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Impact of Search on Offline Beverage Purchasing

Google/Compete/Kantar Retail
U.S., April 2011

Key Findings

- Search engines drive 1 out of 3 visits to beverage branded sites and these searchers visit more often and spend more time on site than non-searchers
- Searchers spend more than non-searchers across the total beverage universe, driven both by more frequent trips and more spending per trip
- Shoppers who were search referred to a brand property and then purchased any brand in the same category outspend non-searchers by about 5% across 7 out of 8 beverage categories, with beer as the lone exception
- For almost all categories, increased spending and consumption was driven by increased purchase frequency, while spending per trip was relatively consistent across groups

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Objectives

- To quantify the impact of online research, and specifically search, on consumers' likelihood to purchase beverages in a store
- To quantify the difference in value to beverage manufactures between searchers, non-searchers, and the general population measured by:
  - Annual Spend
  - Purchase Frequency
  - Spend per Trip
  - Unit Consumption
  - Units per Trip
  - Trial

Methodology

•Analysis based on a single-source online/in-store panel established by matching Compete's online behavioral panel (2M U.S. consumers) with Kantar Retail's ShoperGenetics® shopper panel (100M U.S. consumers). This match is conducted by a third party to fully protect all panelists' personal information.

•Timeframe: Site visitation occurred between April 2009 – October 2010 and purchasing occurred up to 52 weeks post first visit

•Identified consumers who visited beverage branded sites via search and other sources and analyzed their subsequent in store beverage purchases

•Beverage categories include: Carbonated, Non-Carbonated, Coffee, Milk, Juice, Beer, Tea, Wine, and Liquor

•* and lower case letter indicates 90% confidence level

•** and upper case letter indicates 95% confidence level

•^ indicates small sample

Key Terminology

- **Annual Spend** – Dollar sales per household in the most recent year
- **Annual Unit Consumption** – Unit sales per household in the most recent year
- **Average Spend per Trip** – Annual Spend divided by Purchase Frequency
- **Average Units per Trip** – Annual Unit Consumption divided by Purchase Frequency
- **Gen Pop** – Average person who purchases beverages
- **Non-Searcher** – Consumer whose first visit to a branded site was not search referred
- **Purchase Frequency** – Number of purchases per household in the most recent year
- **Trial Rate** – Percent of households who purchase a product for the first time in a year
- **Searcher** – Consumer whose first visit to a branded site was search referred

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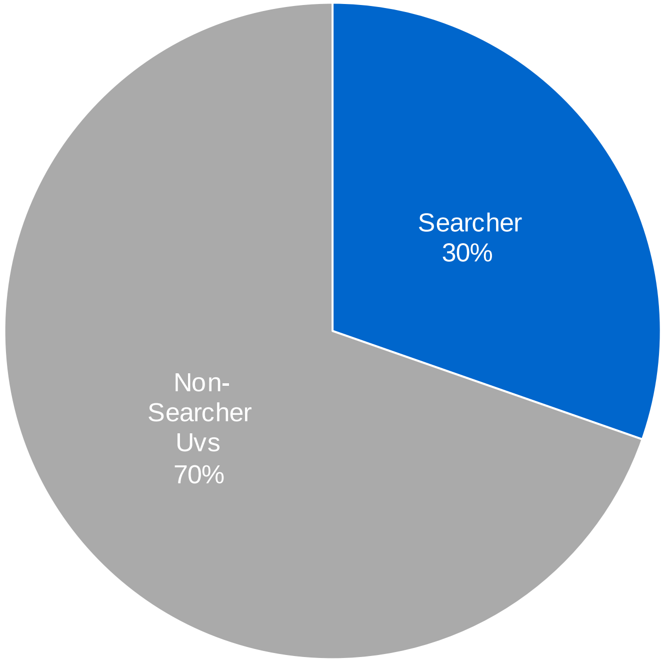
Impact of Search to Total Beverage Purchasing

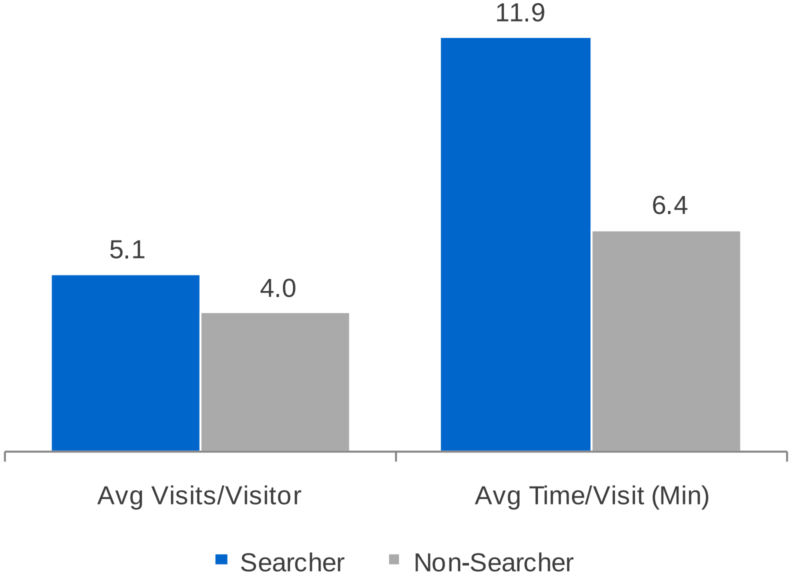
Searchers Account for 1 out of 3 Site Visits

