D-Risk

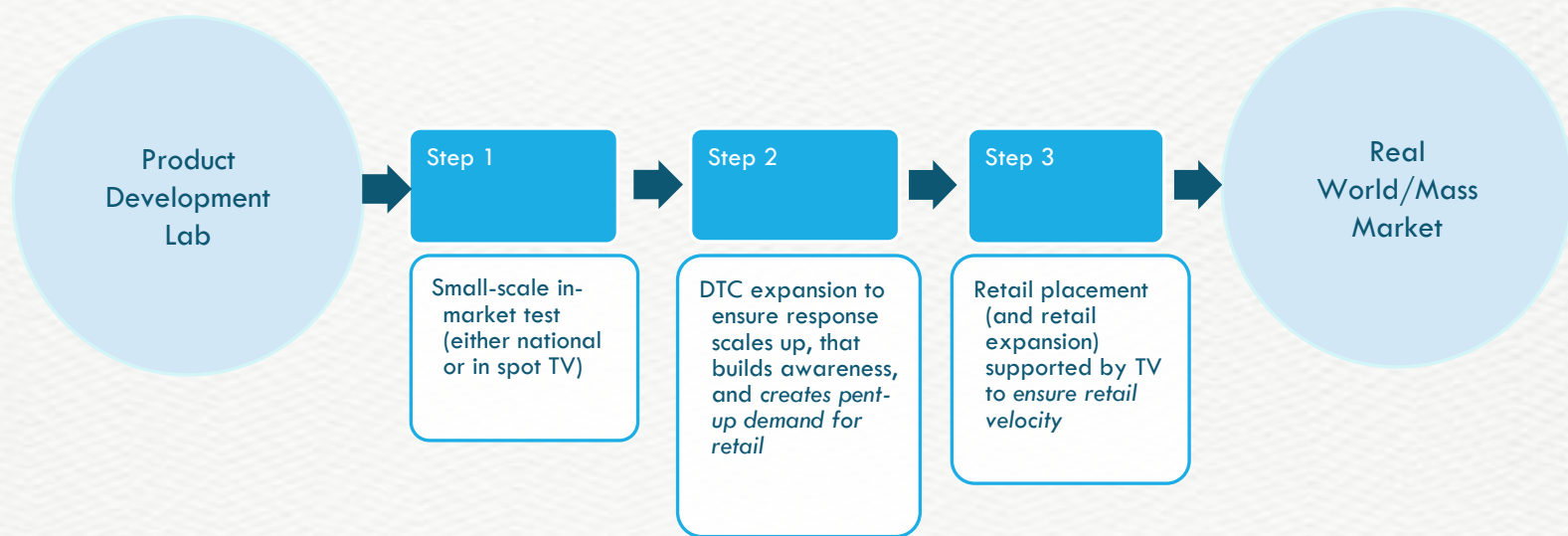## A Model for "De-Risking" New Product Launches and Building Brands

D-Risk™

A scalable, in-market research vehicle for identifying winning product concepts and building mass market brands quickly—with minimal risk!

- *Accountable ROI-based DRTV advertising tools, methods and disciplines*
- *Creative that is clear, compelling, strategically on-point and executionally superior*
- *Executed by a 3 experienced, proficient best practices resources working as one focused, AOR*

D-Risk ™

SMW D-Risk is a 3-step model that a) validates mass market product opportunities and b) brings them to the mass market quickly with minimal guesswork and risk

Product Development Lab → **Step 1** → **Step 2** → **Step 3** → **Real World/Mass Market**

Step 1
Small-scale in-market test (either national or in spot TV)

Step 2
DTC expansion to ensure response scales up, that builds awareness, and *creates pent-up demand for retail*

Step 3
Retail placement (and retail expansion) supported by TV to *ensure retail velocity*

The D-Risk "Secret Sauce"—bring the advantages of DR into the conventional brand-building process in 3 disruptive ways that "de-risk" the process of launching products and building brands:

1. Creative approach

2. Cost/targeting approach

3. Ongoing optimization in real time

D-Risk™

Creative Approach:

- Performs more like "promotion" than "advertising"; but driven by the *product* rather than the *price*

- Based on a proprietary concept/conjoint method integrating creative development and research

- In practice by SMW for 20 years; producing 16 commercial of the year awards

- Typically generates "superior" performance in Nielsen, as well as in the market; and versus competitors in established categories

D-Risk™

D-Risk utilizes a concept/conjoint technique/tools we created in 2000 which we use to pre-test concepts, language, and creative hypotheses before writing scripts

Integrating high-level (expanded conjoint) research to a portal company

Date of publication: September 1, 2000
Catalogue: ESOMAR Congress 2000: The Impact Of Networking

Company: Moskowitz Jacobs Inc.
Authors: Howard R. Moskowitz, Ruth Fehr, Alex Gofman, Jordan Stanley, Scott Noble

