SAMSUNG

SMF2.0
The Samsung Way of Marketing in the "Digital Everything" Era

**Samsung Marketing Academy
GMC**

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The "WHY"

The "WHY" in SMF2.0

SAMSUNG MARKETING FRAMEWORK 2.0

WHY

Right Customer
- Cold
- Warm
- Hot
- Owner

Right Value
- Product Value
- Non Product Value
- Brand Value

Right Touchpoint
- Paid
- Channel Partner
- Owned
- Customer
- DtC
- Earned

RESULTS

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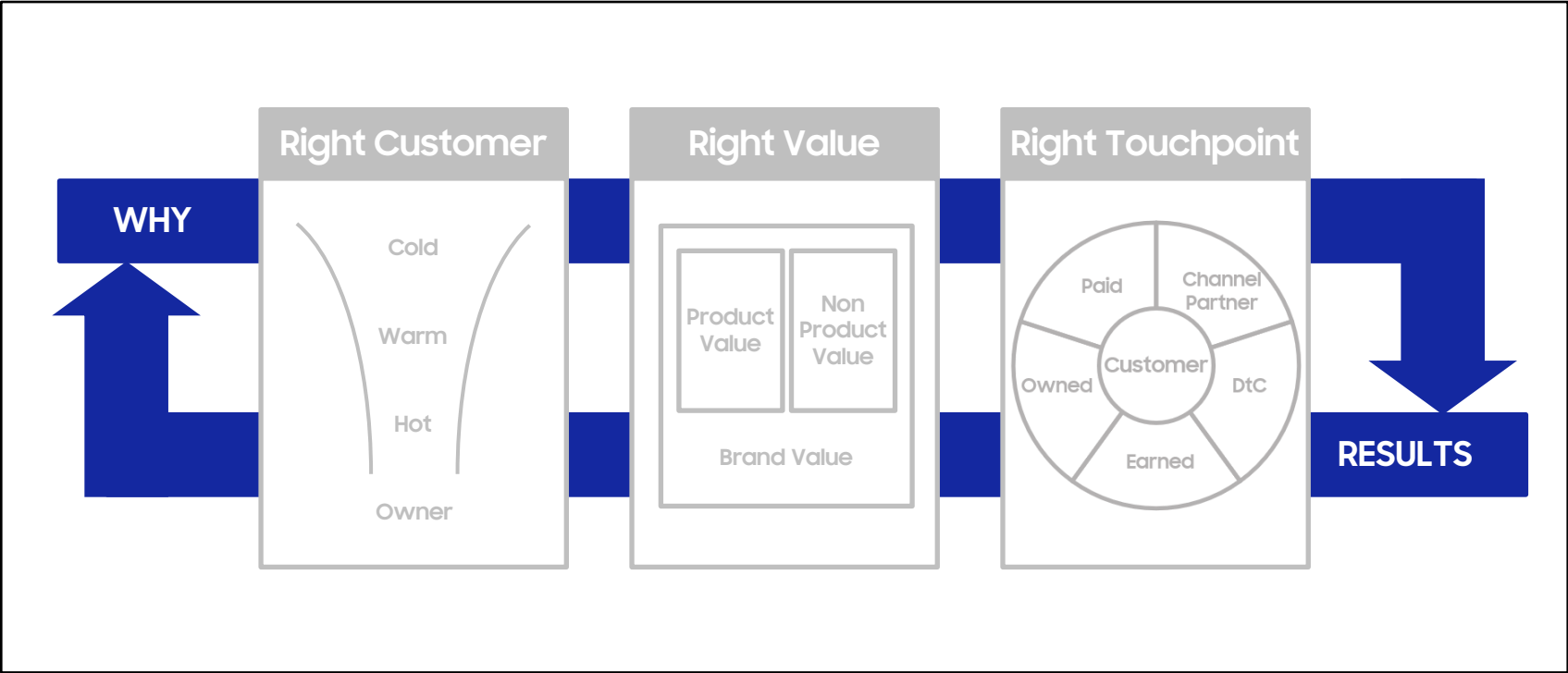
What is the "WHY"?

The "WHY" involves the process of defining the objectives of a marketing campaign and reflecting on the results.

