in their assortment via search?

Retailers can return almost 3,000% more products in their assortment per search term by leveraging beyond the label attribution

How complete were search results?

Scenario	On-Package	Derived
Average products returned by retailer	67.88%	12.56%
Average products missing from retailer's shelf	32.12%	87.44%
Average More Returned with Label Insight	153.08%	2,893.02%

How accurate were the search results?

Description	%
Accurate - Products that returned corresponded to the search	42.02%
Semi-Accurate - A portion of the products that returned corresponded to the search term; while a portion did not	42.02%
Inaccurate - The returned products did not correspond to the search	12.23%
No products - the retailer returned zero products for the search	3.72%

"Hidden" Products Cause Shopper Frustration, and Lead to Missed Dollars

Food & Beverage Attribute[6]	Average % of Products Missing	Annual Sales	Average Missed Dollars	% Sales Growth (1 Year)
Gluten Free	67.3%	$118B	$79.3B	6.7%
Organic	35.8%	$30.6B	$11.0B	3.7%
Vegan	74.8%	$15.2B	$11.3B	9.8%
Kosher	43.9%	$232B	$102.1B	4.7%
Sugar Free	53.1%	$15.9B	$8.4B	15.5%
Low Sodium	77.1%	$7.2B	$5.6B	9.2%
Lactose Free	96.9%	$10.2B	$9.9B	5.2%
Non-GMO	0.0%	$57.6B	$0.0	5.9%
Dairy Free	87.5%	$8.3B	$7.3B	9.8%
Low Fat/Fat Free	84.2%	$33.5B	$28.2B	0.7%
Vegetarian	63.9%	$4.0B	$2.6B	7.5%
Heart Healthy	47.7%	$26.6B	$14.1B	1.6%
Keto	33.9%	$1.6B	$554M	27.4%
Natural/ Artificial Free	69.8%	$180.5B	$126.0B	4.9%
Whole Grain	43.6%	$17.5B	$7.6B	2.7%
Low Carb	26.8%	$2.41B	$644M	9.8%
Caffeine Free	99.0%	$10.2B	$10.1B	11.4%
Soy Free	98.3%	$4.6B	$4.6B	9.8%
Peanut Free	98.0%	$5.5B	$5.5B	7.0%
No Added Sugar	87.3%	$9.9B	$8.7B	7.8%

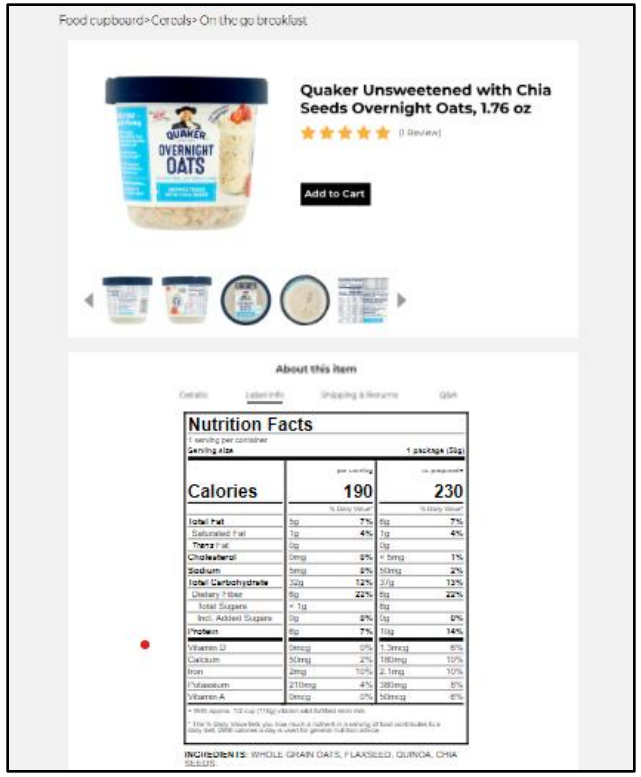
Food & Beverage attributes that were present across 7 or more retailers

Are your PDPs empowering shoppers with enough core content to make an informed purchasing decision?

