Numerator

True Consumer Understanding Requires One Single-Sourced, Unbiased Panel

March 2023

Introduction

Brands have become accustomed to using multiple datasets to evaluate industry performance and consumer behavior. However, it is now more important than ever to understand when data sources complement each other and add to your understanding versus when mixing data sets can actually compromise essential insights. Don't be lulled into a false sense of security by accepting that holes in consumer panel data from one source can be filled with information from a separate panel data source.

Understanding consumer behavior demands you know what that behavior is regardless of where it takes place -- and can see it in context of other behaviors. This leads to the critical importance of single-sourced data. We know that different consumers purchase differently and we know that consumer behavior differs by channel and within different retailers (that's why we study it and develop different strategies for different outlets). So why would we accept the supposition that some suppliers make that you can learn about brand-level behavior at an omnichannel level, but that, for item-level information, you need to switch to a scan panel that just covers brick & mortar outlets? That implies consumers' item-level preferences are the same in brick & mortar vs. untracked channels (like online, specialty outlets, gas & convenience, etc.) which we all acknowledge is not true.

The Importance of First-Party, Single-Sourced Consumer Data

In order to properly understand true consumer behavior, an unbiased, single-sourced view of behavior is imperative. Consumers are more reliant than ever on a large number of channels, fulfillment methods and delivery services in order to fulfill their needs. Cherry-picking data sources does not lead to true consumer understanding.

If you're being directed to look at multiple, disparate data sets (that are incomplete in their own unique ways) to answer various questions, you are forced to piece together omnichannel purchasing behavior and item-level data as well as consumer demographics and sentiment. This approach leaves you with an incomplete, and thus incorrect understanding of the consumer.

What is misrepresented and missed without a single-sourced, first-party consumer data solution.
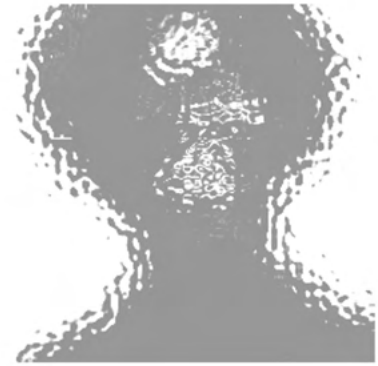
CONSUMER BEHAVIORS AND ATTITUDES ARE MISSED
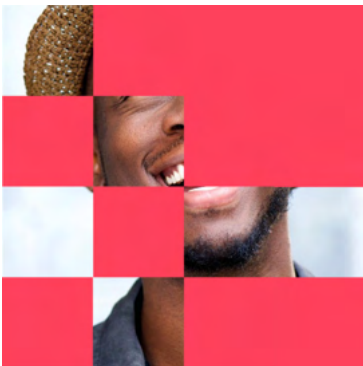
ASSUMPTIONS ARE MADE TO COVER GAPS

AND BUYERS ARE MISSED COMPLETELY

Omni Understanding Cannot be Limited to Channels

As the pioneer in omnichannel consumer understanding over a decade ago, we don't believe that omni understanding should be limited to a high level understanding of channels. It is critical to have a single view of all consumer behavior. This means your consumer panel source should provide data for omnichannel behaviors down to the item level across all channels -- not just in traditionally tracked channels. Additionally, this data needs to be calibrated to preserve the natural behavior of the modern consumer, not just what happens inside traditional Brick and Mortar stores that are tracked by POS systems.

Item-Level is Needed from All Channels

While some legacy providers claim "you simply cannot get a complete omnichannel read of below-the-brand attributes solely from a standalone receipt panel" and recommend you cherry pick data from scan panels and receipt panels, Numerator offers one source for both. We collect item level and product characteristic data across all channels because we know it's critically important. **And we know that because the channels driving growth for 89 of the top 100 Major Categories are within the untracked channels of our competitors. If you don't have item-level data for the channels driving your growth, you're missing the most important item-level information.**

Numerator provides an omni view from a single source that goes beyond channels with most sectors above 85% item-level granularity. Numerator is able to do what others cannot due to investments in technologies that automate the extraction of item level information from paper receipts using machine learning technology and go beyond receipt capture with user-permissioned passive collection of digital receipts. In today's world, you need to invest in multiple ways of collecting information from the same panelists, including OCR capture of physical receipts, automated collection of e-receipts and passive collection of digital purchase data from apps and loyalty accounts. It's all about using the right technology and expertise to ensure the highest compliance from your panelists. Today's transactions are increasingly varied and many of the new technologies provide detailed information — often down to the UPC level.

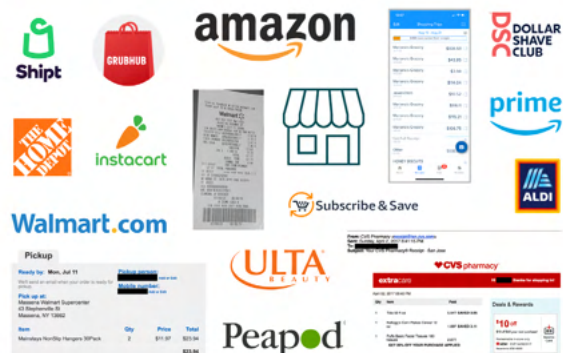## Decreased Reliance on the 'UPC' Relative to the Total Market

Item Granularity is important, but the UPC is only part of the story. 'Receipt Capture' Panels now need the ability to capture so much more than the UPC.

Legacy providers that are playing catch up cannot see item-level across all channels, which is why they are encouraging the use of legacy panel data for item-level insights. They suggest that item-level data is not available in untracked channels. However, in reality, item-level information is available across all commerce, it is not just tied to paper receipts with UPCs. You do, however, need to have the expertise to be able to extract that information (which we do). Our investments in digital transcription and attribution allow us to capture item-level characteristics across all transaction types.

