



Ipsos InnoQuest
The Innovation and Forecasting Specialists

Ipsos Marketing

innoquest*pack

Prepared for: <Insert contact person
and/or company name >

Date 2013



Comments on Using this Sales Deck



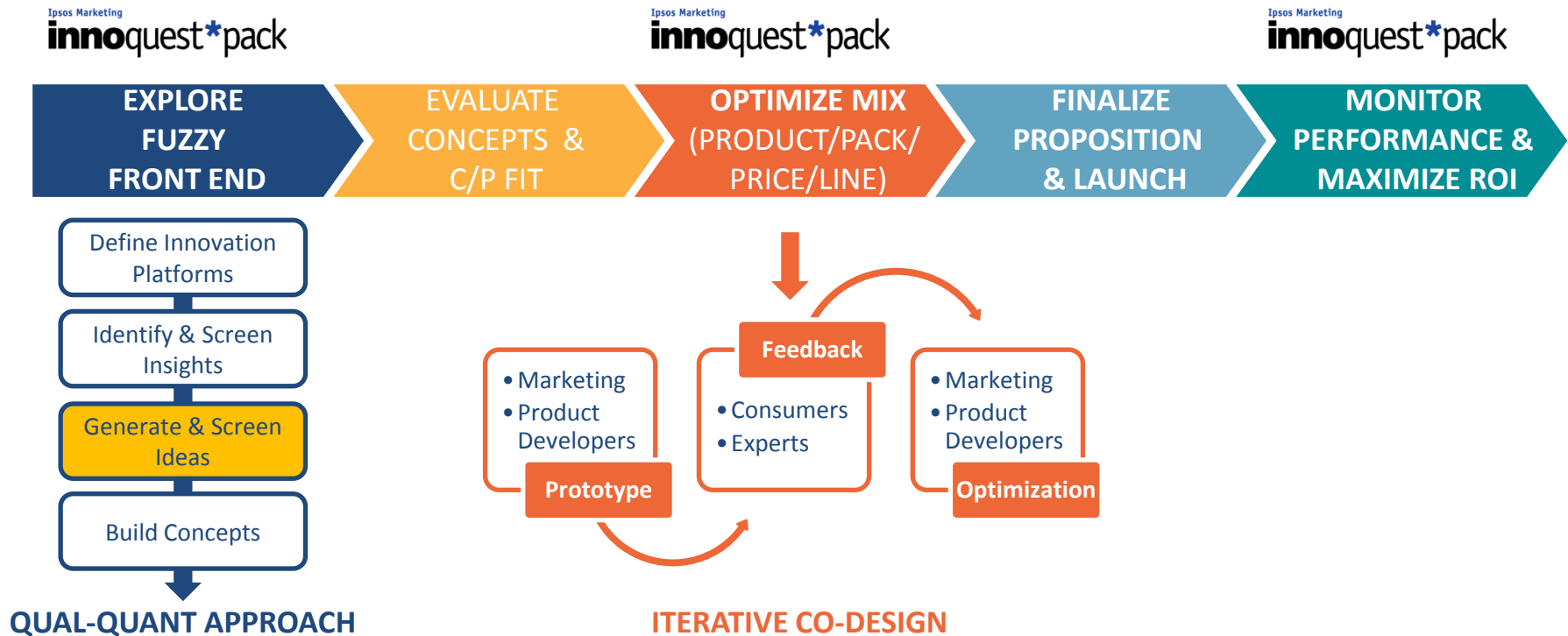
- As you will see, there are notes indicated throughout this sales deck – it is intended to be somewhat modular
- There are certain slides that only apply to certain situation (particularly in the appendix) such as:
 - Relaunch vs. new product
 - Online vs. Offline
 - Modules (standard, eye tracking, functionality)
- Please be sure to review the notes in **green text boxes** when building your sales deck and remove them prior to sending to clients!!!

