



How Campbell Leverages Behavioral Research and Augmented Reality to Fuel Innovation

July 2023

INNOVATION POWERED BY
NAILBITER AR VISUALIZER®

BRAND &
NEW PRODUCT SUCCESS
DRIVERS

SHOPPER JOURNEY/ P2P
DISCOVERY

CONTROLLED
STORE
TESTING

IMPULSE
TRACKER



Health and Wellness packaged foods is a \$118B category¹

& with holistic health remaining top of mind for consumers, it is critical to lean into demand



In 2022, fitness and health apps were the most downloaded apps,

28

being weight loss and health tracking/management



9%



Top 3

most common New Years resolutions are all health related: (to exercise more, eat healthier and lose weight)²



“

...feeling healthy so I can get everything done in a day

”

“

Since the cost of snacks has increased and most are not as healthy, I have been trying to eat more healthily and watching costs more carefully.

”

“

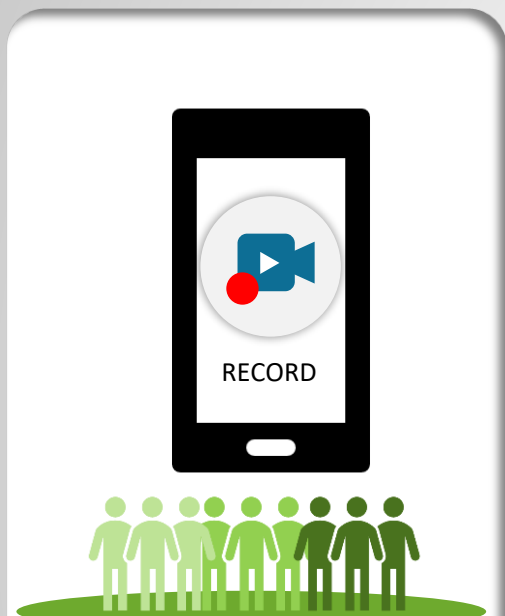
My go-to snacks are chips, pretzels, popcorn, nuts, cheese, crackers, fruit, and beef jerky. I stopped eating chips with artificial ingredients and preservatives.

”

Source: ¹US AppTweak Most downloaded health and fitness apps 2022; ²Statista Global Consumer survey N= 413 10/25/22-11/2/22; ³Cspace 2022 Top of Mind Survey December N=352
Source: ¹Euromonitor-Health & Wellness in the US January 2022; ²ShopperScape Health & Wellness Deep Dive 2.0 May 2022; ³ShopperScape January 2022 Kantar BFY snacking cross category perspective; 4 Kantar ShopperScape BFY research Feb 2022




NAILBITER INTRODUCTION: HOW IT WORKS

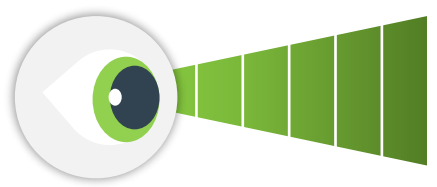


Shoppers record and tell us about their experience **in the moment of truth**



AUDIO/COMMENTARY



VISUAL/BEHAVIORS



Videos are **coded by real humans** to quantify behaviors and capture real commentary



Behaviors capture at **any shopper or consumer touchpoint** – in-store, online, or at-home
For AR projects, Shoppers first place a Virtual Planogram in a Real Store and then record their video.

APPLICATION SUITE



NAILBITER CATEGORY & SHOPPER PLATFORM®



NAILBITER AR VISUALIZER®

Products & applications are created to meet **key business objectives** and provide relevant insights



MULTI-PHASE APPROACH:

Grounded in insights, will enable Campbell to continue to be the Better-for-you thought leaders

UNDERSTAND CURRENT AISLE

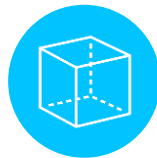
01



- Planogram Shopability project
- Observe shoppers shopping the various shelving layouts
- Understand current In-Store setup

BUILD 3D ASSET LIBRARY

02



- Build out the Salty Snacks category SKUs as 3D images (100+ products!)
- Used for Augmented Reality

TEST NEW AISLES

03



- Apply learnings from Phase 1
- Test 2-3 new Salty Snack planograms in AR
- In-market tests without actual stores changes



PHASE 1

UNDERSTAND CURRENT AISLE

01

VIDEOMETRICS APPROACH

150 Videos

- Natural/Organic Salty Snack Buyers on their next shopping trip for the category. “Natural” defined as: organic, non-GMO, better ingredients, etc. to shoppers.