For example, some retailers' paper receipts do not contain UPC information, but our technology allows panelists more ways to share purchase data with us — which can include UPCs and rich descriptions from which our advanced technology is able to extract item-level information.

Numerator Innovation enables greater item granularity

Paper Receipt

Nu Link Connection = UPC

Item

Calibration for the Modern Consumer Means Calibration Across All Channels

With a majority of growth coming from outside of traditional FMD channels, it is important to ensure your consumer panel is not obfuscating growth opportunities by forcing alignment to POS data, which represent less than half of consumer spend and compromises the integrity of underlying metrics.

You're missing **more than half (65%)** of shopping if you're relying solely on traditionally tracked channels.
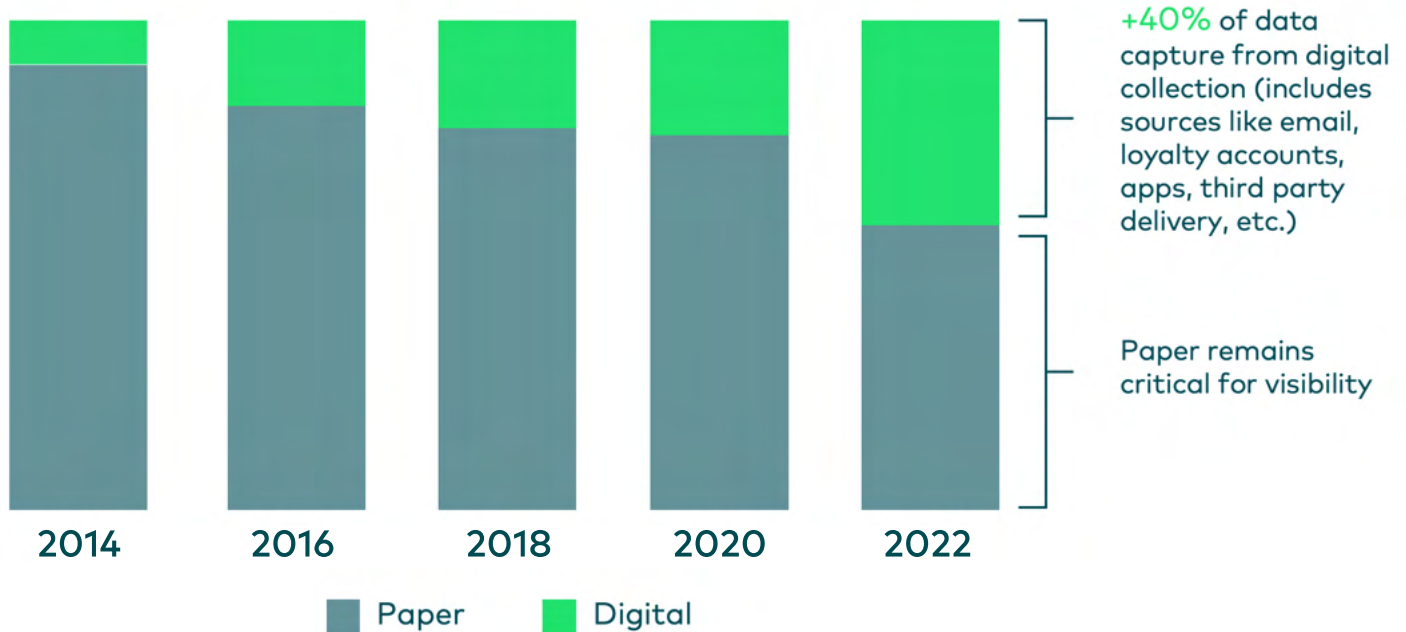
Source: Numerator TruView

Numerator has built an adaptive Omni Calibration Engine that provides the flexibility to ingest multiple benchmark data sources to represent the total market as opposed to aligning to a subset of retailers and channels -- where growth is often stagnant. This approach allows for a better representation of total consumer behavior and the ability to adapt as that behavior evolves. With our Data Wave of enhancements released in March 2023, we've made additional advancements in this area including increases in ecommerce calibration coverage (with 90% of ecommerce spend calibrated to benchmarks for the retailers we cover) and 100% coverage for the gas & convenience channel.

Numerator's Evolution Beyond Receipt Panel
(% Trip Capture by Technology)

+40% of data capture from digital collection (includes sources like email, loyalty accounts, apps, third party delivery, etc.)

Paper remains critical for visibility

2014　2016　2018　2020　2022

■ Paper　■ Digital

A Modern Panel that Evolves with the Consumer

The past few years have proven more than ever that the only constant is change. Our panel is architected to evolve with the consumer and we have seen this in action through the changes in trip capture. We've seen this reflected in our evolution beyond receipt capture to digital data collection.

This means that Numerator has continued to offer a single solution versus trying to cobble together multiple datasets or create multiple solutions that can still lead to an incorrect understanding of the consumer. Our investments in technology and innovation have allowed us to keep pace with consumers, set the bar in the industry and bring the richest and fastest consumer insights to your business. And we're not done. We launched a new wave of data evolution in March 2023 that, in addition to our advancements in omni calibration previously mentioned, included a significant expansion of our Numerator Total Commerce static panel (to 150K static households), a higher panelist quality standard (panelists have to meet a minimum of two digital or paper receipts submitted every month for 12 consecutive months and also meet a retailer diversity threshold of a minimum of 5 unique retailers shopped in a year), and substantial enhancements in item granularity across ALL channels.