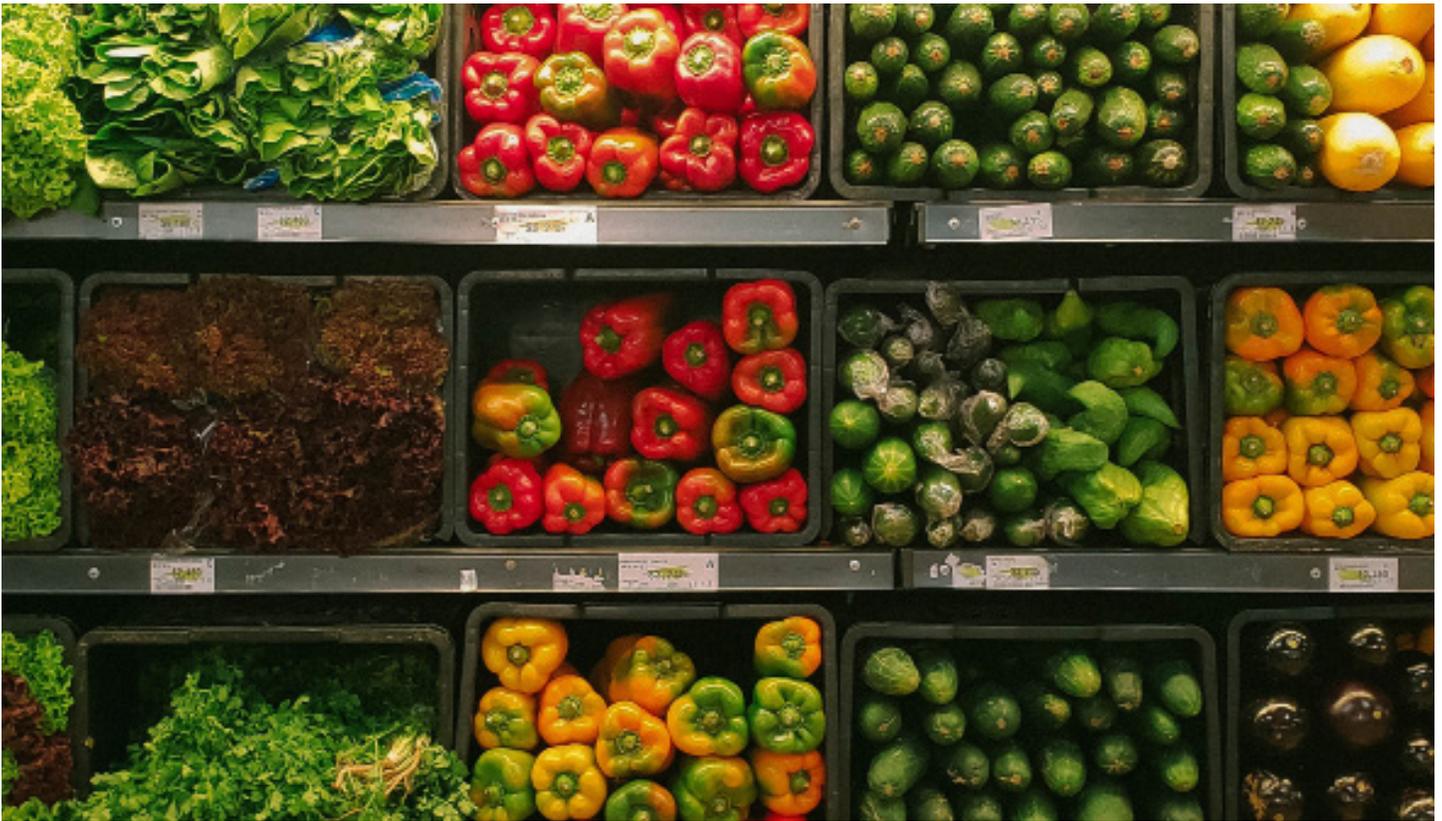


AD TO CART

Advertising Fundamentals for
a Collapsed Consumer Journey





TODAY'S RETAIL PROBLEM

Keeping customers satisfied is the most crucial tenet for retailers and CPG brands. But it is no simple matter.