WHY = Objectives

marketing campaign objectives

Results

marketing campaign results

Planning/Execution

marketing campaign planning & execution

(3R - Right Customer/Value/Touchpoint)

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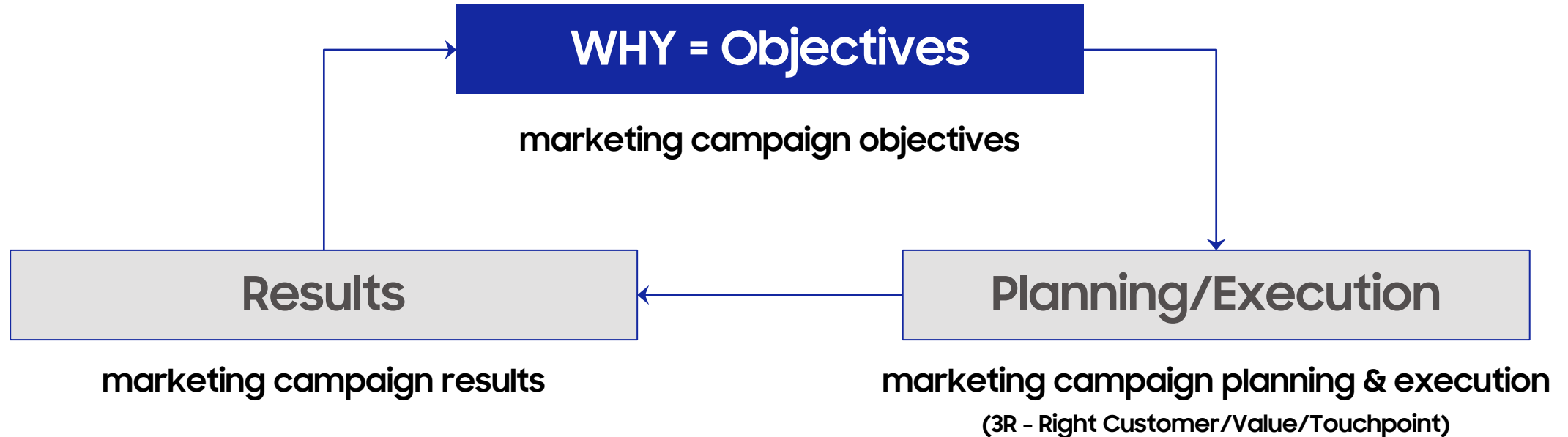
Why have you set the **OBJECTIVE**
from the perspective of the customer?

What is the implication of the **RESULT**?

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1. Analyze Business Contexts

What are the core internal-external business contexts, and what business opportunities do they bring?

2. Set Objectives across the CEJ

What are the objectives of your marketing campaign, how is it broken down by CEJ stages, and by what indexes can you measure it?

3-1. Review Results in line with KPIs

As a result, how did the marketing campaign perform against the objectives, and how did it affect the KPI*?

* Revenue, market share, profit and loss, inventory, PTO

3-2. Loop for Reflection

Reflecting on the performance reviews, what are the implications and how can we apply them to future marketing campaigns?

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1. Analyze business contexts

To establish effective marketing campaign objectives, we must first understand the core internal-external business contexts, then discover business opportunities based on that understanding.