Agenda

- Innovation Process
- Packaging Research Philosophy
- Overall Approach
 - ⇒ Module: Standard Shelf Test with Diagnostics
 - ⇒ Module: Eye Tracking
 - ⇒ Module: Functionality
- Summary
- Appendix



InnoQuest*Pack Can Be Leveraged throughout the Innovation Process



Packaging Research
Philosophy:
**Packaging is
Important**

Packaging is Important

Packaging is a *vital part* of the product mix

- Represents the business at the shelf
- Communicates the product, usage, variety/ flavor, benefits
- Creates differentiation from other products
- Unleashes/reinforces brand equity and brand value

Packaging has many *touch points*

- Each touch point is an opportunity to convey brand essence
- While the primary package is the ultimate sales tool, the touch points provide numerous opportunities to reinforce brand value themes

Packaging changes can have *significant* business impact

What we believe about packaging research

Packaging research assess the **influence** of packaging on the **brand experience**

A package must **break through the clutter** and facilitate **linkage to the brand**



Packaging needs to be assessed in a **competitive environment** and not only in isolation

Packaging needs to be **functional**, performing at its optimal level

Packaging needs to be **persuasive** – **relevant** to consumers and **different** from competition

Packaging research is about assessing how a pack reaches consumers both **cognitively** and **behaviorally**

Ipsos Philosophy on Packaging Research

Our consultative, end-to-end approach will address the most important questions:

Does the package breakthrough at shelf, drive sales and maximize ROI?

Does the package communicate the brand's character?

Does the package's functionality drive repeat purchasing?

We believe in a flexible, modular approach that encompasses:

Package evaluation in a competitive environment to measure shelf impact

Does the package break through category clutter and promote visibility?

Does the package persuade consumers to purchase at shelf?


An assessment of how a pack reaches consumers cognitively & behaviorally

Does the package facilitate brand recognition and differentiation?

Does the package effectively draw consumers' attention?

Measurement of the functionality of the physical pack

Do form and function work together to drive repeat purchases?



We utilize a series of tools that individually & in combination provide comprehensive diagnosis while linking pack performance to in-market sales.

Overall Approach

InnoQuest*Pack aligns needs at each stage

Early: Develop

Uncover insights to guide pack development

- Explore key design and visual elements
- Obtain consumer feedback to create & optimize packs at the earliest stages
- Uncover subconscious emotional reactions

Mid: Screen

Efficiently screen packs to identify winners

- Provide pack diagnostics and opportunities for modification to guide further development
- Screen several pack prototypes to identify 'winners'

Late: Launch

Qualify new packs / pack changes prior to launch

- Confirm consumer acceptance in a competitive shelf environment & optimize pack elements
- Convert impact at shelf to in-market sales
- Assess physical performance of pack design

The InnoQuest*Pack approach covers the three aspects of package testing



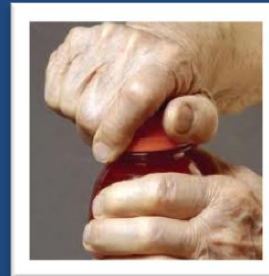
Visibility

Is the package noticed on shelf?



Informational

What does the package communicate



Functionality

How does the package perform

Module: Standard Shelf Test with Diagnostics

Standard Shelf Test Overview

Ipsos' Standard Shelf Test with Diagnostics provides a standardized framework for measuring the impact of alternative packaging for re-launches or new products

Shelf Exposure

- Respondents are exposed to a shelf display and given the opportunity to purchase



Cognitive Impact

- Prompted recall of the packaging designs on shelf using encrypted images



Diagnostics

- In depth diagnostics, including PI, RED measures, communication and perception statements



The Question of Stimuli

Ipsos can provide guidance regarding the appropriate use of stimuli given the business issue, the nuances of the market and the budget

Live Packaging

- Most realistic representation of the new packaging design
- Requires in person research with live shelf and/or mockup for interaction
- May require significant investment to provide mockup

2D Packaging

- The most cost effective option
- Packages are displayed on a 2D shelf (virtual or photoboard)
- No handling of packaging

3D Packaging

- Provides a realistic virtual packaging experience, including a shelf or store environment
- May require significant investment in building the virtual store

Shelf Exposure



- Consumers are exposed to a shelf display and asked to indicate which products they would buy
 - The type of display is flexible to the category and market
 - Live shelf display (when prototypes are available)
 - Photoboard
 - Interactive virtual shelf display

Measuring Cognitive Impact

- After exposure to a full shelf display, our cognitive impact measure utilizes our encrypting approach, to assess both prompted visibility and brand linkage as separate metrics

First impression from a distance

Prompted Visibility: “Will the shopper see the package?”