Today, customers want it all — to feel connected to a brand and its larger mission, to have a shoppable consumer experience, and to be presented with relevant offers and content. Brands need to react to changing consumer behaviors as well as consumer sentiment in this economy.

The modern customer journey is no longer linear. Today, two taps on a smartphone collapse the marketing funnel, opening the door to frictionless buying. E-commerce focused advertising bridges the gap between in-store and online shopping, providing opportunities for marketers to drive both awareness and conversion in a single impression.

With online grocery sales projected to grow 20% from 2021 to 2022 and 75% of consumers now buying CPG products online, marketers must lean into new tactics to increase attention and purchase intent.

One of the most significant trends driving the growth in digital advertising is the continued rise of high-impact, shoppable ad units — brands can create experiences that

are more fun and engaging, help to provide greater trust in products, and drive more effective brand lift and favorability. Since the pandemic, consumers are 133% more likely to pay attention to shoppable ad units.

The collapse of the purchasing funnel requires brands to create engaging and actionable experiences right from the first exposure. Consumers have more choice in front of them wherever they are, especially on social media, where 98% of consumers plan to make

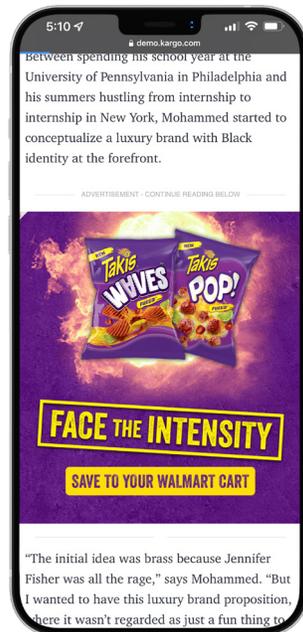
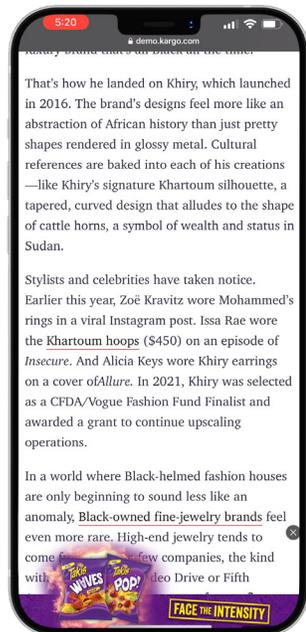
a purchase this year. In this environment, brands need to create truly engaging, differentiated experiences to capture attention.

RESEARCH OBJECTIVE

This study examines how shoppable advertising improves overall campaign performance for CPG brands, thus proving that interactive advertising works for brand goals and performance goals.

Can CPG brands collapse the digital customer journey by leveraging exclusive shoppable ad formats and technology?

Kargo, SmartCommerce, and MediaScience conducted this research to better understand how impactful ad formats coupled with Click2Cart® technology can lead to favorable brand attitudes, better E-commerce experiences and increased conversions vs. standard banner ads.



Additionally, two unique carting flow technologies by SmartCommerce (Click2Cart and Shopper's Choice) were tested to better understand the impact carting plays on the effectiveness of shoppable ad units.

Click2Cart drives users directly to a specific retailer's shopping cart, bypassing the product description page.

Shopper's Choice allows users to choose their preferred online retailer prior to carting a product.



