How a holistic 360 degree measurement approach is enabling LG Electronics to understand and harness the power of retail.

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“Probably our biggest concern - which relates to engagement - is ‘holism’: the ability to capture the effect of a wide range of communications... if you see a change in brand attitude, how do you know it was your TV and not some product experience or word-of-mouth?”

Mark Greenstreet, Carat Insight, Research, 2006

The marketers challenge

Not that long ago, it used to be enough to look at retail audit data along with brand and advertising tracking to understand how your brand was performing.

Such a lot has changed!

On December 4th 2009 in New York the ARF held its first 360 Measurement Day reflecting the importance of new research measures in this area. There's been the explosion in online and social media, the realisation of the importance of word of mouth and an appreciation that it isn’t enough just to understand the sales and distribution through different retail channels but the response from real people in those stores too.

All marketers are aware of the importance of the retail channel to their brand’s success but how pervasive and persuasive are these experiences? Does the retail experience make or break a sale? With face to face experiences, advertising of in store brands and online retail, how important is the multitude of retail touchpoints to a manufacturer's brand?
The importance of retail

Retailers like Wal-Mart in the US and Tesco in the UK hit the headlines for their dominance.

In the UK, Tesco enjoys a 30% share of the grocery trade with profits of £3bn. For the fiscal ending January 31st 2009, Wal-Mart reported a net income of $13.6bn on $404bn revenue. Not only is it the biggest grocery retailer in the US but it is the largest private employer too.

It’s convenient for people to get everything they need in one place and at a good price, but not everyone feels comfortable with this. Purchasers see smaller local shops going out of business. Manufacturers need to ensure they establish strong and profitable relationships that ensure their brands get prominent display and recommendation.

This raises questions for manufacturers. How much should I be paying through the retail channel versus brand advertising? Where is my money best deployed? Should it be shelf features or special displays? How well is the retail support being implemented? What happens to my brand online through the retail and comparison website touchpoints?

Research needs to help answer these questions.
Wouldn’t it be great to track how people really come into contact with brands, from the TV ad to the comparison website to the store visit in real time?

You can.

Currently the Experience Tracking market is tiny. But it will grow quickly as companies realise the potential of the data that is being gathered.

Historically Brand Tracking has enabled us to monitor the health of our brand and communication awareness and diagnostics have shown us whether our TV ad has been performing well or not. In the fast-moving world we are now working within, brand metrics, whilst important, are a lagging indicator. We understand whether the health of our brand is improving or declining but we often don’t know why. When we see something unusual, this sparks another set of research, like group discussions, to find out what is going on. This can be hard to determine because we have developed a mindset that the brand’s health relates to the communications (largely brand advertising). But what if something is happening in store that has nothing to do with our brand ads? What if the word of mouth from existing customers is causing a change in brand metrics? What if....?

There are many things that can affect brand health. Unless we look at EVERY way that someone is coming into contact with brands it will be extremely difficult to work out what it is that is causing the effect.

Not only are we seeing brand metrics being questioned in terms of their decision-making ability, but customer satisfaction metrics often fail to deliver easy to implement decisions. We know the metrics are moving up or down but we don’t necessarily understand why and therefore what to do. Maybe brand touchpoints (like TV advertising) impact strongly on customer satisfaction scores? Perhaps website and call centre touchpoints impact strongly on brand metrics?

Regardless of whether we are looking at a ‘brand’ (e.g. TV, Billboard) or ‘customer satisfaction’ (e.g. Call Centre, Website) touchpoint, we are looking at the experience the customer has had with the brand. The combination of these experiences effect brand metrics.

So Experience Tracking in real-time is enabling us to see a detailed picture of what activity is impacting on our brand most effectively. It is enabling us to answer new questions that we haven’t been able to answer before. We are working with MESH Planning using their TROI approach to tracking experiences.
Insights from the TROI Experience Database

Each TROI study we conduct builds our bank of knowledge about the experiences people have with brands. We now have studies from across Europe, the US and Asia and there are well over 100,000 experiences in the TROI Experience Database. This database provides benchmarks for clients like LG and also allows us to understand wider trends across studies and countries.

Below are just a couple of insights...