3 Subgroups



- In-Store: Natural & Organic Salty Snacks in Separate Aisle: v=50
- In-Store: Natural & Organic Salty Snacks are shelved at edge main Salty Snacks set: n= 50
- In-Store: Natural & Organic Salty Snacks are shelved mixed in with the Salty Snacks set: n= 50

Field Dates: May 2022 – June 2022

Shopper Recruiting

- Real shoppers recruited
- Actual purchase decisions recorded
- No mission – small incentive and strict recruiting to ensure no missions

Instructions

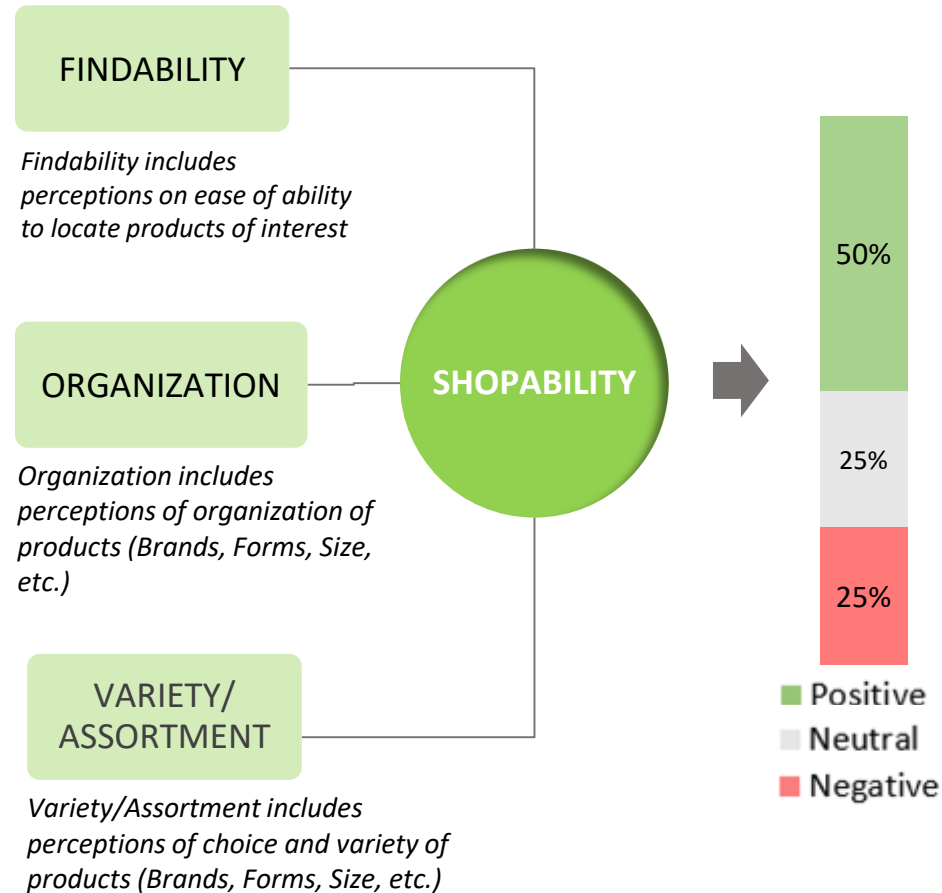
- Natural/Organic Salty Snack shoppers asked to record their next Natural/Organic Salty Snack shopping trip



