INSIDE ADVANTAGE
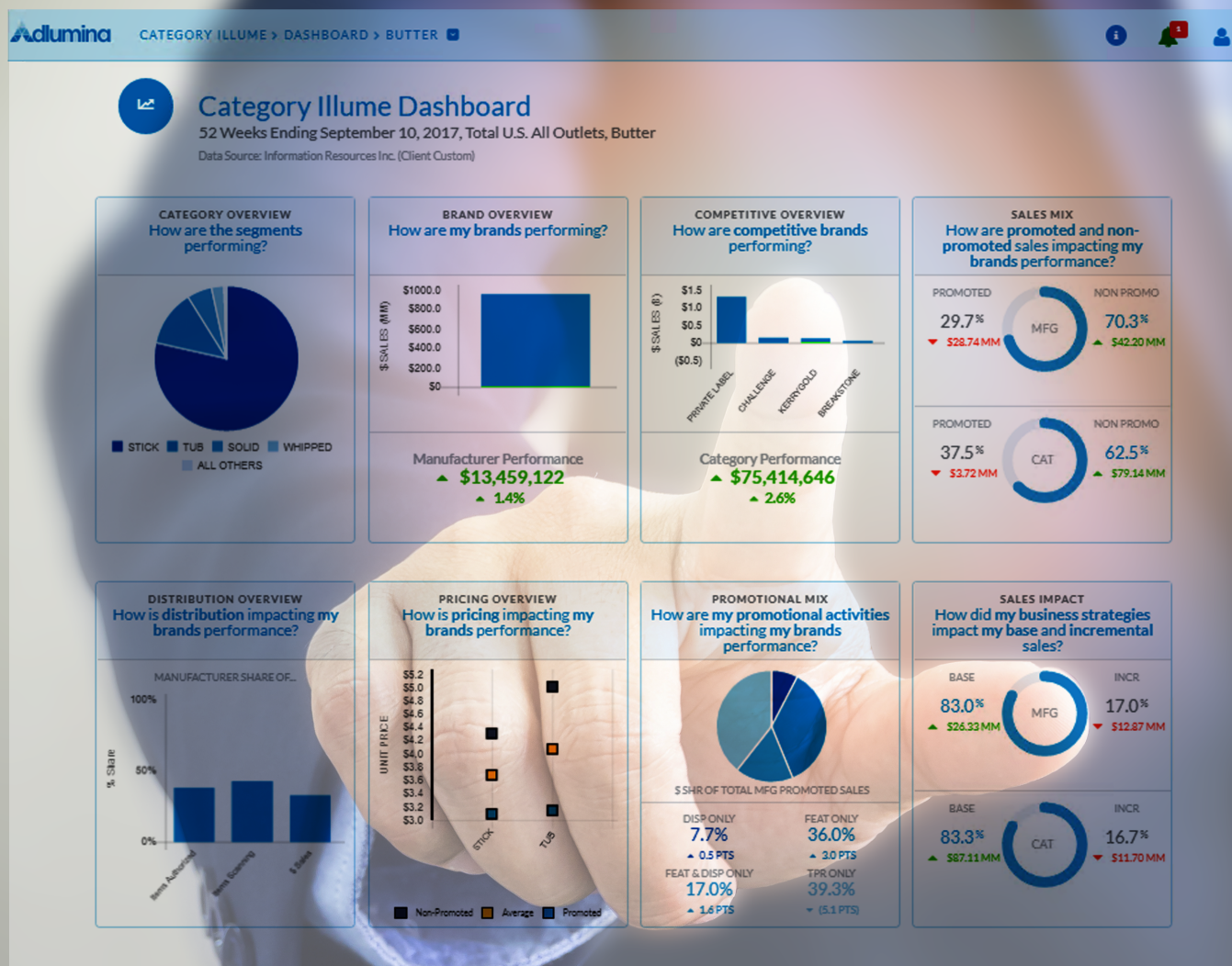
Adlumina™ Lights the Way for Business Analytics

Advantage Grows People, Brands, and Businesses

Last year Advantage unveiled a new company purpose statement: We grow people, brands, and businesses. This statement truly embodies Advantage's commitment to servicing clients through our investment in top talent, our expansive service portfolio, and our unmatched insights and reporting capabilities. Amidst the rapid evolution of our industry, we remain constant in our drive to provide the highest quality sales, marketing, and technology solutions by focusing on this purpose.

When crafting our purpose, we knew people had to be first because they are the core of our business. In this issue of Inside Advantage we introduce Melissa Oesterreich, Advantage's Chief People Officer (see Executive Interview, page 8). Melissa's extensive client service experience across both sales and marketing, and her tenure at Advantage, will help us continue to cultivate a smart and flexible workforce prepared to deal with the challenges of today and the future.

Our people are here to grow your brands and businesses, and we are developing additional methods to do that through strategic acquisitions, including that of Flixmedia (see Flixmedia, page 12). Flixmedia provides brands a consistent online presence by syndicating their digital assets across multiple online platforms. This singular brand message increases sales lift from omnichannel shoppers and grows brands' digital footprint. With consumers trending toward online purchases, Advantage is providing services like Flixmedia to build and strengthen brands in the digital era.

