Winning the 2022 Festive Season with Optimal Media Strategies

A PLAYBOOK BY MMA, GROUPM, & AMAZON ADS

MMA | groupm | amazon ads

Contents

Introduction

The 2022 Diwali festive season will be an unprecedented test for marketers.

As consumer behavior stabilizes post the two covid-impacted years, consumer behaviors have been permanently transformed. Consumer journey has become more complex and non-linear, with digital likely to play a key role among 75% of all consumer journeys this festive season. While consumer sentiment remains positive this festive season with 35% consumers likely to increase their festive spends from last year, the uncertain macro-economic environment is leading to consumers being more cautious before spending. As a result, 67% of all consumer will research more this festive season than last year.

This represent both a challenge and an unprecedent opportunity for brands. Marketers who can re-think their media strategy in line with the changing consumer behavior will find huge success. This playbook can help marketers prepare for the festive season by understanding:

- What consumer sentiments/ behavior to expect this festive season?

- What role will digital play this festive season?

- What marketing strategies can help brands win?

Methodology Used

The report is based on two primary studies conducted in August 2022, along with proprietary data insights and perspective from senior industry leaders
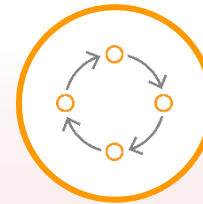
Consumer Survey
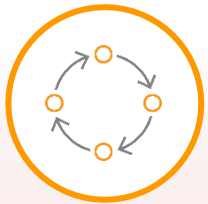
Format: Online survey

Target Group: Active Internet Users in India (n=3,000)

Time frame: August 2022

Brand marketer Survey

Format: Online survey

Target Group: Marketers in Mid-Large Companies across categories e.g. FMCG, Durables, Automotive, Banking (n=107)
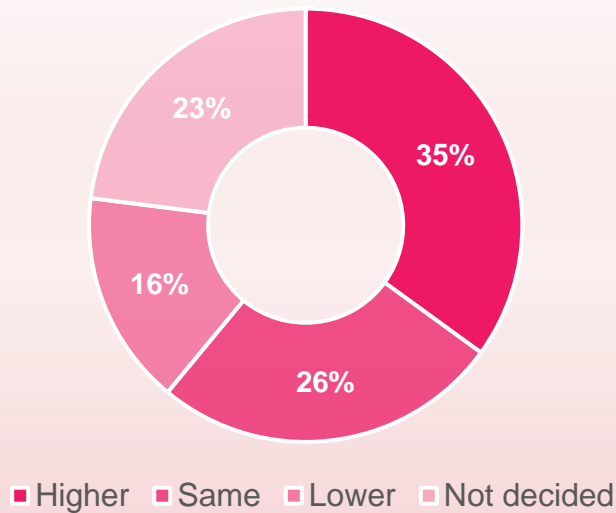
Time frame: August 2022

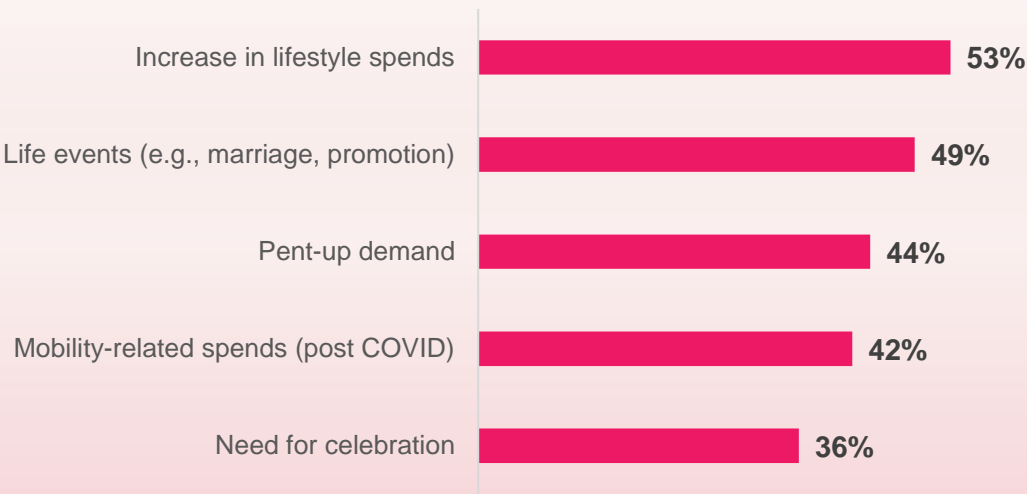What consumer sentiments and behavior to expect this festive season?

