

ARTEFACT
VALUE BY DATA



SANOFI

PRECISION MARKETING FRAMEWORK & CLIENT CASE

Leveraging data and AI to optimise marketing investments and increase sales

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Introduction

Precision Marketing, or Data-Driven Marketing, puts data at the heart of marketing strategy. Because we're constantly bombarded by information, humans are now said to have shorter attention spans than goldfish*. With Precision Marketing, data can be used systemically to transmit the right message to the right target via the right channel at the right time.

Well-executed optimisation of the digital consumer experience can boost sales by 20% to 50% for the same investment, or maintain them for a lower media investment. The key words are efficiency and impact.

*Source: Microsoft

A

A – The data response to a constantly-evolving environment

The last decade saw a major change in consumer behaviour. People now spend more than six hours on the internet each day*: they don't just go online, they live online. Digital overexposure has diminished their attention span for receiving messages; this is clearly reflected in the efficiency of traditional campaigns. User needs have evolved at the same rhythm: more than products, they want personalisation, pertinence, and immediacy.

Time spent online, combined with the emergence of the Internet of Things, has generated a mountain of precious data for advertisers... but it must be used with precision. Constant advances in data analysis tools now enable identification of insights from audiences never before exploited, opening the way for new, tailor-made services.

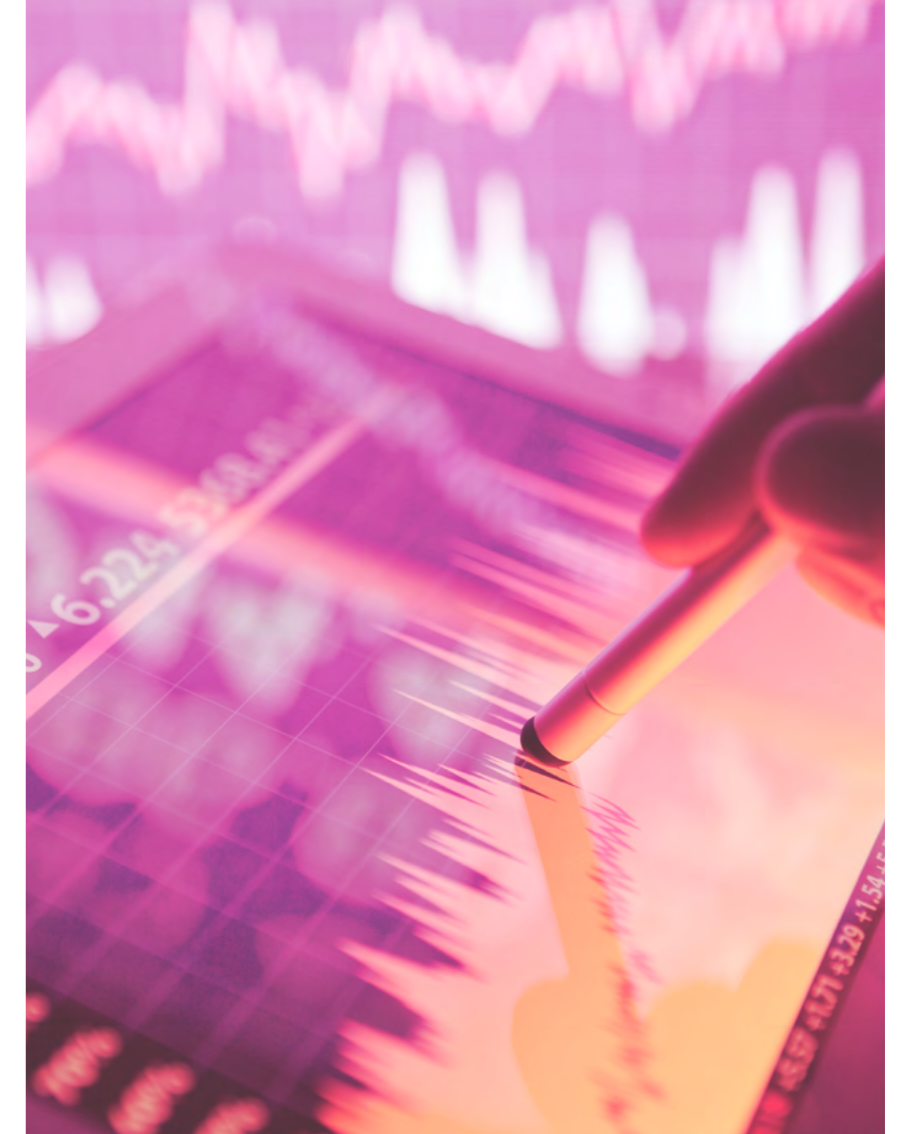
Precision Marketing thrives on these developments, to accompany advertisers in reconfiguring their marketing approaches.