Business Contexts → Analysis → Business Opportunities

External

- Consumer trends, digital footprint and distribution trends according to customer experience journeys
- Market size and prospects, competitor business status, product and technology trends, etc.
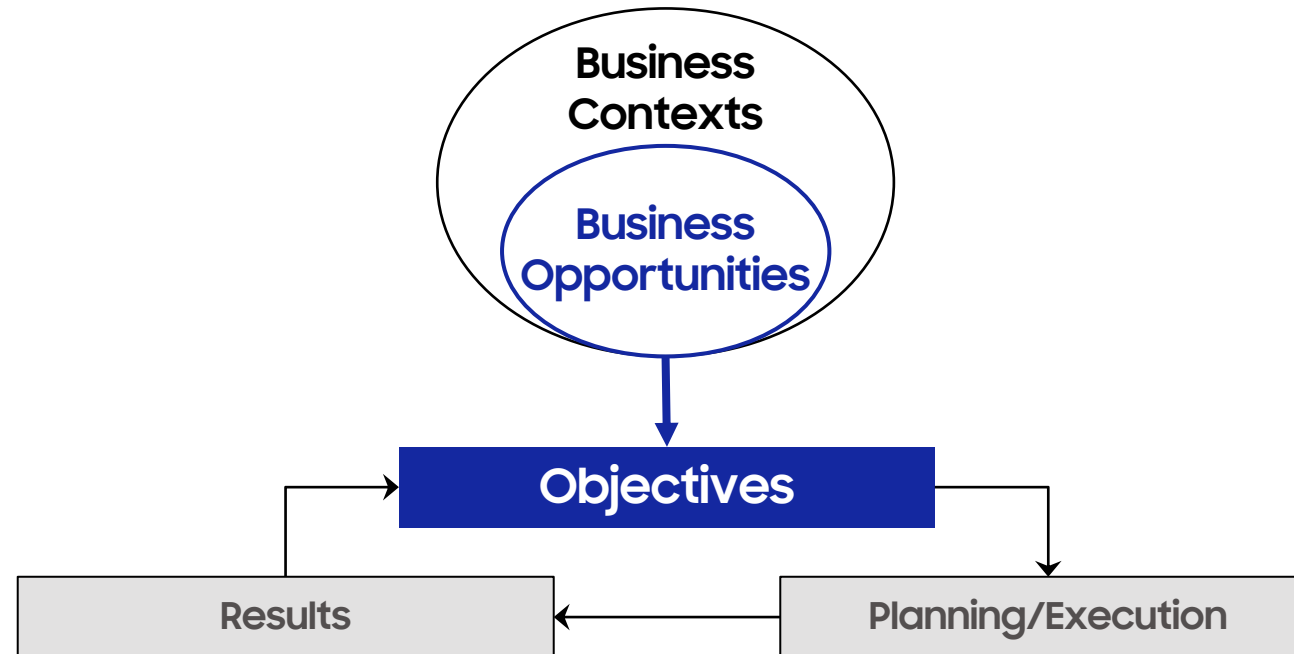
Internal

- Current strategic directions, including business strategies, product launch plans, product lineup, USP
- Current business performances globally and in key countries, including sales volume, sales, profit and loss, market share

What they look like

- **To penetrate new markets**, we can present differentiated values through the launch of new products
- To strengthen market leadership, we can respond to changes occurring in competitors and distribution channels with strong technical leadership and strengthen market share
- To identify unseen opportunities, we can identify potential markets/customers that have been difficult to identify or access and respond appropriately
- To meet unmet needs, we can analyze customer needs in greater detail through digital means detail and deliver values that meet them
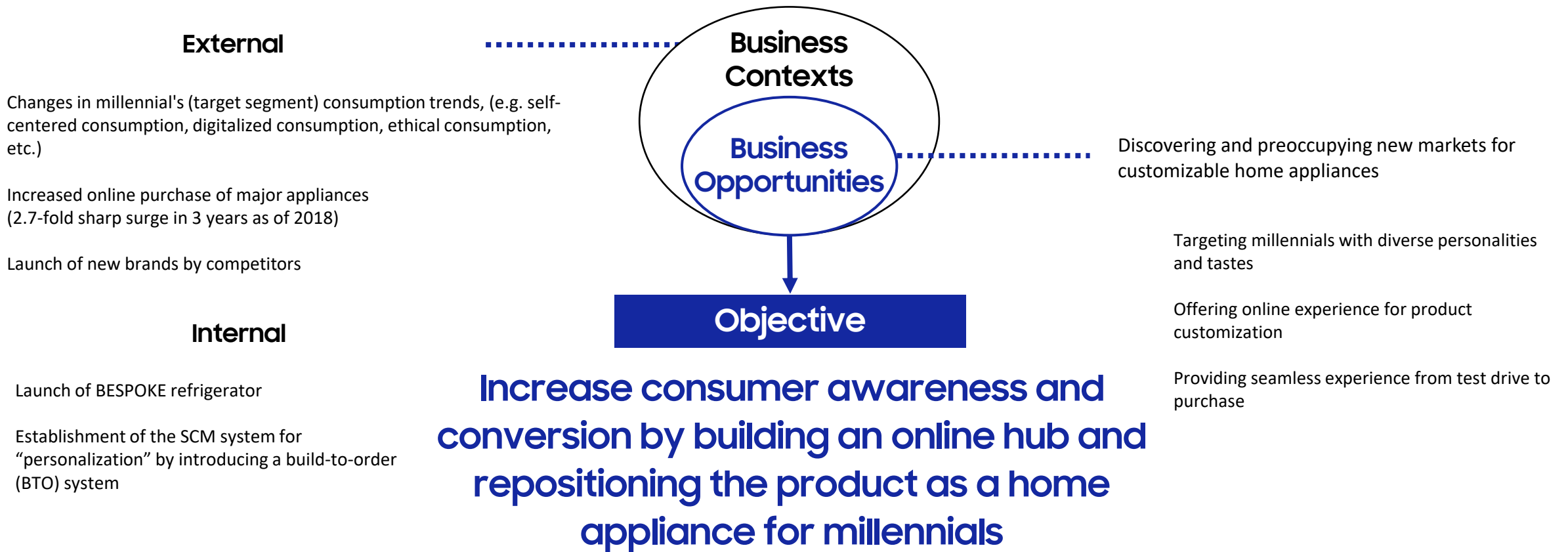
1. Analyze business contexts