Consumer sentiment around festivity is optimistic

35% consumers are likely to increase their spends this festive season

Change in festive spends (as compared to last year)

- 35%
- 26%
- 16%
- 23%

■ Higher ■ Same ■ Lower ■ Not decided

Reasons for increase in spends

Reason	Percentage
Increase in lifestyle spends	53%
Life events (e.g., marriage, promotion)	49%
Pent-up demand	44%
Mobility-related spends (post COVID)	42%
Need for celebration	36%

Consumers will also remain cautious, spending more time on research

67% consumers will spend more time researching than last year

Change in research before purchase (as compared to last year)
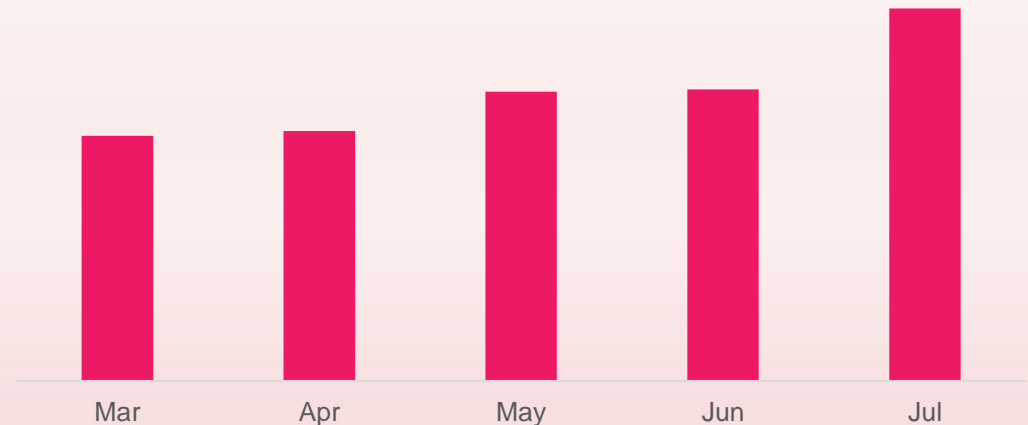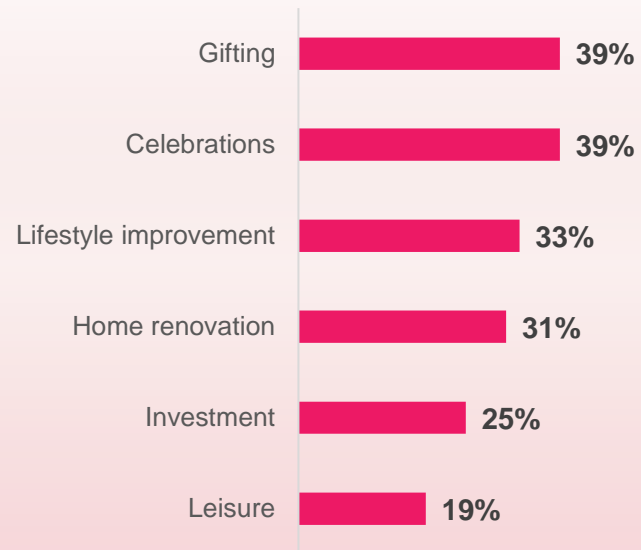

20%

13%

67%

■ Higher   ■ Same   ■ Not decided
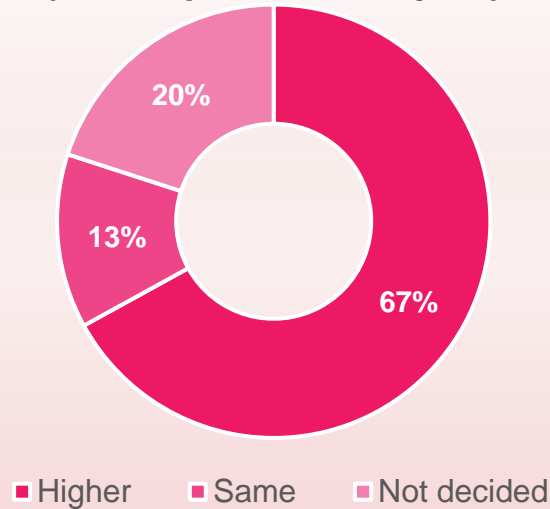
Search Volume on Amazon.in (indexed to Mar'22)
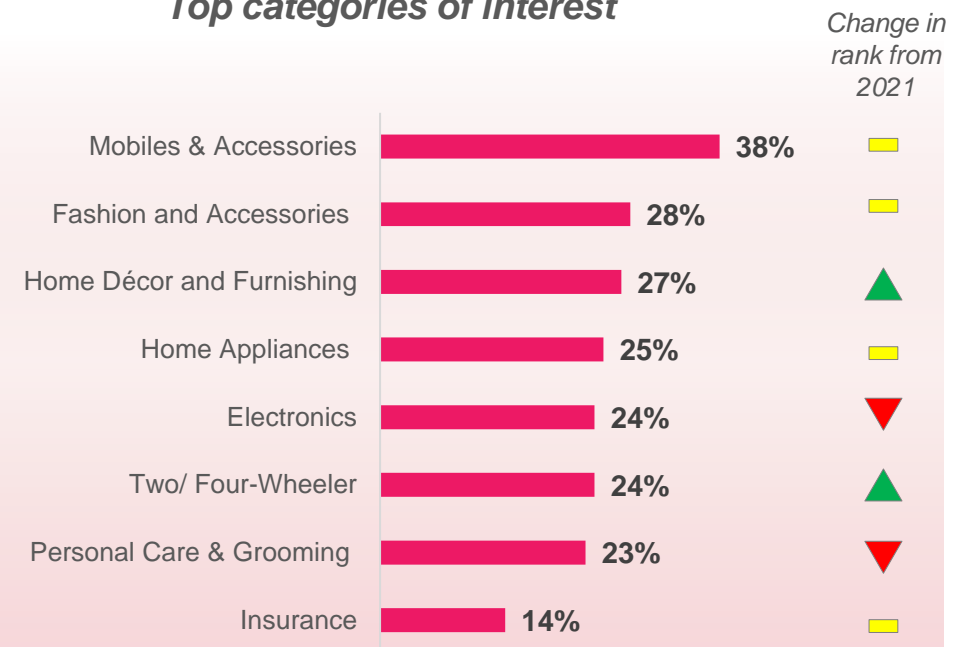

| Mar | Apr | May | Jun | Jul |

Consumption themes remain similar to last year

Categories such as auto and home décor are likely to relatively grow this year

Purpose of festive spends

Category	Percentage
Gifting	39%
Celebrations	39%
Lifestyle improvement	33%
Home renovation	31%
Investment	25%
Leisure	19%