Brand linkage: “Will the shopper know which brand it is?”



Cognitive Impact*



Measure	Buyers	Non Buyers
% Saw on shelf	75%	64%
% Correctly identified brand	82%	69%

Standard diagnostic measures are necessary to understand the strengths and weaknesses of any package design

Persuasion and Overall Fit

Relevance, Differentiation, Liking, PI: How does my new package resonate with the consumer?

Brand Equity: How well does my new pack fit with my brand's equity and direction?

Communication and Perceptions

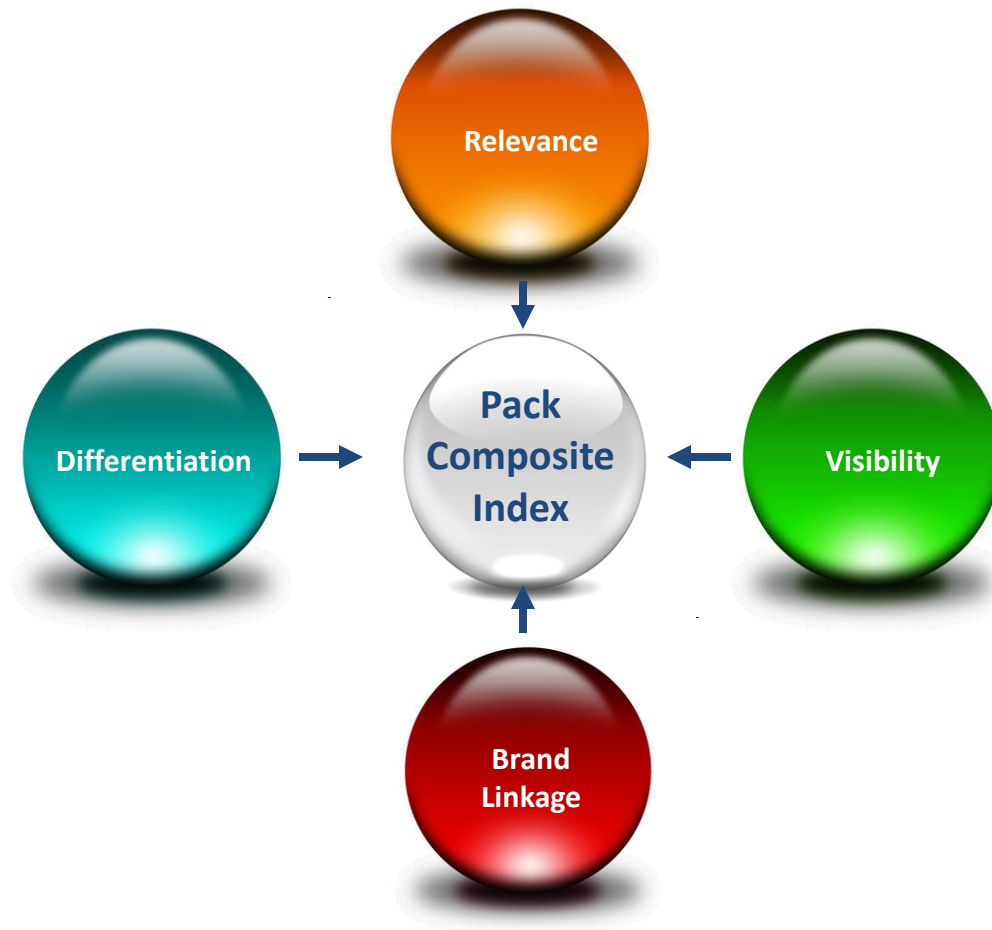
Does my package create the right impression?

Are the visual elements appealing to consumers?

Is the package communicating the brand's message in an effective way?

Pack Composite Index

The Pack Composite Index, PCI, provides a single metric assessing the overall strength of a new packaging vs. current packaging* taking into account proven success factors



*Note for new products PCI measures the overall strength of the alternative designs

Composite Index Sample Deliverable: PCI Dashboard

- Weights are given to each measure based on Ipsos' experience with forecasting
 - Relevance and Differentiation are not considered in absolute, but in relation to competition

Current always set to 100

PCI

Current

100



New

M

102



L ML M MH H

Cognitive Impact: Reach

What impact does the package make on shelf?

