





## Agenda

- 1 *Evolution of market power in the CPG industry*
- 2 *The disruptive digitally enabled shopper*
- 3 *Implications for your TPx business strategy*
- 4 *Closing thoughts regarding the future digitally driven landscape: A practical approach to start the journey*







# Evolution of CPG industry market leverage

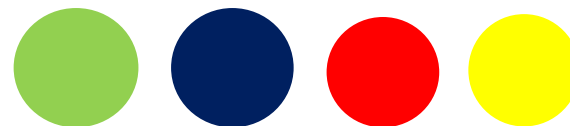


# Customer centric focus for CPG business operations





# *The disruptive digitally enabled shopper*

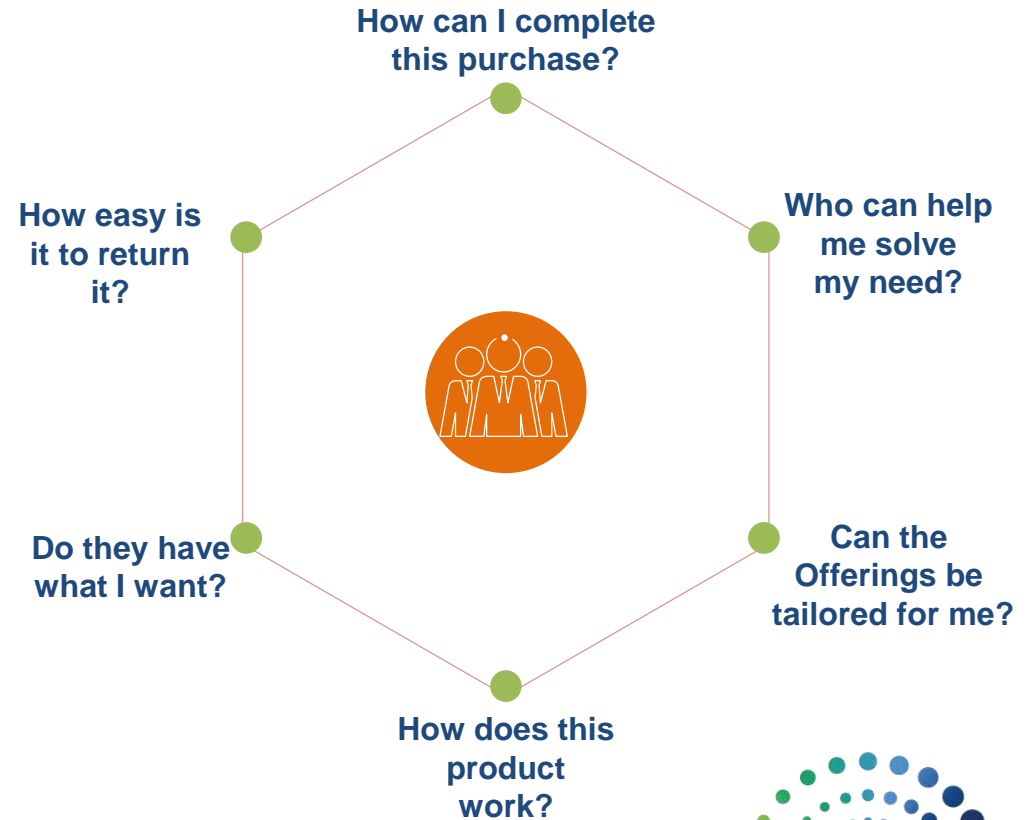


# Consumer centric view

When we place the consumer at the center, all seemingly divergent strategic priorities become Inter-related

Buying products is now an experience vs. a transaction from the consumer POV

They desire to interact with a singular Service and Expectation Set Ecosystem





# Consumer Experience Economy

Consumer trends in retail:

Experience vs. Explanation

Touchpoints build a unique, memorable experience

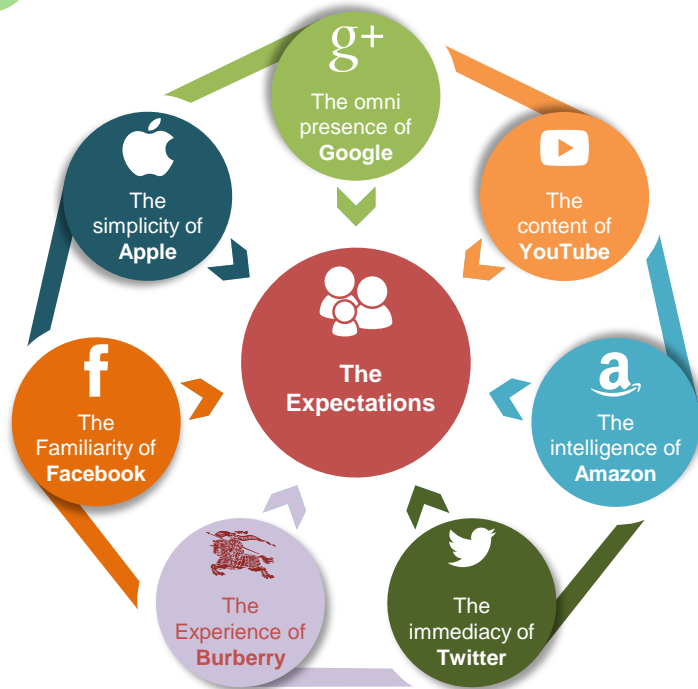
Competitive advantage based on the ability to drive a positive, differentiated CX