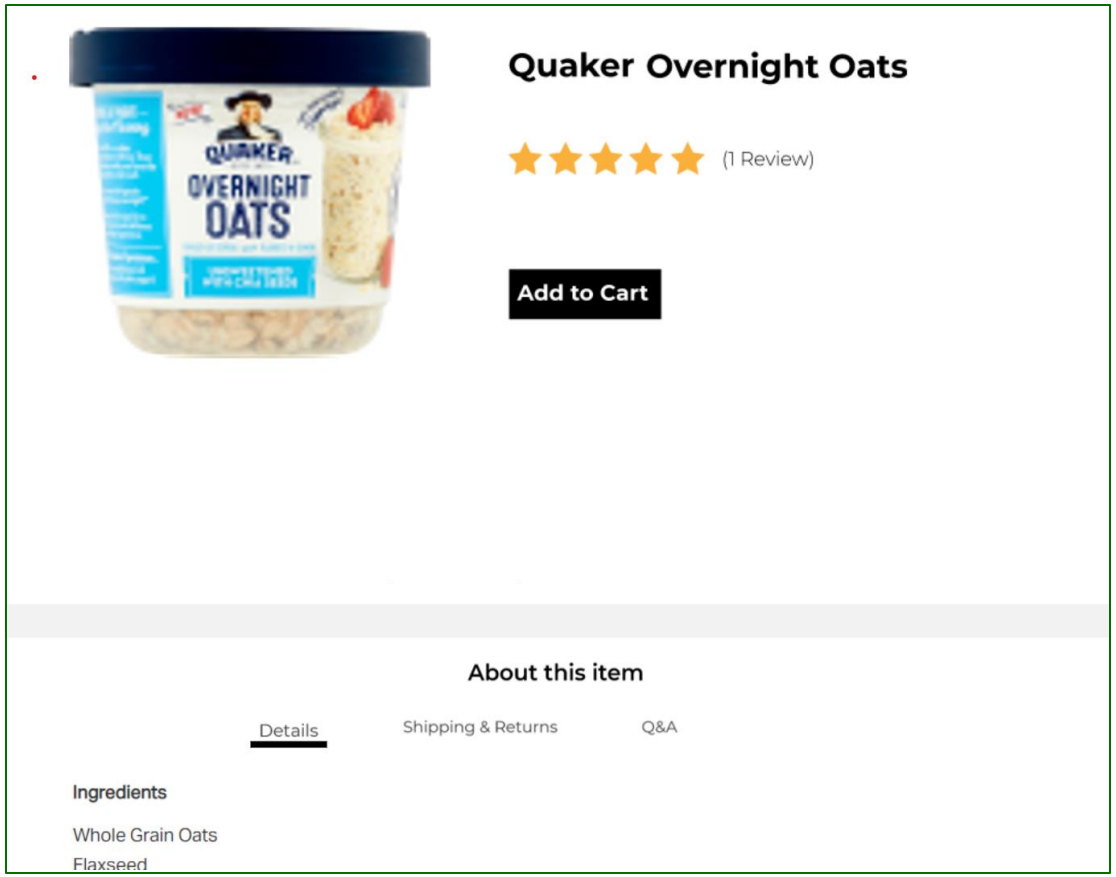
Discover | **Empower** | Engage | Personalize