Abstract:
With the growth of internet research, new opportunities arise. This paper deals with the case history of a portal company

D-Risk utilizes fast-turn, statistically reliable studies among appropriate sample audiences to:
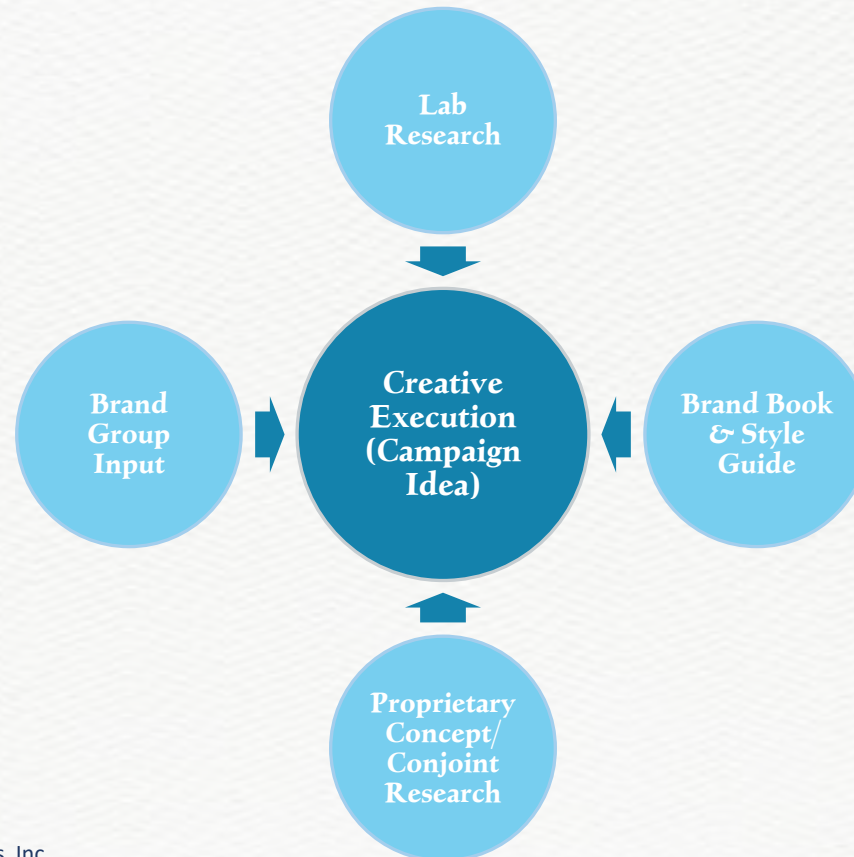
a) *double-check creative hypotheses,*

b) *check language hot buttons, and*

c) *to determine which concepts/ideas add and detract from purchase intent PRIOR to scripting*

