



Digital Merchandising & Local Deals for **Pre-Shop Success**

Explore the art of balancing print advertising with digital merchandising content strategies to highlight your best local savings and deals. Join Matthew Cheung, Managing Director of Solutions, and Adam Halim, SVP of Product & Marketing with Flipp, as they explore the methods used by Canada's top retailers. Learn how these trailblazers have adapted their print strategies, introduced digital-first experiences, and achieved remarkable results.



Adam Halim SVP of Product & Marketing



Matthew Cheung Managing Director of Solutions





Digital Merchandising & Local Deals for Pre-Shop Success









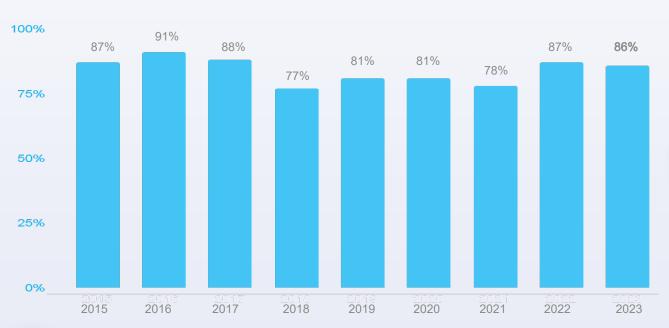
Is this an ad?





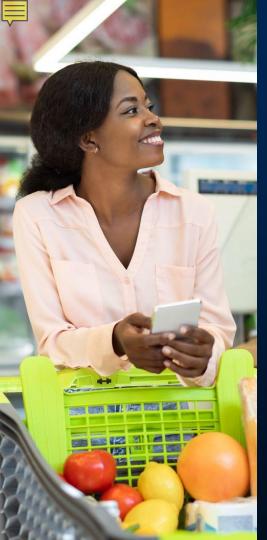
Do Shopper Treat the Flyer as an Ad?

86% claim to read the flyer during an 'average week'









The content provides

Local Utility



01 02 03 04 05



Shoppers want tools to help make smart decisions











Things keep getting more and more expensive. With three kids and not having two full-time incomes, we need save where we can.

60 %

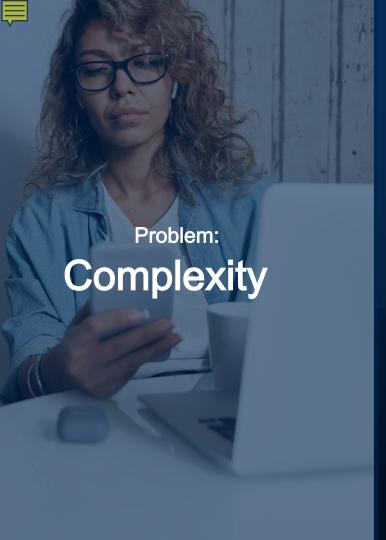
paycheck to paycheck

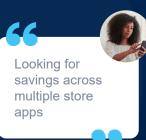
The emotion they feel



Re lie f"







Balancing the time it takes to plan vs. finding the deal





18%

more retail businesses registered in North America between 2006 and 2019

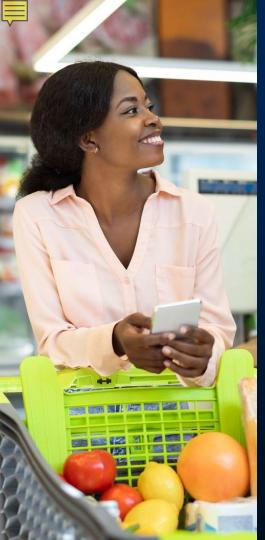
50%

of shoppers consider multiple stores each week to decide which to visit

The emotion they feel when a problem is solved



"Pride"