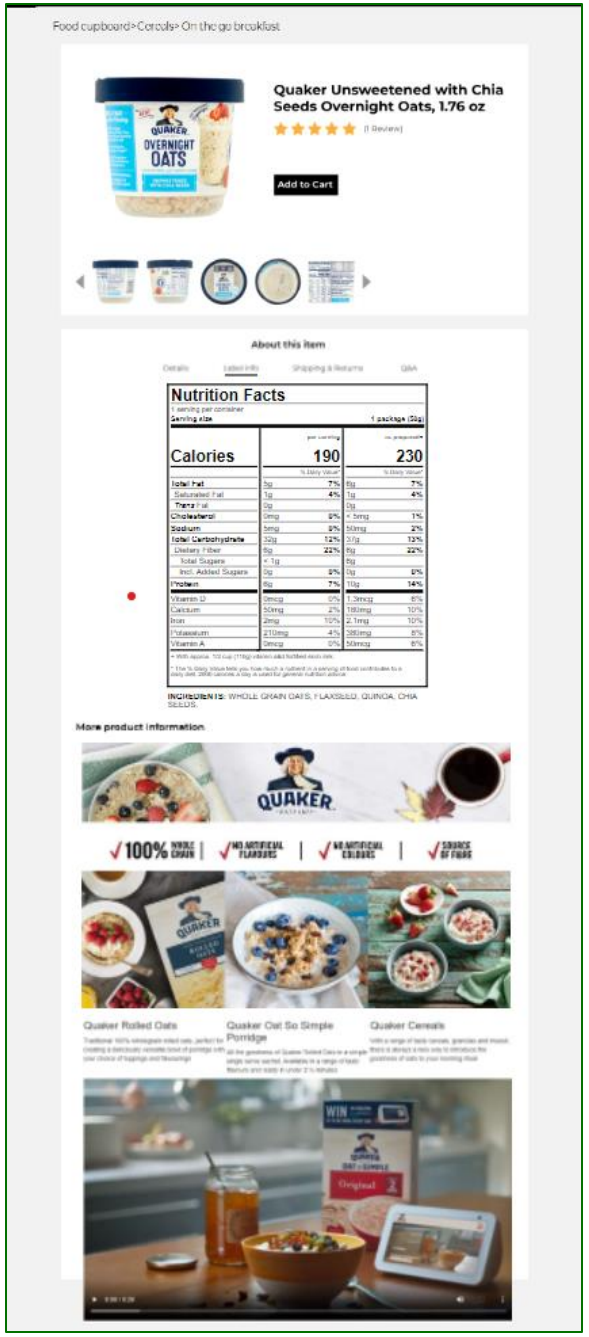
Provide optimized brand curated **value ad imagery**

Offer **full product transparency** by displaying ingredients, nutrients, and product details



Which Product Would You Buy?





Empower
Impactful core content

Are product detail pages engaging enough?

26% of retailers are **missing ingredient statements** on >50% of their product detail pages

29% of retailers are **missing Nutrition Fact Panels** on >50% of their product detail pages

46% of retailers are missing iconography

40%
of customers say lack of information is the biggest challenge they face when shopping online

Average count of images per product detail page	% Retailers
0-1	**40%**
Between 1-2	**6%**
Between 2-4	**28%**
>4 Images	**26%**

Almost 50%
of Food and Beverage retailers on average show less than 2 images per product on their product detail pages

Image Audit

Pet is leading by a landslide in the image department

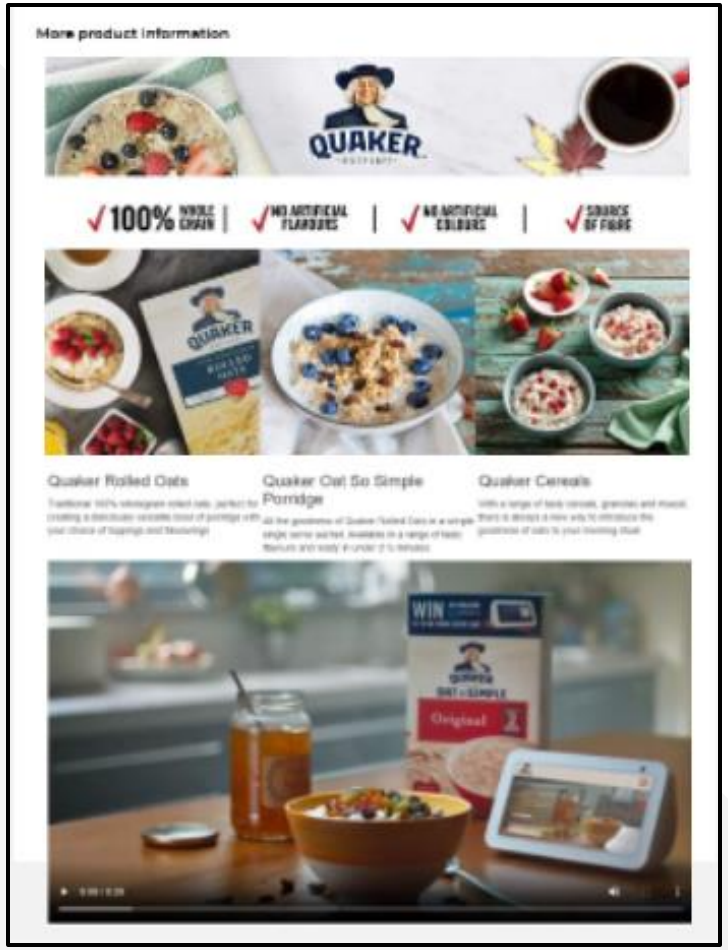
40% of retailers, on average, **show 2 or less images per product** on their product detail pages

Food & Beverage is even higher at ~46%

Average Count of Images per Product Detail Page	% Retailers (Total)	% Retailers (Food & Beverage)	% Retailers (Pet Food)	% Retailers (Personal Care)
0-1	32.5%	38.2%	0.0%	0.0%
Between 1-2	7.5%	5.9%	0.0%	8.3%
Between 2-4	30.0%	29.4%	33.3%	58.3%
>4 Images	30.0%	26.5%	66.6%	33.3%

Is the PDP engaging shoppers and answering their questions on the path to purchase?