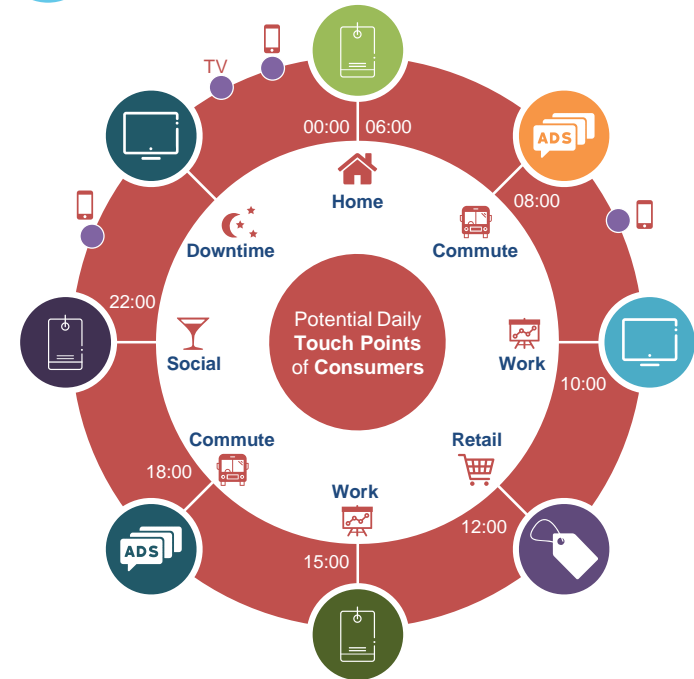


# Engaging with Shoppers in 2017

 Digital life filled with expectations of



 On all devices, anytime, anywhere

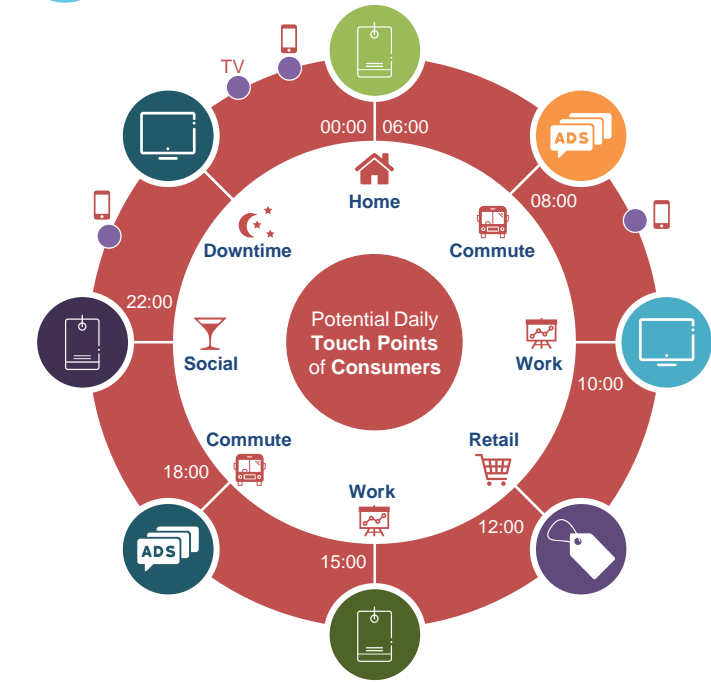


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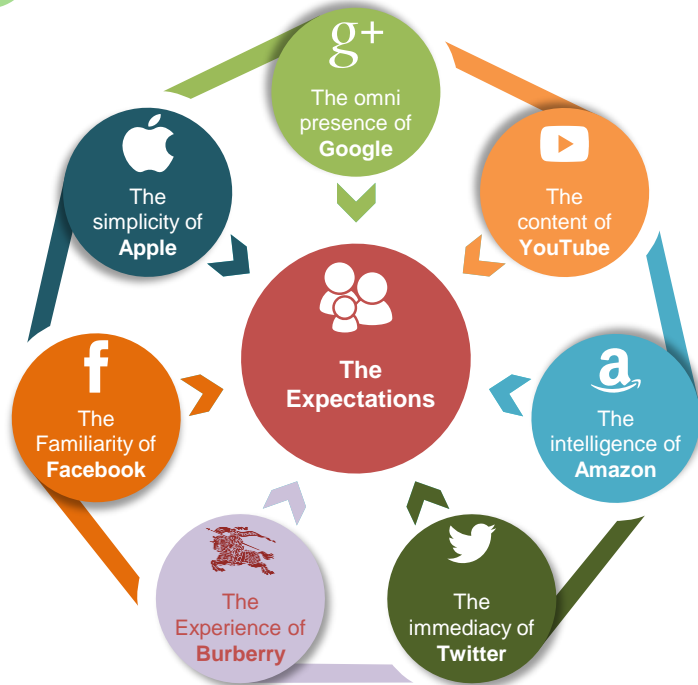


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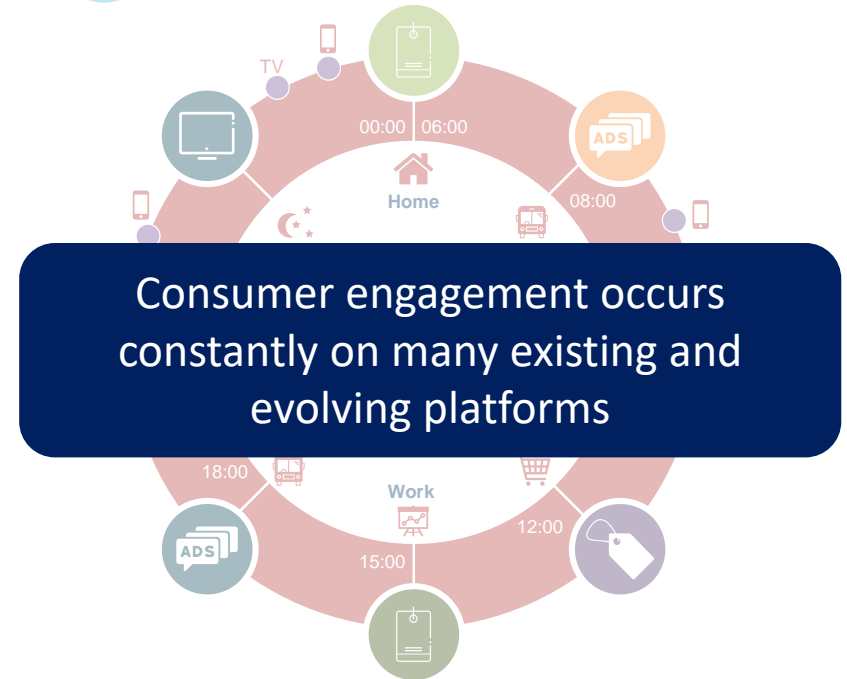