The content provides a shopping **Experience**





Organic



Grid

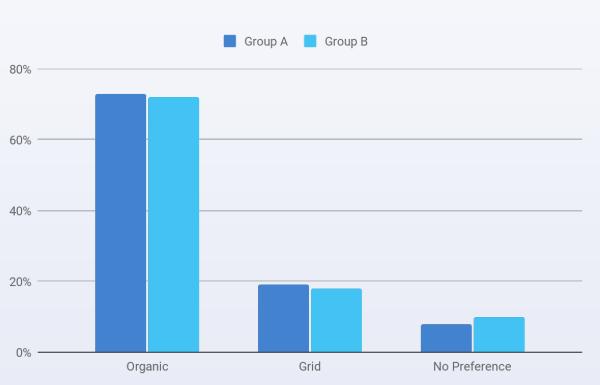




Stimuli



72% of users prefer organic "print" feel













Weekly Ad / Flyers

In 2022, retailers spent millions to create and distribute print circulars in Canada.



Trips



Multi - Category Baskets



Vendor Support



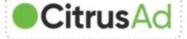




















































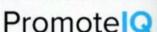
































buy buy BABY













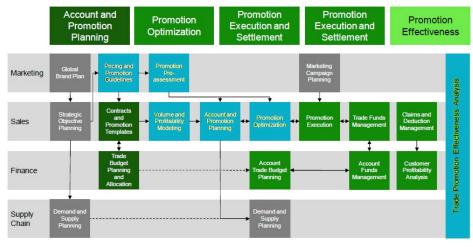


















Print Based Infrastructure Was Effective, **but it has Disappeared**

Print-based, weekly circular infrastructure delivered shopper preferred creative that reached nearly every household.



We need an effective alternative





Sudden Route Cancellations







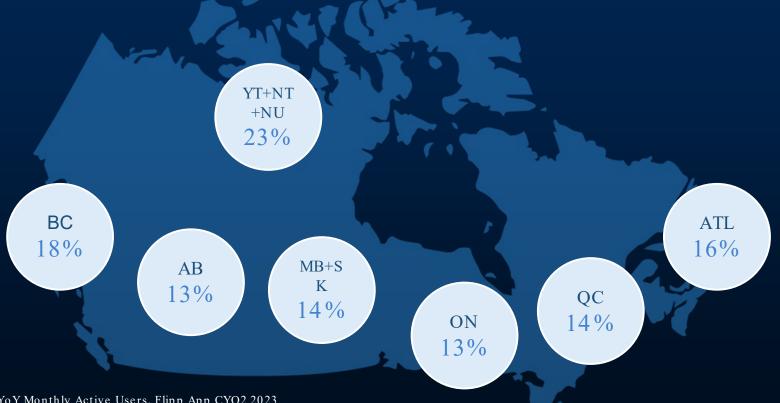
Canada: When?