Which TV ad has had the most positive reaction?
Within the database we have some of the world’s most award-winning ads including ads from Axe/Lynx and Sony Bravia.

Yet the most positive response we have seen to a TV ad was for an alcohol brand on price promotion during the festive season. This was not a brand ad. The advertising was from three retailers in the UK – Sainsbury’s, Morrisons and Somerfield. Normally this would never feature in Share of Voice because the brand wasn’t ‘on air’ (there was no brand advertising).

Yet the advertising was encouraging people to phone up their friends to let them know about the great offer. Surely this type of advertising must have been de-valuing the brand? Looking at the qualitative comments associated with each experience we could see that people believed that the retailer (e.g. Sainsbury’s) not the manufacturer, was the initiator of the price promotion. The reason was to get them to do their Christmas shop in the store. When you are spending £100’s on a Christmas shop, a loss leader on one alcohol brand can easily be justified by the retailer.

Clearly we would not recommend that a brand continually run price downs advertised through the trade, but this illustrates the importance of the retail channel and the potential impact it can have on both brand perception and brand sales.
Are different demographics picking up paid for and non paid for media?

Most tracking companies will be aware of the cultural differences between responses from one country and another. For example, people in many Asian countries tend to provide more positive responses to those in European countries. However, our database is showing us that older people across our UK studies are picking up a higher percentage of non-paid for media channels whilst younger people are coming into contact with more traditional paid-for channels.

Touchpoint share for paid for media decreases with age and other channels become more prominent amongst older people.

Older people are far less likely to be persuaded to consider buying a brand in future after seeing communications than younger people who are more open to change.

Touchpoint experiences amongst people aged under 45 are much more likely to affect their propensity to choose the brand next time...

Understanding that the product experience, seeing the brand in store and word of mouth are such important channels for older audiences impacts on the media mix that is likely to be most effective with this group.
What is TROI?

TROI is a real-time approach to capturing experiences as they happen. This is done using participants’ own mobile phones. The approach was first trialled in 2006 and the results were presented at the ESOMAR Congress in London in September 2006 (Touchpoint Tracking: the journey to a viable model, ESOMAR Congress, London, 2006).

There are 3 key stages to TROI following recruitment, which we do via online panels in Europe and the US and face to face in Asia, to a client’s specification:

A Quick Overview
Each Participant goes through the following process

<table>
<thead>
<tr>
<th>Legacy Brand Health questionnaire</th>
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<tbody>
<tr>
<td>During a 15 minute questionnaire we collect data on people’s awareness, usage and opinions about the relevant brands and advertising. This questionnaire is similar to a traditional brand tracking study and it provides a benchmark against which to evaluate the rest of the data.</td>
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<table>
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<tr>
<th>Real-time Experience tracking</th>
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<tr>
<td>At the end of the questionnaire, we invite participants to become researchers, as they go about their everyday lives, and for the next week to text us whenever they see, hear or experience anything to do with one of the brands we are interested in.</td>
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<table>
<thead>
<tr>
<th>We send them a text which has a code with answers to 4 questions:</th>
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<tbody>
<tr>
<td>• What is the brand?</td>
</tr>
<tr>
<td>• What is the occasion?</td>
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<tr>
<td>• How did it make you feel?</td>
</tr>
<tr>
<td>• How likely did it make you to choose the brand next time? (or purchase that brand)</td>
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This means that, with minimum effort, we can capture what the experience was, from TV ad to Conversation, together with an emotional response (sense of engagement) and rational response (the persuasiveness of the contact).

During the week of texting, participants are clearly looking out for brands in a way that they wouldn’t normally do in real life. This means that we always look at this set of data comparatively. The participant doesn’t know whether we are interested in LG or Sony or TV or Radio, so we can compare across the brands and channels to understand which brands are reaching the widest target audience and which touchpoints are the most engaging and persuasive.

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<th>Future Brand Direction questionnaire</th>
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<td>There is another benefit from having ‘hot-housed’ participants. At the end of the texting week we can ask them their views again (Consideration, Favourability, Momentum, Image statements etc) to see how their views have changed from the beginning of the week to the end. And when we see what shifts there have been, we can see which experiences during the week of texting could have caused the shifts. For Consideration, we not only ask participants for their scores at the beginning and end of the week but, after they have given us their Consideration score in the Future Brand Direction questionnaire, we show them their score from the Legacy Brand Health questionnaire and ask them why the score has changed or remained the same.</td>
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The power of Experience Data

We are very early on in understanding all the potential uses of Experience Data and are working with academic experts to explore this in more detail.