# Engaging with Shoppers in 2017

 Digital life filled with expectations of



 On all devices, anytime, anywhere





# The retail 2.0 business drivers

## Service 2.0



Customers should feel perfectly welcomed and looked after when engaging with a brand. Customers will increase purchase frequency due to extra services and hyper personalization



## Multichannel Service



Customers should receive a holistic experience across all channels. A seamless offering of offline and online services



## The social store



The store should be conceived to enhance the interactions of customers within that community to create a valuable localization impact



## Contextual Product Experience



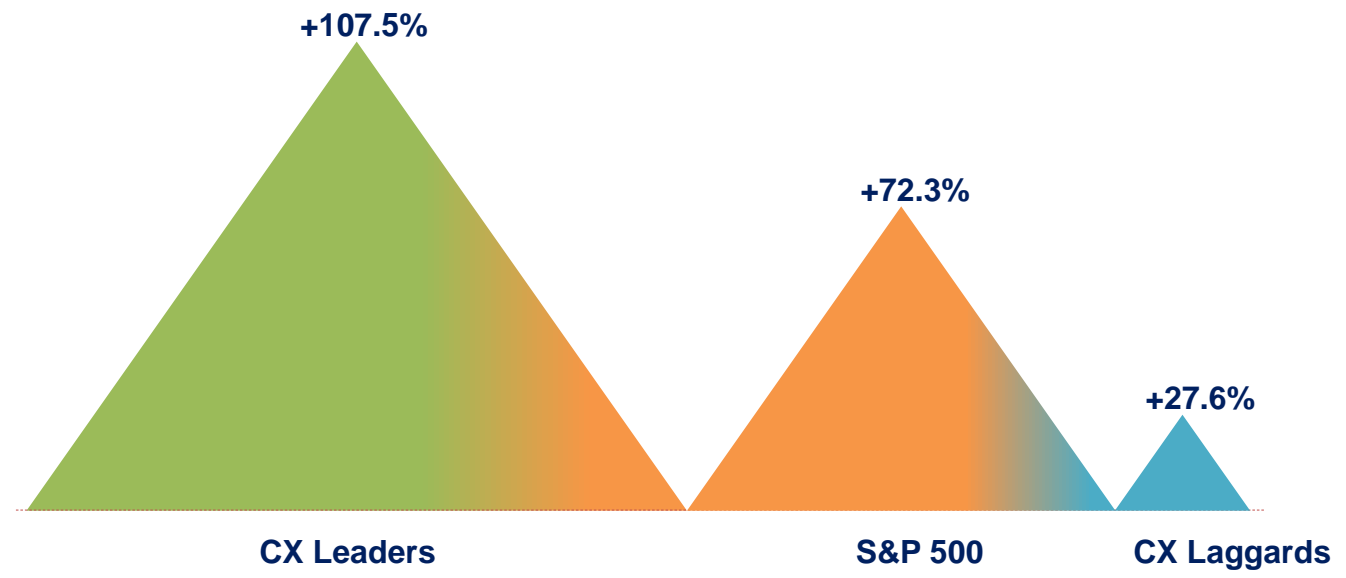
Experience products in their context is the key to decision making, it improves reliability and customer satisfaction. Depending on the store location merchandising and planogram will become critical



# Why should CPG companies and retailers care about CX?



Between 2007-14, CX leaders\* in S&P 500 outgrew the laggards by 4x times. This trend holds true across time



\* Forrester Research July 2015





## Establishing CX is challenging...



### FAST CHANGING CONSUMER NEEDS

- Consumers are less loyal
- Consumers behavior is difficult to predict
- Trends travel 24/7 across the globe