B – More than a strategic change, a psychological and organisational change

■ Precision Marketing is Customer-Centric rather than Product-Centric.

Its media strategy is built on insights and data-based personas. A data-driven strategy enhances the traditional media strategy by enabling it to integrate different channels according to specific audiences, messages and times.

*Source: Google



TRADITIONAL ADVERTISING

- Upfront media, digital & offline
- One target audience defined by age & gender
- One message for all with high reach quickly
- Limited adaptation during campaign



PRECISION MARKETING

- Broadcasted on addressable channels
- Several audiences, defined by behavior, localisation...
- Messages adapted to time-of-day, localisation, audience...
- Continuous adaptation (eg., to weather, to-outbreaks)

A Precision Marketing approach doesn't exclude traditional channels, but to fully exploit these new value creation levers, the organisation must evolve from a silo operating model into a cross-channel operating model, where teams work together to convert customers and increase sales, sharing global visibility on all measures taken.

This evolution requires process revision and upskilling of all teams implicated in the customer journey - for both tools and data analysis capabilities - the core of Precision Marketing. These tools enable precision targeting, message personalisation and adaptation, and report automation for real-time multi-channel campaign management, at every stage of the funnel.

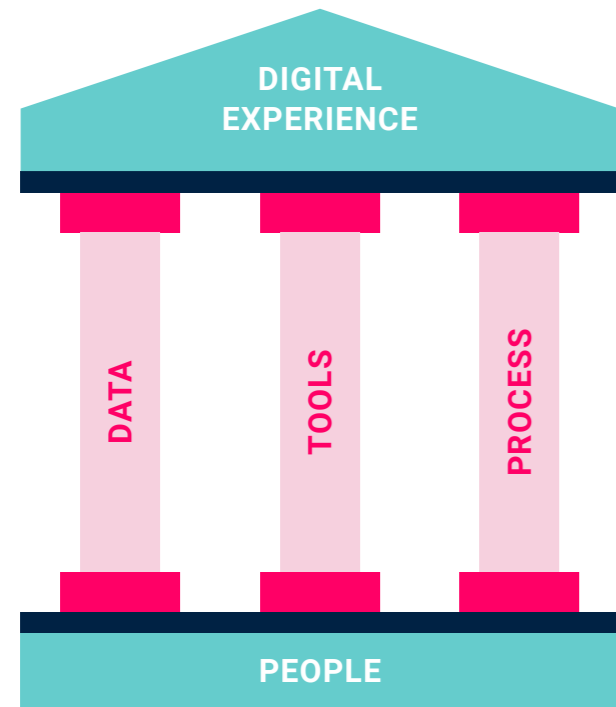
While tools are essential, people are the real heart of data-driven marketing: technology and AI are used to automate a maximum of tasks so that humans can dedicate themselves to high value-added topics.



C – Strategic and operational capacities implemented by Precision Marketing

■ To create an optimal digital experience, one or more strategic and operational components must be activated: data, tools, processes, and people.

To define the bases of an effective Precision Marketing strategy, each pillar must be considered and the right questions asked.



■ Here are some sample questions:

TOOLS:

What tools can the advertiser use to automate his reports and define his audiences? Do they allow for sufficient granularity? Are they well programmed?

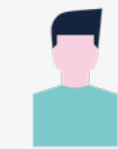
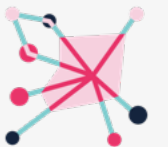


DATA & INFRASTRUCTURE:

Is the data easily accessible for analysis, campaign activation and reporting? Are the selection filters efficient?