Top categories of interest

Category	Percentage	Change in rank from 2021
Mobiles & Accessories	38%	▬
Fashion and Accessories	28%	▬
Home Décor and Furnishing	27%	▲
Home Appliances	25%	▬
Electronics	24%	▼
Two/ Four-Wheeler	24%	▲
Personal Care & Grooming	23%	▼
Insurance	14%	▬

Source: InMobi Pulse – Amazon Ads Consumer study Aug'22, n=3000
Survey question: Q1. For what purposes are you likely to spend during this upcoming festive season?; Q2. Which of the following products are you planning to buy during the upcoming festive season?
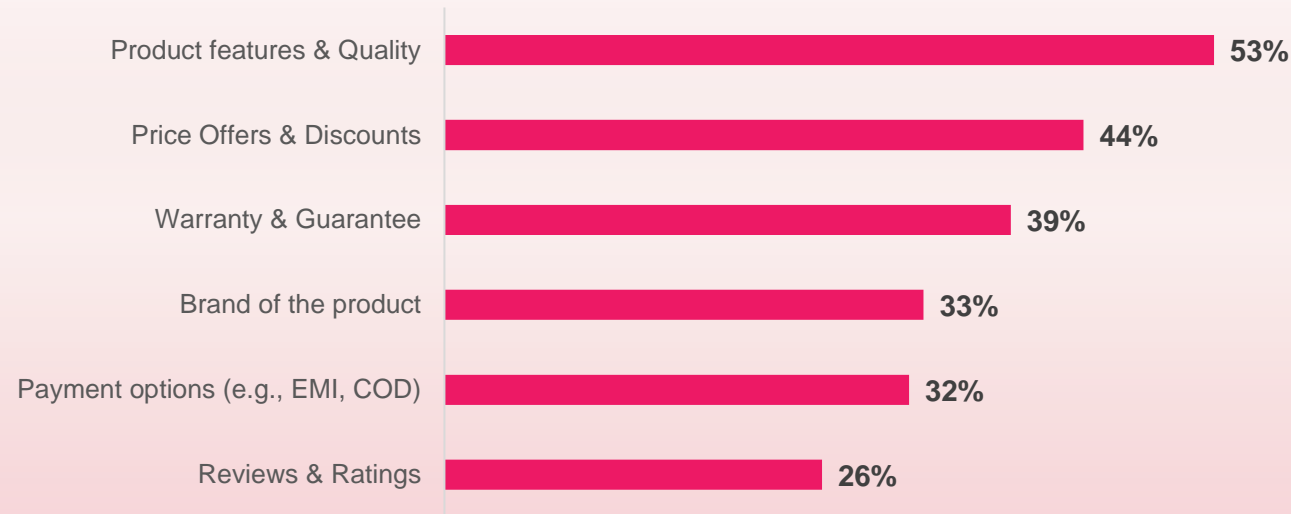
Product quality, offers and discounts remain the primary deciding factors for consumers

Factors affecting consumer decision journey

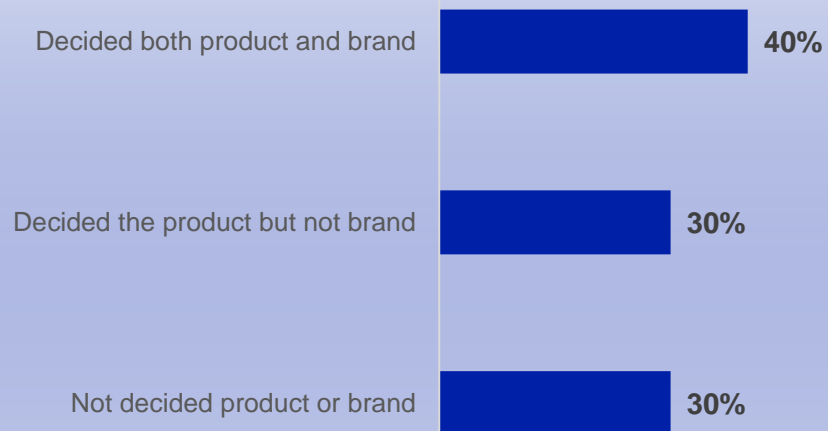| Factor	Percentage
Product features & Quality	53%
Price Offers & Discounts	44%
Warranty & Guarantee	39%
Brand of the product	33%
Payment options (e.g., EMI, COD)	32%
Reviews & Ratings	26%