The psychology of data collection

Dr Andy Wells, a psychologist at the London School of Economics has explained to us that it is almost impossible to recall emotion. You may remember that you have seen a poster but you are unlikely to recall how you felt at the time. And you certainly won’t be able to remember the nuances between the 3rd time you saw the poster and the 7th time, unless you have captured your feelings in real time. He has also confirmed something that we believe, that the TROI approach empowers participants making the data more accurate.

“Because emotions are transient and rapidly changing, the acquisition of accurate data about them is completely beyond the scope of retrospective methods. Not only does the TROI approach get closer to the truth of real people’s lives, it empowers participants to express themselves freely by making them responsible members of the research team.”

Dr Andy Wells, psychologist, London School of Economics

We have worked with participants and have had them present on conference platforms talking about what engages them through research studies. One phrase they have coined is ‘multimedia research’, which is essentially research through different channels, whether traditional online surveys, or diaries or videos or texts or an online forum. (‘More, More, More: how respondents are demanding more and co-creating the research process.’ ESOMAR Congress 2009). Some people like to tell their story through words, others through pictures. Having a range of channels allows participants to express themselves fully in the best way for them. One of the main reasons participants like TROI is because the texts of their experiences act as an aide memoire so that when they go into their personal diary and see them they feel they are able to provide a more accurate picture of their lives than they would be able to do if they were relying on memory.

For ‘More, More, More’; we asked people about their favourite surveys. One participant explains why the TROI study had appealed.

“This one relating to charities and texting in whenever I see an advertisement for certain charities. I feel like I was doing something practical instead of just answering what can sometimes feel like continuous ‘pointless’ questions on a website.”

Oxfam Climate Change TROI participant

The importance of Quality over Quantity

Professor Hugh Wilson and Dr Emma Macdonald at Cranfield School of Management have been analysing some of the TROI data. In particular they have been looking at the impact of a person’s current attitudes on their actively initiating encounters with the brand, be it walking into a store, visiting a brand website or starting a conversation (combining the Legacy Brand Health questionnaires with the texts in real time). They have equally been looking at the feedback loop in the other direction: the impact of brand touchpoints on people’s attitudes (putting the text data with the Future Brand Direction questionnaires).

Professor Wilson has a particular interest in the topic of engagement and, in conjunction with Anne Mollen, is about to publish an article on “Engagement, telepresence and interactivity in online consumer experiences: Reconciling scholastic and managerial perspectives” in The Journal of Business Research.

“Linear models of how attitudes lead to behaviour aren’t just deeply patronising, treating humans like Pavlov’s dogs. They also simply don’t work very well. We need to think instead in terms of engagement: a cognitive and emotional commitment to an active relationship with the brand. We all know this, but TROI experience data at last allows us to unpack how engagement evolves over multiple active and passive touchpoints.”

Hugh Wilson, Professor of Strategic Marketing, Cranfield School of Management
Early findings are revealing that whilst there is an effect of a person’s attitudes on whether, for example, they go into a shop or initiate a conversation, the real impact is on the quality of that shop experience or conversation. The same is true for the impact of an experience on attitudes. It is the quality of the experience (e.g. the response to the TV ad) rather than simply the fact of being exposed to it that most profoundly affects attitudes.

“Yes, we can to some extent predict shifts in brand attitudes such as consideration based on the quantity of touchpoints of each type – marcoms, word-of-mouth, store visits and so on – that someone has. But we’ve found the predictive power to be far greater when we take into account the quality of each experience – particularly the emotional response.”
Dr Emma Macdonald, Cranfield School of Management.

So not only will people forget their emotional response if not captured in real time, but understanding this response is vital to our understanding of how experiences are impacting on brand metrics.

**Linking Experience data to sales**
Ultimately we are looking at how marketing activity impacts on sales so that we can see how to evolve campaigns effectively.