Lastly, if we follow our purpose to grow people and brands, growing businesses comes naturally. But how can we take profitable business growth to the next level? It starts with data, insights, and identifying key opportunities. We are making this process easier through our newest proprietary tool, Adlumina™. As the next evolution in Advantage's Speed to Insights suite, Adlumina™ guides users to identify the root causes of their business questions by analyzing shopper habits and SKU-level data (see Adlumina™, page 3).

I am excited to share this edition of Inside Advantage that shows how we are growing people, brands, and businesses. At Advantage, we strive to provide the best solutions for you, our client partners, to continue winning together in 2018.

Winning Together,

Tanya Domier

Tanya Domier
Chief Executive Officer, Advantage Solutions
* fmi.org/digital-shopper

Adlumina

Lighting the Path to Winning Collaborative Insights

For nearly a decade Advantage has been deploying technology solutions created in-house that enable associates to quickly navigate the data required to unlock insights on client businesses. While data companies had great tools for our seasoned analysts, their tools didn't contemplate the way business managers needed to navigate data and manage their portfolio. Advantage introduced the Speed to Insight™ business suite to close this gap. Sales Opportunity Explorer (SOE) provided business managers with a "guided business approach" to quickly and efficiently identify customer and category issues, quantify opportunities, benchmark performance versus competition, decompose volume, and identify shopper alignment issues.

Causal Opportunity Explorer (COE) was introduced in 2012 to help category managers dig deeper into the high value activities of promotion evaluation along with distribution, pricing, assort-ment optimization, and new item execution. The cover story of the inaugural issue of Inside Advantage in 2012 celebrated the rollout of COE.

Quite fittingly, our cover story this issue is Adlumina™, the next generation business analytics software which launched last month. Adlumina™ is a software as a service (SaaS) analytic platform that offers the best features and functionality of SOE along with new

(continued from previous page)
ones: more flexibility for new data sets, better visualization, direct connectivity to host data for faster updates, more flexible output options and items level data.

Now Faster and Smarter

Adlumina™ builds on the success of its SOE predecessor, but takes a big step forward by helping users uncover higher impact insights (the kind needed to craft collaborative sales stories that win in today's landscape) and do it at a faster pace than ever before. This enhanced value proposition comes from two areas. The first is data simplification. Adlumina™ simplifies analysis by cutting through the over-abundance of market measurement and consumer panel data, selecting only those key measures needed to isolate category and brand level opportunities. From there, the software applies proprietary data management techniques to transform often unintelligible data into information that is actionable for use.
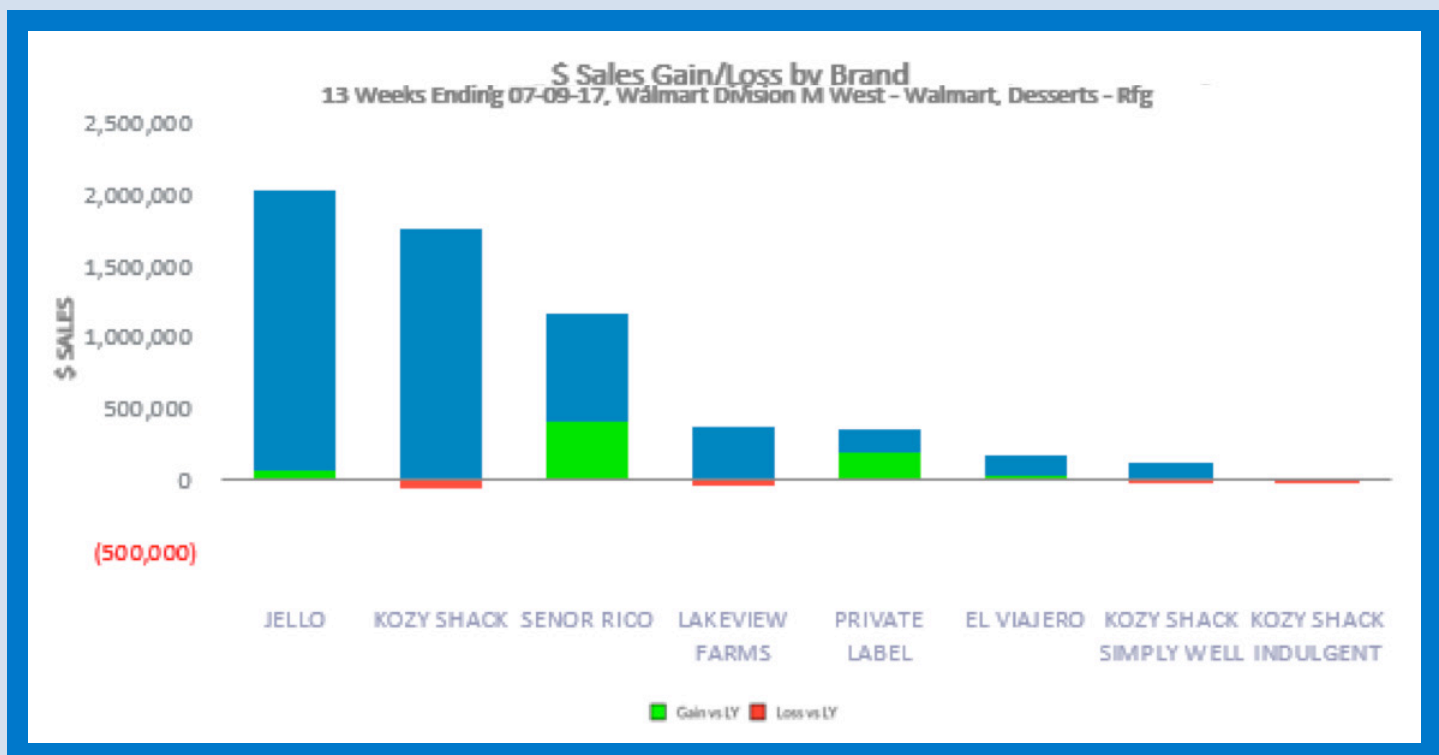
The second area is that Adlumina™ is very easy to use, with click-through navigation, integrated dashboards, and a proprietary workflow built around a structured sequence of increasingly specific business questions that, when answered, bring collaborative insights into sharp focus. This analytical workflow has four modules (known as "illumes"), each with powerful visualizations and data grids.

