

Marketing Evolution Case Study

Philips Norelco - Smart Touch XL Q4 Campaign

CAMPAIGN OBJECTIVES

In July 2005, Philips Norelco was facing a challenge of declining Market Share and a decrease in overall category size from the previous year. Historically, campaign effectiveness was evaluated after the peak purchase season of the holidays by analyzing leading and lagging indicators, hindering the ability to optimize and enhance campaign effectiveness, in market, which left for highly questionable ROI.

The primary objectives of the ROMO research were to measure the effectiveness of each media channel while in-market to allow for mid-campaign optimization and determine the most effective and efficient campaign media mix for future product launches, including the Philips Norelco Bodygroom, as these campaigns shared similar targets and areas of focus.

Utilizing the same budget allocation from the previous holiday purchase season, marketing campaign objectives included measurement and optimization of media resources to accomplish better results for the Philips Norelco Smart Touch XL for both 2005 and 2006 purchase periods.



RESEARCH PROCESS

Through the use of Marketing Evolution's ROMO methodology, which utilizes Continuous Tracking and Experimental Design, the research provided concise value on each media's contribution to the campaign's impact and allowed Philips Norelco to optimize spend allocation, media weight and media mix mid-campaign as well as delivered key learnings and recommendations for optimizing future campaigns.

Additionally, the ROMO methodology provided a real-time detailed competitive analysis, allowing Philips Norelco to better understand their positioning in the competitive marketplace.

Adults ages 25 – 65 were surveyed to create a National Representative Sample for measurement of overall brand and specific Philips Norelco Smart Touch XL Product Awareness, Purchase Intent, Product Features as well as other key Branding Metrics. Special Oversample experiments were created to measure the impact of smaller reaching media in the mix, all measured against the same predetermined list of Branding Metrics and Product Features. In field measurement took place September 2005 through January 2006.

Through the Communication Optimization Process, success was achieved through:

- Identifying key milestone dates upfront before campaign launch;
- Building contingency plans prior to campaign launch that the entire campaign team agrees upon, including agency partners;
- Planning action steps if campaign results differ from projected results at predetermined points in the campaign
- Mid-campaign optimization possible because of upfront scenario planning which included Philips Norelco's desire to apply campaign optimization results for a successful launch of the new Philips Bodygroom product in 2006.

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CAMPAIGN

The Philips Norelco team had two separate campaigns that had similar targets and areas of focus: successful launch and increased market share of the Philips Norelco Smart Touch XL and applied success to the Philips Norelco Bodygroom product launch.

The Smart Touch XL target included: Users (Males) and Gift Givers (Females). The research was customized around each of these two key targets, ages 25 – 65, with measurement in field from September 9, 2005 through January 8, 2006.

The media mix, timing and weight differed by target group, utilizing a mix of National TV, Magazine, Online and Direct Email. Distinct and unique creative messages were designed by target to allow for the most relevant messaging for each group. All creative executions were creative-tested prior to entering the marketplace to allow for optimal branding impact.

Implementing Smart Touch XL campaign success into the launch of the Philips Norelco Bodygroom campaign was an early goal in the process. In launching this new product to the United States market, the Philips Norelco team implemented a strong Scenario Planning procedure to ensure the success of the campaign.

From the Scenario Planning sessions, it was determined the central Bodygroom campaign focus was the www.shaveeverywhere.com website. The heart of the relatively small campaign, this website was used as a viral marketing tool that determined the campaign's success or failure. The preplanning procedure allowed Philips Norelco to both apply the success of the Smart Touch XL campaign and hone in on what was most important for the Bodygroom campaign and set up measurement of the online media element so changes could be made if necessary to achieve goals.



Philips Norelco saw from the Smart Touch XL Q4 2005 study that online banner advertising and websites could achieve positive branding results among the specific targets. The Bodygroom catered to a similar target, and the Philips Norelco team used this knowledge to create a web-focused campaign to reach their core target of men age 25-45.

During the Bodygroom campaign, the website was carefully tracked to determine the success and impact on overall sales and key Branding Metrics. The measurement also revealed that though online banner advertising and searches were instrumental in directing people to the website, 31% of unique site visitors were referred by a friend, family member or colleague. The viral nature of the website led to an overall successful campaign. Philips Norelco achieved 200% of the original sales goal and 47% of people who visited the website were inclined to pass along the address to a friend.

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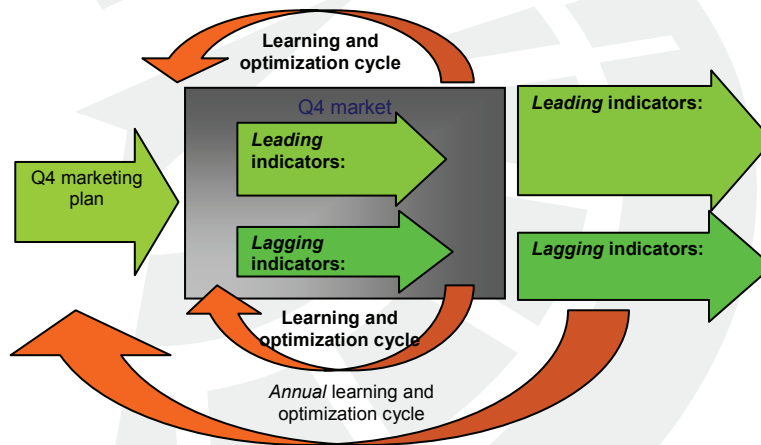
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FINDINGS

ROMO analysis showed the need for different media to work against different targets, which guided Philips Norelco with internal decisions for each advertising campaign objective as they specifically address Brand Building, Purchase Intent, and Product Sales. Utilizing specific media messaging for each target audience increased the overall campaign effectiveness.