	<u>Buyers</u>		<u>Non-Buyers</u>	
	<u>Current</u>	<u>New 1</u>	<u>Current</u>	<u>New 1</u>
Prompted Pack Visibility: is the pack noticed on the shelf?	60%	72%	51%	56%
Visibility & Brand Linkage: is the brand well linked to the pack?	53%	61%	36%	40%

Benchmark difference score (%)

Persuasion: Response

What rational & emotional responses are elicited by the package?

	<u>Current</u>	<u>New 1</u>	<u>Current</u>	<u>New 1</u>
Relevance: is it relevant for consumer's needs?	110	113	108	107
Differentiation: how new and different is the product?	115	113	104	103

Benchmark difference score of Index

Note: Example shown for re-launch

Optional Diagnostics

Pack Evaluator

One SKU Client Pack

Respondents can freely draw around the parts of the pack that:
Catch their eye and they like or dislike (optional: why dislike?)

Variety Findability

Client SKU's (recommend 6)

Respondents are shown images of the client SKUs and are
timed while asked to find them

Pack Visibility Components

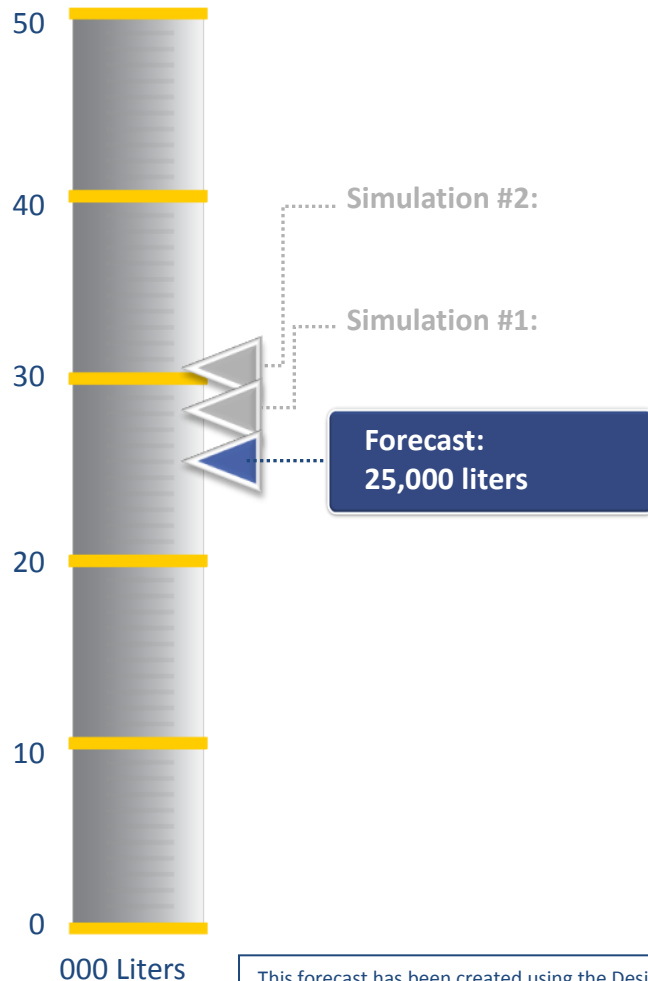
Client Pack & Limited Competition

Respondent selects the pack(s) that are described by the 6
components of visibility

Volumetric Forecast Option

Ipsos offers the option to add a forecast onto a Standard Shelf Test w/Diagnostics

Year 1 Sales Volume



Key Measures

Concept

Product

Packaging

Communication

Category / Launch Details

Domination & Fragmentation

Price per Liter

Pack Size

Line / Range 3 Varieties

Marketing Support

Weighted Distribution

Media Spending (000)

Cons. Promotion (000)

Trade Promotion (000)

Database Comparison

MH

M

(Assumed)

M

M

(Assumed)

M

H

(€2,79)