- Searchers are more engaged on beverage sites than non-searchers—they visit more often and spend more time on site per visit

Share of Brand Site Visits
(April 2009 – October 2010)



Average Visits and Time
(April 2009 – October 2010)



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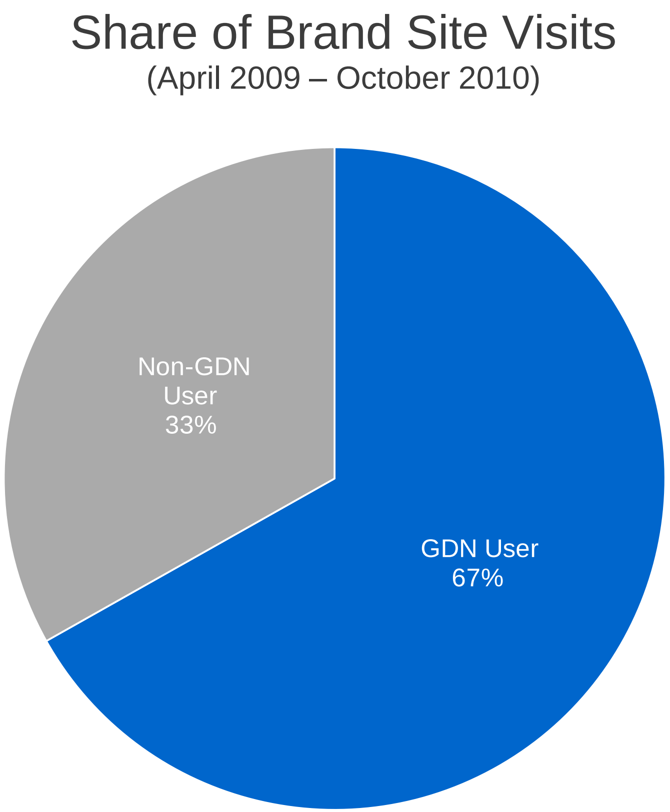
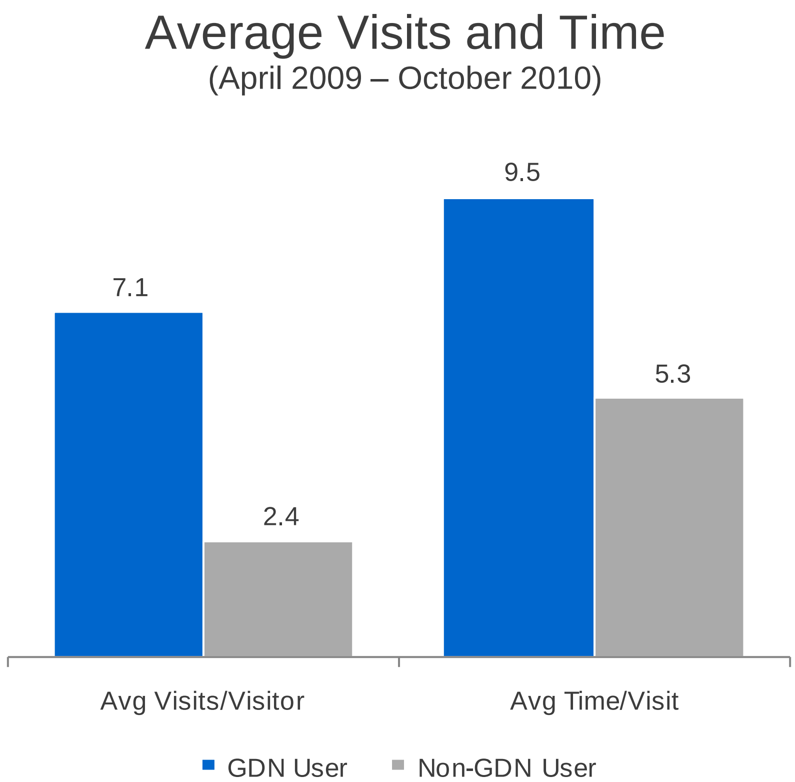
Source: Google/Compete/Kantar Retail, Impact of Search on Offline Beverage Purchasing Study, U.S. Apr 2011