If there has been a proven correlation between Share of Voice and Market Share we believe that we should be able to achieve a better correlation of Experience Share and Market Share. After all, Share of Voice does not include retail touchpoints, consumption experiences or word of mouth.

In “Exploring the link between Share of Media coverage and Business Outcomes”, Angela Jeffrey, Dr David Michaelson and Dr Don W. Stacks look at the impact of PR.

“So, if share of paid media (SoV) is related to market share, is it not possible that the share of quality-refined, non paid media (Share of Discussion) might also relate in a similar way?”

They concluded that there was a link. Professor Wilson and Dr Macdonald at Cranfield are interested in extending their work with us to look at the correlation between all experiences (Experience Share) and sales. It requires a continuous Experience Data stream over at least 6 months. By Autumn 2010 we are hoping to be able to look at the LG data collected from February.

“We’re excited about modelling sales from continuous TROI data, as we see three significant advantages over traditional econometric models. One, it’s more holistic: we can take into account word of mouth, store experience and so on in addition to paid-for media. Two, it’s more realistic: we are measuring actual touchpoint exposure, not media spend which is an imperfect proxy for genuine share of voice. Three, it’s more discerning: we can capture the quality of each touchpoint and not just the quantity.”
Professor Hugh Wilson, Cranfield School of Management

**How is this new approach helping LG?**

“Analysis of 880 case studies shows a correlation between share of voice and share of market gain or loss. As a rule of thumb, for every 10% points that share of voice exceeds share of market a brand can expect to gain one point of market share, per annum.”

[IPA DataMine]
The LG Business Issues

LG is a relative newcomer into the home electronics sector. Brands like Sony and Samsung dominate but LG has strong ambitions with an end goal of reaching number 1 in the flat panel TV marketplace.

In the US market where LG has 8% market share, the team realised that it was important to understand the detail of the customer journey and how different touchpoints impacted on decision-making. With the economic climate changing rapidly towards the end of 2008 it was vital to see what strategies LG could put in place to generate sales whilst continuing to grow strong brand equity.

Further to that LG also wanted to continue to grow its partnership with key retailers by bringing new insights and working even more closely with them on innovative shopper solutions.

It was agreed that LG commission a project to understand the flat screen TV shopper journey.

Having worked with MESH Planning and Spring Research in the UK and read ‘The Glue’ describing how TROI had helped Iris and Sony Bravia develop their retail strategy, we commissioned these sister agencies to conduct this project.

The research design

We took a two phase approach:

- Phase 1 (MESH Planning): TROI touchpoint purchase process study with nationally representative sample (576 participants considering buying a flat screen TV in the next 6 months, with 2/3rd planning to buy within the next 3 months) during October to November 2008. In addition to the standard TROI approach described earlier, we added TROI Intercepts – voice activated telephone interviews. Every time a participant left a retail store we asked them to phone a number on their mobile and answer 10 questions including leaving a voicemail about the overall experience. This gave us much more depth of information about the retail environment than a text could provide (a bit like an exit interview without the logistics of setting these up with different stores).

- Phase 2 (Spring Research): ‘Snakes and Ladders’ qualitative shopper ethnographies (30 x 1 hour interviews with recent TV purchasers, mainly in home, where purchasers told us their stories in their own words) conducted in the New York area during November and December 2008. Decision Watch UK, presented at the MRS Conference in 2005 describes the approach behind Snakes and Ladders.
All findings were brought together for a one day workshop to ensure that we captured the detail of the two studies in an integrated way and also to encourage buy in from our team at LG with actions being taken subsequently. The key findings are listed below.

**Key Findings**

**#1 Importance of In Store and Online**

In spite of the amount of advertising over the Christmas period, In Store and Online were the two biggest touchpoints for flatscreen TV brands (see chart on previous page).

Not only are they pervasive, they are also persuasive. We can see this from the high Purchase Intent scores coming from the texts (“How likely did it (the experience) make you to buy this brand?” Please see chart on previous page).

There was a strong interplay between In Store and Online as people used both interchangeably to try to find the right TV for them.

“Mostly carried the Vizio brand. Good prices. I would probably shop online at this store and then buy in the store where I could see it in person.”