PROCESS:

Are the roles and responsibilities well defined? Are there process documents and templates for campaign setup and launch? Are they practicable?



PEOPLE:

What competences and resources are available in the teams? How is performance incentivized? Are the teams regularly trained? Encouraged to take initiatives?

D – Precision Marketing Iteration Cycles: Test & Learn, Scale, Industrialise & Innovate



■ Choose the best insights:

Precision Marketing combines data science and strategic planning to create distinct clusters with specific characteristics. An algorithm maps these clusters to find the best way to address them.

■ Create an optimal digital experience:

Personalised landing pages and content are created for each user defined in each cluster. Multiple scenarios along each customer journey optimise all messages across all channels and lead prospects to conversion.

■ Measure efficiency:

Control groups where all factors are equal save one parameter are defined to compare Precision Marketing performance. Algorithms enable AB Testing to retain only the most effective advertising. These different measures are automated by a dashboard to visualise what works and easily identify areas for improvement.

■ Scale:

Effectiveness has been demonstrated; use cases are replicated or developed on a large scale in new markets or countries, integrating local problems and specificities.

■ Industrialise and innovate:

Foundations are in place and deployed on a global scale: the company can begin an innovation cycle, enabling it to reach a new level of efficiency.

E – Precision Marketing for all?

There's no critical size at which Precision Marketing is or isn't pertinent: any brand which invests in media may adopt a data-driven marketing approach. It adapts to the advertising agency ecosystem by offering new tools and modes of collaboration.

This approach might coincide with a digital transformation project, or respond to an operational need at first, then grow to a larger scale after a POC. Deployment within the company is modular, based on need and entry point.

Progressive integration of Precision Marketing competences and techniques enables the advertiser to disseminate this new mindset internally. But this internalisation doesn't mean the story stops there. On the contrary: the company will always need outside experts as a source of innovation.

Depending on a company's size, sector, and challenges, Precision Marketing can offer targeted or global responses that impact both the business and the media spend, as the following client cases demonstrate.



- Driving Digital Transformation With Precision Marketing



CHALLENGE:

Sanofi is one of the world leaders in the pharmaceutical industry. Its Sanofi CHC (Consumer Health Care) branch markets over-the-counter medications that respond to what people want: improving the quality of everyday life, at every stage of life. Until recently, the sector had been spared by digital transformation, mostly due to regulatory complexity.

Following the recruitment of a Global Director of Digital Transformation in 2017, the company identified a problem linked to their media mix. It was essentially focused on television, which prevented them from finding their growth points and effectively reaching their targets.

The media budget was under the umbrella of a major media group, but was operationally managed by numerous agencies; this generated massive process complexity and opacity. Rather than rely on media agencies to take on digital, Sanofi wanted the opposite: internal experts capable of challenging their agencies to seek out value through innovation. The client also wanted to abandon vertical logic in order to revitalise exchanges between global and local entities, while legitimising global expertise.

■ **Business objective:** Modify the global media mix to increase impact and grow revenue while improving media efficiency

■ **Organisational objective:** Integrate essential digital expertise into internal marketing teams to pilot the company's digital transformation



SOLUTION: A FOUR-YEAR DEPLOYMENT

■ Phase 1: Pilots

In pilot countries, Artefact tested pertinent use cases in programmatic advertising, passing from traditional media planning (based on reach, targeting large audiences) to agile programming (connected to business signals such as everyday life, user, and request spike times).

Sanofi CHC consolidated this experience into a Playbook*: this media strategy bible contains guidelines for creating, parameterising, and optimising campaigns, etc. This document centralises all important information and forms the framework for upskilling Sanofi CHC teams. This work was carried out hand-in-hand with their media agency on a global level to organise deployment and ensure that the new methods will be sustainable locally.

In 2018, ten pilot markets demonstrated that this new advertising model generated value by lowering costs while increasing sales. These POC were translated by twenty pilot campaigns in one year, supported by the most digitally mature teams to test the use cases. The highly collaborative operation united several functions within each project group. Artefact coordinated all marketing, media and creative agencies in every country, along with local, global, CMI, and legal teams. These teams were trained at the highest levels to become internal champions of data-driven marketing.