Google Display Network Users Perform 2 out of 3 Site Visits

- GDN users are more engaged on site than non-GDN users—they visit 194% more often and spend 77% more time on site per visit



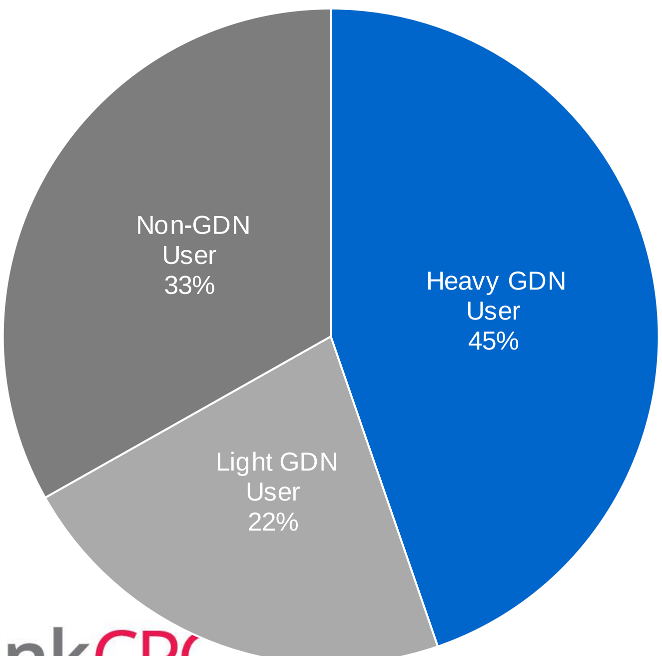


Source: Google/Compete/Kantar Retail, Impact of Search on Offline Beverage Purchasing Study, U.S. Apr 2011

Heavy GDN Users Drive the Increased Visits

- Heavy GDN account for 45% of beverage visits and they users are more engaged on site than light GDN users and non-GDN users
  - Heavy users spend almost twice as much time on beverage sites compared to non users
- The high volume of visits for heavy GDN users is in part driven by sweepstakes

Share of Brand Site Visits
(April 2009 – October 2010)



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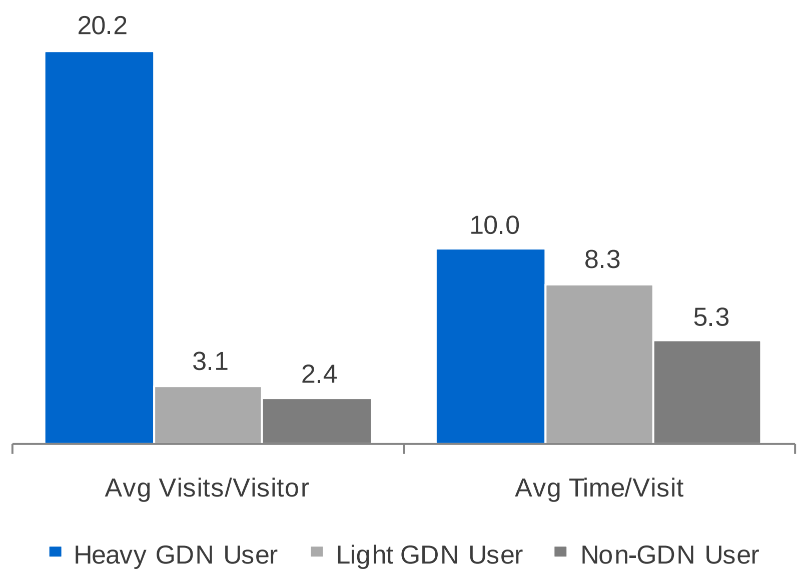

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Source: Google/Compete/Kantar Retail, Impact of Search on Offline Beverage Purchasing Study, U.S. Apr 2011

Note: Heavy GDN Users were referred from the GDN to a beverage site 3 times or more during the time period

Searchers Outspend, Buy More Frequently

- Searchers spend more, purchase more often, and consume more beverages than non-searchers and the general population

Metric	Searchers vs. Non-Searchers	Searchers vs. Gen Pop
Annual Spend	+5%	+15%
Purchase Frequency	+3%	+13%
Avg. Spend per Trip	+2%	+2%
Annual Unit Consumption	+5%	+15%
Avg. Units per Trip	+2%	+2%