Methodology:
In-Lab Experiment



Sample size:
n=80
18+, Smartphone User



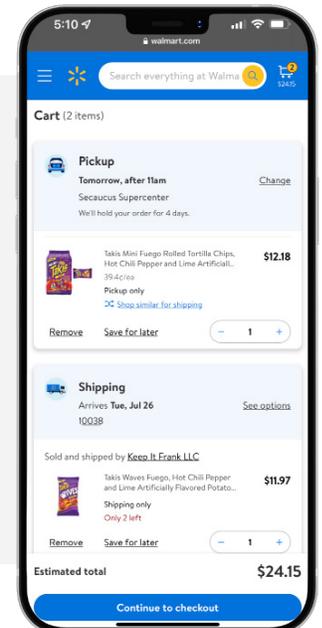
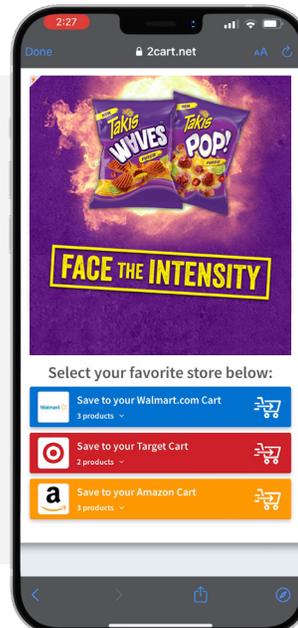
Survey period:
January 2022

METHODOLOGY

Two Kargo exclusive ad formats (Venti, Breakaway) with commerce-focused CTAs were tested to determine how much attention Kargo shoppable ads garner compared to standard display ads:

Kargo's Breakaway is an above-the-fold silhouetted adhesion banner unit that 'breaks out' from the bottom of the screen and then collapses into a smaller version that sticks to the lower right corner for easy tapping and interaction.

Kargo's Venti is a large-scale, in-article unit that supports bold visuals and scroll reactivity.





EXECUTIVE SUMMARY

Overall, the study proved that Kargo shoppable ads, combined with Click2Cart and Shopper's Choice, generally produced more positive ad evaluation scores than standard banner ads, with users reporting that the functionality was more convenient, saved them time, and made purchasing easier. Key takeaways include:



Splashy creative executions & messaging work **2X** as hard



Personalizing the post-click experience is a must for marketers



Consumers are **2X** more likely to recall a shoppable ad vs. a standard banner



50% of users preferred quicker, more convenient carting capabilities



Ads within contextually relevant environments are **2X** more likely to influence buying decisions



Kargo collapses the purchase funnel by combining **high-impact formats, interactive ad technologies, and exclusive placements** across devices and content environments. With solutions to **drive awareness, consideration, and ultimately purchase**, advertisers can reach their audiences throughout every stage of their purchase journey.

KEY INSIGHTS



VISUAL ATTENTION

The Venti and Breakaway ad formats received the most visual attention.

Users not only looked for **twice** as long (an average of 1.20 seconds vs. 0.7 seconds) but also were **fixated 2x** more frequently.