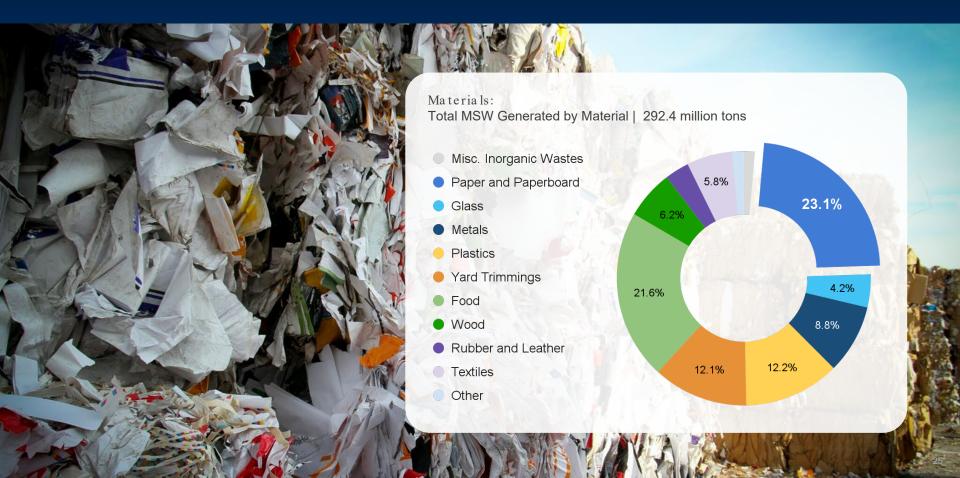


Flipp Year Over Year Monthly User Growth



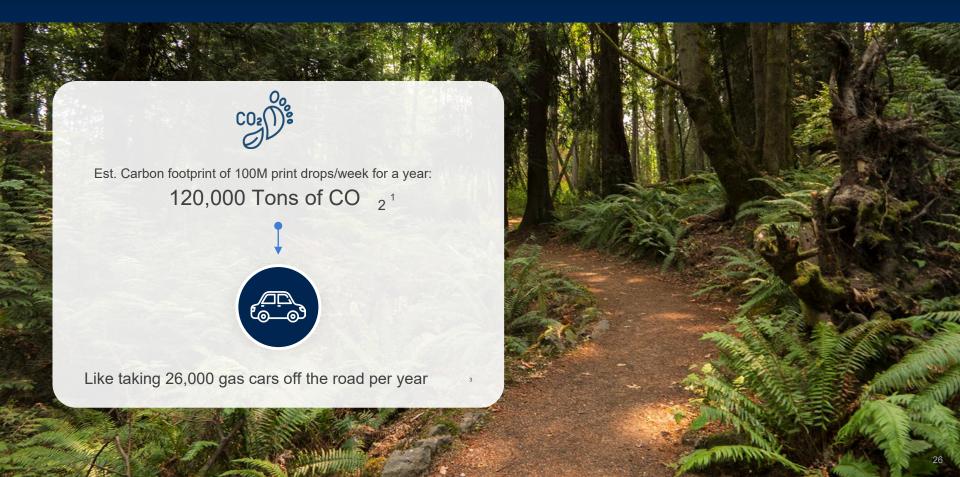


Paper is #1 Contributor of Material Waste





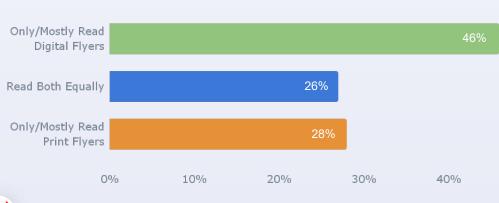
Removing Paper Leads to Significant Carbon Reduction



Q: During an average week, which statement best describes how you read weekly ads?

Digital is dominant form of circular consumption as **print infrastructure declines** and shopper preferences shift

Among weekly ad readers



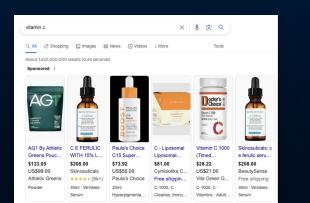


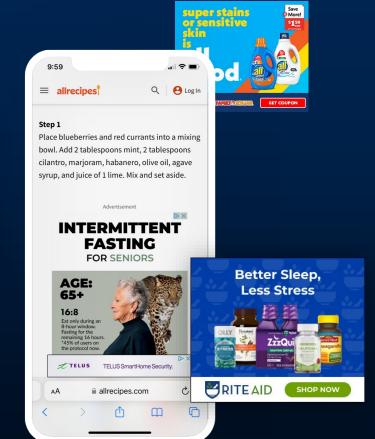


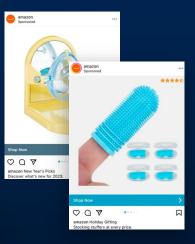
Switch to Digital?