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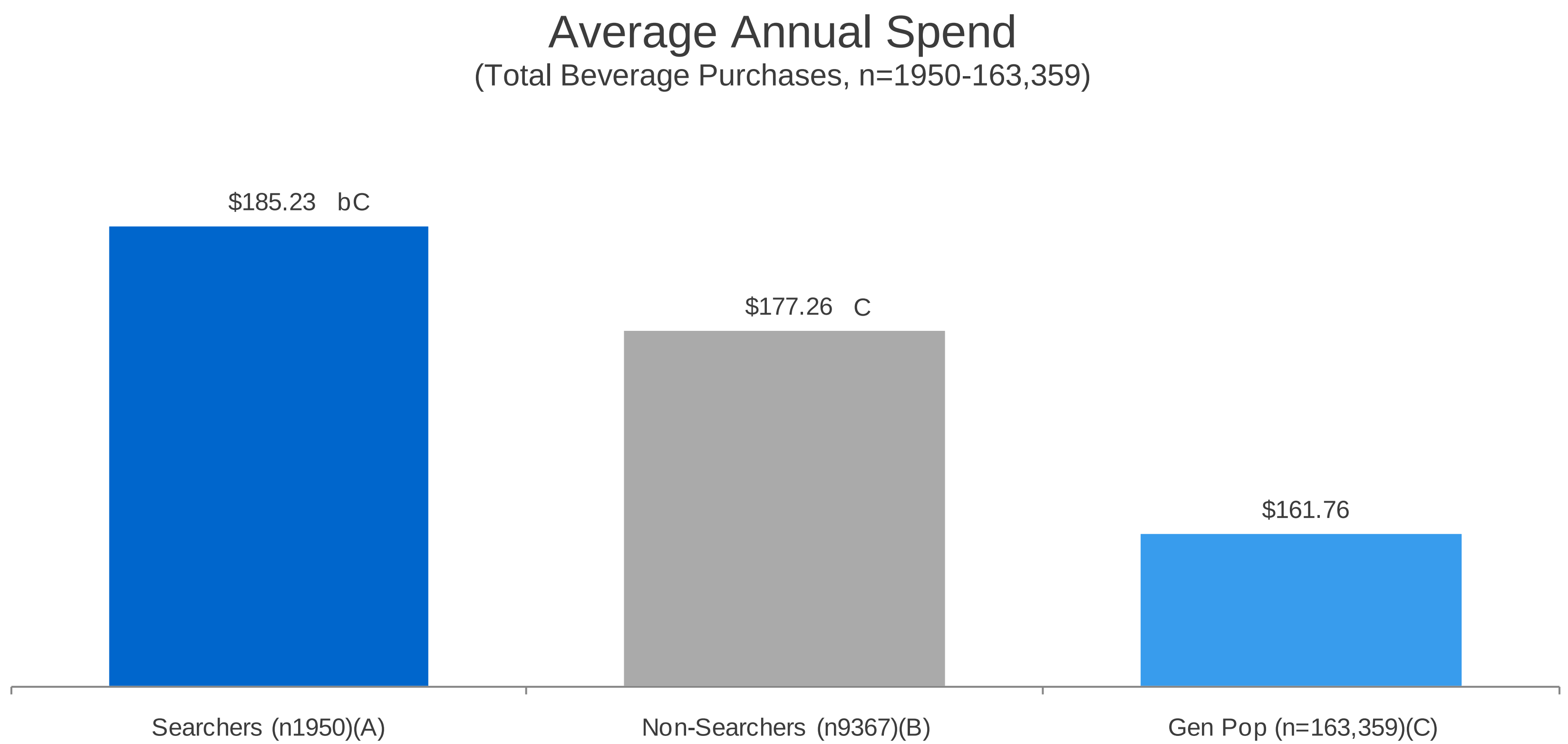
Source: Google/Compete/Kantar Retail, Impact of Search on Offline Beverage Purchasing Study, U.S. Apr 2011

Searchers Spend More than Non-Searchers

- Searchers are valuable to beverage companies—searchers spend 5% more on beverages than non-searchers and 15% more than the general population

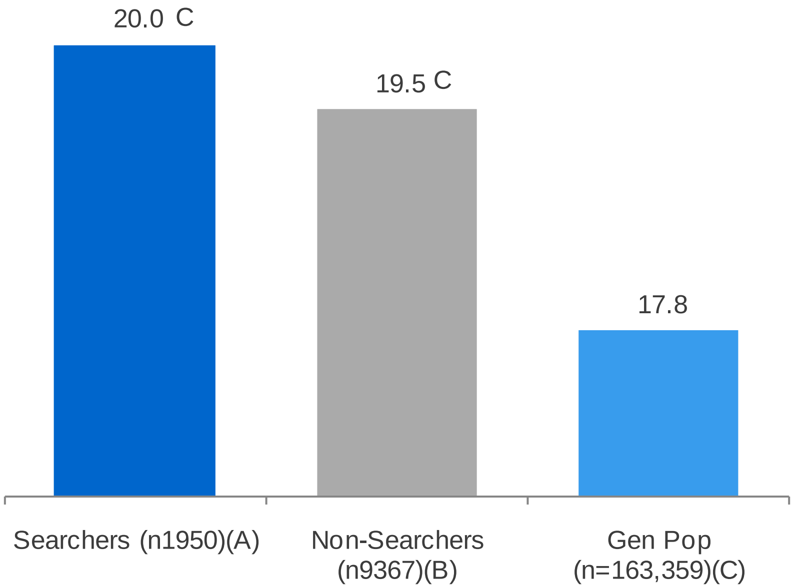


Source: Google/Compete/Kantar Retail, Impact of Search on Offline Beverage Purchasing Study, U.S. Apr 2011