Each illume facilitates its own analysis and generates its own insights. Insights from one illume are logically transferable to the next illume in the analytic workflow where more progressively granular analysis and insight generation occurs. Users exit the workflow with fact-based insights ready to be easily weaved into the story you need to improve client business performance.

Asking the Right Questions

The workflow acts as a "best practices coach" that asks the right questions at the right time, then helps provide answers that yield insight. Questions start out broad, "How is my business performing across each client category at the four banners of Retailer X?" The answer may be that sales growth in a particular category is declining in two banners, lags the category as a whole in two banners,

$ Sales Gain/Loss by Brand
13 Weeks Ending 07-09-17, Walmart Division M West – Walmart, Desserts – Rfg

Category Illume: detailed category and brand level client and competitive performance for single category/geography combinations

and lags the rest of market in one banner. From here, the next question to be asked and answered is "Which banner is my worst performing and why is it lagging?"

The Q&A workflow continues to home in on root causes by assessing category, brand, and competitive performance, then evaluates the impact of four key drivers - sales mix, distribution, pricing, and promotional mix – on base and incremental sales. Adlumina™ then pivots to consider how consumer shopping behavior may be influencing category performance before finally supporting SKU-level analysis to help formulate and action potential solutions.

The transition to Adlumina™ has already begun on a client-specific basis, coupled with transitions to other tools – both third party and internal – providing a full portfolio of new and more powerful capabilities.

Lori Stillman, EVP of Ai2, expects widespread use of Adlumina™ not only across the Advantage enterprise, but equally across the desktops of client contacts and their internal analytics teams. Stillman stated, "the platform is accessible through any web browser, has a low total cost of ownership, and requires little or no support from client IT departments. It's also versioned, meaning that our clients have functionality options based on their specific business needs and budget."

