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Ad Models and Inquisitive Shoppers

Marketeers and businesses pride themselves in creating small jingles and ad slogans that work like guerrilla warfare to win over consumers. Mass marketing aims to relate to a broad audience in a concise manner, whether the product is simple or complex, and the mission is to move the viewer's emotions and/or wallet. For example, think of the insurance industry. Insurance nuances are outside of most people's scope of knowledge, but with a deep voice or a few guitar chords, people may feel a sense of peace and a willingness to explore the product. For commoditized products (same product wherever bought) and products that consumers have a deeper understanding of, these strategies may no longer work. Mass marketing could also be turning consumers away, such as the recent hysteria with YouTube and ads being played next to potentially inappropriate videos. New methods to reach consumers, some in the works for decades, are finally coming to the forefront, and that could upset the day-to-day business of ad models.

The first case in point is a kitchen appliance called an Instant Pot (now dubbed "Instapot") designed by a group of engineers. There is nothing groundbreaking about this appliance except for the fact that it combines a slow cooker and pressure cooker into one that produces roasts, yogurts, eggs and desserts in minutes rather than hours. This product also made pressure cooking accessible to millions who would never attempt the technique without the ease of hitting a few buttons. More importantly though, the "Instapot" which began selling in 2010 with an estimated 50,000 units sold, has at least doubled every year and generated approximately \$380 million in 2017 sales. This was all done without print or TV advertising. Instead, the company released a couple hundred units to social media influencers and food authors, allowing them to let the public know their opinions of the product. The focus was on product design and customer focus, rather than ad gimmicks or ploys. This work was then shared by word of mouth, blogging and free social media platforms, which has made an "Instapot" a home appliance in about 10% of U.S. households and #1 product to sell on Amazon Prime Day.

There are also plenty of examples of how ad dollars and product placement (paying extra to be at eye level) are becoming less visible to consumers in grocery stores. Wegmans lets shoppers create a shopping list on their phones and sorts the list into aisles of the local store, thus reducing random perusing and impulse buys. In some areas, Walmart and Costco now provide home delivery services, again, reducing the impulse shopping mentality or viewing key product placements. Many chains are now also providing cafeteria style food and pre-prepped meals, both of which remove advertising labels. Finally, many consumers don't even need to step foot in a store with home delivery kits, such as Blue Apron, Hello Fresh and Instacart.

These innovations and advertising detractors may only be exceptions or may become the new norm. YouTube's ad revenue grew from \$3.5B in 2017 to \$3.8B in 2018, so there certainly is corporate demand for the ad space. Television, now a traditional advertising outlet, had \$68.5B in ads spent in 2014 and only \$69.9B in 2017 (2% growth over three years). Additionally, due to the ease of entry on multiple platforms, "fake news" and unsubstantiated claims easily percolate to viewers. As consumers are bombarded with products and companies try to reach a more digitally walled off target audience with recommended shopping lists, the traditional ad model may have to be reinvented again for an even more social and inquisitive shopper.