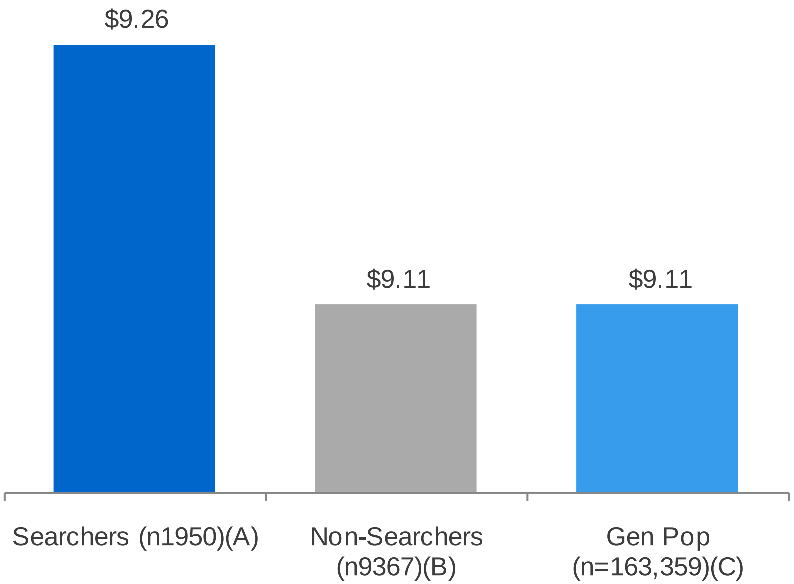
Searchers Spend and Purchase More Often

- Searchers spend more per trip and purchase beverages more often, accounting for the overall higher spend

Annual Purchase Frequency
(Total Beverage Purchases , n=1950-163,359)



Average Spend Per Trip
(Total Beverage Purchases , n=1950-163,359)



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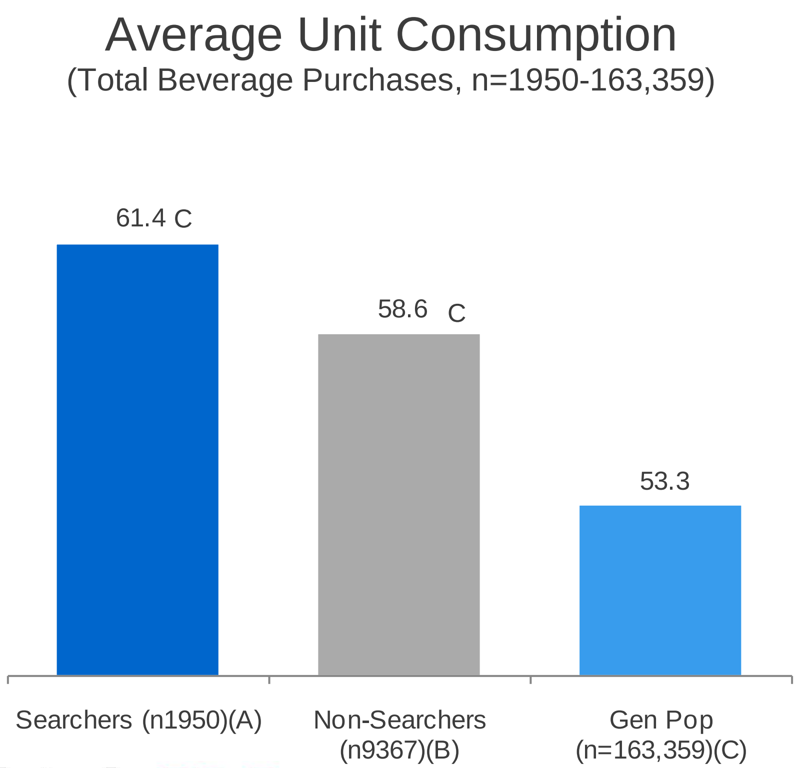
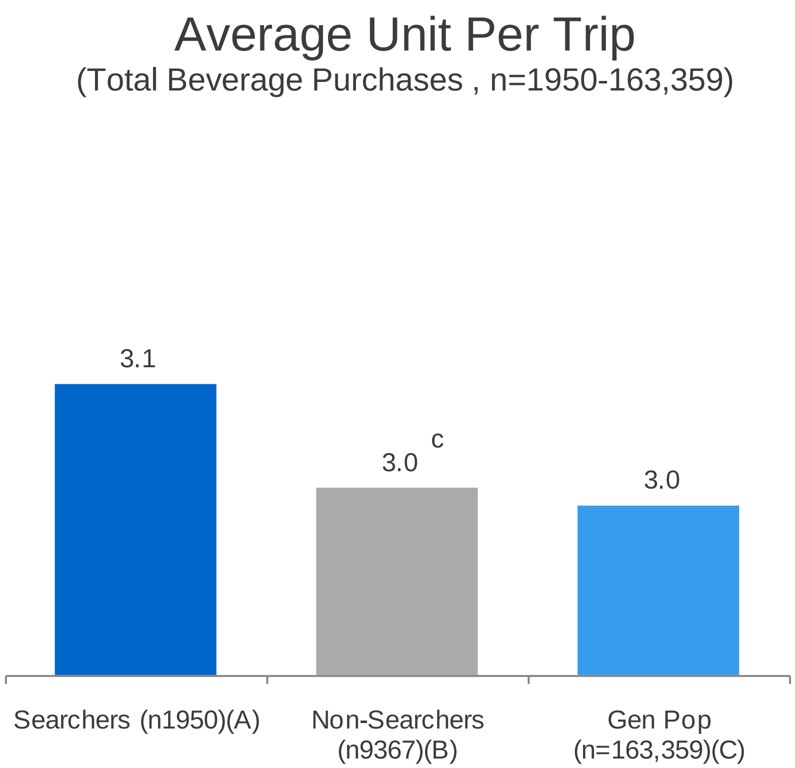
Source: Google/Compete/Kantar Retail, Impact of Search on Offline Beverage Purchasing Study, U.S. Apr 2011