Discover | Empower | **Engage** | Personalize

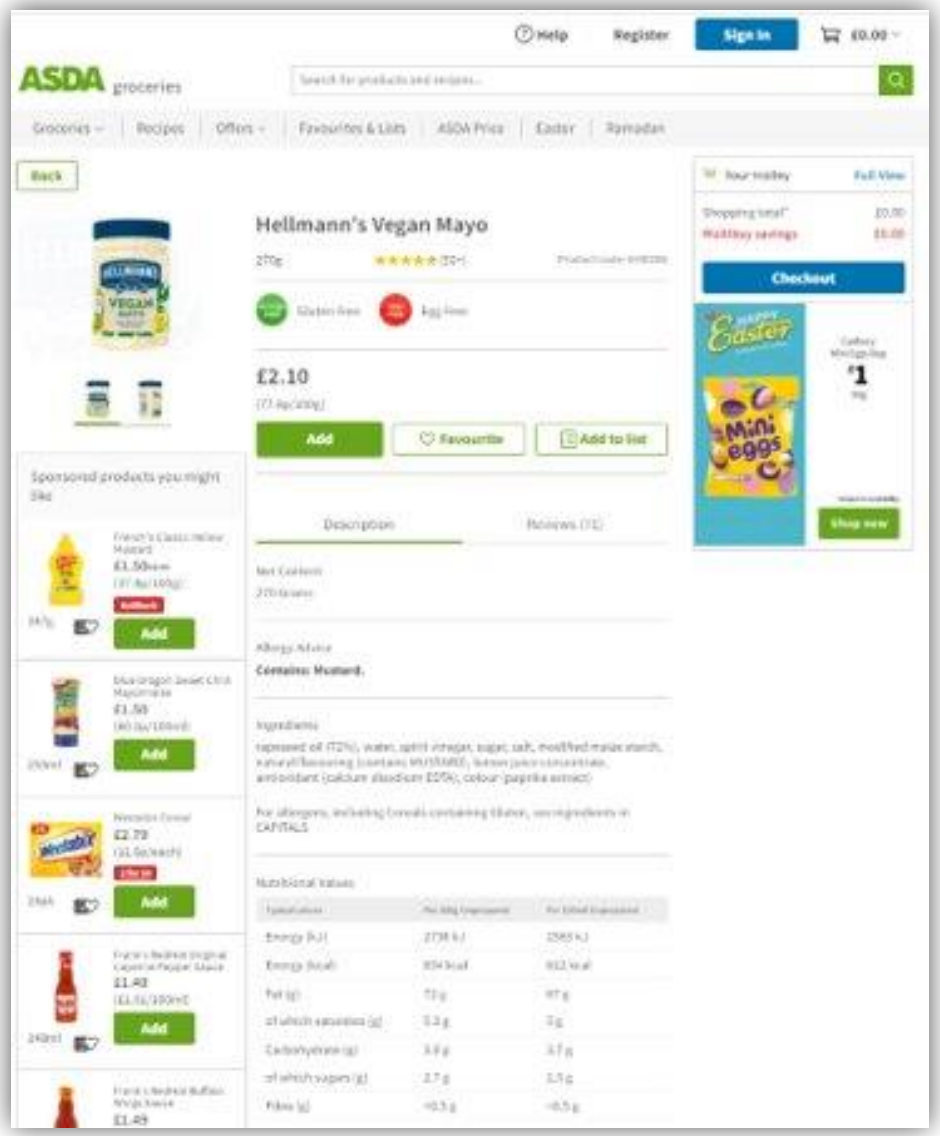


Provide **below the fold** imagery including videos, FAQs, and Feature Sets

Display marketing copy including **key features and benefits**

Which Product Would You Buy?