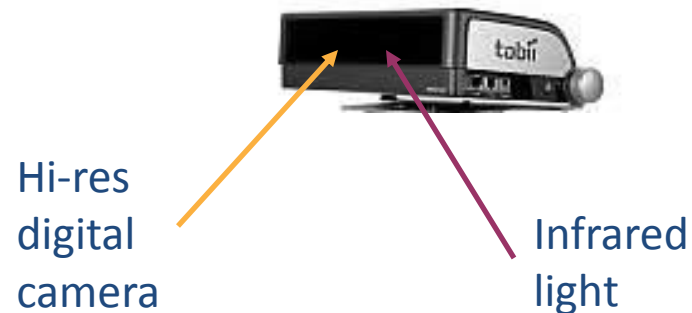
250g

This forecast has been created using the Designer® NextGen Forecasting System. It is a rough or “ballpark” forecast, intended to give guidance in the innovation process. If any elements of the forecast change prior to launch, the forecast should be re-estimated with new information & assumptions.

Module: Eye Tracking

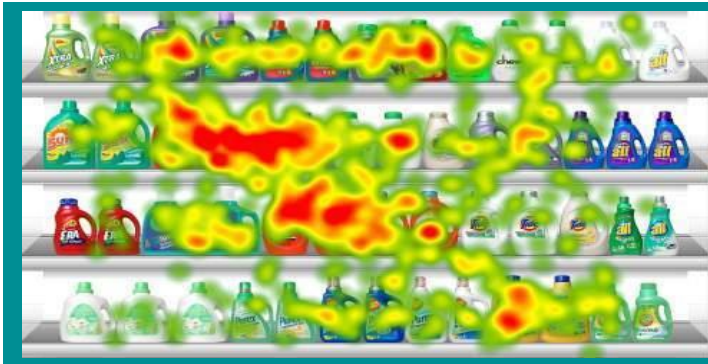
Eye-Tracking: State-of-the-Science Technology

- Eye Tracking - A behavioral (vs. cognitive) technique with the goals of:
 - Determining view order (the average viewing path) for a shelf or a package
 - Assessing areas of a shelf or package that garner more or less focus
- Eye Tracking works by . . .
 - Shining low levels of infra-red light into the respondent's face to create a surface on the respondent's eyes that reflects light
 - Capturing the light reflected back from the respondent's eye via a high resolution digital camera
 - Using algorithms to decipher the path of the respondent's eye movement across the screen



Eye Tracking Deliverables

- The Heat Map & Gaze Opacity Map highlight areas of attention
 - Heat Map shows area of higher attention in red
 - Gaze Opacity blacks out areas of inattention and shows areas of attention clearly



**Heat
Map**



**Gaze
Opacity**

- Statistics and View Order Analyses provide deeper insight into patterns of noting the details of the stimuli



Module: Functionality

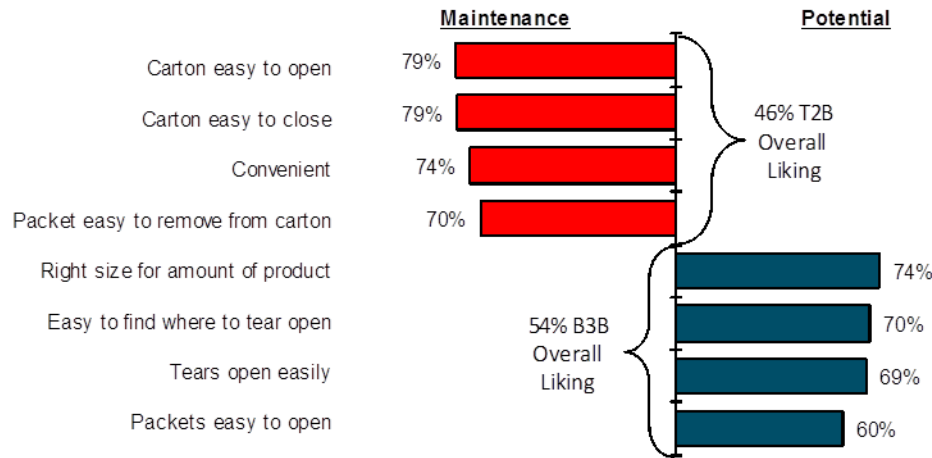
Functionality Overview

- Functionality Testing involves handling of the physical packaging/prototype followed by usage ratings
 - Provides in depth diagnostics on the functionality of the packaging