### INCREASED LEVEL OF NOISE

- Overwhelmed consumers
- Difficult to cut through the constant 'noise'
- Low responsiveness due to wall paper effect

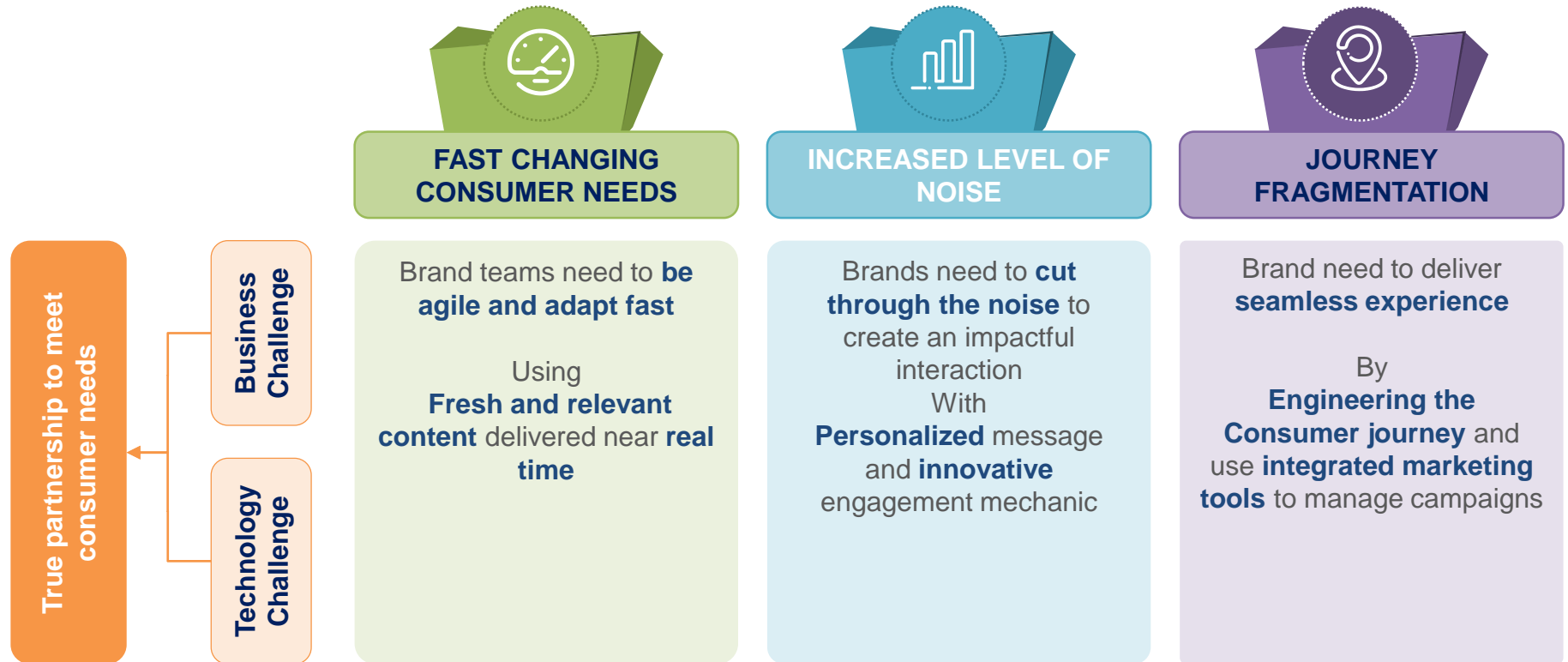


### JOURNEY FRAGMENTATION

- Disjointed experience across increasing number of touchpoints
- Security risks
- Increased cost of engagement
- Difficult to measure campaign ROI and compare mechanics/channels