Standard Banner

.7 seconds

0.6 average fixations

Venti

1.22 seconds

1.6 average fixations

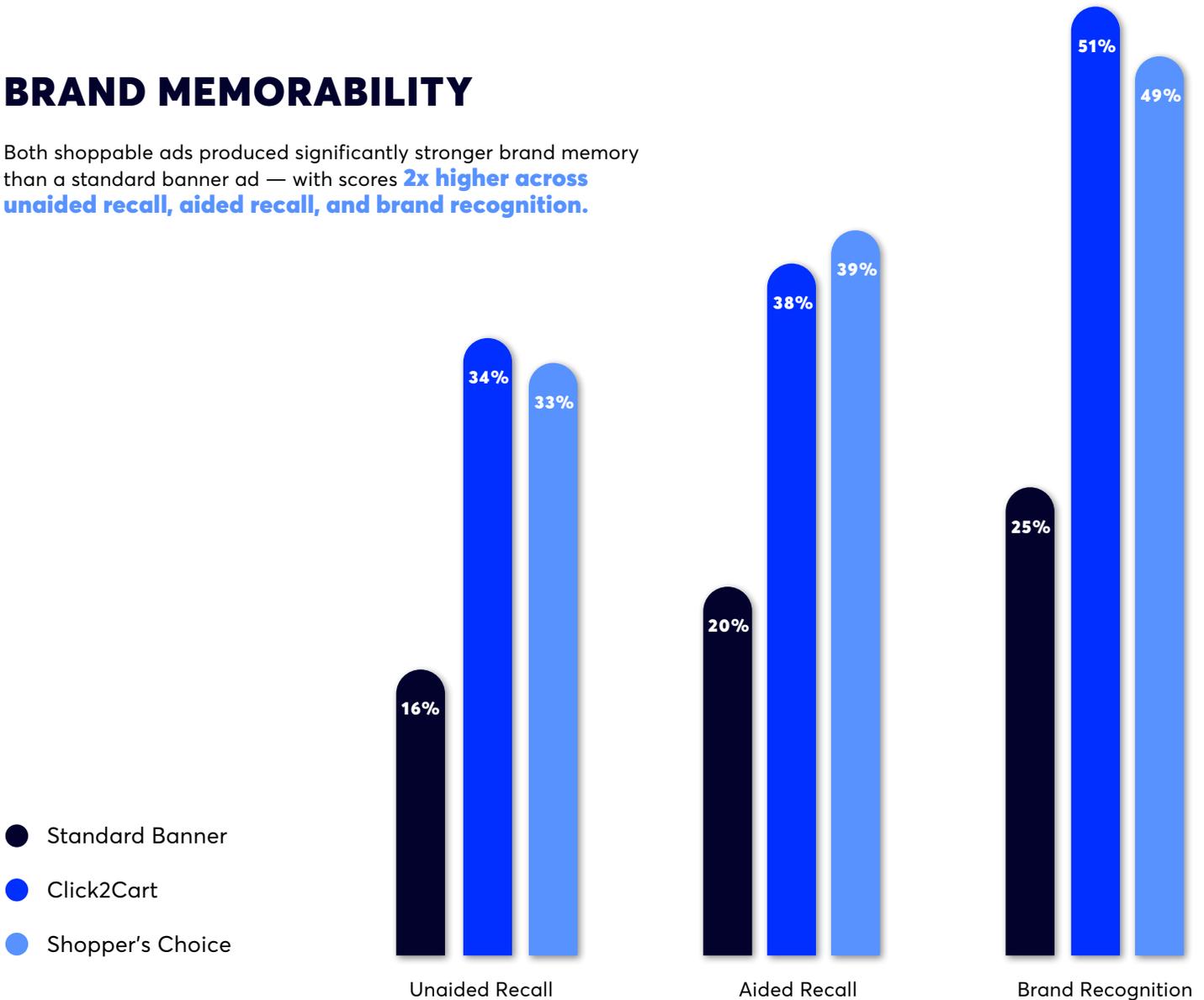
Breakaway

1.17 seconds

1.3 average fixations

BRAND MEMORABILITY

Both shoppable ads produced significantly stronger brand memory than a standard banner ad — with scores **2x higher across unaided recall, aided recall, and brand recognition.**



- Standard Banner
- Click2Cart
- Shopper's Choice

BRAND ATTITUDES

Around **70%** of customers exposed to the Click2Cart and Shopper's Choice activations had a positive brand attitude after interacting with the ad. The Standard Banner had no positive impact on the customers.

Standard Banner

57%



56%

Click2Cart

69%



65%

Shopper's Choice

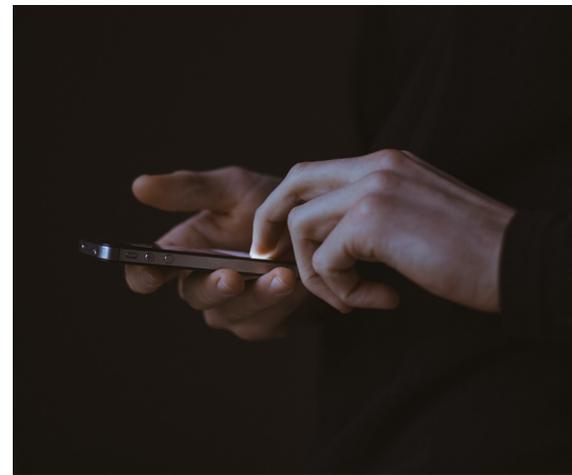
71%



64%

**Significant differences from Control at 95% confidence

*Significant differences from Control at 90% confidence



PURCHASE INTENT

Improvements in brand attitudes translated to 50% stronger purchase completion intent than those exposed to the standard banner. **Roughly half of users** indicated they would have completed the purchase following exposure to both the Click2Cart and Shopper's Choice ads, and **only 29%** of users indicated they would have completed the purchase following exposure to the standard banner ad.