Functionality Key Deliverables

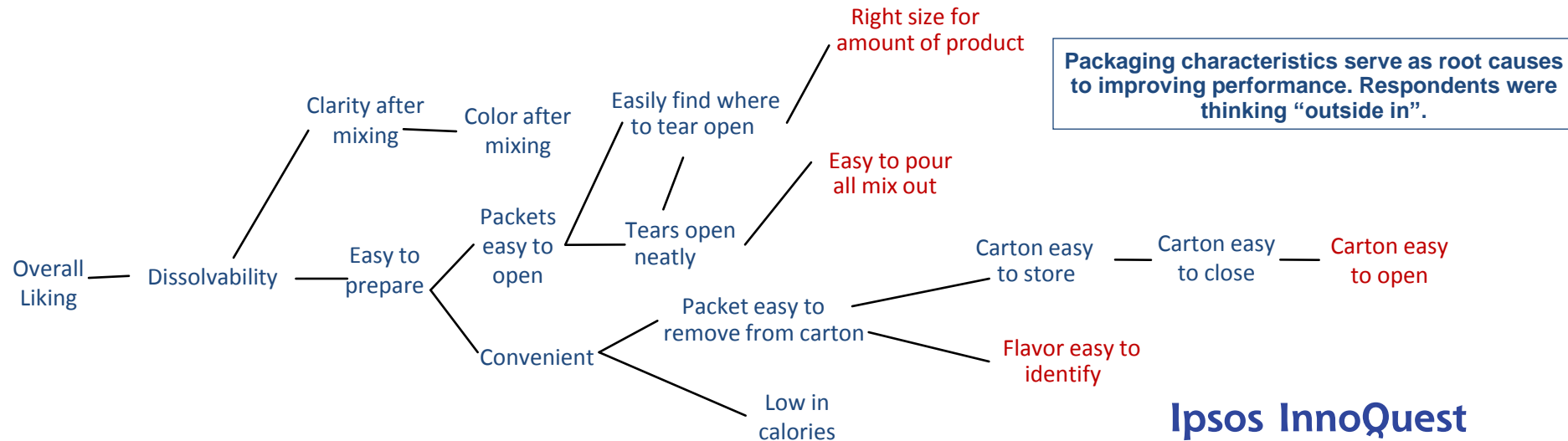
Attributable Effects: A Micro level driver analysis which prioritizes pack features to maintain and those to improve



Maintenance: % of current "likers" who would become "dis-likers" if performance on these characteristics were not positively perceived.

Potential: % of current "dis-likers" who would become "likers" if positive perceptions of these characteristics were improved.

Graphical Model: A Micro level Analysis that displays interrelationships (a roadmap) among a set of attribute ratings including some measure of overall acceptance



Summary



Why Ipsos for Package Testing Research?

- Ipsos has global breadth and expertise in package testing, and is an established and trusted partner
- Package testing in 50+ categories across 80+ markets
- InnoQuest*Pack is globally proven, globally consistent and provides meaningful key metrics
- InnoQuest*Pack is a holistic approach that encompasses all critical packaging elements and integrates qualitative and quantitative expertise

Appendix

Ipsos' Package Testing Experience

Thousands of packs tested covering over 50* categories.

Food

- Rfg Desserts
- Fz Pizza Crusts/Dough
- Fz Vegetables
- Fz Meals
- Yogurt
- Snack Nuts
- Rfg Sauce/Gravy/Marinade Mixes
- Gravy/Sauce Mixes
- Spices/Seasonings
- Dry Rice
- Chocolate Candy Bar
- Bread
- Cookies
- Cake/Cupcake/Pie Mixes
- Cold Cereal
- Baking Powder/Soda
- Prepared Pudding
- Cheese
- Salty Snacks
- Chilled Snacks

Beverages

- Tea/Coffee
- Juice/Drink
- Spirits/Liquor
- Beer
- Bottled Water Still
- Bottled Water Sparkling

Household Products

- Laundry Detergent
- Liquid Laundry Detergent
- Air Fresheners
- Household Plastics
- Fabric Conditioner