(Vizio, Internet, Target, Fairly Positive, Might Buy)

“Sony 46 inch, fantastic resolution, $1300 at Circuit City, will have to compare online and see if I can get a better deal.”

(Sony, In Store, Very Positive, Definitely want to Buy)

**#2 Retailers’ impact**

Beyond the retail environment, retailers were seen to have a big impact on brand metrics and purchase decisions by promoting brands through their own TV ads, websites, press ads and leaflets. Their influence was pervasive and deeply entwined with the way people were coming into contact with TV manufacturer communications.

The majority of TV ad experiences were not from manufacturers like LG and Sony, but from retailers like Wal-Mart and Best Buy.

“The ad for an LG TV available at Best Buy was viewed on TV during the Seattle Seahawk versus Tampa Bay football game. It was pointing out the picture clarity, and left me with a favourable impression, considering that this was the only brand mentioned in this Best Buy commercial.”

(LG, TV ad, Fairly Positive, Might Buy, TROI participant)

The deals and emails sent by retailers were driving action.

“I just noticed this, it’s a much better deal because this bundle also included a blu-ray DVD player.”

(Sony, press insert, Very Positive, Much more likely to buy)

Leaflets from retailers in newspapers are impactfull!

Leaflets sent out from retailers might not look pretty but they were poured over avidly and were highly influential to those in the market to buy a flatscreen TV. They accounted for 42% of all newspaper experiences, more than ads or manufacturer inserted leaflets.

They were especially noticed on a Sunday when people were relaxing and the fact that there were often leaflets from multiple retailers was encouraging people to go in store and check out the different brands and models.

Within the store there were certain elements that were particularly powerful. The short blurb next to the TV is the most powerful POS in the store. People want to touch and feel the TVs and they also want to know the key features. There was a distinct lack of brochure/literature about the TVs which suggested an opportunity area to help people through the maze of TV purchase.
Special brand zones were giving people a high value emotional experience. The ability to sit on the sofa and watch TV for real makes them feel at home and be able to imagine having the TV in their own house.

“Absolutely WONDERFUL! They had this set up in it’s own little viewing section. It was like a mini-theatre in the middle of the TV section. Beautiful! Excellent visual and sound quality! Priced competitively! Just beautiful set up. I wanted to take the whole thing home; tv, dvd, speakers, couch...”
(Panasonic, In Store, Best Buy Very Positive, Definitely want to Buy)

#3 LG, the innovative newcomer
LG’s brand communications were working well to position the brand as the innovative newcomer, snapping at the heels of Sony. People loved the TV ads for LG (30% of texts for LG TV advertising were Very Positive) and the website was also ‘Best in Class’.

“These TVs just look really awesome! I cannot wait to get one! They look really clear and like they are ‘true’ HD”
(LG, TV ad, Fairly Positive, Definitely want to Buy)

“This one caught my attention because it has a sensor that uses the light in the room to aid in giving the best picture quality. I think that would be a cool feature to have.”
(LG, TV ad, Fairly Positive, Definitely want to Buy)

Once people became more aware of LG (which they did through the ‘hot housing’ of this study) they became much more likely to consider buying an LG TV. ‘It’s the first brand of TV I’d consider but I might look at others as well’ went from 12% to 19%, a significantly positive shift.

Seeing the LG TV ad is a positive experience

Best Buy and Wal-Mart are the stores people visit most

Discount retailers such as Wal-Mart and Target are visited regularly and on most trips, people seem to be looking at TVs

Best Buy - All brands have strong visibility, Sony and Samsung are outstanding

Wal-Mart’s customers are impressed by the low prices, making ‘Other’ stand out in store
#4 Importance of presence at retail

From the TROI Intercepts and texts we could see that Best Buy and Wal-Mart were the stores visited most often.

We could also see that Sony and Samsung had the highest In Store presence and this was particularly so within Best Buy.

Whereas Other (less well known brands) were standing out most in Wal-Mart where customers were impressed by the low prices.

Knowing how influential touchpoints are within the retail channel, it was essential for LG to focus on this to capitalise on taking its well loved brand into a position where it became more visible at the moment of purchase.