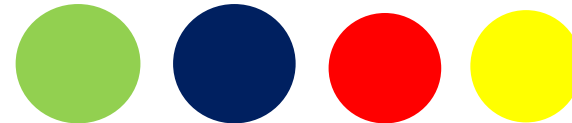


# Changing the way consumer goods companies develop their go to market strategy





# *Implications for your TPx strategy*







## Go to market TPx strategy

### Component Parts



Tools



Process



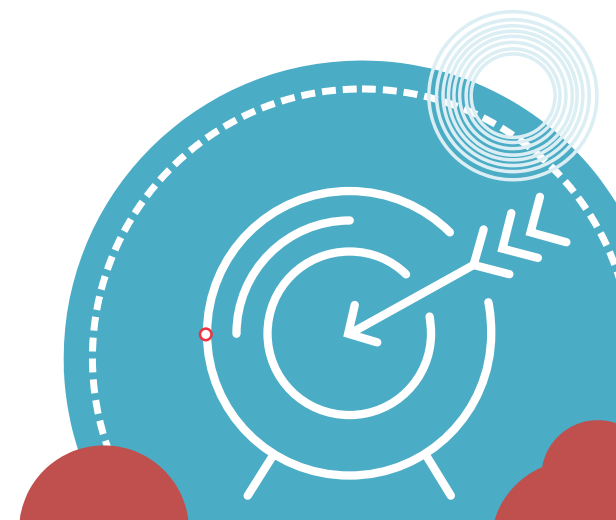
People



Data

“ It is not the most intellectual or the strongest species that survives, but the species that survives is the one that is able to adapt to or adjust best to the changing environment in which it finds itself ”

Charles Darwin





## TPx tools



**Modular Approach for  
Analytics and Optimization**



**Machine Learning**



**Embedded AI**





## TPx processes



Trade Marketing will evolve to incorporate Affinity programs to drive a positive CX



More importance on Brand Marketing aligning with TPM execution



CPG marketers need to further establish collaborative relationships with trading partners to optimize CX



Social Media feedback loop to support retail execution

“Build it, and they will come” only works in the movies. Social Media is a “build it, nurture it, engage them and they may come & stay”

Seth Godin



## TPx people



Must be willing to add value by providing Qualitative input to Quantitative planning process



Willing to adapt and create promotion designs that focus on “pull,” vs. “push” strategy

“ Not everything that can be counted counts, and not everything that counts can be counted ”

Albert Einstein, Physicist



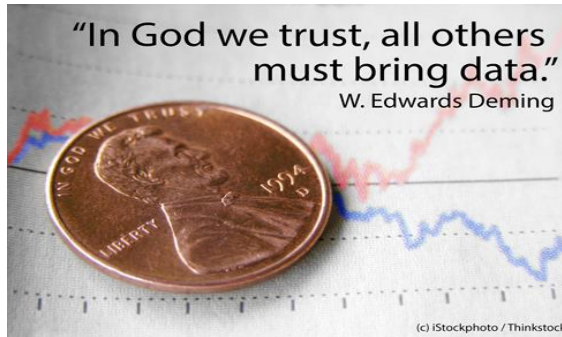
# TPx data



Employ an adaptive data strategy and Agile project development methodology



Niche players in the ecosystem are generating useful data signals



## Data Framework

### User Interaction Channels



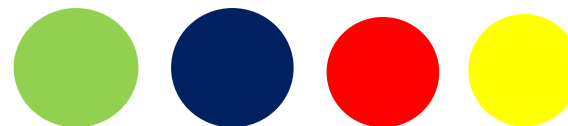
### Consumer life cycle stages

Engage	Transact	Fulfill	Service	Manager
Social Listening Platform	Commerce Engine	Order Mgmt System	Customer Service Application	ERP
Identification Management	Recommendation Engine	Warehouse Mgmt Systems	CRM	Product information Mgmt
Profiling and Segmentation	Ratings and Review Tools	Logistics Systems	Self Service Applications	Digital Asset Mgmt
Campaign Management	Search Engine	Supply Chain Systems		Web Content Mgmt
Personalization Engine	Personalization Engine			Enterprise Security Mgmt
Loyalty Management System	Payment Gateway			Analytics Platform
Content Optimization Engine	POS & Merchandising System			
Consumer Data Hub				