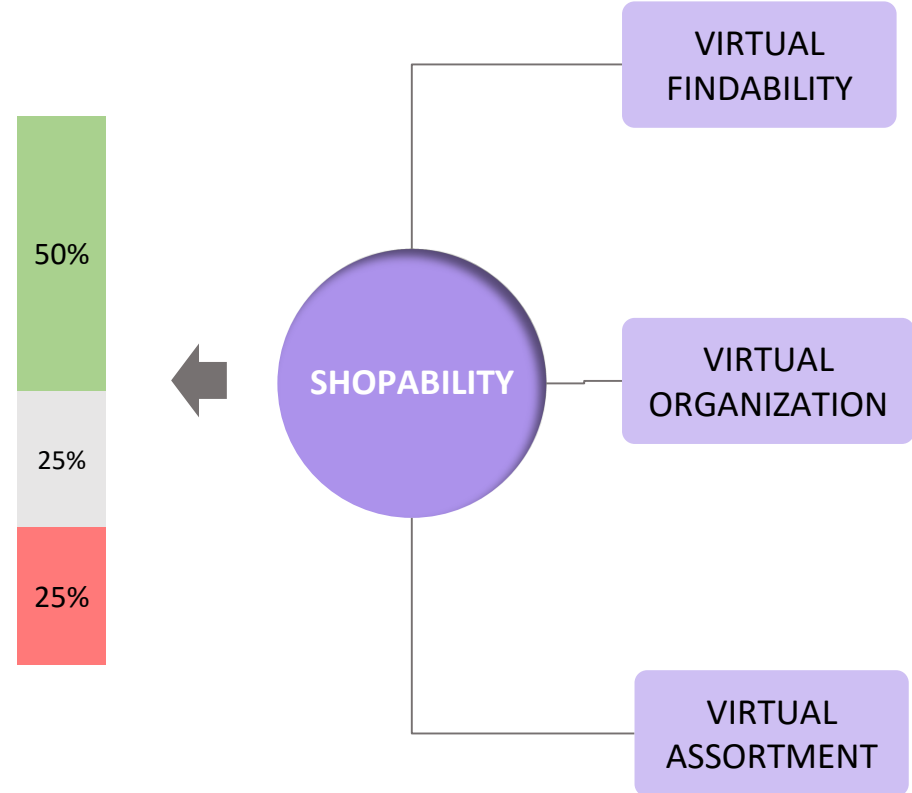
KEY METRIC: SHOPABILITY

SHOPABILITY is the only behavioral retailer performance (by category) available in the industry. It is directly correlated to Category Conversion (inversely to walk-away rates)

CATEGORY SHOPABILITY: ACTUAL



CATEGORY SHOPABILITY: AUGMENTED REALITY



NOTE: AR planogram metrics cannot be directly compared with actual shopability metrics. These "virtual" metrics are used to compare various AR planograms with each other.

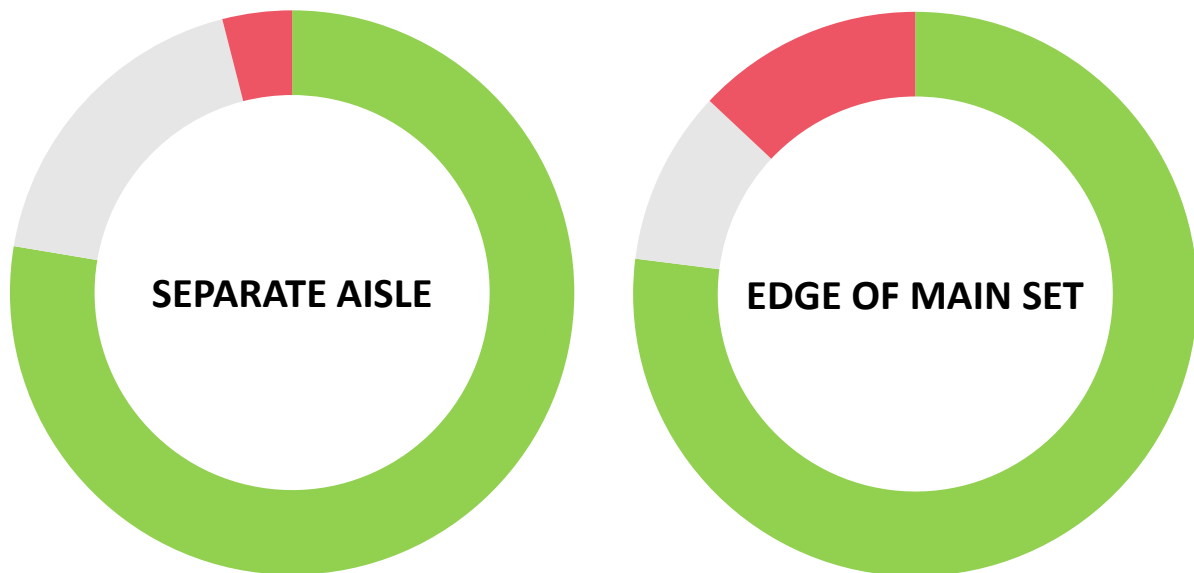


Removing the negative perceptions stemming from out-of-stocks, it's evident that shoppers prefer a Separate Aisle to Edge of Set orientation for their natural & organic salty snacks.