Searchers Consume More Beverages

- When searchers buy beverages, they buy more units per trip, leading to 5% greater consumption than non-searchers'
  - Search marketing enables manufactures to target the most engaged consumers





Source: Google/Compete/Kantar Retail, Impact of Search on Offline Beverage Purchasing Study, U.S. Apr 2011

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The Impact of Search on Beverage Purchasing by Category

(Beer, Carbonated, Coffee, Juice, Liquor, Milk, Wine, Non-Carbonated)

Across Most Categories Searchers Spend More

- Across almost all categories, searchers spend more than non-searchers, with the greatest difference being for wine

Category	Searcher Spend vs. Non-Searchers Spend	Searcher Spend vs. Gen Pop Spend
Beer	-15%	86%
Carbonated	4%	31%
Coffee	22%	20%
Juice	30%	50%
Liquor	35%	55%
Milk	67%	55%
Non-Carbonated	66%	112%
Wine	272%	288%

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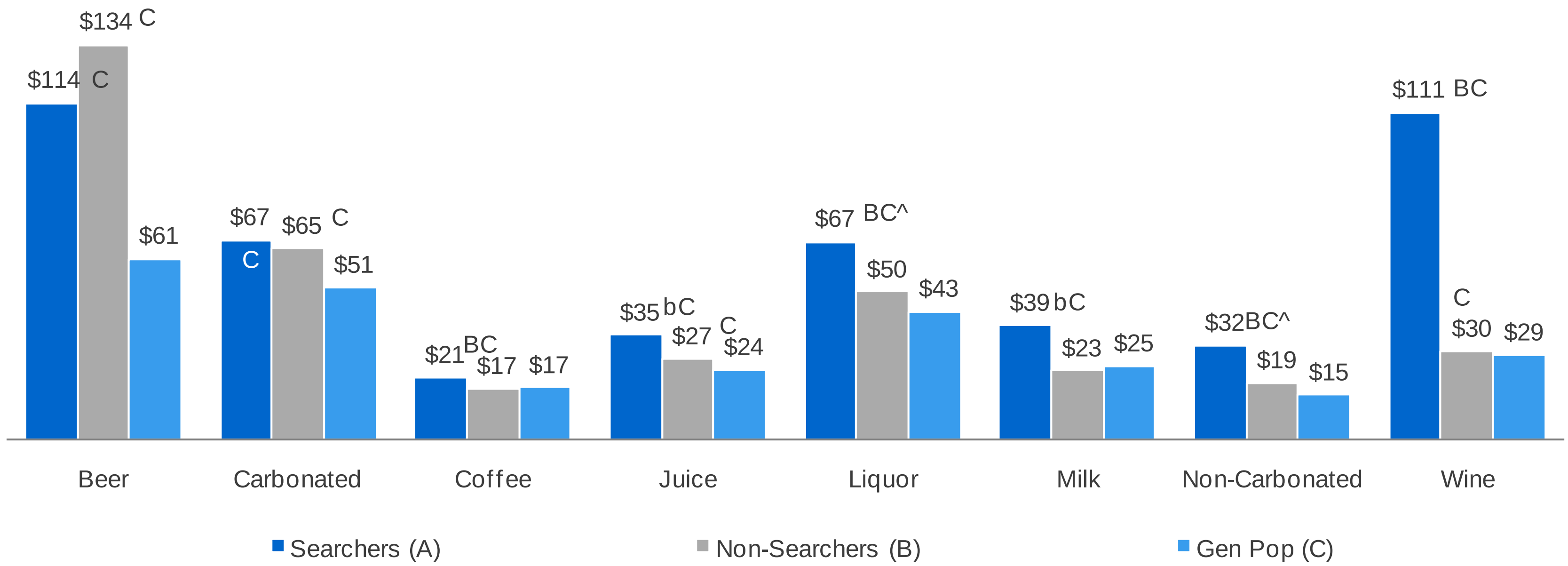
Searchers Spend More Across Categories