Standard Banner

29%

Click2Cart

44%

Shopper's Choice

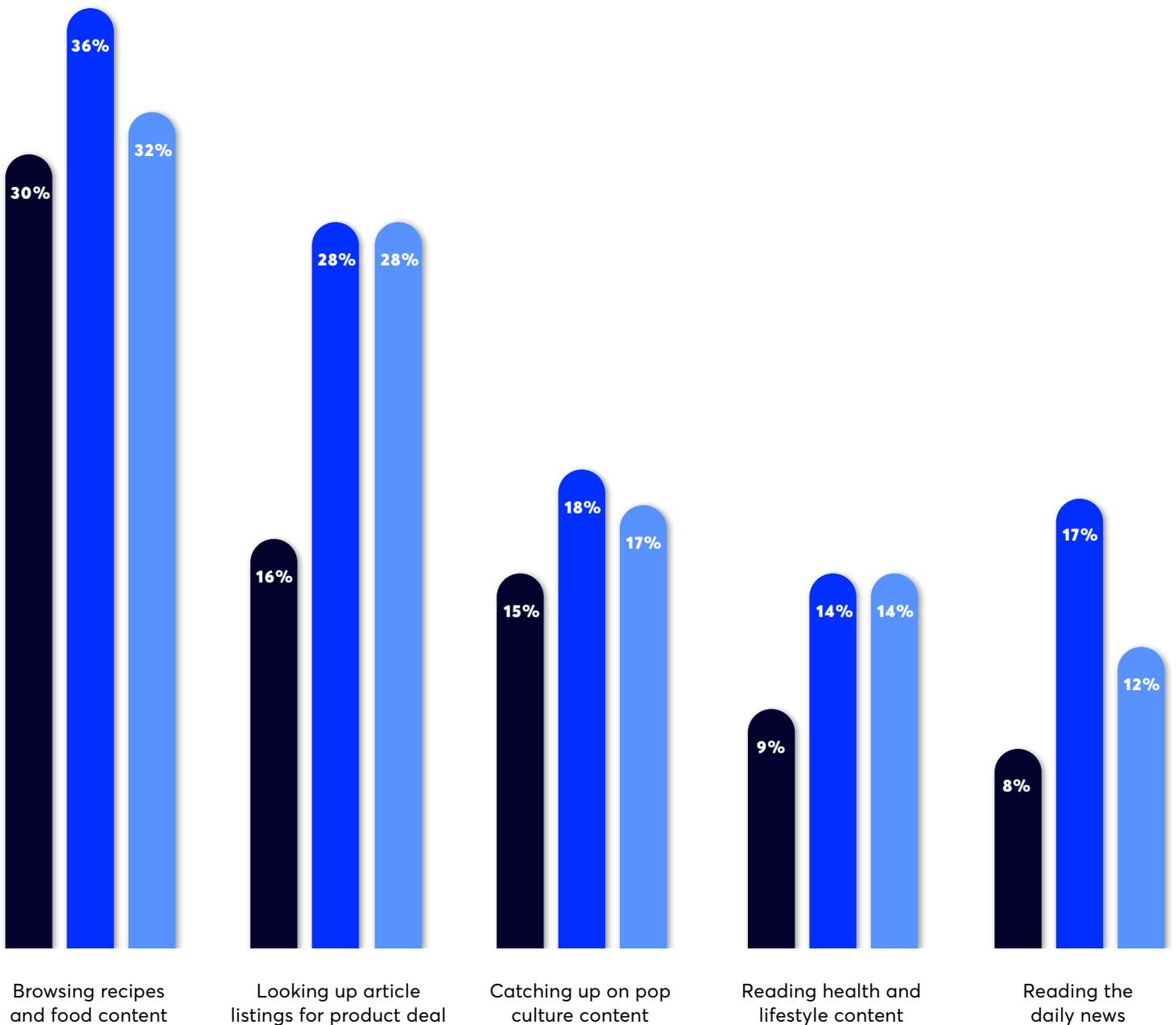
46%

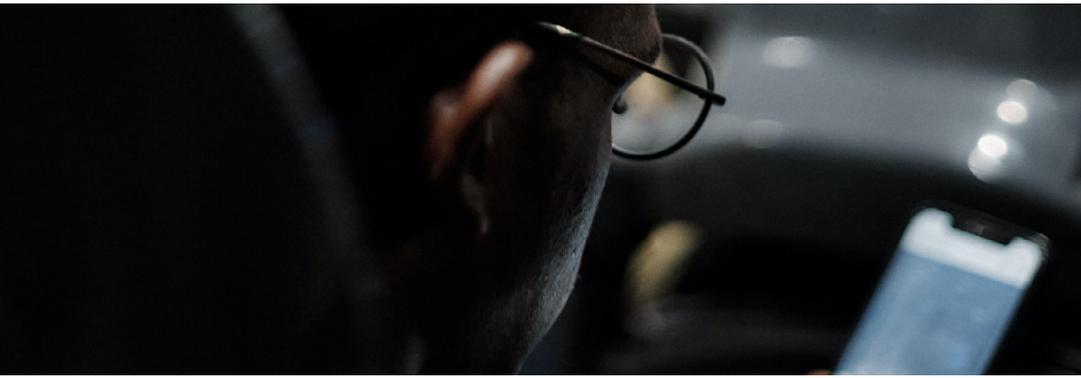
CONTEXTUAL ENVIRONMENTS

CPG brands utilizing contextual targeting will see at least a **2x higher conversion rate** when surrounding food & recipe content instead of pop culture, lifestyle or daily news.

Context was an important factor in users' purchase decisions.

- Standard Banner
- Click2Cart
- Shopper's Choice





CONCLUSION: THE NEXUS OF CONTENT AND SHOPPING

How we explore and find new products has migrated from browsing the physical aisle to browsing and shopping on the digital pages of publishers and in social gardens. Shoppable ads are designed to address the on-demand environment consumers have gotten used to. They not only encourage the purchase journey to begin directly in the ad but also enable consumers to have a personalized shopping experience before they even visit a website.

It's time for advertising to catch up and deliver the on-demand commerce experience that consumers have come to expect online. Ultimately, retailers and brands will need to deliver an integrated omnichannel experience across all touchpoints of the collapsed customer shopping journey in order to stay relevant in today's cluttered media ecosystem.

ABOUT



Kargo creates memorable digital advertising and content experiences. With a suite of impactful, exclusive advertising solutions, brands choose Kargo to make customer connections that count. Kargo is the leader for unique ad placements, with creative options that make the most of mobile, video, and social media. For publishers, Kargo delivers technology that dramatically improves viewer experience, as well as inventory and page performance. Headquartered in NYC, Kargo is 400 employees strong with offices across the globe.



SmartCommerce is an AI-based data platform that acquires and optimizes real-time retailer product data to power frictionless eCommerce volume for CPG manufacturers and their retailer partners. Optimized for the way consumers actually discover and choose CPG products online, SmartCommerce's core Click2Cart® solutions help consumers cart over \$2 billion of products from brand websites, ads, social media posts and more, annually. Click2Cart is a trademark of SmartCommerce, the provider of Click2Cart services.



MediaScience is the leading provider of lab-based audience research, incorporating a range of technology and tools to measure human emotion directly through neurometrics, facial expression analysis, eye tracking, EEG, and more. With state-of-the-art labs in New York, Chicago, and Austin - MediaScience is discovering key insights in advertising, emerging digital technology, media, and consumer trends.