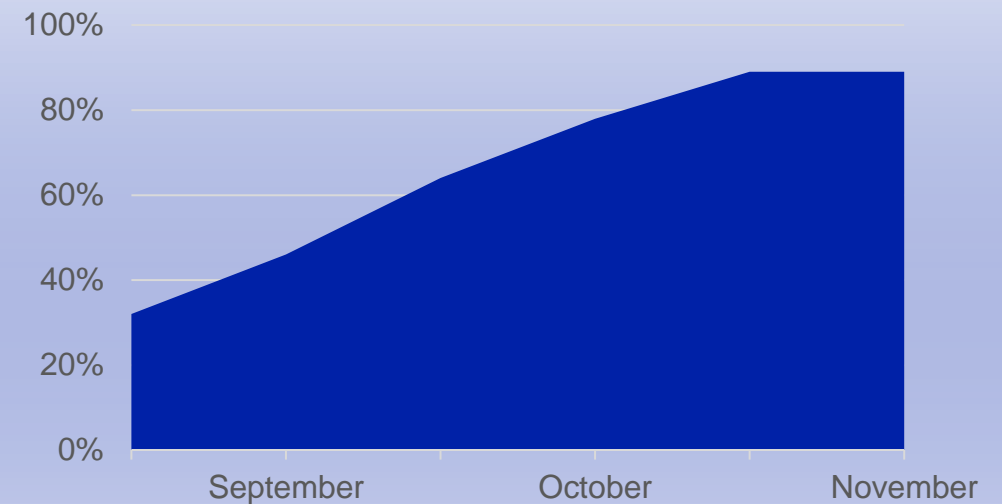What role will digital play this festive season?

Customers have already started researching

Brands should look at building visibility now to ensure maximum coverage

Current stage of product/brand choice

- Decided both product and brand — **40%**
- Decided the product but not brand — **30%**
- Not decided product or brand — **30%**

When will they start researching products

~75% consumers journeys will be 'digital' influenced

Engage consumers online in order to drive consideration

76%
Consumers will research or purchase products online

41%
Consumer journeys will be 'digital only'

Key channels for product research

Channel	%
Online shopping (e.g., Amazon)	50%
Online search (e.g., Google)	35%
Offline Stores	31%
Social media (e.g., Facebook)	29%
Review portals (e.g., Quora)	29%
Brand's own websites	25%

12

Amazon.in will be a key product research and shopping platform

Amazon is a key destination to build consideration, among online and offline shoppers
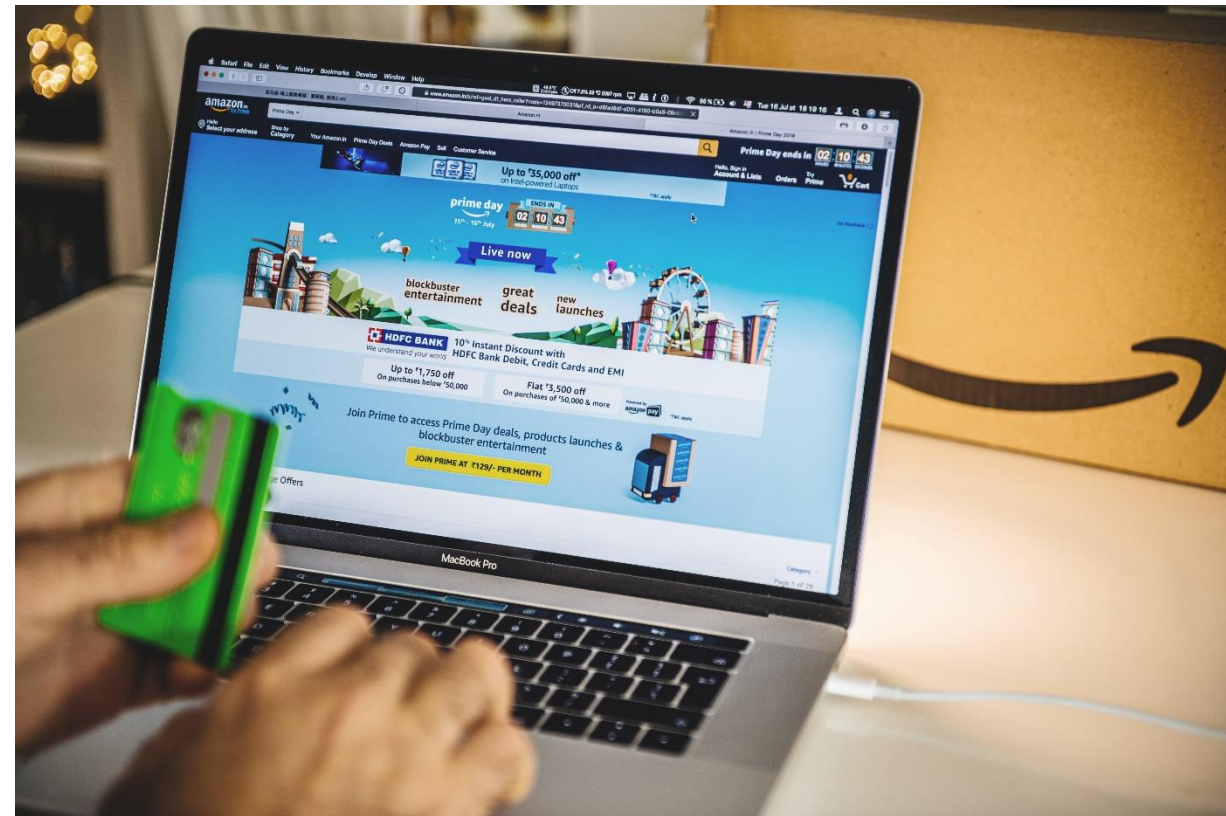
66%