Once the business opportunities are discovered, we should establish marketing campaign objectives and turn these opportunities into results.

Business Contexts

Business Opportunities

Objectives

| Results | Planning/Execution |

1. Example: The BESPOKE Refrigerator

For example, in the BESPOKE marketing campaign, we applied the internal and external contexts to discover business opportunities for customizable home appliances, then established campaign objectives to turn the opportunities into results.

External

Changes in millennial's (target segment) consumption trends, (e.g. self-centered consumption, digitalized consumption, ethical consumption, etc.)

Increased online purchase of major appliances (2.7-fold sharp surge in 3 years as of 2018)

Launch of new brands by competitors

Internal

Launch of BESPOKE refrigerator

Establishment of the SCM system for "personalization" by introducing a build-to-order (BTO) system

Business Contexts

Business Opportunities

Discovering and preoccupying new markets for customizable home appliances

Targeting millennials with diverse personalities and tastes

Offering online experience for product customization

Providing seamless experience from test drive to purchase

Objective

Increase consumer awareness and conversion by building an online hub and repositioning the product as a home appliance for millennials

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2. Set Objectives across the CEJ

Once the marketing campaign objectives are established, we should look at them from the customer's perspective.
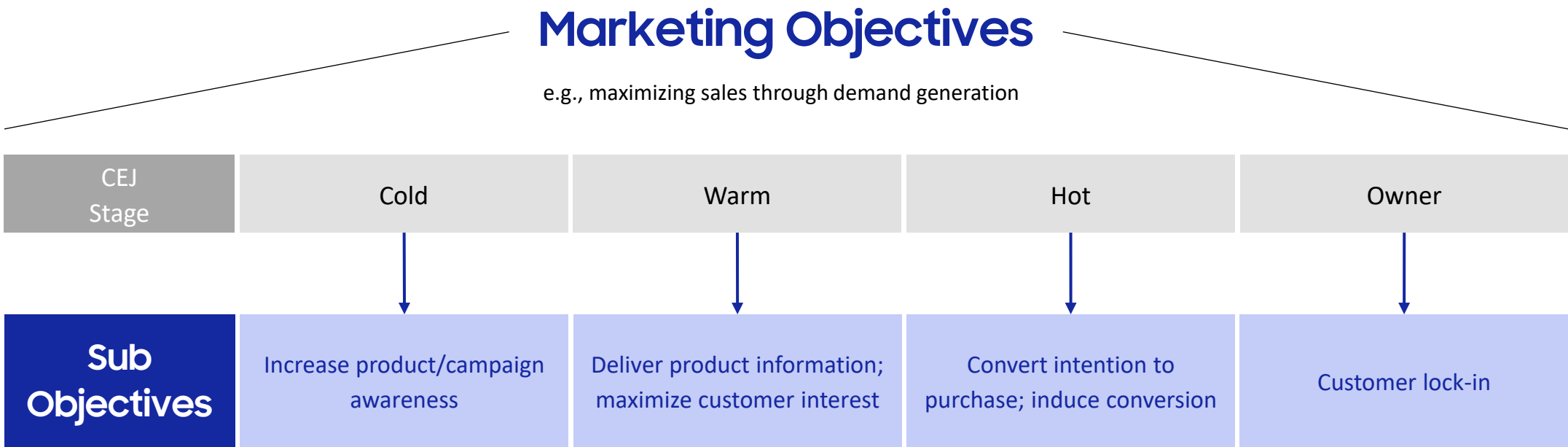
Customer-centric goal setting means establishing Sub Objectives according to each stage in the CEJ (Customer Experience Journey).