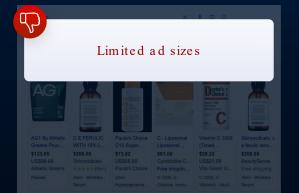


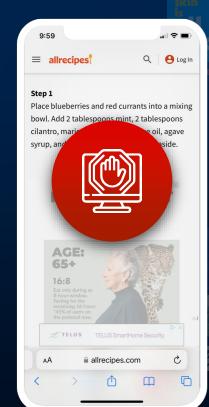


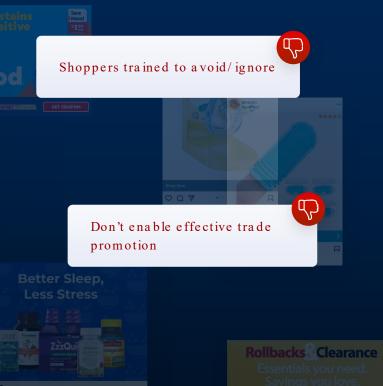


Not so fast...













Content & Curation







Retailers have a secret weapon when it comes to content.



Base Product Only 0.49% CTR, \$1.4 CPC



With Sale Price 0.98% CTR (+99%), \$0.76 CPC



Sale Price + Coupon Match 1.39% CTR (+181%), \$0.54CPC



Base Weekly Ad 1.73% CTR, \$0.52 CPC



With Sale Price 2.0% CTR (+15%, \$0.43 CPC)



Sale Price + Coupon Match 2.26% CTR (+30%), \$0.36 CPC

Test Method

- FB Display Ads
- Objective is click
- Oct 2022



Good Content

Answers the questions and informs:

- What's On Sale This Week?
- Tells your story
- Builds a basket and drives trips

Leads to Winning Experiences.









\$53.00 Books Brown



Native Regular Deodorant 2.65

Clean. Simple. Effective

I am trying to live healthier and am always to

for ways to improve my routine. Hove, love, my Native! I won't use anything else.

Find more offers for

Native

without any dirty secrets. That's why

clean, fun, and cruelty free.



Answer the question: What's on sales this week?



Engagement Rate 21%

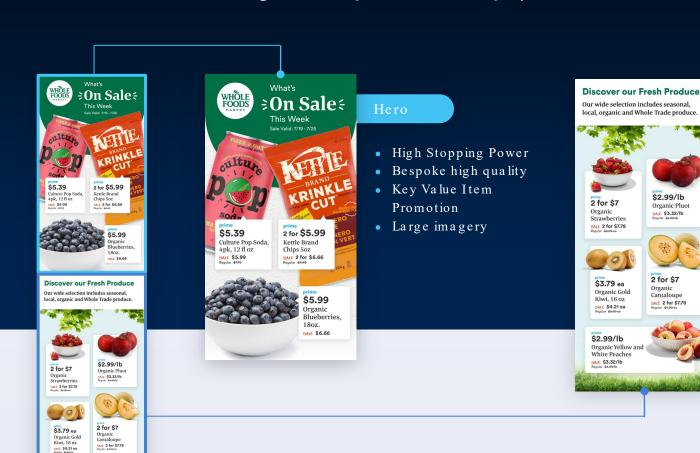


Engagement Rate 6.5%



Engagement Rate 19%

Balancing Quality & Quantity (Hero & Basket Builder)



Basket Building

\$2.99/lb

SALE \$3.32/lb Regular \$4.99/lb

2 for \$7

Cantaloupe

SALE 2 for \$7.78

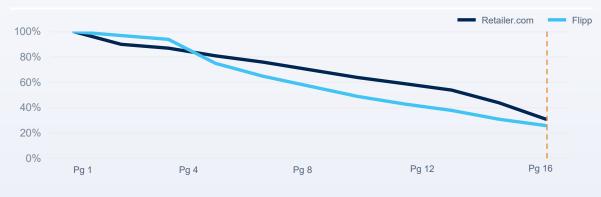
Organic

Organic Pluot

• Higher density product offer and prices, organized in an easy to understand and find fashion

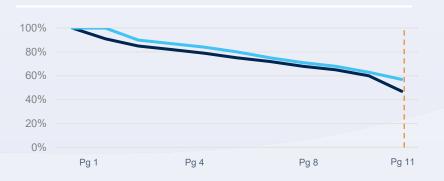
Content Length

Read Rate vs Content Depth - CA Grocer 16 page





Read Rate vs Content Depth - US Grover 11 page



Market Learnings



Don't be shy to include lots of content, read rate remains high well into the experience