Clients interested in learning more about the tool and how it will change the game in analytics should contact their Client Team Leader or Ai2 representative to schedule a demonstration.
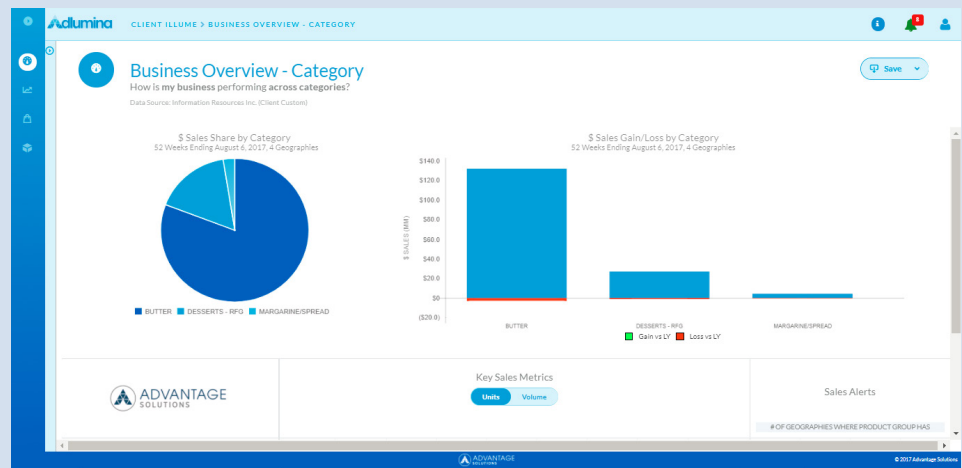
Client Illume: high-level client category performance across multiple geographies with specific sales focused performance alerts
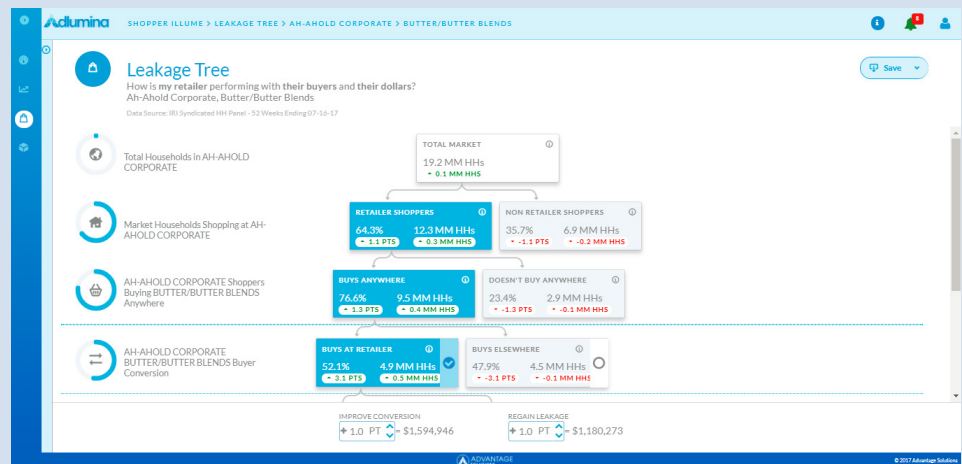
Shopper Illume: the most intuitive decomposition of category leakage (Leakage Tree) ever seen
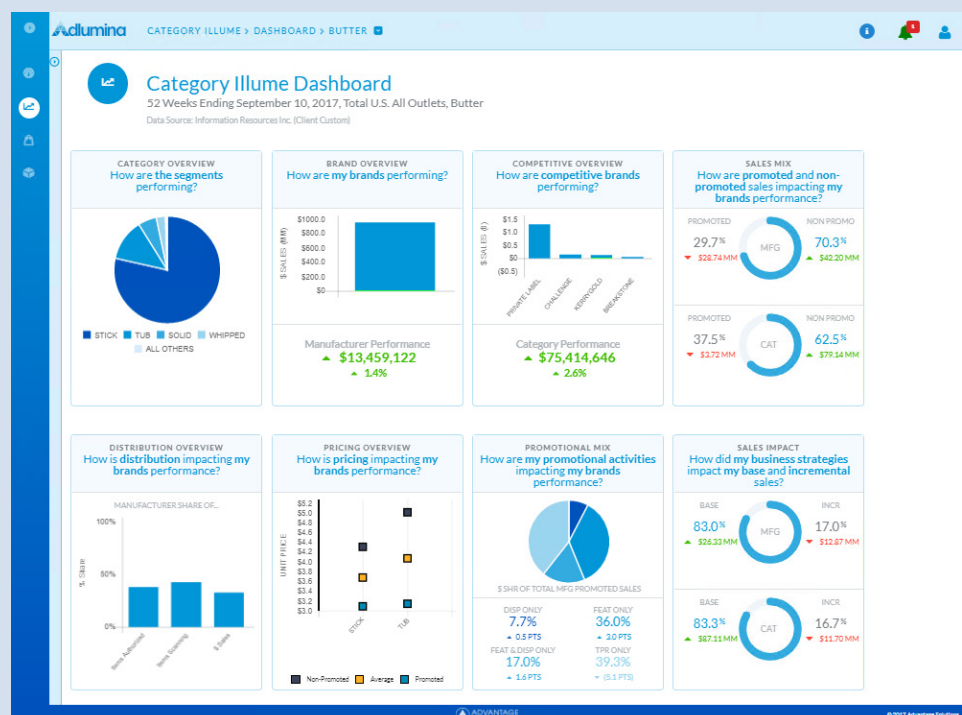
Category Illume Dashboard: high-level overview of the business conveniently located in one place

Feeding the Culinary Innovation Pipeline with a Fresh Perspective

At home and away, the consumer drives culinary innovation. The shifting cultural makeup, busy lifestyles, and adventurous palates of younger consumers have created a constant and evolving demand for what's new and next. With the daily realities of managing operations, procuring supplies, ensuring quality, and watching the bottom line, manufacturers, restaurants, and retailers often find food and beverage ideation taking a back seat.

Marlin Network Culinary Arts, a part of the Advantage family since 2016, provides a wide range of culinary ideation and support services to foodservice and retail clientele across the country.

Marlin Network

Culinary Insights

Whether discussing brands, products, menus, recipes, or cultural flavor trends, consumer perspectives are the foundation of every Culinary Arts project. Drawing from secondary research and market evidence of consumer trends, the team is in a constant state of discovery which they can use to inspire or validate proposed products or concepts.

Trend Tracking Reports

Flavor trends are tracked and then mapped through the group's proprietary Food Atlas™, which follows the journey of a flavor from the time of its emergence all the way to mainstream use, or wherever its journey ends along the way.

Culinary Innovation

Creating unique, ownable products and culinary concepts is essential to winning in a crowded marketplace. The Marlin Network's Culinary Arts team works with clients to bring the right mix to the market. Through the innovation process, clients have seen game-changing menu performance as well as dramatic lift for entire categories. One client's limited time menu highlight drove 3.5% of its sales mix during the seven-week promotional period, resulting in $1.3 million in sales.

Concept and Recipe Development

The chefs in the Culinary Arts group provide counsel and hands-on creativity in the recipe development based on flavor trends, executional guidelines, and segment requirements. Chefs work inside, alongside, or independently with an organization's internal culinary teams.