What is a Customer Experience Journey?

It refers to the entire experience from when a customer becomes interested in a product to when a customer uses it post-purchase. CEJ stages categorize customers into "Cold," "Warm," "Hot," "Owners" according to their degrees of purchase intentions. (Refer to "The Right Customer" section for details.)

2. Set Objectives across the CEJ

The derived objectives of the marketing campaign should be segmented according to the CEJ stages.

Marketing Objectives

e.g., maximizing sales through demand generation

CEJ Stage	Cold	Warm	Hot	Owner
Sub Objectives	Increase product/campaign awareness	Deliver product information; maximize customer interest	Convert intention to purchase; induce conversion	Customer lock-in

2. Set Objectives across the CEJ

We should establish a measurable performance index for each sub objective at its respective CEJ stage.

Marketing Objectives

e.g., maximizing sales through demand generation

CEJ Stage	Cold	Warm	Hot	Owner
Sub Objectives	Increase product/campaign awareness	Deliver product information; maximize customer interest	Convert intention to purchase; induce conversion	Customer lock-in
Performance Indices*	☐ Search Volume (Samsung, Flagship) ☐ Buzz (Volume, Pos./Neg. Sentiment) ☐ TRP (Target Rating Point) **Example**	☐ QLR (Qualified Landing Rate) ☐ #Shoffer **Example**	☐ %Sales Conversion ☐ $AOV (Average Order Value) ☐ Purchase Intention ☐ $Sales ☐ %Premium Sales **Example**	☐ %Repurchase Rate ☐ #Members MAU (Monthly Active User) ☐ #Members Subscriber (Total,/New) **Example**

* Source : Marketing Index Standardization – Index Guidebook, Brand Strategy Group, GMC, July 2019

2. Example: The BESPOKE Refrigerator

For example, according to the marketing campaign objectives for the BESPOKE refrigerator, sub-objectives and measurable performance indices can be segmented for each CEJ stage.
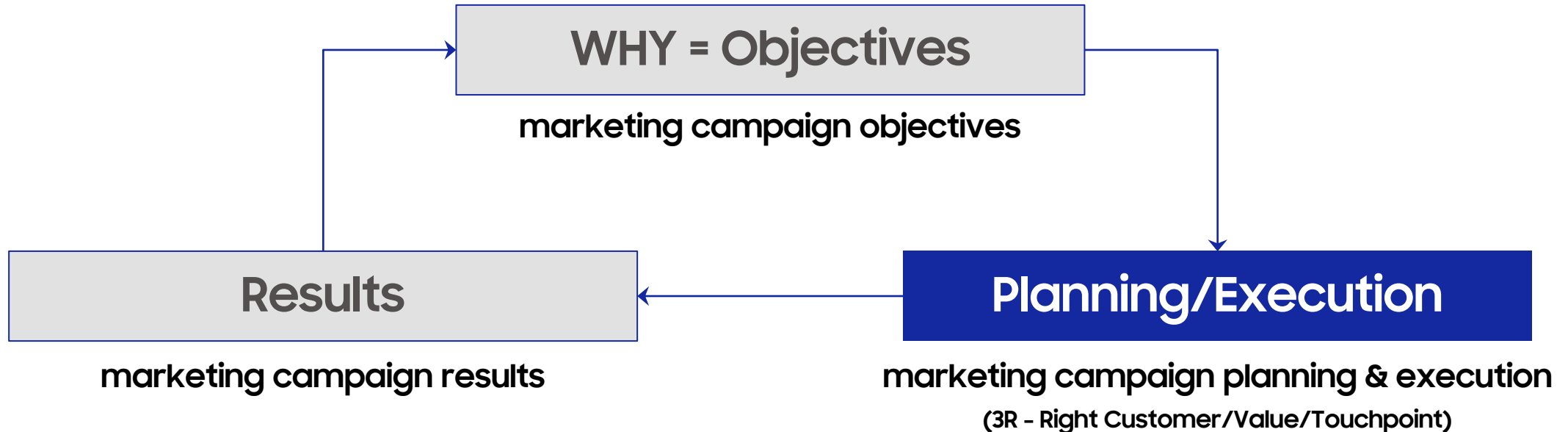
Marketing Objectives