* The playbook for this project was not built by Artefact.

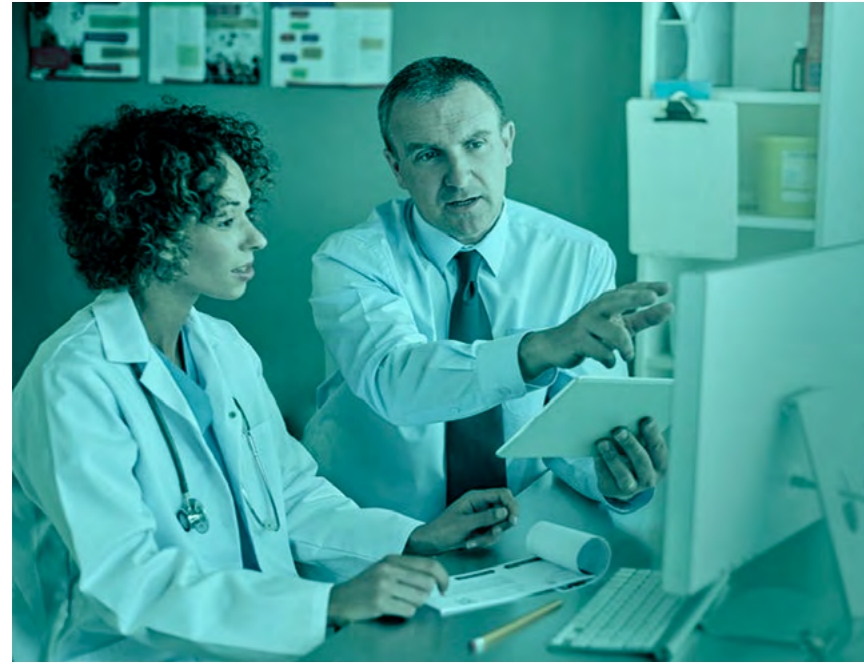


■ Phase 2: Scaling

Ten countries were added to accomplish this phase. Several new pilots had to be made in the additional regions to adjust to local markets. Support by local Artefact sites in Europe, Asia, and America fostered this acceleration of the system. Data visualisation tools and dashboards to streamline and automate reporting were created to facilitate communication of results to all stakeholders.

From the start of this transformation, an internalisation model had been defined whose objective was to make the advertiser autonomous over time.

The Precision Marketing Center of Excellence was launched to develop the technical competences of internal teams and recruit profiles able to sustain the transformation. The teams are responsible for establishing training and upskilling schedules in different markets to transfer knowledge. The CoE also updates the Playbook according to new use cases and orchestrates the ecosystem of direct partnerships with the technological platforms (GAFAM). It guarantees *business continuity*: the sustained transfer of competences and knowledge.



■ Phase 3: Innovation

Now that the foundations of the new organisation are in place, Sanofi and Artefact are initiating an important innovation and pilot phase of process and new driver automation, aimed at increasing customer centricity. Sanofi CHC wants to be positioned as a key player in health and well-being via connected services - a goal which requires new digital transformation considerations in which AI comes into play.

The company also wants to develop their e-commerce, which wasn't a core part of their model until now, to improve their presence in markets such as Germany or China.

2020 is also the year when Precision Marketing is being launched in other business units, such as Sanofi Pasteur, with high stakes on vaccines. Accompanying these teams in their transformation represents a major challenge, as it's the first time that a vaccine-producing laboratory is communicating directly to consumers: until today, such communications were published by public institutions and NGOs.



RESULTS:

The first result observed is transformation, defined by a key KPI: share of Precision Marketing in the total media mix, which substantially increased thanks to the project as a whole. On a performance basis, these actions made it possible to double the impact of campaigns on sales and to reinforce awareness, with up to +27% on measured awareness, and up to +19% on consideration.

These results show how Precision Marketing impacts the entire funnel: from brand image to product consideration to purchase. Even the employer brand benefits: internally, thanks to changes in practices, and externally, as the existence of a Center of Excellence attracts sought-after digital profiles.



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About

Artefact is a next-generation data services company, specialising in data consulting and data-driven digital marketing. We're dedicated to transforming data into business impact.

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