Culinary Field Trips

For a more immersive food and beverage experience, clients can opt for one of the group's culinary field trips. Ideal for jumpstarting new product or menu ideation sessions and team-building, the trips are carefully planned sojourns into the market that explore in real time what's happening in the world of food. Whether the goal is to learn more about how millennials are reacting to hand-held options on college campuses, or the next big trend in quick service restaurant burgers, the experiences provide firsthand insights into a wide variety of channels, categories, segments, and targets.

Food and Beverage Pairings

Beverages are one of the most profitable parts of the menu, but are often overlooked or underutilized as a marketing tool. The group's food and beverage pairing expertise can add dimension to the overall flavor experience while creating a more profitable sell for restaurant and food manufacturer clientele.

With an ear to the ground on the consumer trends driving the next big thing, the Marlin Network Culinary Arts team has the knowledge and expertise to create the culinary strategies, products, and menu items that produce sales results.

Encouraging Talent to Come, Stay, Grow, and Lead at Advantage

Melissa Oesterreich, Chief People Officer

Melissa Oesterreich, Chief People Officer, leads the HR organization and is responsible for engaging Advantage's vast and diverse workforce. Melissa has held a wide range of roles since joining the company in 2001. She began her Advantage career in the Marketing division, where she spent more than a decade in progressive roles spanning client services, business development, and operations. Prior to assuming her current position in March 2017, she was EVP Client Services and Operations for the Sales organization where she was responsible for retaining and developing Advantage's strategic, national client relationships.

What are you most excited to bring to your new role as Chief People Officer at Advantage?

We recently unveiled a new purpose statement for Advantage: We grow people, brands, and businesses. I am most excited about the opportunity to make our associates the center of all we do as a company and bringing our purpose of growing people to life. We want associates and leaders to see the function of Human Resources as an instrumental aspect of their career at Advantage. We have a desire to create an environment where associates are engaged and inspired to be their best every day.

How do you think your prior experience will help guide the company's renewed focus on people?

I am looking forward to bringing my operational knowledge across multiple facets of the organization to drive a positive impact on our associates, as well as our business.

My team and I are focused on three key areas. The first is driving sustainable growth for the company and ensuring the work from HR has a direct, positive impact on our business and improves the lives of our associates. The second is making an engaged workforce our clear and undisputable advantage. The third focus area is about unlocking our associates' potential through our work and the tools that we create to help them succeed and grow.

With responsibility for 45,000+ employees, how do you keep associates engaged and motivated to succeed and win?

There are two fundamentals for engaging and motivating our associates: communication and growth opportunities. We need to ensure our associates understand the direct impact they have every day on our clients and customers. This is achieved by increasing our connectivity with associates and making sure they stay informed about how our organization is performing and how their roles impact our performance. For growth opportunities, we need to ensure our associates have the right tools to succeed. I am thrilled about the work we are doing through the Career Development Council, a cross-functional collaboration between multiple leaders across our organization. They are helping us develop career pathing, development and mentoring programs to enhance career growth for our associates.

What do you see as key talent differentiators in the workforce?

Our industry is more dynamic than it ever has been before. Agility is the first and most critical differentiator. We need to attract talent that embraces change and possesses transferable skill sets to stay on the cutting edge.

I also believe that attitude is everything. We look for associates who possess a positive, can-do attitude. Those who are natural problem solvers, focused on continual self-improvement, and collaborative about how they approach business opportunities internally as well as with our clients and customers are real difference makers in our business.

The last key differentiator I see is ambition. We seek talented associates who possess intellectual curiosity, who take initiative as well as some calculated risks, are full of tenacity, and simply won't settle for good when they can strive for great.

Looking to the future and the emergence of the Centennial generation in the workplace, how will the strategy for acquiring, developing, and retaining talent change with this cohort?

Centennials will require us to be more digitally savvy and progressive in our approaches to inspire them to come, stay, grow and lead with Advantage. This generation grew up with smartphones and social media, so to attract them we will need to focus on enhancing our social media presence, designing mobile-friendly application processes, and creating virtual ways to engage within our organization.

Performance management and training will also need to adapt to become real-time, ongoing and able to enhance on-the-job and personal skill sets.

To retain this talent base, we will need to continue developing our career development work and enhancing our tools to help associates and managers navigate growth opportunities. As an organization, we have a strong desire to increase our community outreach efforts, which also resonates as a differentiator among the Centennial generation who actively align with companies and projects that are connected to a greater purpose.