Consumers journeys* will involve amazon.in
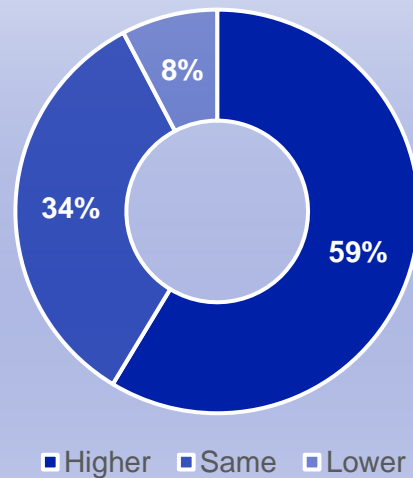

70%

Online shoppers likely to buy on amazon.in

*buy or research for categories which are listed on amazon.in, e.g.,
FMCG, Fashion, Electronics, Smartphones, Durables etc

Brand marketing spends are likely to follow consumer sentiment

Most brands are looking to grow their overall marketing spends this festive season

## Change in marketing spends during festive season (as compared to last year)

- 59% Higher
- 34% Same
- 8% Lower

■ Higher ■ Same □ Lower

Marketing objectives for the festive season

| Objective	Percentage
Consideration / Lead-gen	52%
Brand campaign	47%
E-commerce/ Online sales	42%
Product launch	31%
Offline Footfalls	29%

Digital would be a key marketing channel for brands

Most marketers are increasing their spends on digital with median digital spends at 40%

% digital spends during festive season (as compared to last year)

- 12% Lower
- 28% Same
- 60% Higher

■ Higher ■ Same ■ Lower
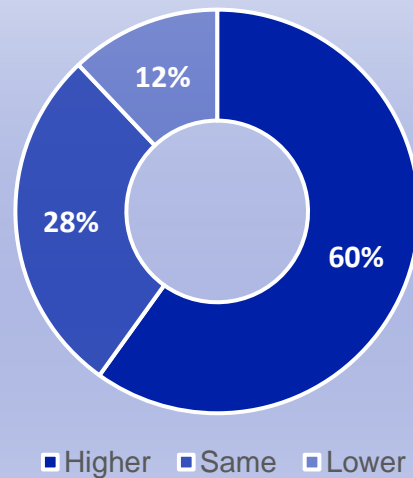
Share of digital spends (% of marketing spend)

Median: 40%
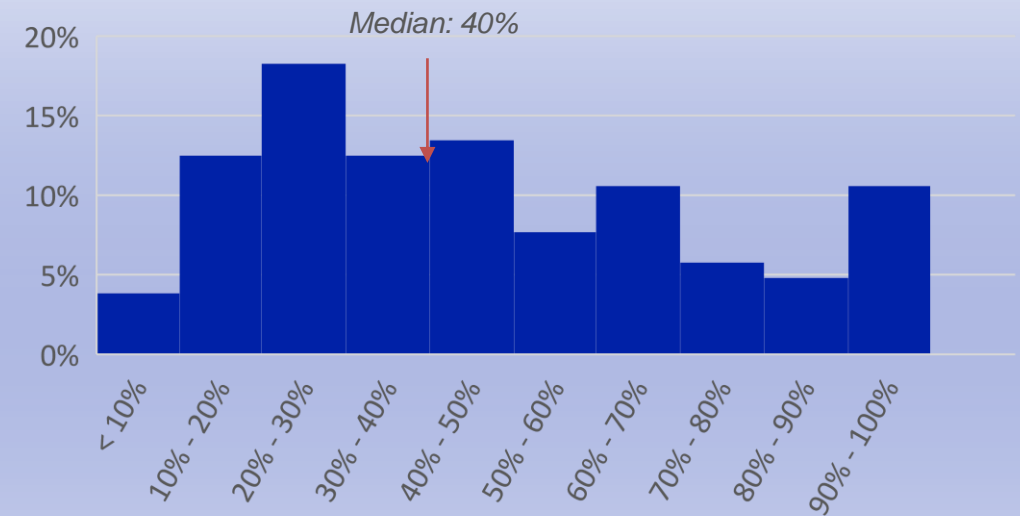
Marketer Outlook: 'Digital' would be a crucial marketing touchpoint

> " *Digital plays a pivotal role in our media strategy all through the year but it's of particular significance in festive season as these days consumers are completing the entire journey of festive shopping online driven primarily by choice and convenience.*
> *The entire funnel of discovery to commerce is digitally enabled making it imperative for us to focus our efforts too in the same direction.* "

- Anjali Krishnan, Consumer Experience Lead, India & Bangladesh, Mondelez India

> " *We are excited and are getting ready to market in the age of algorithms. With the first non-covid festive season in 2 years, we are hopeful that consumers and demand will witness a bounce back. In order to capture demand, we have an aggressive 360^0 marketing plan in place ranging across ATL, BTL, Influencers and E-commerce. Execution eats strategy for breakfast, at L'Oreal we live by this mantra, in order to maximize what lies ahead of us.* "

- Saloni Shah Javeri. Head of Media & Digital, L'Oreal India

What marketing strategies can help create recall and drive performance?