Increase consumer awareness and conversion by building an online hub and repositioning the product as a home appliance for millenials

CEJ Stage	Cold	Warm	Hot	Owner
Sub Objectives	Maximize awareness/interest to induce early sales	Induce conversion through promotional content exposure	Maximize conversion and induce referrals/viral content	Maintain sales momentum by inducing promotion and participation
Performance Indexes	☐ 5,000 requests for advance notifications (based on the new flagship model)	☐ 100,000 monthly visits to the S.com promotion page	☐ 100 units sold; 300 billion KRW in sales	☐ 200 customer reviews and comments

Next Step

Once the marketing objectives are established, we should plan and execute our marketing campaigns accordingly. This topic will be covered in more detail in the 3R (Right Customer / Value / Touchpoint) section.

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marketing campaign objectives

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marketing campaign planning & execution

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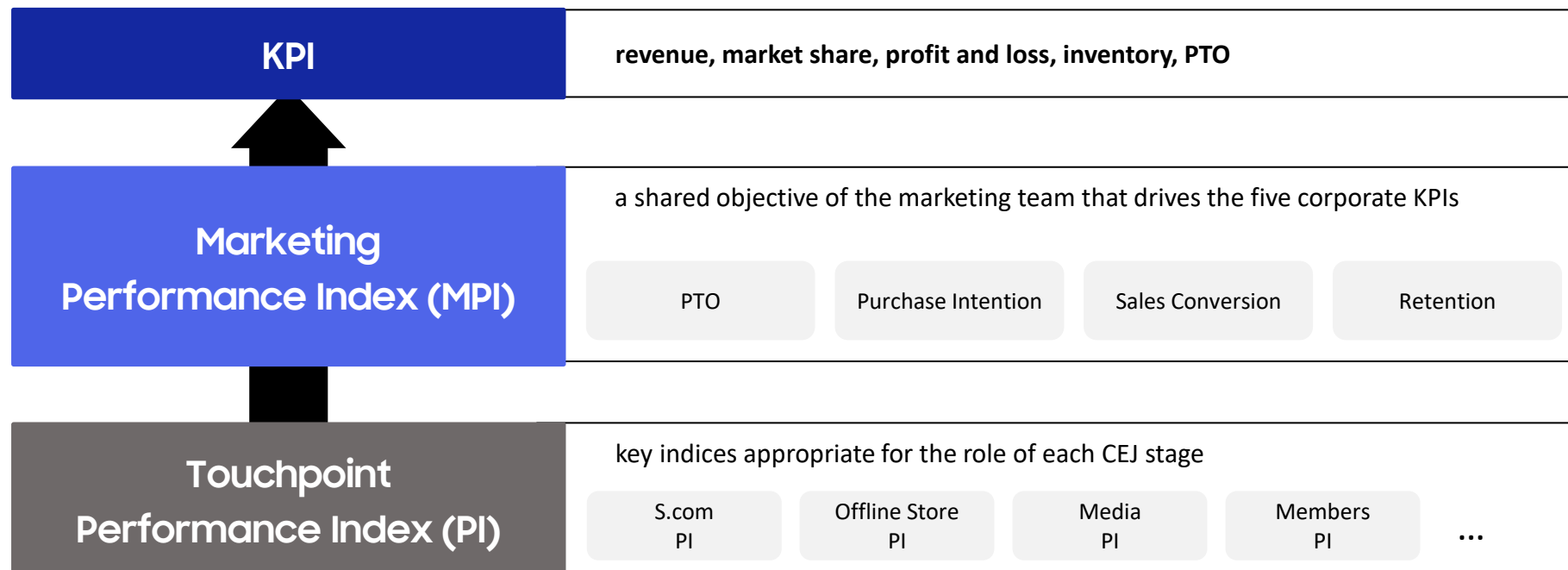# 3. What are the "Results"?