"...we have a strong desire to increase our community outreach efforts, which also resonates as a differentiator among the Centennial generation."
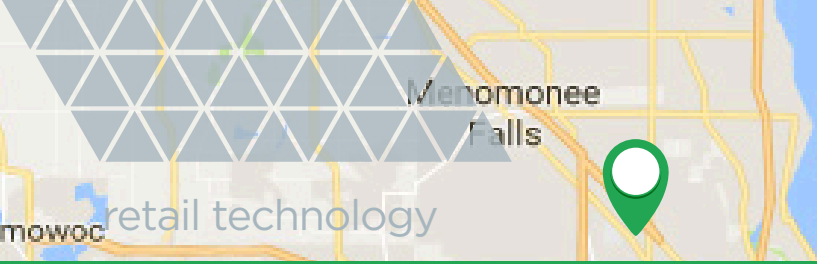
Retail "Control Tower" Delivers Visibility, Insight, and Action
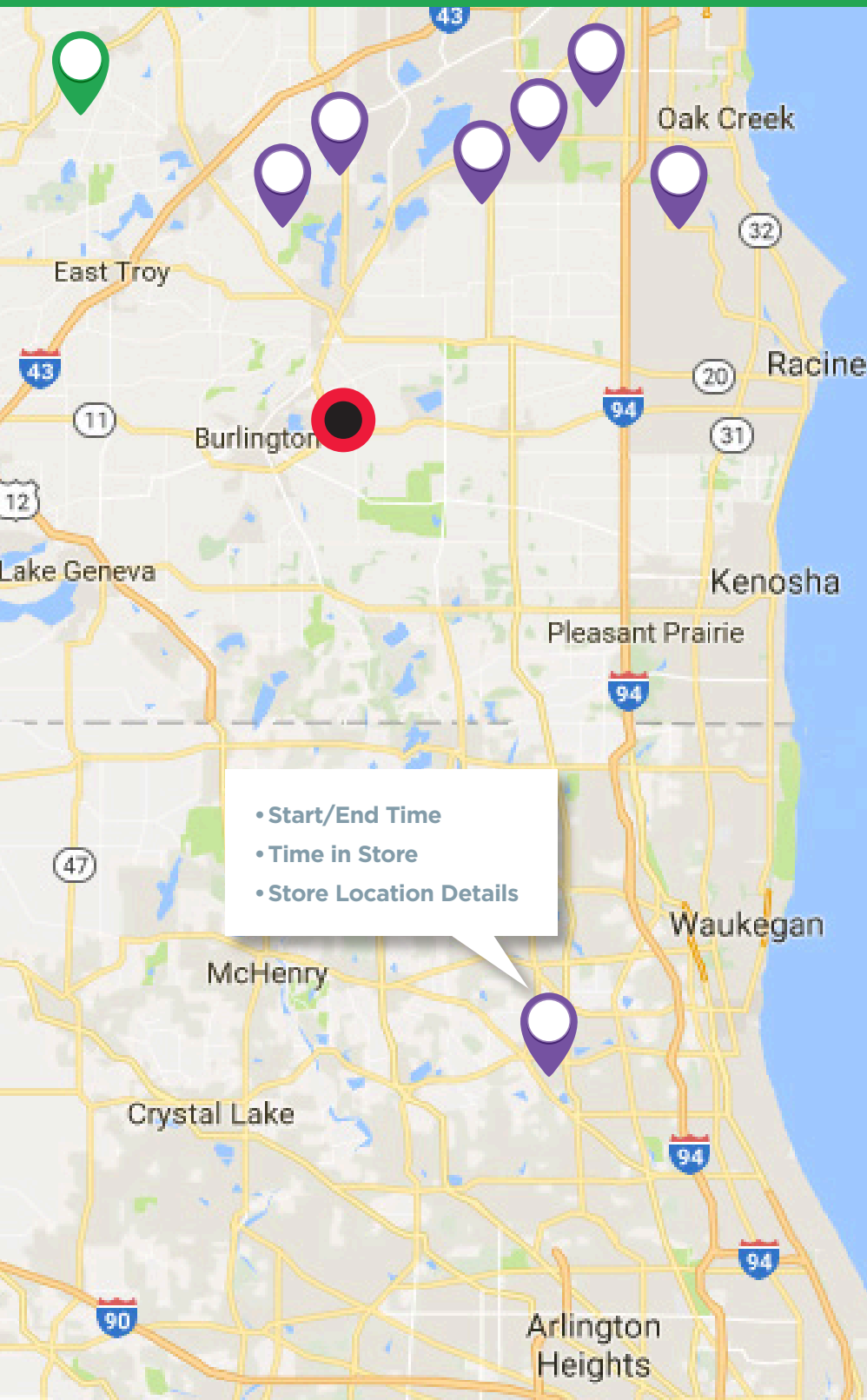
A persistent challenge with project and surge retail operations is having full visibility to the work being done in store. With thousands of field reps, hundreds of supervisors, and multiple complex projects, keeping track of all tasks at all times can seem impossible, like directing airport traffic without a control tower to manage activities and avert crises.

But what if there was a control tower for retail projects?

Advantage is piloting revolutionary technology that provides instant visibility and real-time updates for retail projects including resets, remodels, and recalls. Like an airport control tower, the application provides a central hub that shows the current status of every activity and progress being made towards the project goal. With this tool, retail management can instantly see if stores are visited, tasks completed, pictures taken, and activities logged. They can view the status

- **Start/End Time**
- **Time in Store**
- **Store Location Details**

Legend

- Store in Progress
- Store Completed
- Alert

adlucent

Using Digital Advertising to Connect with the Mobile-First Shopper

No matter where we go, our smartphones are typically no more than an arm's length away. The information and solutions we need are often just a few taps away. Because of this, consumers are walking into stores more informed than ever before. In fact, $0.56 of every dollar spent in a store is influenced by a digital interaction.[1] This evolution in consumer behavior means brands must work even harder to deliver a seamless digital advertising experience for the modern mobile-first shopper, no matter where they choose to buy.