Brands should focus on reaching relevant audiences, breaking the media-clutter, and leveraging efficiency metric to measure true imact

Top recommendations to maximize recall and performance during festive season

1

Reach relevant audiences using micro-segmentation based on **deterministic signals**
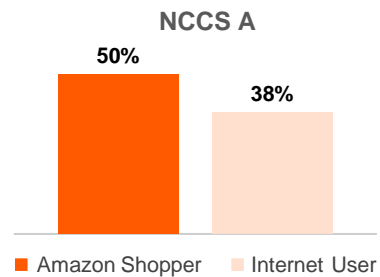

2

Break the media-clutter through **engaging formats and high-intent touchpoints**
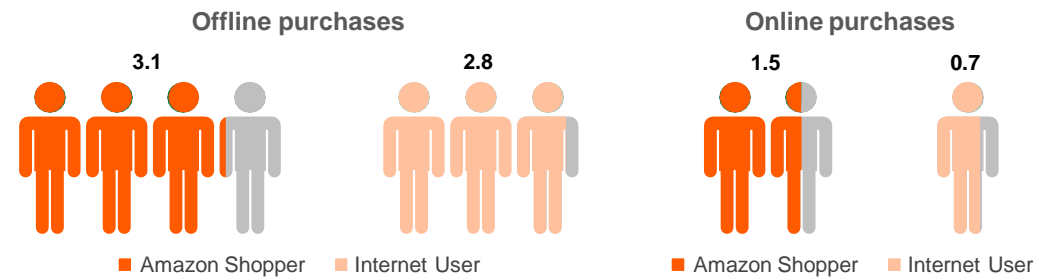

3

Measure true impact of marketing channels through **efficiency metrics**

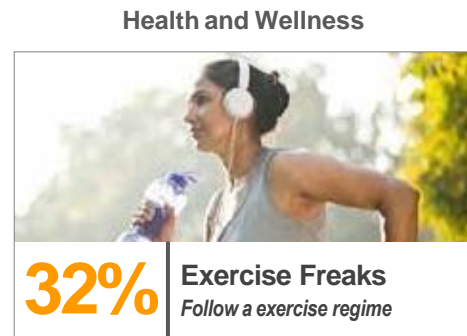# Identify qualified audiences based on probability of consumption

Relative 'affluence'

NCCS A

50% ■ Amazon Shopper
38% ■ Internet User

Consumption propensity*

Offline purchases

3.1 ■ Amazon Shopper
2.8 ■ Internet User

Online purchases

1.5 ■ Amazon Shopper
0.7 ■ Internet User

Refined lifestyle & self-care habits**

Health and Wellness

32% **Exercise Freaks**
Follow a exercise regime

Trend-setters

29% **Early Adopters**
First to try new products and tech

Travel and Leisure

23% **Domestic Tourist**
Takes frequent domestic trips

Source: Kantar-Amazon Ads consumer study April'21, n=5186 ; *no. of product categories purchased during Oct'21-March'21 ; ** amongst amazon.in audiences

Leverage audience signals across their daily routine and consumption indicators

2000+ Amazon audience cohorts: Relevant signals to identify relevant audiences based on life-stage, lifestyle, content consumption and in-market signals

Content consumption

Prime Video consumption-based audiences

IMDB consumption-based audiences

Persona segments*

Tech. enthusiasts

Exercise & fitness

Fashionistas -females

Consumption of services**

OTT subscription consumers
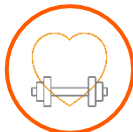
Food delivery consumers

Bill payments consumers

In-Market Researchers*

Large appliances

Baby

Fitness

Affluence, Demographic

Top Amazon consumers***

Geographic (Pin-code Level)

*based on consumer browse/purchase signals seen on amazon.in ; ** based on payments signals seen in the Amazon Pay environment; *** based on overall spends
/no. of orders placed on amazon.in in the last 13 months

Drive visibility across digital touchpoints

Engage audiences with 'impact' awareness formats in the lead up to the festive season

Impact visibility to build recall

Video ads
Programmatic Instream through sites/apps

Custom audio experiences

fire tv Homepage takeovers, Sponsored tiles

miniTV instream video, brand integration

Build Consideration with researching festive shoppers

ATF Herofader

Off-Amazon display

Stores
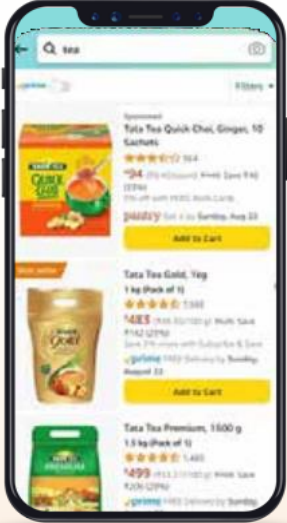
Sponsored Brands Video

Drive conversions

Drive sales from search through native placements

Remarket on non amazon.in inventory

3-4 weeks prior to Dussera	1-2 weeks prior to Dussera	Dussera	Diwali

Pre-festive period	**Pre-peak festive period**	**Peak festive period**

Leverage content marketing and personalization to drive recall with shoppers

Engage consumers through rich, personalized, and interactive content

Amazon Stores

Rich detail pages (A+ content)