SHOPABILITY ACROSS AISLE SETUP excluding Variety & Assortment

OVERALL SHOPABILITY

■ Positive ■ Neutral ■ Negative



SHOPABILITY FACTORS

		Separate Aisle	Edge of Main Set
Findability	👍	Helpful signage	
	👎		Not enough signage
Organization	👍	Intuitive layout	Intuitive layout
	👎	Scattered product	Unclear aisle delineation

*Natural/organic mixed sets were uncommon among the retailers and therefore learnings are directional.



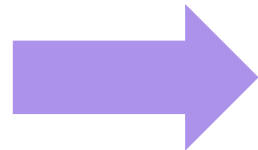
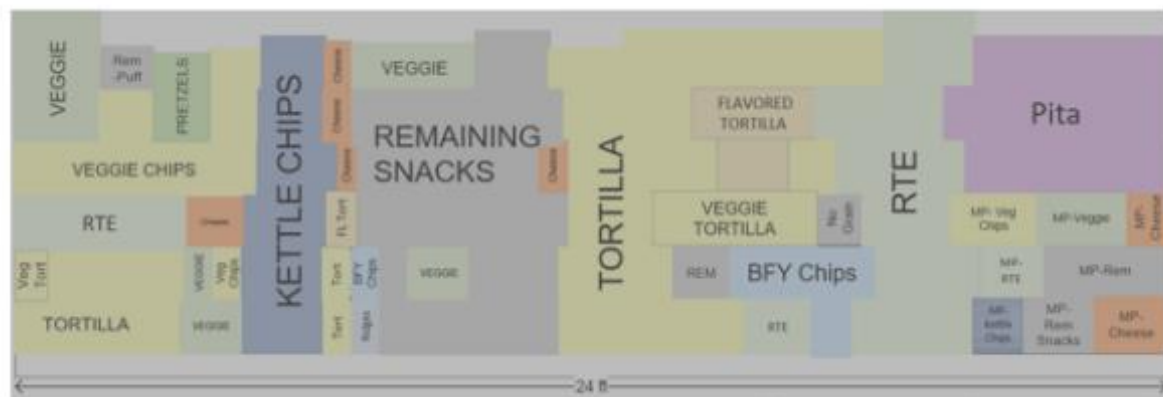
PHASE 2
BUILD 3D ASSET LIBRARY

02



Using current Salty Snack aisle as the baseline, we created a control augmented reality shelf using nearly 100 items to test

TRANSLATING CURRENT TO AUGMENTED REALITY





We then created and tested two additional aisles to understand shopability comparisons.

BREAKING DOWN THE 3 AISLE TEST DIFFERENCES:

Current



New: Base Signage



- Place like items together within the Better-For-You set
- Creating clear, vertical brand blocks
- Leading with Potato and ending with Tortilla Chips

New: Signage+



- Place like items together within the Better-For-You set
- Creating clear, vertical brand blocks
- Leading with Potato and ending with Tortilla Chips
- Adding BFY category delineation through signage



PHASE 3

TEST NEW AISLES

03



THE APPROACH RELIES ON 4 KEY PILLARS

IN-THE-MOMENT

- CPG categories are generally low involvement and suffer low recall when Shoppers respond to surveys
- Observing shoppers' actual interaction with the category or products provides in-the-moment clarity
- Most shopping decisions are made or influenced at the point of purchase – which is where the NAILBITER platform observes behavior



FMOT

- Capturing the *first moment of truth* reaction is key to avoid rationalized responses and over-thinking.
- Shoppers react to Products, Planograms and Marketing touch points as they normally would
- This is where the system quantifies the irrational reasons that drive actual purchase behavior



VIDEOMETRICS

- Built on years of expertise in understanding human behaviors in a unique way with demonstrated ability to generate actionable insights
- Shoppers' real actions and reactions are converted to hard metrics
- Shopper Norms have been established to compare and create action standards



CONSULTING & STORY TELLING

- Despite all the unique technologies developed at NAILBITER, its #1 asset is its people
- NAILBITER is a Consultative Market Research company. Its researchers have deep experience in behavior science, surface care categories and the retailer environment
- It is recognized for developed stories that drive action internally as well as at retailers