Online techniques such as Roadblocks, Direct Email and Behavior Based Targeting can contribute to a significant lift in Purchase Intent, demonstrating the value of utilizing different Online techniques in combination with one another.

Through the Scenario Planning process, Philips Norelco found that preplanning which included creative testing and in-market optimization was key to repeatable campaign success. By altering the Television campaign to increase reach, ROI also increased. The Q4 Smart Touch XL campaign created a dramatic market share increase of 5 points. By applying learnings from leading and lagging indicators the real-time research provided optimal value to the campaign and to the achievement of the campaign objectives.



Key learnings from the Philips Norelco Smart Touch XL Q4 campaign measurement include:

1. Creative

- Creative quality always has an impact
- Creative testing is key in the research process and allows for optimization
 - By analyzing each creative execution on the same set of predetermined branding metrics and comparing levels back to those in the control group, it was determined which executions were the most effective at moving the core branding metrics
 - Poor performing creative were removed from campaign rotation
- Creative messaging must be appropriate and integrated by medium and target

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Online Performs much better against Target B

- ◆ 70% lift in Top Box Purchase Intent among Target B
 - Positive influence on all Brand Image Attributes

	Target A	Target B
Norelco Metrics		
	Δ	Δ
Unaided Awareness	NS	4%
Total Awareness	-2%	NS
Purchase Intent for Gift (Top Box)	1%	1%
Purchase Intent for Gift (Top Three Box)	NS	NS

	Target A	Target B
Smart Touch XL Metrics		
	Δ	Δ
Total Awareness	-3%	4%
Familiarity (Top Two Box)	NS	2%
Purchased in the Past Month	NS	1%
Purchase Intent for Gift (Top Box)	NS	0.4%
Purchase Intent for Gift (Top Three Box)	1%	NS
Average Smart Touch XL Attributes	-3%	4%

2. Strategy

- Campaign timing is critical and often matters down to the week
- A single overarching strategy has less flexibility than one that shifts and changes
- Campaigns should be viewed as a dynamic process
 - Online is the most flexible medium and should be viewed and utilized as such
- Upfront time investment of contingency planning executed via the Scenario Planning process proves very effective
- All agency partners must be proactive and must focus on the measurable impact of activities versus impression delivery
 - Must create proactive partnerships with agencies and clients

3. Targeting

- Online ad delivery at the right time and right place has a huge impact
- Different media and creative executions work differently against different targets
 - Online advertising worked much more effectively against the Gifter target as compared to the User target
- Success across one medium or target does not equal success across all media or all targets
 - Creative graphics cannot simply be duplicated for different media and/or targets
 - Creative messaging must capture the media and/or targets
 - Creative must fit the medium
- Targeting can be very rewarding via online behavioral targeted ad delivery, giving the opportunity to drill to the center of a target with great precision
 - Segmentation should be utilized in a legitimate and meaningful way, parsed to a granular behavioral target

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Behavioral Targeted Sites Drive Positive Performance

- ◆ Target B Behavioral Targeted placements drive most of the impact
 - Behavioral Targeted placements are also much more cost efficient as compared to Lifestyle placements

Norelco Metrics	Lifestyle		Behavioral	
	Δ	CEI	Δ	CEI
Unaided Awareness	NS	-	8%	100
Total Awareness	-2%	-	NS	-
Purchase Intent (Top Box)	1%	1322	3%	100
Purchase Intent (Top Three Box)	NS	-	7%	100

Smart Touch XL Metrics	Lifestyle		Behavioral	
	Δ	CEI	Δ	CEI
Total Awareness	NS	-	10%	100
Familiarity (Top Two Box)	1%	3164	6%	100
Purchased in the Past Month	1%	626	1%	100
Purchase Intent (Top Box)	1%	100	NS	-
Purchase Intent (Top Three Box)	NS	-	3%	100
Average Smart Touch XL Attributes	NS	-	11%	100

Results:

Real-time research provided recommendations to track performance of campaigns in-field to optimize performance and campaign ROI and to ensure that each medium's message is creatively optimized for the specific target. Continual database growth and Online optimization will provide the most significant results in-market and in between campaigns to increase Brand Loyalty and Product Value Awareness. Based on this research, Philips Norelco moved to a structure where they could obtain live campaign results and an adaptive marketing structure reliant upon real-time learning with the ability to optimize mid-campaign. By applying these findings in the subsequent launch of the Bodygroom campaign, the website measurement revealed that the online aspects of the campaign led to a success rate of over 200% above projection. Additionally, well above average increases were observed on all Branding Metrics and Brand Image Attributes over the course of the Bodygroom campaign.