Gamification

*Personalization**
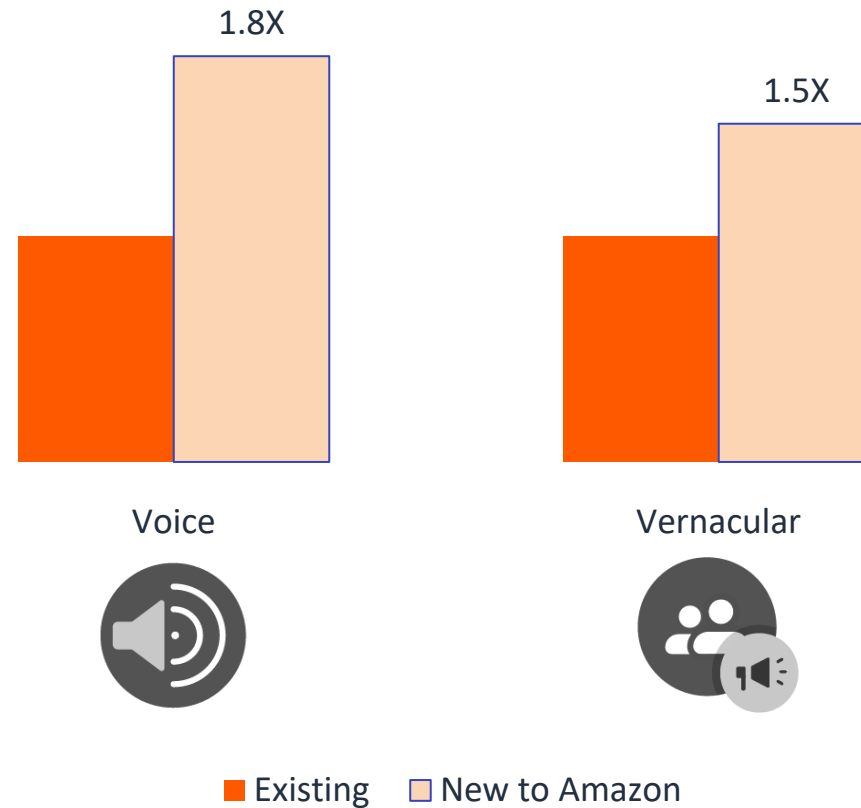

*Dynamic Creative Optimization (DCO) creatives

Build for both traditionally online and new-to-online shoppers

Voice and Vernacular are more preferred among new-to-online shoppers

30%

online consumers will be celebrating the first festive season online this year*

Preference among new-to-Amazon shoppers for Voice and Vernacular

1.8X

1.5X

Voice

Vernacular

■ Existing   ☐ New to Amazon

Source: *InMobi Pulse – Amazon Ads Consumer study Aug'22, n=3,000; Amazon internal data
Survey question: How long have you been shopping online?

22

Holistically measure impact through efficiency metrics

Supplement primary metrics with efficiency metrics to evaluate performance at each stage of the funnel

	Primary metrics	**'Efficiency' metrics**
Awareness	Reach, CTR	Lift in Top of mind recall*
Consideration	Landing page-views	Share of page-views
Conversions	Sales	% New customers**

*lift in branded searches on amazon.in ;
** through new-to-brand customers % amongst conversions on amazon.in

23

Case studies: How have brands achieved their festive objectives through Amazon Ads?

Ferrero Rocher Moments leveraged Amazon festive advertising to drive gifting sales
Combination of search and display advertising was leveraged to drive performance

Approach

- Objective was to reach high intent audiences for festive gifting opportunities during the Diwali festive season and Super Value Days
- 2-pronged campaign:
  - **Display ads**: Drive awareness among **in-market audiences** through customized festive creatives and banners across high-engagement placements
  - **Search ads**: Build native visibility within search results on amazon.in by building coverage over festive and gifting keywords

> " *For Diwali 2021, Amazon Ads helped us to effectively target and leverage the accelerated demand for chocolate gifting during Festive. The brand was able to scale up gifting business and convert high intent and in-market audiences early on in their consumer journey. Media investments were used to deploy a full funnel strategy on the platform, this along with relevant messaging helped drive consideration and sales during the campaign period.* "

Results:

6.05 Mn
Ad-impressions

55K
Click garnered

17%
Conversion Rate

25

Adidas leveraged Fire TV to promote their brand campaign with Deepika Padukone
Reached audiences through a full screen experience on the homepage

Approach

- The brand wanted to reach out to new users on **Connected TV** and promote their brand campaign. The Fire TV ads campaign consisted:
    - 2 day 100% **SoV video campaign** on the 'In Line Display banner' slot on the home-screen
    - Audiences were exposed to a **full-screen brand video** (which started playing as the user clicked on the In Line Display slot).The video covered a trailer of the new brand campaign featuring Deepika Padukone.
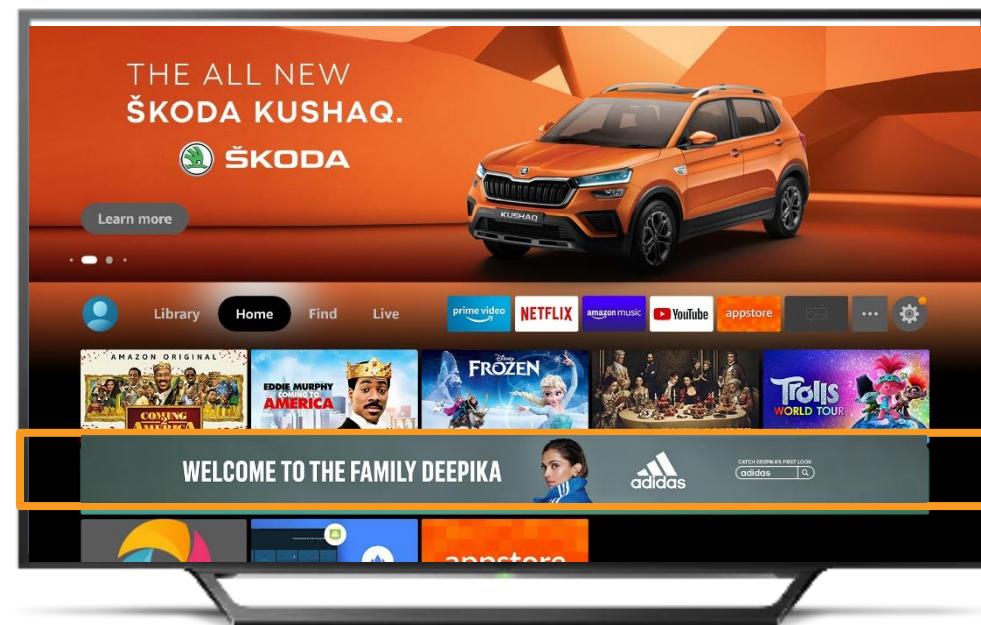
Results:

11.8 Mn
Impressions delivered

2MM+
Household Reach

0.56%
Click-through rate

Mondelez leveraged Search + Display ads to achieve 100%+ Sales lift
Focus product targeted search & display campaigns paid strong dividends

Approach

- **Campaigns were segmented basis Gifting & Non-Gifting Cohorts** enabling granular control for budget optimization
- 2 pronged approach:
  - **Display ads** to reach gifting cohorts with the creative highlighting Hero SKUs with offers
  - **Sponsored ads** campaigns to promote focus packs
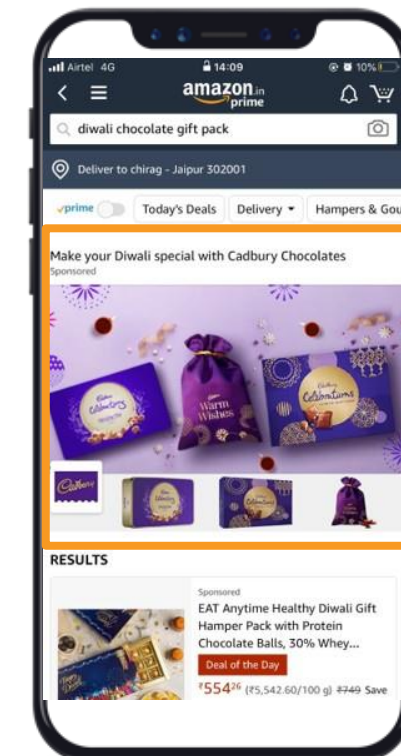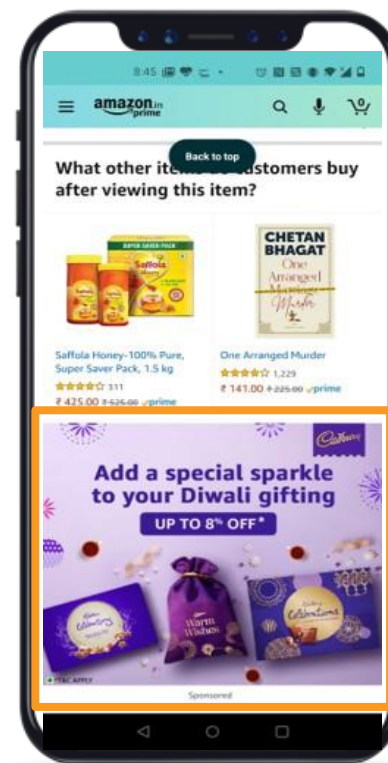
Results:

313 Mn Ad-impressions	**0.46%** Click-through rate	**105%** Increase in sales

Nokia leveraged Amazon Ads to achieve 7.5x RoI

Leverage of display & search ads to build optimal visibility with festive shoppers

NOKIA

Approach

- Identification of **relevant audience** cohorts across lifestyle , in-market and search signals
- Deployment of a 3-pronged approach:
  - Driving **product discovery** through premium display ads on the amazon.in homepage slots
  - **Engaging intent shoppers** in search through Sponsored ads to drive consideration
  - **Remarketing** to detail page viewers to improve conversions
- Ad-creatives focused on product benefits and variants

Results:

27 Mn
Ad-impressions

~1.5%
Click-through rate

7.57x
Return on Ad Spend

25

Key takeaways

Consumption sentiment is cautiously optimistic around festive shopping and digital channels will play a key role in the decision journeys

Leverage 'intent' signals and cover key digital touchpoints to get into consumers' consideration set

Leverage 'efficiency' metrics to enrich performance evaluation approaches

Thank you

MMA
CONTRIBUTORS

Moneka Khurana
*Country Head & MMA India Board
Member, MMA India*

Rudrashish Nag
Director - Membership & BD, MMA India

GROUPM
CONTRIBUTORS

Ritika Taneja
Head of Ecommerce, GroupM India

AMAZON ADS
CONTRIBUTORS

Neeraj Rai
Sr. Marketing Manager, Amazon Ads

Suhen Singhal
Manager - Marketing, Amazon Ads

Ishan Chawla
Sr. BDM, Amazon Ads