Engage
Detailed and robust enhanced content



Asda.com - Online Food Shopping, George, & more

Below the Fold Media

- **Only 30%** of retailers had any presence of below the fold media
- Out of the 30% of retailers with below the fold media, below the fold media was only actually present on **26.4%** of the product detail pages audited

Product Type	% of PDPs with Below Fold Media	
Food & Bev	2.68%	
Personal Care	12.22%	
Pet Food	35.93%	Pet is doing the best at below the fold media

Are you creating personalized and unique experiences for shoppers?

Discover → **Empower** → **Engage** → **Personalize**

About this item

Details | Label info | Shipping & Returns | Q&A

At a glance

Dietitians pick · Nothing artificial · Non-GMO · No added sugar · Kosher · Milk free

Product Features

- No added sugars
- 100% whole grains
- No high fructose corn syrup
- 42g whole grains
- Satisfying energy
- Kosher

Preparation and Usage

Add your favorite toppings!
Add milk at night** enjoy cold next day
Additional cup space provided to stir in your favorite ingredients.

Specifications

Ingredients: Whole Grain Oats, Flaxseed, Quinoa and Chai Seeds

Nutritional claims: Good source fibrer, No added sugars

Storage type: Ambient

Pack type: Tub

Servings per pack: 1

Net content: 1.76 OZ [50g]

Contact details:
Please have package available when calling.
The Quaker Oats Company,
P.O. Box 049003,
Chicago, IL, 60604-9003,
U.S.A.
Quakeroats.com or 800.555.6287

Prepare at Night
Enjoy in the Morning
Add milk* or a dairy alternative to fill line. Then customize with your favorite ingredients & stir well.
Cover and refrigerate to cold steep overnight**
Simply stir & enjoy for a cool, hearty and delicious breakfast experience.

For a Creamier Experience...
Add an additional 2-3 tablespoons of plain yogurt

Want to try it warm?
Microwave for 30 seconds.

* Added milk or yogurt must be pasteurized.
**Let steep for at least 6 hours in a fridge 45° or colder.
Best to eat within 24 hours

Create a **personalized wellness program** to resonate with your shoppers

Display attribute-based **product recommendations & replacements**

Iconography

- **Only 50%** of retailers have any iconography present on their site. For the 50% of retailers that had iconography, on average it was present on 44.8% of product detail pages audited.
- In Food and Beverage, **54%** of retailers have icons on their product detail pages (**46%** of retailers are missing iconography)
- Target was the only retailer to have iconography for Pet
- Sephora, Target, and Walgreens were the only retailers to have iconography for Personal Care

Icon Library Examples:

- Wegmans
- Target
- H-E-B
- Publix
- Family Fare
- Price Chopper
- Raley's
- United Supermarkets

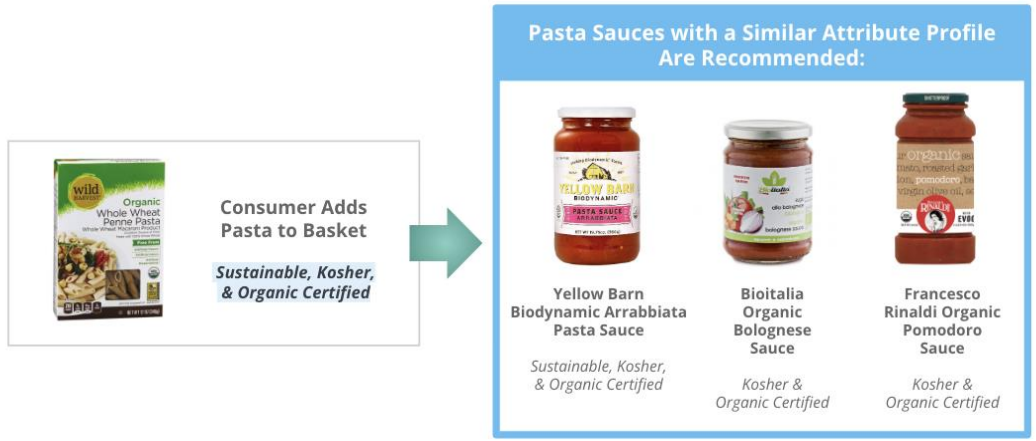
Source: NielsenIQ Label Insight Empty Aisles 2.0 Report; 2022

Product Recommendations & Replacements

- 80% of retailers contained product recommendations and replacements on at least 50% of their product detail pages. For these 80% of retailers, product recommendations and replacements were found on 75.8% of total product detail pages.