Beauty

- Toilet Tissue
- Facial Cleansers
- Shaving Cream
- Acne Treatments
- Razors
- Hand & Body Lotion
- Body Sponges
- Facial Lotions/Creams

Health

- Analgesics
- Vitamins
- Eye/Lens Care Solutions
- Misc Health Remedies
- Antacid Liquid/Powders
- Adult Incontinence Products

Pet Products

- Dog Food
- Cat Food
- Dry Cat Food

Other

- Tobacco Products

Standard Shelf Test with Diagnostics: Interview Process

Sample Size and Structure

- Each cell requires a minimum ending sample size of 150 category buyers, with a recommendation of 80 brand buyers
- 15-20 minute online survey

Note: if not using online virtual shelf, delete interactive shelf comments

Interview Format

- The quantitative phase will utilize a realistic shelf display allowing consumers to make a virtual purchase.
- Respondents can interact with the shelf in a manner similar to real life:
 - Zoom in and look at packages in more detail
 - Add items to their virtual shopping cart
- Following the shelf exposure, respondents shown encrypted pack images and asked if they saw the pack on the shelf, and to identify what brand it is
- Respondents will then be shown branded images of the test and competitive packs and asked to evaluate them on various measures

Standard Shelf Test with Diagnostics: Questionnaire Flow

Shelf display
Purchase Opportunity



Cognitive Impact
Encrypted Images



Persuasion & Overall Fit
Branded Images



Communication & Perceptions
Branded Images



Optional Modules
Branded Images



Optional Diagnostics: Pack Evaluator

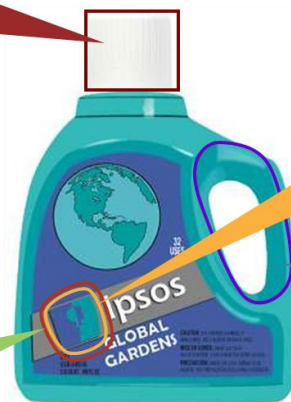


MOST DISLIKED

Cap
Overall Liking Score = -10%
(likes = 4%, dislikes = 15%)

I do not like the colour (75%)

Overall Pack Liking 37%



MOST LIKED

Ipsos Logo
23%

1st TO CATCH YOUR EYE

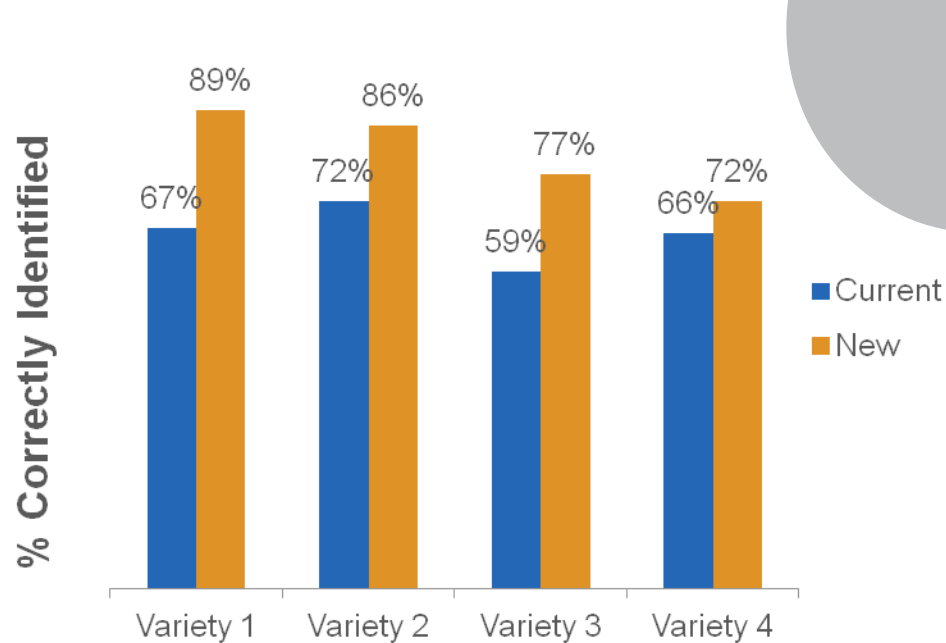
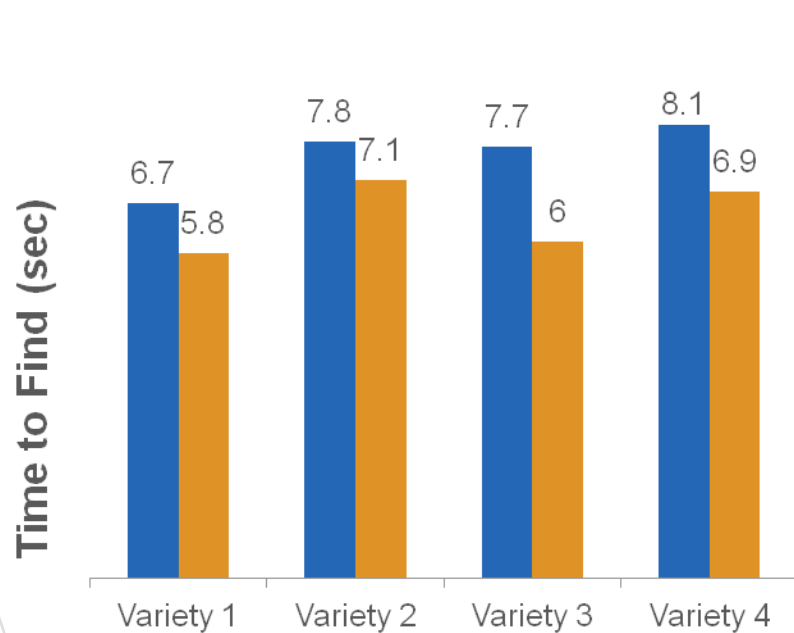
Ipsos Logo
41%