#5 Take the high ground

The purchase of a flat screen TV is a big decision, making store warranties, returns policies and bonus points valuable. Product features can also be confusing and the research identified an opportunity for a brand to take the high ground and help to simplify the market for shoppers in store.

So what did LG do with these findings?

How LG used the findings

This ground-breaking piece of research has been frequently referred to over the last 12 months, since it was commissioned. It has influenced our strategy in the following ways:

- We have put much greater emphasis on the retail and online strategy to bolster LG's position in store and to capitalise on the positive power of the brand communications. Without research that put all channels into context for us it would have been more difficult to understand where to place our priorities.

- We have developed a strategy aiming to shorten the purchase process for TVs by helping shoppers through the maze more quickly. This involves providing educational tools in store and online to give people answers just when they need them.

- There have been specific initiatives, such as end caps and LG specific TV Walls, featuring educational messages in benefit driven language through interactive displays. There has also been a greater alignment of online and in store messaging.

New Educational Endcap Display

Reinvented the endcap to provide shoppers with self help tools (and associates with in store education) that differentiate LG by allowing shoppers to experience our features as the benefits they are looking for.

What it does differently:

Provides self help through exciting on demand content for shoppers to learn about various LG technologies and experience first hand why they are better.

Connected Insight:

"I want to have more control over my experience without relying on associate." Keeps online and in store experiences consistent.

In-Store Self Help Tools

Interactive Learning Center

Branded Education and Entertainment

Created a place for shoppers to learn and experience LG's latest features, showcasing the top features and reinforcing core technologies.

What it does differently:

Gives shoppers control over the TV content to enjoy their favorite kind of programming (sports, movies, video games) on demand. It also provides a much stronger educational play with engaging and interactive learning.

Connected Insight:

"I want to compare picture quality in store above all else, but I want to do it seeing the things I watch at home"
The next stage of the journey

Once we had seen the power of the Experience Data coming from this study we wanted to use TROI to track the way people come into brands on a continuous basis. We have therefore set up a TROI Tracker to cover appliances and TVs in the US starting February 2010.

The vision for the Tracker is to create a new world, real-time Touchpoint Tracker for LG that provides insight for timely decision-making as activity is live and inputs to modelling to more effectively understand the drivers to purchase.

More specifically this will help us:

- Understand the impact of retail touchpoints. Where should we invest? Which stores perform most strongly?
- How does offline retail interact with the online environment?
- What are our competitors doing well and what can we learn from them?

MESH built on our previous study with their design for the tracker.

“Traditional tracking didn’t provide direct visibility into how we are doing in-store or online. This new type of tracking tool will allow us to directly measure the progress and success of our marketing initiatives”

LG Marketing

Experience Tracking design and output examples

The design of the LG Tracker builds on the TROI and TROI Intercept approach and covers both Flatscreen TVs and Home Appliances.

Sample: 50 people per week intending to purchase a flatscreen TV in the next 12 months, 50 people per week intending to purchase a home appliance in the next 12 months.

TROI and TROI Intercepts: Each person conducts a Legacy Brand Health questionnaire, texts for a week, builds on the texts to complete their own Experience Diary, telephones for an intercept call every time they leave a retailer and at the end of the week completes a Future Brand Direction questionnaire.

However, we have also built some new features into the Tracker too.

One of the major advantages of working with participants over a period of time (a week+) is that we can add on tasks, making the work more interesting for the participant and giving us much more rich data. For each person answering 10 questions for a TROI Intercept exit interview, for example, we also know about their demographics, their likelihood to purchase which brand in which timescale and their response to different brand touchpoints. So each extra piece of data about that individual can be linked back to all their previous data. Whilst participants talk about ‘multimedia research’, we talk about integrated research programmes. These are built around TROI 360 degree Experience Tracking.

Follow-up purchase survey: Each participant is asked when they are likely to purchase their TV/appliance, which brand it would be if they have to decide today and how confident they are in this decision. We ask these questions in both questionnaires (to see if their texting experience has changed this). We take the time given in the final Future Brand Direction questionnaire and re-contact the participant just after the point they should have purchased to see exactly what they have purchased, where and why. This will help us close the loop between the experiences they have and their actual purchase.

Boosts: There is the flexibility within the Tracker design to incorporate boosts, if required, such as picking up more people within a 3 month purchase window or running test and control market tests for large in-store initiatives.