***Closing thoughts on the  
future landscape of the  
digitally driven consumer***



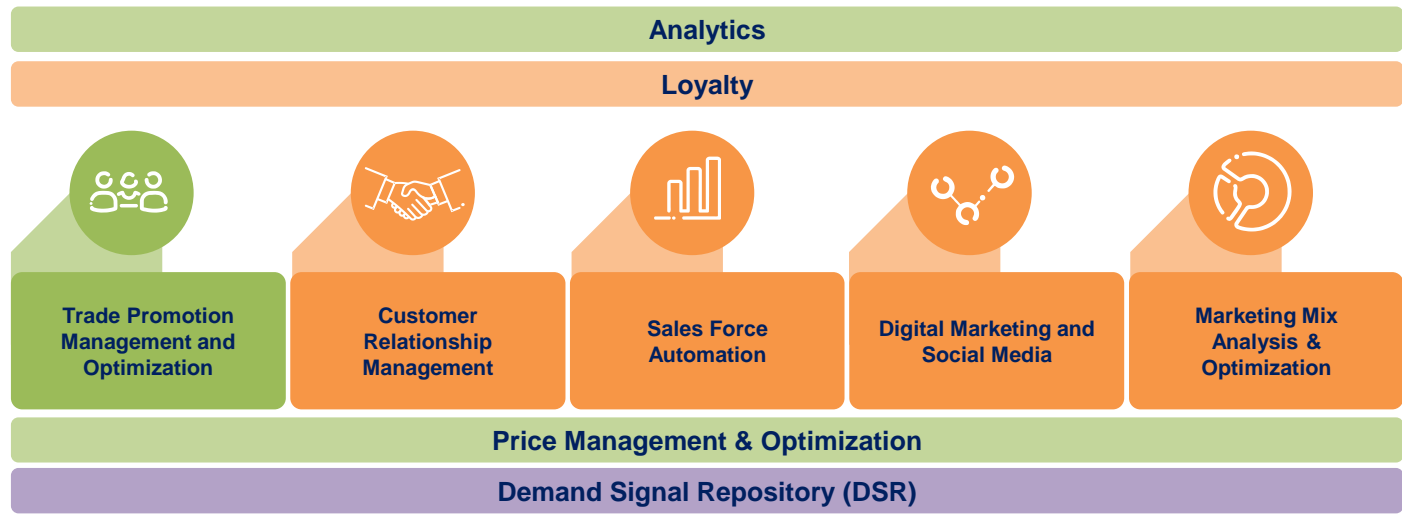
# Components of a driven CX promotion strategy

Driving Better Insights - Integrating the Sales & Marketing Functions and Data

...bringing together the various Sales & Marketing streams that move the enterprise from reacting to sales history to driving CX, and engaging with the consumer to sense demand and proactively drive buying behavior

- Advanced Analytics & Insights
- Revenue Growth Management
- Omni Channel / eCommerce
- Digital Transformation

Integrated Sales & Marketing driving Insights



# Components of a driven CX promotion strategy

Driving Better Insights - Integrating Data

...bringing together history

...connecting to sales buying

**Will the future hold that CPG companies and Retailers act more as partners, or competitors?**

Advanced Analytics & Insights

Revenue Growth Management

Omni Channel / eCommerce

Digital Transformation



Trade Promotion Management and Optimization



Customer Relationship Management



Sales Force Automation



Digital Marketing and Social Media



Marketing Mix Analysis & Optimization

Price Management & Optimization

Demand Signal Repository (DSR)





# Components of a driven CX promotion strategy

Driving Better Insights - Integrating Data

...bringing together history

...connecting to sales buying

**Retailers and CPG companies must find and exploit “win-win” business opportunities out of competitive necessity. The need to operate on harmonized platforms and selectively share data**