VIDEOMETRICS APPROACH

200 Videos (100 Shoppers)

BFY Salty Snacks Shoppers

- AR Current Planogram (v=100)
- AR New: Base Signage Planogram (v=50)
- AR New: Signage+ Planogram (v=50)

Shopper Recruiting

- Real consumers recruited
- Actual reactions and behaviors captured
- No mission - small incentive and strict recruiting to ensure no unnatural behavior or mission shopping

Instructions

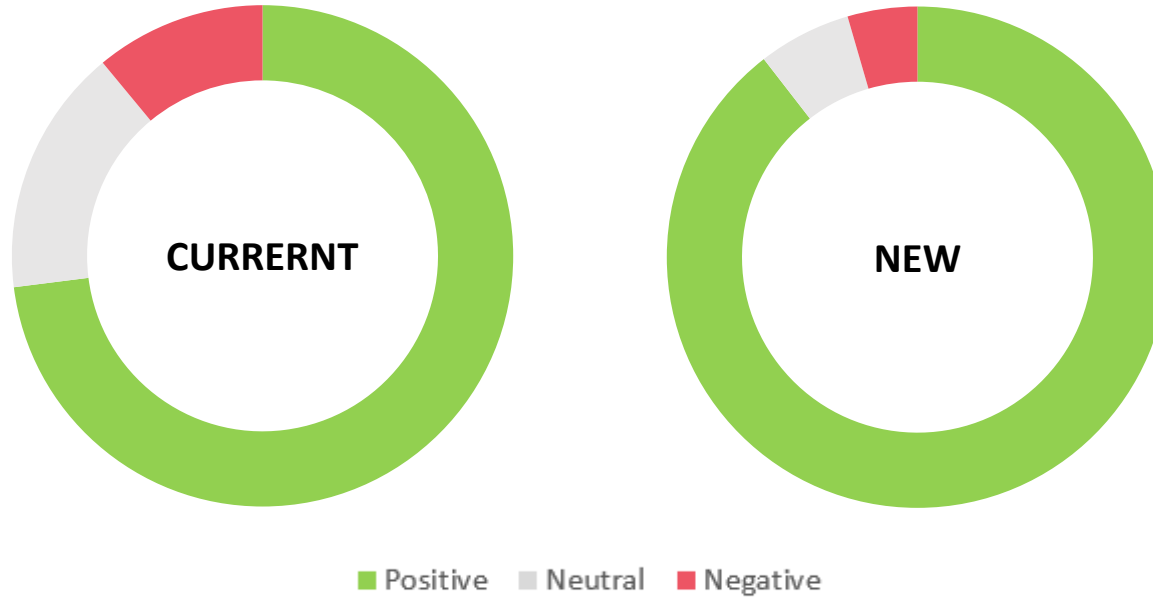
- Shoppers are asked to place the Planogram in the Salty Snacks Aisle. They are then asked to comment on various aspects of the planogram related to Shopability.





The new planograms improve the shopping experience over the Current Planogram.

OVERALL VIRTUAL SHOPABILITY BY PLANOGRAM



EASY TO FIND SNACK CATEGORIES

"The category is easy to find because I know that if there are corn tortilla chips here then potato chips are down this way too."
– New Planogram Shopper

HELPFUL SIGNAGE

"Products are easy to find as the signage is sticking out over the top to separate the corn chips from the potato chips which is quite helpful."
– New: Signage+ Planogram Shopper



Shoppers think the new planograms are better organized but are more likely to comment that New: Signage+ is organized by category due to the signage

VIRTUAL ORGANIZATION STRENGTHS & OPPORTUNITIES

3rd

Positive organization perceptions for **Current** aisle test

NOT ORGANIZED BY BRAND

"I feel all the **brands are just scattered around**, there are some Skinny Pop over here and some over there, it just distracts me a bit."
– Current Planogram Shopper

1st

Positive organization perceptions for **New** aisle test

ORGANIZED BY BRAND

"The **products are organized by brands** which is a much better way of doing it instead of having the products separate."
– New Planogram Shopper