Show off the best at the front, last page has no special value



Start with your Merchandising Content



Digital Shopper Experience





Traditional Content

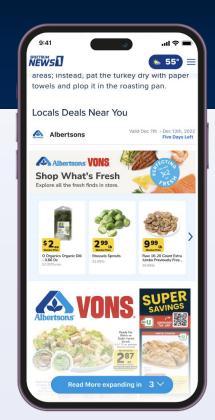


Mixed Content (Dynamic Content + Traditional)



Full Digital Canvas







Dynamically Personalized Shopping Experiences



Fresh focused shopper

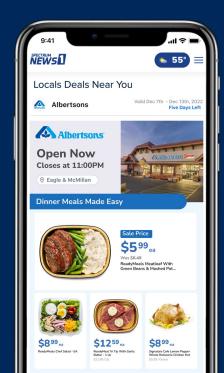


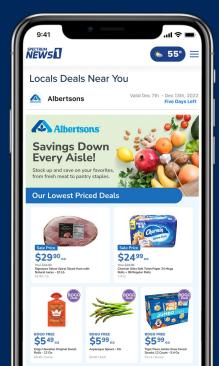
Convenience shopper



Price conscious shopper









Contextual Optimizations



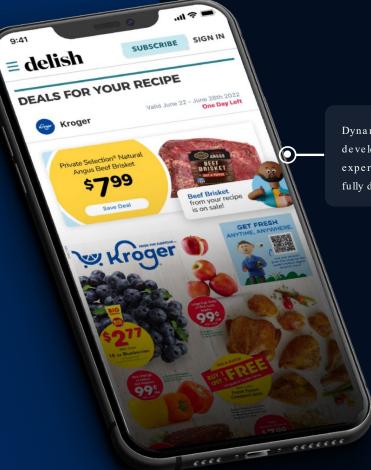
Geo-targeted: Dallas, Texas



Contextual targeting based on recipe information



Delivers a 18% increase in store trips vs. control



Dynamic contextually developed shopper experiences that are fully digital

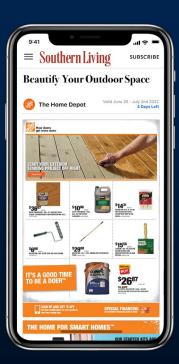


Shoppability & Digital Promotions

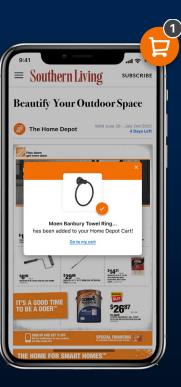
E-commerce & click & collect

CPG Coupon Integration

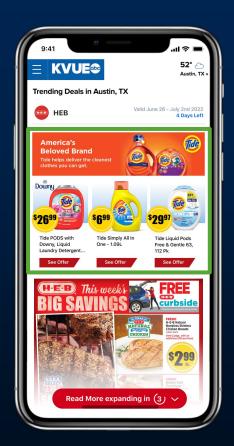
Loyalty & Rewards Points







Tipp | Kroger RFP





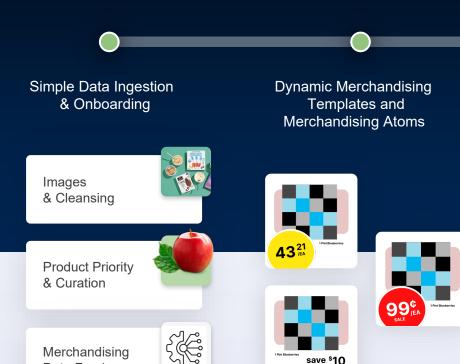


Dynamic Vendor Programs

Dynamic Canvas allows retailers to create real time digital experiences to capture additional vendor dollars in connection with existing assets OR create fully digital standalone experiences.