Advanced Analytics & Insights

Revenue Growth Management

Omni Channel / eCommerce

Digital Transformation



Trade Promotion Management and Optimization



Customer Relationship Management



Sales Force Automation



Digital Marketing and Social Media



Marketing Mix Analysis & Optimization

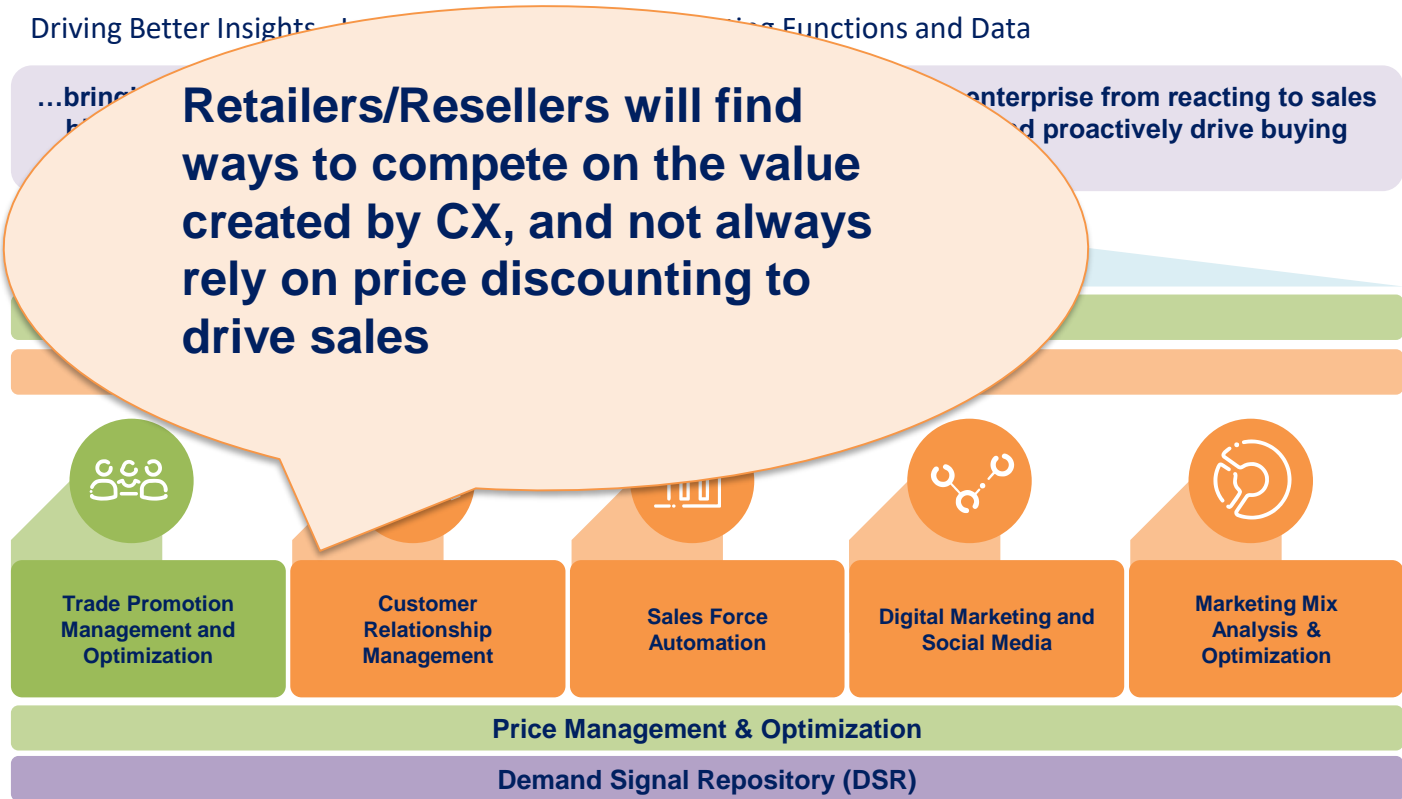
Price Management & Optimization

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