Adlucent is a retail marketing agency that uses data-driven analytics and an ad management platform to help grow businesses and create a higher return on ad spend. Adlucent created Deep Search™, a proprietary ad optimization and analytics platform, to help brands build high-performing and measurable digital programs that drive both online and offline sales. By combining a client-specific algorithm with first- and third-party data, Deep Search™ produces billions of data points about a brand's customers, products, and business. These insights are combined with real-time signals like inventory, margin, competitor pricing, and weather data to predict how their digital ads will perform. Armed with this knowledge, the Adlucent team creates highly relevant digital ad experiences that grow brand revenue while lowering total investment.

For example, when a retailer wanted to leverage its existing search program to increase shopper visits, Adlucent analyzed their data to understand their customer's unique shopping behaviors. Next, the team built a personalized search program to deliver location-based promotions and messages to those who were most likely to buy in a nearby store. Since November, search revenue has grown 57% with a 7X return on ad spend (ROAS) year-over-year.

Digital advertising is another great way for brands to use Co-Op dollars to drive online and offline sales. With the Advantage Co-Op Digital Media Network Platform, powered by Deep Search™, brands can promote special product offers, support new launches, and create new brand awareness through digital channels. Through Deep Search™ analytics, retailers and brands have access to custom reports that include ad performance and sales metrics to help them better understand the impact of their Co-Op investments.

Deep Search™ also enables brands to better measure digital's influence on offline sales. Through our partnerships with LiveRamp, a data onboarder, and Google, Deep Search™ helps Adlucent tie together online clicks to storefront sales. With this data, marketing teams can better allocate their budgets to drive greater ROI. One Adlucent client, a

> "Adlucent's BuyerPath™ has helped us deliver tremendous results to our business. The unique combination of feed-, query-, and bid-management enabled us to relaunch our PLA program very quickly, driving traffic to just the right products. It's been a really great solution for us."
>
> *Megan Koons, Digital Marketing Manager, Need Supply Co.*

musical instruments retailer, needed a way to show how their digital investments were translating into store visits, equipment rentals, and purchases. Adlucent used search to target consumers within a 10-mile radius of their 269 stores and found that mobile paid search generated 660% more revenue when factoring in storefront sales.

While omnichannel shoppers are 30% more valuable than single channel shoppers, it's often difficult for brands to engage them everywhere they go.[2] "Make sure the technology that you're using is helping you understand the way your customers shop, and ultimately buy," said Michael Griffin, CEO of Adlucent. "You may find that your digital dollars are having a bigger impact in stores than online."

1. Deloitte, The New Digital Divide, 2016
2. IDC, Worldwide Retail 2015

Flixmedia
Optimizing Sales with an Improved Online Experience

With retailers and manufacturers continuing to explore the optimal way to sell online, one area of focus that has become critical for both parties to master is brand content. 2016 saw a 157% increase in online grocery sales, making the need for better online product representation even more necessary. While there is a direct correlation betw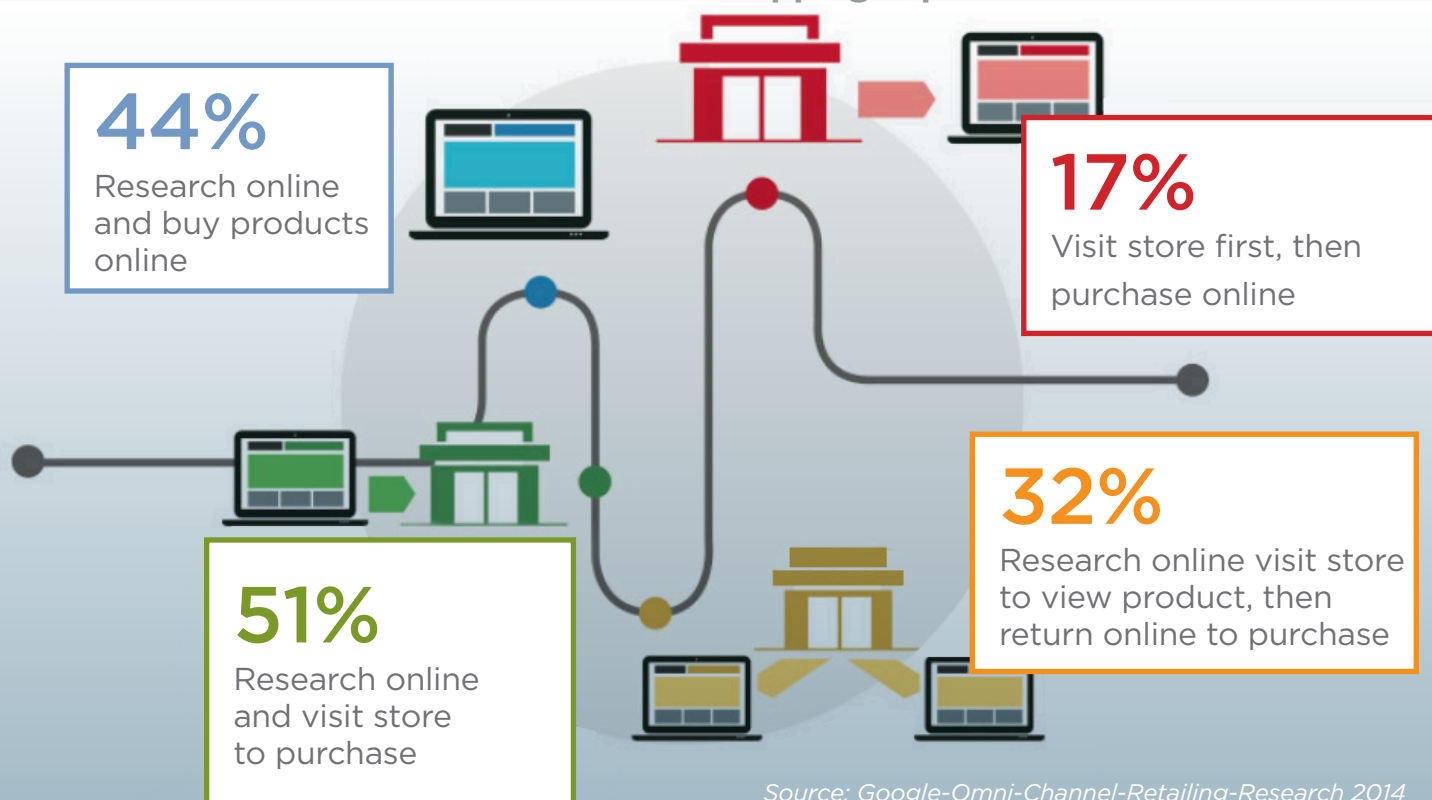een the quality of content a brand has on a product page and the ability to convert sales, there are inherent challenges in making certain the best content makes it to the websites where those products are for sale.