Flipp Dynamic Canvas



Data Feed or

API

Next -Gen Dynamic Rendering



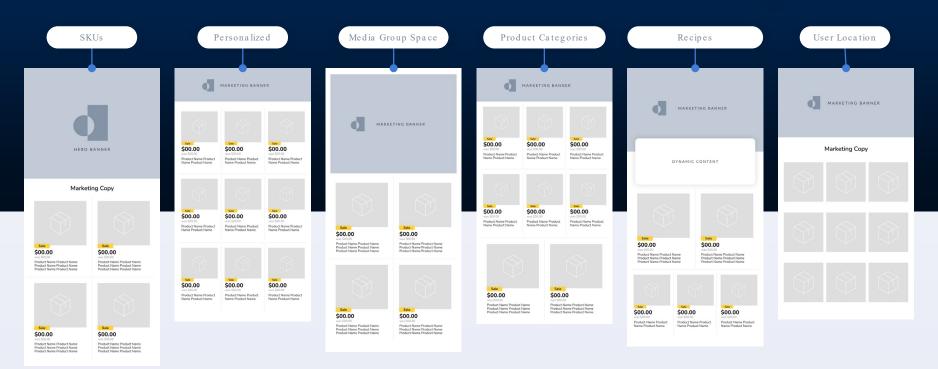
Native Shopper Experience Distribution





Digital Curation



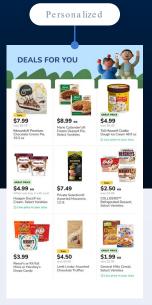




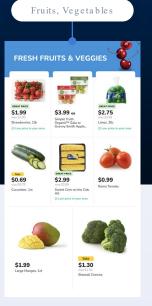
Digital Curation

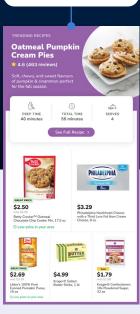












Oatmeal Pumpkin Cream Pies





Digital Curation

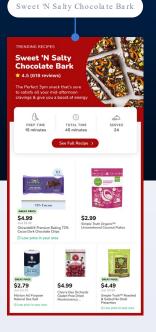
















Whole Foods Digital Experience

"Hi-Impact" Display Ad 300 x 600 Expandable



Flipp Standard Digital Experience 600 x 2400 NativeX Experience

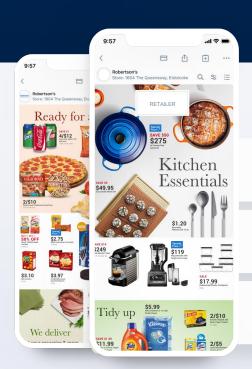


Flipp Dynamic Canvas 600 x 2400 NativeX Experience

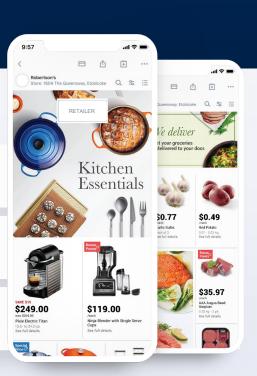


Shoppers Spending More Time Reading

& Were More Likely to Visit A Store & Add Items to Their List





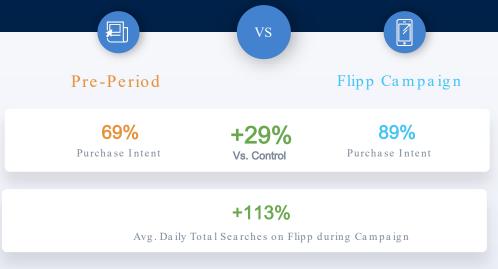




Curated Shoppable Content increased

purchase intent +29%

A cohesive landing experience designed for shoppers using brand building assets and local merchandising offers delivered in the right context built consideration and drove demand for Kraft.