Moving forward, let's think about the results produced by the planning and executing of marketing campaigns.

WHY = Objectives

marketing campaign objectives

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marketing campaign results

Planning/Execution

marketing campaign planning & execution
(3R – Right Customer/Value/Touchpoint)

3-1. Review results in line with KPIs

Following our marketing campaign activities, we should review whether the performance index and marketing performance index that were set in the objective have been achieved. In this process, we also examine their impact on key performance indicators.

KPI	revenue, market share, profit and loss, inventory, PTO

Marketing Performance Index (MPI)

a shared objective of the marketing team that drives the five corporate KPIs

PTO	Purchase Intention	Sales Conversion	Retention

Touchpoint Performance Index (PI)

key indices appropriate for the role of each CEJ stage

S.com PI	Offline Store PI	Media PI	Members PI	...

* Source : Marketing Index Standardization – Index Guidebook, Brand Strategy Group, GMC, July 2019

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3-2. Loop for Reflection

Reflecting on the performance reviews, what are the implications and how can we apply them to future marketing campaigns?

3-2. Loop for reflection

Lastly, we should examine the campaign results and use the data and insights gained from the marketing activities to plan the next campaign objectives. Only when this process is complete, a marketing campaign can be considered to be concluded.

Data of Final Review*
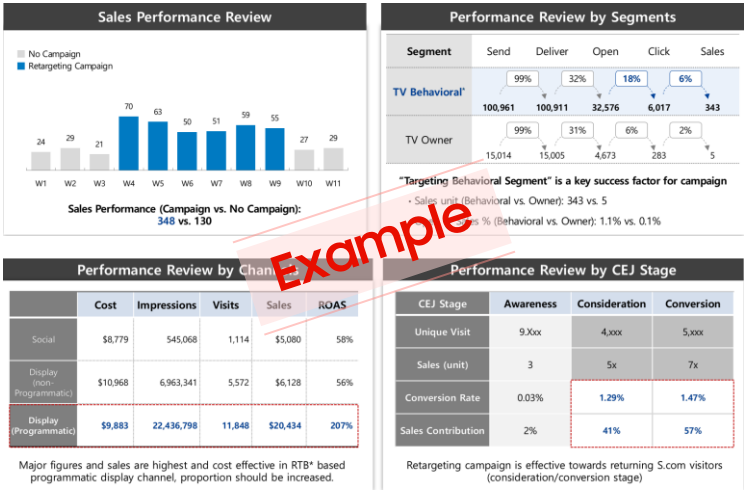
Loop for Reflection

☐ We check the PI, MPI, and KPI for each CEJ stage to determine the campaign results.

☐ We **accumulate data** collected from the marketing campaign as well as know-how and experience from previous campaigns and industry benchmarks.

☐ Upon conclusion of the campaign, we apply the lessons learned to the objectives of the next campaign.

* Source : 2019 CE CDM Enabling Playbook, 2019 Sep, GMC Digital Marketing Platform Group

3-2. Example: The BESPOKE Refrigerator

In the BESPOKE refrigerator marketing campaign, we were able to draw the following lessons from our marketing activities.

Results June 4 – Oct 31, 2019	7,000 requests for advance notifications	1.16 million visits to s.com hub	332 units sold; 4.9 billion KRW in sales	160 Shoffer reviews	1,000+ reviews and comments by other consumers

Loop for Reflection

- Delivering one-time messages customers is less cost-effective.
  → Constantly expose s.com by selecting affiliate channels with high levels of visit/inflow/use/recognition.

- Shoffers have little influence in creating initial buzz and driving sales.
  → Prepare shoffer operation from the initial stage so that the shoffer operation period matches the campaign period.

- Contents that simply list a set of information have low deliverability (reachability)
  → Develop contents according to the sales purpose, considering the customer's consumption trends, interests, and lifestyles.

- Having a larger number of subscribers but few touchpoints may help increase pageviews but are inefficient in inducing inflow and conversion.
  → Book content creators (or channels) with high target reachability, considering the content types and targets.

End of Document

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