- Searchers outspend non-searchers and the general population in every category, except for beer, making SEM a wise investment for beverage manufactures
  - The difference is most dramatic in the wine category, where searchers outspend non-searchers by 272%

Average Annual Spend

(Category Beverage Purchases, n=38-121,687)



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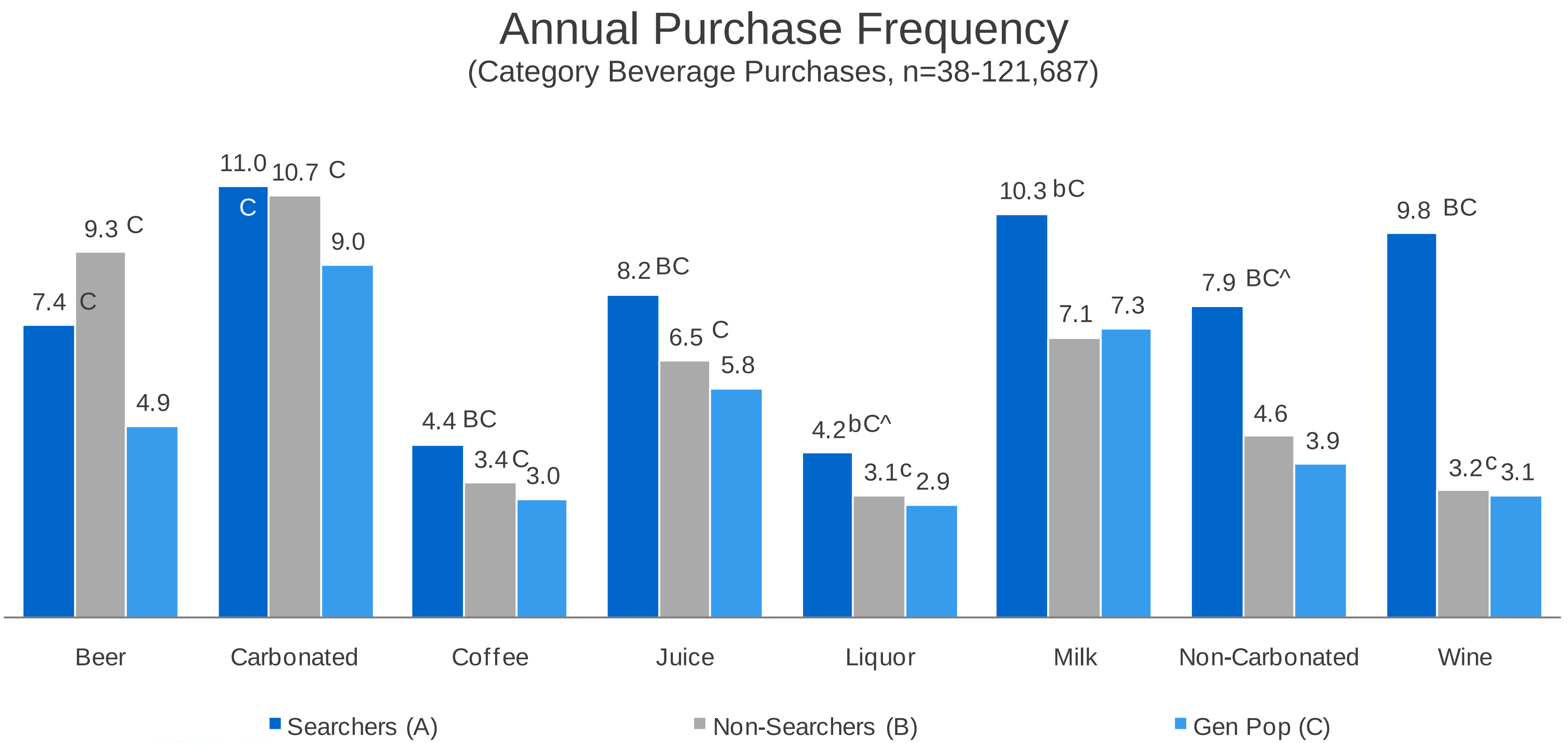
Source: Google/Compete/Kantar Retail, Impact of Search on Offline Beverage Purchasing Study, U.S. Apr 2011