OurBoardroom: Once participants are involved in TROI they can become highly engaged in the project. Through getting feedback to our studies we found that participants were interested in speaking with each other about what they had found and suggested setting up an online forum. We call the forum OurBoardroom because we make TROI participants board members. We have a number of LG Boardrooms built into the Tracker and can add more as required. The great advantage of these communities is that the LG team can speak directly to participants in rooms moderated by MESH exploring issues such as the retail environment, a new campaign or product launch. Having had a week immersed in the category, participants are extremely knowledgeable and willing to give their views. On average, 50% of TROI participants go into OurBoardroom.

Linking Experience Data to Sales:

Once we have sufficient continuous Experience Data, we are intending to analyse the links between Experience Data and sales. This will be done in conjunction with Cranfield School of Management.
Examples of Output from the Tracker

On a monthly basis we will be able to see Key Metrics for the brands and how Current Experience is impacting on brand shifts.

There are new Experience Metrics that we will report on:
- Touchpoint Share (the % of texts sent in for Brand A versus Brand B)
- Reach per Week (the % of participants texting for Brand A versus Brand B in their week of texting)
- Frequency per Week (the average frequency with which they text for the brands)
- Positivity (the % of experiences recorded as Very or Fairly Positive)
- Choice (the % of experiences recorded as Much more likely or Slightly more likely to purchase the brand)

In the example to the right we can see that during the week of texting, participants’ Consideration for LG increased. As well as Consideration shifts we look at a range of other brand and image metrics.

We can also break down the experiences by retail, paid for and non paid for media to see how each brand is performing through the different touchpoints.

On a six monthly basis, we are anticipating having sufficient data to be able to analyse the brand’s performance within specific retailers.

In the example to the right, whilst Brand A has fewer experiences than Brands C and E, the experiences the brand has in Best Buy are both engaging (High Positivity) and persuasive (High Choice). By looking at the diary comments and photos we would be able to determine exactly what Brand A is doing to learn from this activity.

<table>
<thead>
<tr>
<th>Monthly TROI Metrics*</th>
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<tbody>
<tr>
<td>LG</td>
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<tr>
<td>Brand Consideration (top box)</td>
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<tr>
<td>Reach per week</td>
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<tr>
<td>Frequency per week</td>
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<tr>
<td>Positivity (top 2 box)</td>
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<td>Choice (top 2 box)</td>
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Which brand’s activity is driving positive shifts in brand metrics?

*Data from previous LG study
Vision for the future

We are at the start of an exciting journey. LG is pioneering the use of continuous Experience Data in the US.

The recession has forced everyone to re-think. Following 3 years of TROI pilots, we have found clients coming back with new budgets determined to find better ways to answer their business problems. By capturing every experience that people are having from the brand TV to retail to digital and word of mouth, an Experience Tracker can help answer a whole host of questions for clients. The granularity (each text has a comment and often a photo) means that whenever a client needs to put a magnifying glass over what is happening, they get a much more accurate picture. For alcohol clients this often involves understanding the In Bar and Event experiences. For packaged goods it is at the point of a new launch including the consumption experiences as well as the advertising. For many brands it is a need to understand the new world online and how to operate successfully in this rapidly growing channel.

For LG, it is putting the spotlight onto the pervasive and persuasive retail experiences.

Whilst most clients have a particular focus for their TROI Tracker, this is a bit like buying an iPhone to make voicecalls! There are a lot more 'apps' to be downloaded when needed.

Experience Tracking fills a gap between brand tracking, customer satisfaction tracking, retail audits, media monitoring and pre testing. Its real time data is enabling clients to make quicker decisions more confidently already. However, we have hardly scratched the surface of understanding what this new data stream will be able to tell us. This is the journey LG and MESH are taking together.

“The insight we gained in the 2008 TV Purchase Process research using TROI led us to commission an Experience Tracker that will help us to keep our finger on the retail pulse. We have brought together our entire organization and our agencies to share the journey we are taking and believe the LG Tracker will provide key insights to enhance our decision-making moving forward.”

Peter Reiner – Senior Vice President NA Marketing & Strategy LG Electronics.
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