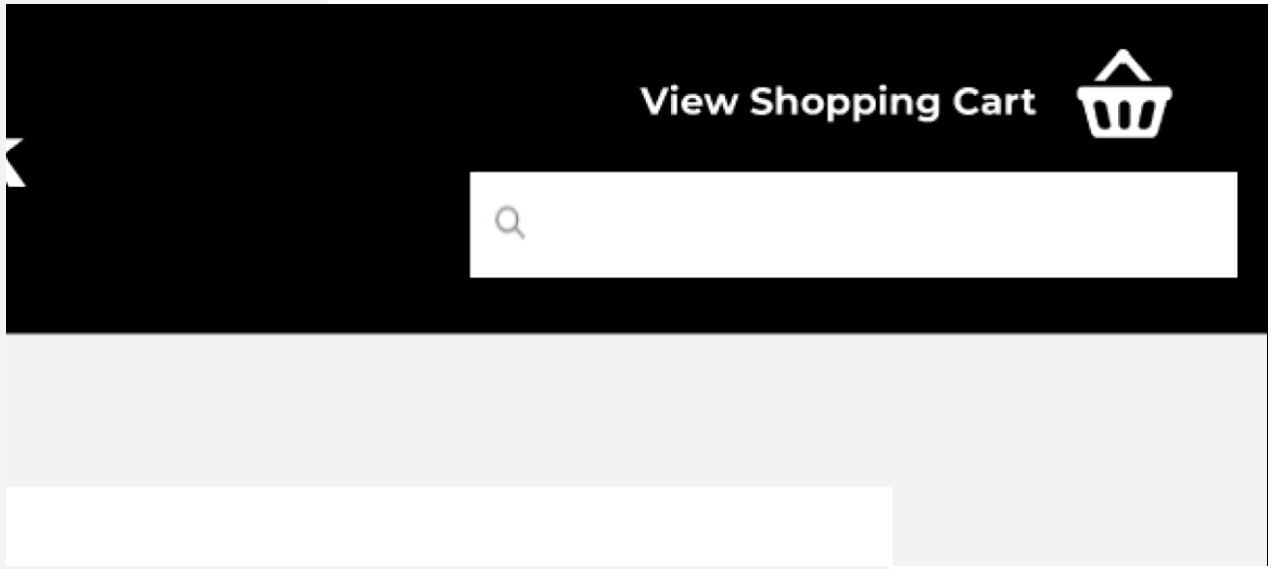
- 18 Retailers had product recommendations and replacements on 100% of audited product detail pages

20% of retailers <u>did not</u> have product recommendations and replacements available on their site for majority of audited products.



The solution

Leverage one feed to bring the most complete set of product attribution available in the CPG industry to optimize the digital shelf and drive shopper engagement.



Transform your PDPs with an unprecedented level of rich, high quality product information to drive discoverability, inform shoppers, power health and wellness programs and meet ever-evolving needs of your shoppers.

Discover
Rich attribution

- Leverage standard attributes and ability to customize attributes
- Faceted search + Organic search

Empower
Impactful core content

- Leverage Product Library – core content and images
- Optimized, brand curated value ad imagery + pack information and merchandising / logistical information

Engage
Detailed and robust enhanced content

- Leverage Connect+ for below the fold imagery including videos, FAQs and feature sets

Personalize
Special features

- Wellness program
- Replacements and recommendations

Partner for tomorrow: committed to deliver 100% coverage of your full assortment

Single feed of product content and attribution mapped and tailored to your schema

Data / vendor consolidation

- Single data feed
- Customized API delivery

Optimized product discovery

- Attribution to power complete & accurate search
- Deliver 7x more product discovery

Competitive differentiation

- Customize content aligned to your brand story
- Differentiate to create engaging experiences