In late 2016, Advantage acquired Flixmedia to help our retailer and manufacturer partners solve this very challenge. Flixmedia provides brands with two key solutions to help ensure the most comprehensive and compelling content is available online. The first key is a content management solution that hosts all the assets associated with a product. This includes product images, item attributes, videos, and ingredients to name a few. It is a single version of the truth repository where all brand assets can be held.

The second key solution is a retailer network where manufacturers

The lines between online and offline shopping experiences continue to blur.

44%
Research online and buy products online

17%
Visit store first, then purchase online

51%
Research online and visit store to purchase

32%
Research online visit store to view product, then return online to purchase

Source: Google-Omni-Channel-Retailing-Research 2014

For 61% of consumers, online is the first source of product awareness during pre-purchase research.

are able to distribute their content to the places online where they are selling their products. The secret sauce with Flixmedia is their retailer network of over 1,200 online retailers across 68 countries globally where they have integration for content distribution. Each of these retailer integration points represent an opportunity for both retailers and manufacturers to ensure the most current product content is available at all times.

Flixmedia has continuously proven its value through the sales lift impact of leveraging their content syndication services. A recent example with a major appliance client showed a 20% increase in sales across sixty products in all categories when executing a test that exposes one group of consumers to Flixmedia content on product pages while the control group views non-Flixmedia content over the course of several months and gauges shopper behavior.

The value of the Flixmedia solution to retailers is not only being able to leverage the efficiencies of quality syndicated content, but an increase in sales conversion by better informing and educating shoppers on the products they purchase. For the manufacturer, Flixmedia is able to extract value from the asset creation they invested in, better control their brand messaging through consistent content, and ensure the most engaging content is available for their products. It also takes cost out of the manufacturer's operations by removing the need to constantly send revised content out to all the places they are selling online. Flixmedia has the technology and expertise to help both manufacturers and shoppers have a better online experience.

Retail "Control Tower"

of the entire retail field force in real time and instantly act to fix potential problems before they happen. This improves store call quality, delivers time efficiencies, and provides better intel to clients, notifying them of call-outs like competitive activity or issues spotted in store.

Like airport tower control operators, the field managers have the controls in their hands, allowing them to select the alerts that are most pertinent to them and their clients. For example, field managers can set up alerts that keep them apprised of important activity updates during a time-sensitive product recall or they can set up alerts that send competitive activity in-

formation to a client the moment it happens, rather than waiting for a weekly or monthly recap.

Managers can also set up alerts that track late store visits, missed calls, or incomplete activities via an automated email or mobile text update. If a store visit or activity is incomplete, late, or missed the manager receives immediate alerts and instantly corrects the action to ensure the work is carried out seamlessly and on time. The Control Tower can be accessed from a desktop and will be available from any Android or iOS supported mobile device.

In addition, a live map shows all calls in action at that very moment. In today's fast-paced retail environ-

ment, instant access and visibility to retail work provides an edge in delivering project goals or dealing with changing priorities. This new application is just one of the retail reporting tools Advantage provides to ensure flawless retail project management and completions. The application works in harmony with dashboard reporting, which provides insights into long-term project trends, monthly or annual performance, KPIs, problem stores, and year over year growth. Coupled together, the dashboards and control tower empower managers to achieve daily targets and give clients instantaneous feedback that was previously unattainable.

hatch

We craft brands that move people to affection.

FOOD • BEVERAGE • BEAUTY • HEALTHY LIFESTYLE • FASHION
WINE • BEER • RETAIL • ENTERTAINMENT • TECHNOLOGY