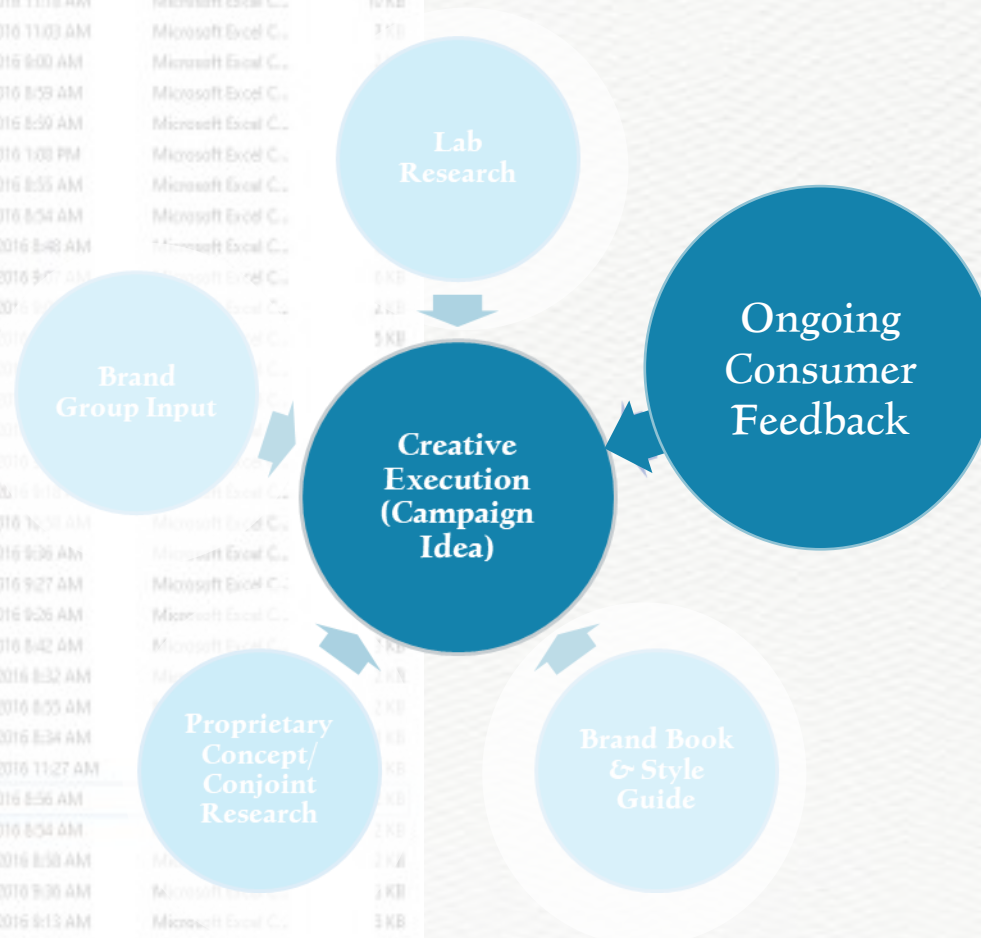|	B	C	D	E	F
1	Zevo_004_06172018				
2		Total Sample	Q1_Female	Q2 Pets Pres	Q3 Kids <1
3	Base Size	71	70	11	1
4	Constant	34.1	31.8	36.6	37
5	Stop killing the bugs in your house with poison	13.5	13.7	16.5	18
6	Stop using Traditional insecticides	11.5	11.5	11.5	12
7	Stop using Chemical Insecticides	5.1	6.2	7.1	6
8	Stop using harsh chemicals	3.7	3.4	3.9	3
9	Deadly for bugs, safe for people and pets because its DNA-formulated	4	2	4	2
10	Deadly for bugs, safe for people and pets because its DNA-targeted	4.4	2.1	3.9	1
11	Deadly for bugs, safe for people and pets because it targets insect nervous systems	2.3	3.9	0.6	
12	Deadly for bugs, safe for people and pets because it targets "Bug biology"	3.1	4.3	-2.5	
13	Essential Oils	2.1	3.4	0.6	0
14	Essential Oils that plants use to protect themselves from insects	14.1	13.7	14.1	15
15	Essential Oils that are natural enemies of bugs	13.4	15.1	13.3	

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...and then, further refined based on consumer feedback

Lab Research

Brand Group Input

Creative Execution (Campaign Idea)

Ongoing Consumer Feedback

Proprietary Concept/ Conjoint Research

Brand Book & Style Guide

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Cost/Targeting Approach:

- Rather than
    - 1) paying premiums for TV advertising time on select stations/programming *"presumed"* to reach our "best prospect;
    - 2) *"hoping"* we reach them and
    - 3) *"hoping"* they buy—
    - In step 1, we use our deep media-buying cost advantage to buy a more diverse range of media and cast a broad net in order to reach those most interested in the product proposition—early adopters—and learn as much about them as possible.

- As we expand, we build off *reality*, rather than *betting on 3 guesses*

D-Risk™

THE DIRAY DIFFERENCE

BUY PREMIUM MEDIA AT REDUCED RATES

AVERAGE GENERAL RATE: MORNING

$2,000

AVERAGE DIRAY MEDIA RATE: MORNING

$750

AVERAGE GENERAL RATE: DAYTIME

$5,000

AVERAGE DIRAY MEDIA RATE: MORNING

$1,500

AVERAGE GENERAL RATE: FRINGE

$10,000

AVERAGE DIRAY MEDIA RATE: FRINGE

$3,500

AVERAGE GENERAL RATE: PRIMETIME

$20,000

AVERAGE DIRAY MEDIA RATE: PRIMETIME

$6,000

D-Risk™

A selection of our private marketplace deals

STREAMING PLATFORMS & NETWORKS

Roku

sling

NBCUniversal

Discovery
NETWORKS INTERNATIONAL

pluto tv

hulu

WARNER MEDIA

FOX

tubi

Tastemade

A+E NETWORKS

abc

univision

fuboTV

VUDU

VIACOMCBS

Digital DTC Experts

- Over 15+ years of building and hosting 9,000+ websites responsible for over $5+ Billion in DTC Sales

- Unique Hybrid testing model Drives ROI while still reaching a mass target audience

- Every step of the consumer journey is tracked - from an ad click to the purchase

- We are experts at using offline and online data to support both e-Commerce and Traditional Retail channels

- Overall, clients like that it's Low-Risk and delivers faster results while driving better real-time optimizations

D-Risk™

Key Performance Indicators (KPI)

While we track just about everything, below are most important KPI driving performance:

1. Cost Per Store Visit
2. Cost Per Online Order
3. Return on Ad Spend

Retailer Sales % change
FDM Category % change
Competitive Rank % change

<u>Secondary</u> - CTR, CPC, CPM, Conv. Rate, Reach & Frequency & Engagement Rate, Video Views, Retail button clicks, etc.

AWARENESS
INTEREST
RESEARCH
DELIBERATION
ACTION