High quality content

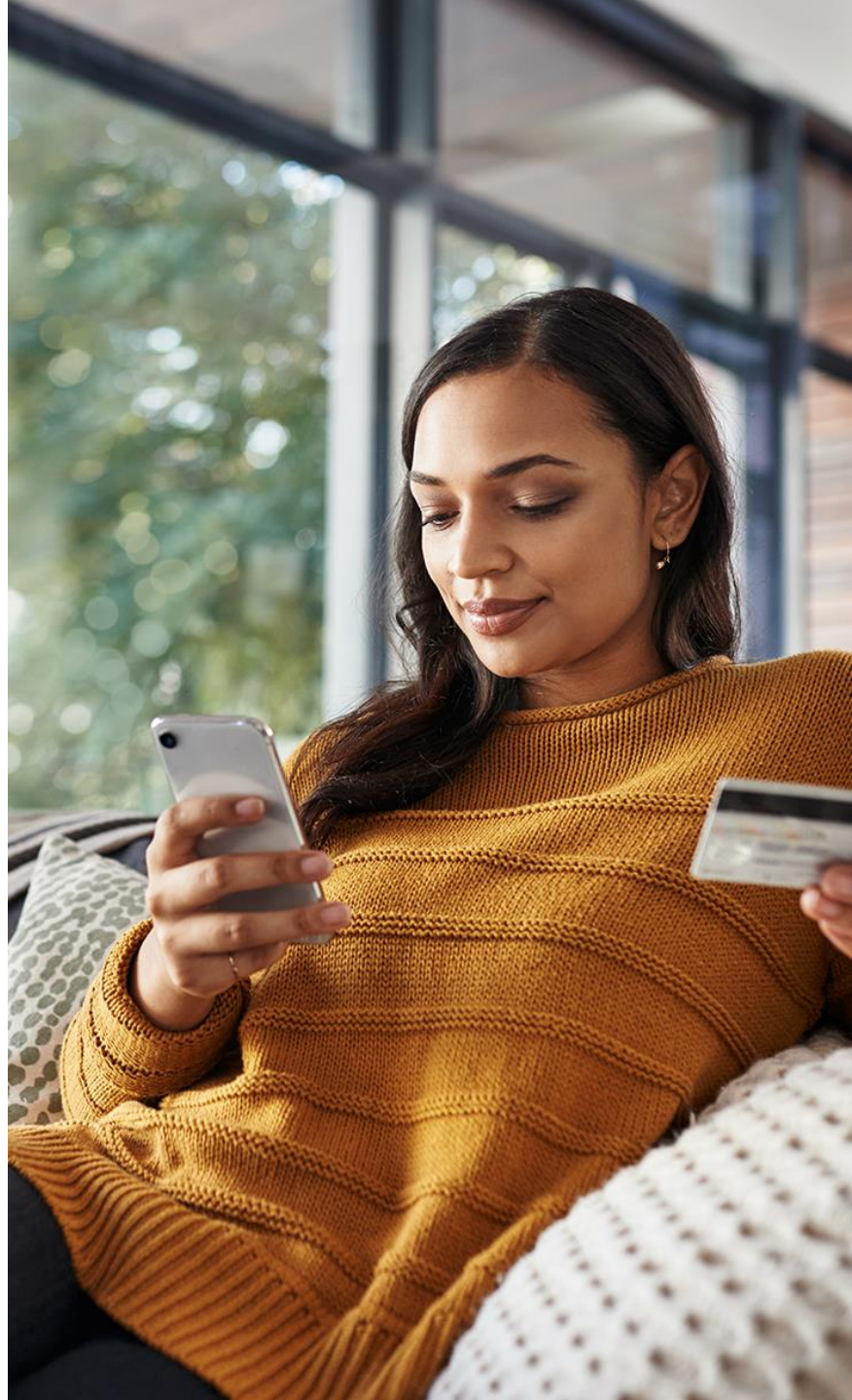
- High quality product and image content
- Complete and consistent content

Empower your shopper

- Meet consumer demand
- Provide a total wellness experience with attributes that matter

NielsenIQ

Continual improvement



Drive Conversion With Improved Efficiencies & Discovery On The Path to Purchase

Discover

▲ 468%

increase in attribute-based **search performance**

▲ 11x

Increase in product discoverability

Empower

▼ 40%

Reduction in cart abandonment when complete content is present

+40%

Increase in conversion rates when additional images are present

Engage

+10%

Increase in sales when Amazon A+ content is present

+ 25%

Increase in purchase rate when enhanced content is present

Personalize

▲ 12.9%

Total dollar sales when Wellness Program is present, outpacing the competition

▼ 20 Hrs

each week saved by automating product attribute classification

Source: The FMI Executive Workbook 20

Want to know how you stack up in our retail audit? Request a consultation today!

Email: ashley.howell@nielseniq.com

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Access the report here