Translating our Merch Strategy to Shoppers

Digital weekly ad experiences enables 6 key retailer and vendor merchandising strategies



Hero Wins the Store Trip

Content Source:

- Traditional (Inhouse/Agency)
- Flipp Custom Production



Basket Builder

Merchandising

Content Source:

- Traditional (In-house/Agency)
- Flipp Content Production
- Flipp AMP Studio



Targeted Digital Segmented & Targeted Content

Content Source:

- Flipp Dynamic Canvas
- Flipp AMP Studio

Content



Trade

Marketing Incremental

Content Source:

- Vendor Provided
- Flipp Dynamic Canvas
- Flipp Content Production
- Flipp AMP



Shopper

Marketing Incremental

Content Source:

- Vendor Provided
- Flipp Dynamic Canvas
- Flipp Content Production
- Flipp AMP



Brand Marketing Incremental

Content Source:

- Vendor Provided
- Flipp Dynamic Canvas
- Flipp Content Production
- Flipp AMP



Distribution





What is Loblaws?



What's on sale at your Loblaws this week?



Answers the Question of What, and Builds Consideration

To generate consideration every week, we need shoppers to engage with offers



Impressions



Engagements



Clicks



Interactions



Full Fidelity Experience (Flipp Native X)

Typical Display Ad

- No Interactivity
- Small real estate
- Low engagement

VS

Typical Display Ad



2400px





is it! Let everything cook together for hours for the deepest, most satisfying beef stew you'll try. Don't skip searing the beef - it creates more deeply flavored meat that develops the flavor of the stew even further. Dish up a bowl, curl up on the couch with a spoon and a hunk of crusty bread, and you're absolutely SET. The tender, rich meat paired with the unctuous sauce and dotted with fresh veggies is truly ideal comfort food. The rosemary and sun-dried tomatoes aren't classically





Reaching Shoppers

No matter where the content is shown, it should be a shopping experience, not an ad

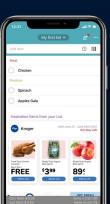
Owned Properties | Paid Distribution | Earned Media





Weekly Ad

Hot Deals





Flipp Distribution

Flipp drives Multi-item, Multi-Category shopping experiences using a portfolio management approach to drive Merchandising Results



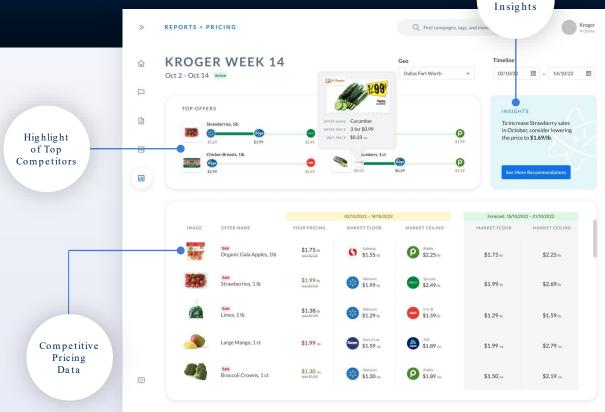


Measurement & Reporting





Reporting on Metrics that Matter to Merchandisers



Top-line





Measurement - Principles

Key Principles



Strategic Alignment
Get stakeholder alignment around digital flyer program to
measure, do not measure in attempt to get alignment



Generate Comparable Results
Directly comparable results is more important than
academic correctness



Iterative Business Case
Progressively walk up the ramp of reason to get increasingly definitive results in relation to complexity and risk





Measurement - Ramp of Reason

Progressively increase complexity, scale and risk of measurement to achieve increasing level of confidence, in order to get comparable results to make investment decision against business objectives

Digital Media Metrics



Did my digital media generate favourable metrics?

- Cost per engagement
- Quality of engagement

Behaviour Change



Did my campaign caused shoppers to change their shopping behaviour?

- Purchase intent lift
- Incremental store trips
- Card linked sales lift
- ID linked sales attribution



Did my strategy results in lift in sales at a scale that matters for the business?

• Sales lift as seen at the store level



Is this an ad?