2nd TO CATCH YOUR EYE

Handle
(37%)

Optional Diagnostics: Variety Findability

- How well are my varieties differentiated from one another?
 - Does my new package improve findability among my SKUs?



Optional Diagnostics: Pack Visibility Components

- Previous R&D* identified six components that influence pack visibility on shelf

Current



New



	Current	New
Very different in colour from other packs	45%	86%
Very different in shape from other packs	10%	12%
Distinct Logo, picture or graphic design	65%	82%
Brand Name is distinctive in colour/ size	32%	40%
Particularly clear and simple design	36%	40%
Much brighter in colour from other packs	16%	68%

☐ = performs significantly better than current at 95%
Base: All Respondents

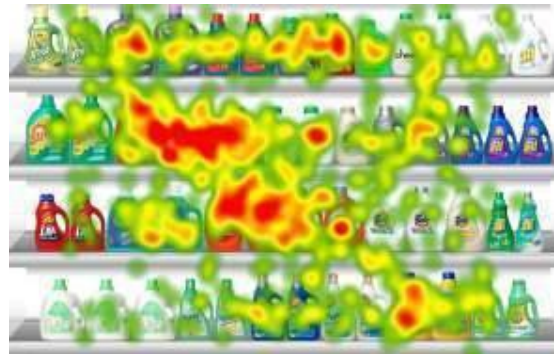
*A White Paper describing the findings of this R&D can be found on Ipsos Marketing's website

Behavioral Eye Tracking Measures Standout & Engagement

Behavioral Standout

Where is consumers' attention focused?

- Which products are viewed by consumers ?
- What path does the eye follow?
- Is the new pack noticed faster than current?



Engagement



How engaged are consumers with the packs?

- How much time is spent looking at the package, on the shelf and alone?
- Does the package draw attention more than once?
- Is the desired communication hierarchy being achieved?

Eye Tracking: Interview Process

Sample Size and Structure

- Category buyers
 - Sample size will vary based on objective and robustness desired.
 - Eye tracking data stabilizes at 50, and is our standard recommended minimum
- Diagnostics require a more robust base size, with a recommended minimum of 80 (up to 150 depending on required analyses)

Interview Format

- Central location interviewing eye tracking equipment and high resolution monitor
- 5+ minute self-administered eye tracking survey followed by 5-20 minute diagnostic interview (depending on objectives)

Eye Tracking Sample Deliverable: View Order Analysis

- The view order analysis highlights the average viewing path of the consumer's eye on the package
 - Does the viewing path work with the desired communication hierarchy?