Searchers Purchase More Frequently

- Searchers purchase more frequently than non-searchers and the general population in every category except for beer
  - Reaching searchers with your brand message could translate into increased product purchasing



Source: Google/Compete/Kantar Retail, Impact of Search on Offline Beverage Purchasing Study, U.S. Apr 2011

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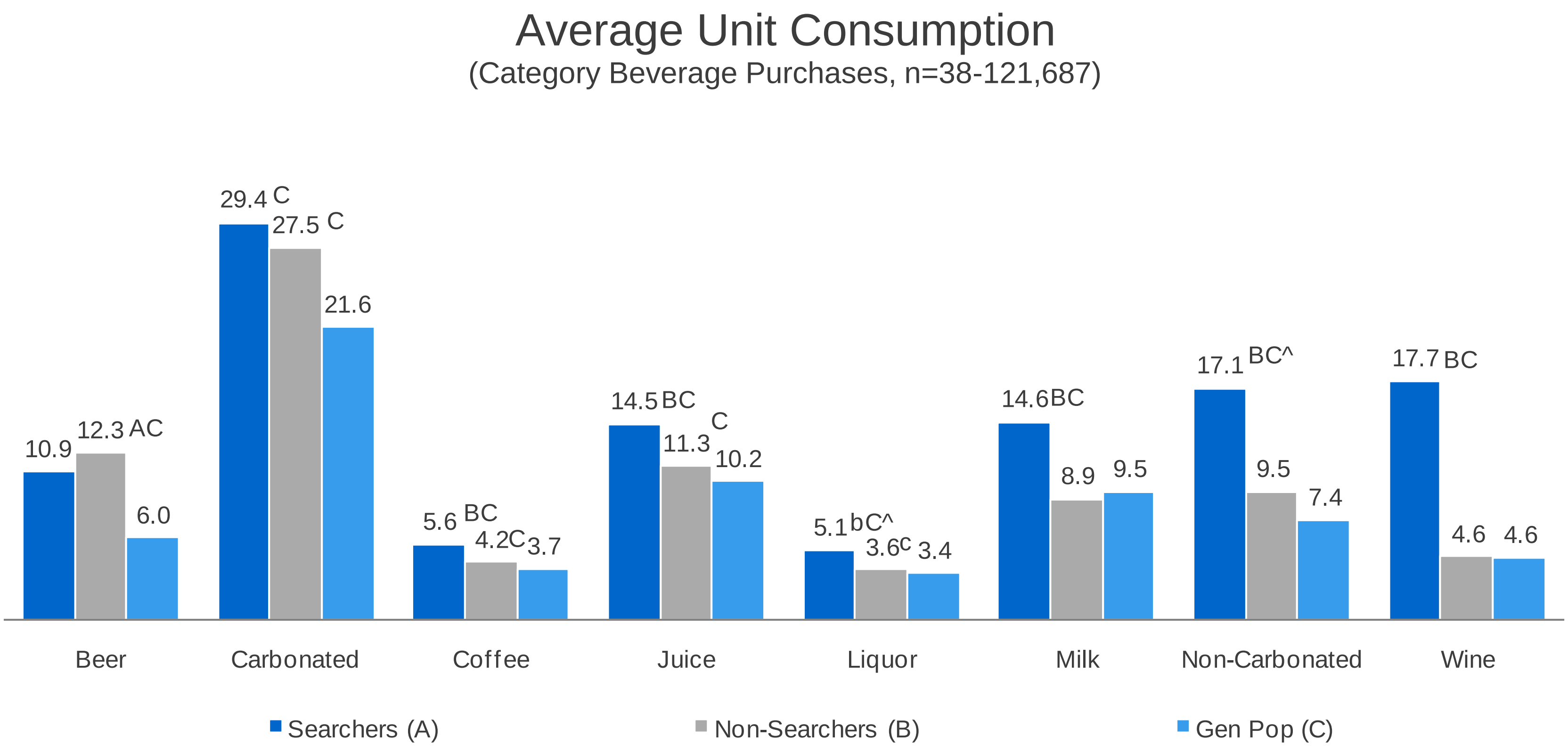
Searchers Consume More Annually

- Unit consumption mirrors annual spending, with searchers showing the most engagement across every category except for beer



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