2nd

Positive organization perceptions for **New: Signage+** aisle test

ORGANIZED BY CATEGORY

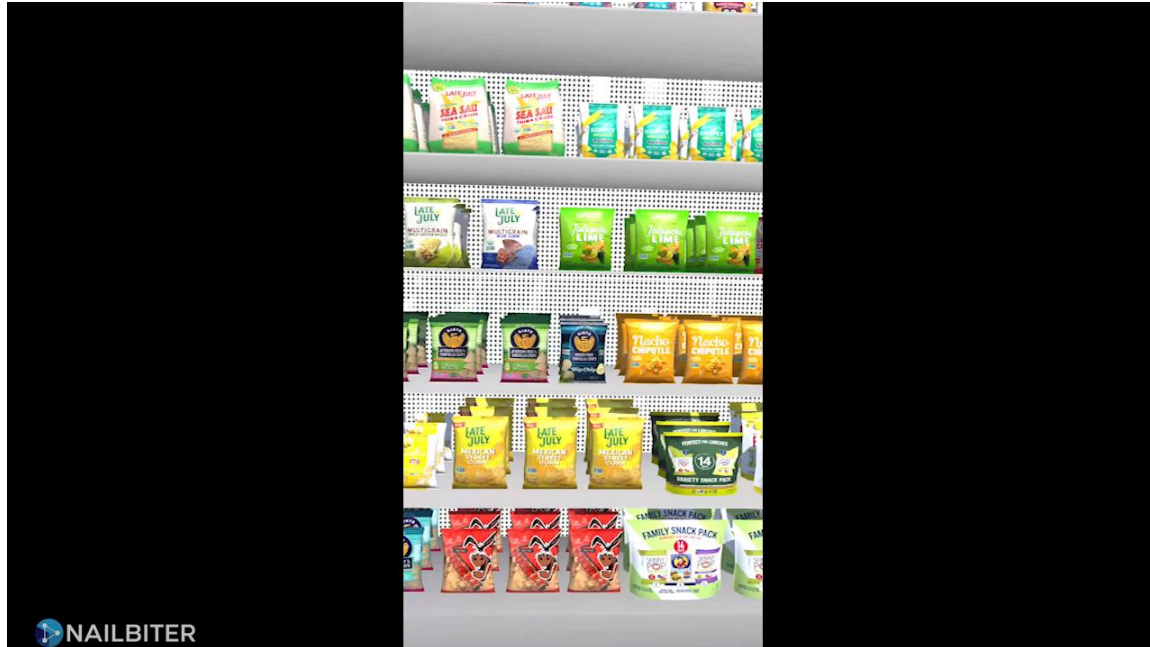
"The organization makes a lot of sense to me as it's **by the category**, all the tortilla, popcorn, veggie, and then salty snacks, I really like it."
– New: Signage+ Planogram Shopper





SHOPABILITY

CURRENT



NEW



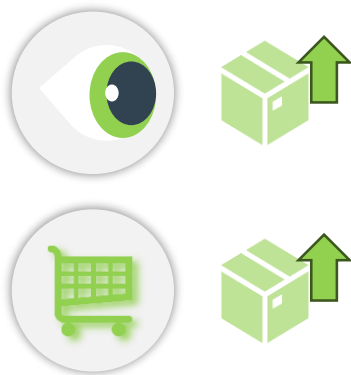


The New Planogram improves Better-For-You category Virtual Carting, reducing walk-away. However, declines in Virtual Notice for some brands could pose a risk and must be managed.

NEW VIRTUAL AISLE KEY MEASURES

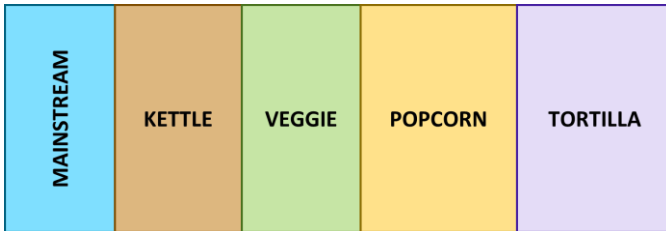
↑ BFY CONVERSION

Shoppers Virtually Notice and Cart directionally more products in the New Planograms compared to the Current.



Virtual Aisle Measures are consistent across New: Base Signage and New: Signage+ Planograms

Moved to be adjacent to Mainstream in the New Planogram, shoppers sometimes “miss” seeing BFY items that are blending with mainstream.



Moving items from the middle of the shelf at eye level to the right-most bookend brand reduces overall Notice – similar to when products are placed on the bookend away from the main walkway in-store.

↓ INDIVIDUAL BRAND NOTICE



KEY TAKEAWAYS & IMPLICATIONS

The Bottom Line: The new Better-For-You set with mainstream signage is preferred over the current set and should be prioritized.

