

Achieving Mutual Growth through Data Centered Collaboration



Shaping the future of eCommerce @ CPG – what you need to know

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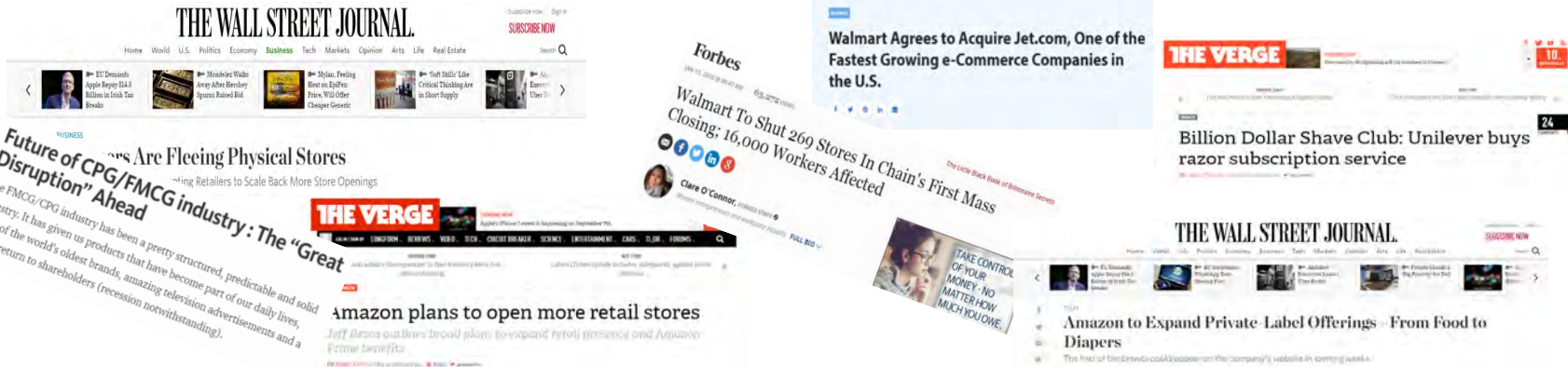
Thursday, November 3, 2016

Statutory disclaimer

- The messages in this deck are #IMHO
- Yours truly am a digital & eCommerce evangelist
- #reflection and #selfrealization go 'hand in hand'
- #laughter is a great medicine #action is better
- I #learn everyday, this journey never ends
- This is not an eCommerce 101, but a 101.8278....

Dynamic redefinition of the retail landscape

IN THE HEADLINES



INDUSTRY PERSPECTIVE

- "FMCG eCommerce is remarkably **unkind to latecomers**" (Kantar)
- **Customers spend more online** than they do offline (Kantar)
- "It's really about having a platform for developing and maintaining a relationship with a consumer," (Annalect/Omnicom)
- "The **winner-takes-all** in the digital world" (BCG)
- **Customers demands are changing** - "Buy the right product at the right place at the right time" (Selligent)
- According to Mastercard, customers who shop both online and off with a specific retailer buy 250% more on average. Macy's discovered that its omni-channel shoppers are **8x more valuable** than those who shop in a single channel. (Think Google)
- D2C **selling drives both top and bottom line revenue** and deeper customer engagement across channels. (Forrester)
- Forty-six percent of Argos' **customers start online** (Think Google)

The World in 2016 #reflect

Best Seller

BEST VITAMIN C Serum for Face - 2 fl. oz - 20% organic Vit C + E + Hyaluronic Acid...
by Radha Beauty

\$15.95 (\$7.97/Ounce)
Prime

Get it by **Tuesday, Sep 20**

More options available:
\$15.95 Other Sellers

★★★★★ 5,103

FREE Shipping on eligible orders [See Details](#)

Product Features
... high quality moisturizer like Radha Beauty Retinol Moisturizer. ...

Beauty & Personal Care: See all 1,479,020 items

Source : Amazon search 'beauty care' 09/18/16, google images marked 'for reuse'

The World in 2016 #reflect

eCommerce is GAINING TRIPS



Source: Lead manufacturer investor call 2016

STEP I : The tale of the 4P's - #realization



ALGORITHM



UNLIMITED



PROMOTION



LOCATION

STEP II : so, what do you do, next?



LISTEN



LEARN



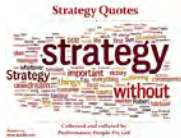
ADAPT



EXECUTE



CHAMPION



WRITE

eCommerce strategy components



BUILD THE TEAM



BUILD CAPABILITY



SELLING STRATEGY



Start with a business goal



**BECAUSE THE STORY OF DIGITALLY
INFLUENCED SALES IS NOT GOOD
ENOUGH**



**ALL OUR LIVES WE ARE TRAINED TO
CHASE THE ALLMIGHTY \$, THEREFORE
THIS IS THE STORY THAT CHARMS**



ILLUSTRATIVE



2016	2017	2018	2019	2020
<ul style="list-style-type: none"> • Distribution gains • Begin build of foundational capabilities 	<ul style="list-style-type: none"> • Complete build of foundational capabilities • D2C launches • OMNI JBP's 	<ul style="list-style-type: none"> • Analytics powerhouse • Omni channel scale • D2C scale 	<ul style="list-style-type: none"> • Amazon overindex • B2B scale • SIOC / pkg • Pureplay scale 	<ul style="list-style-type: none"> • Channel scale • Amazon surpasses expectations • D2C as a BU

Your strategy components



BUILD THE TEAM



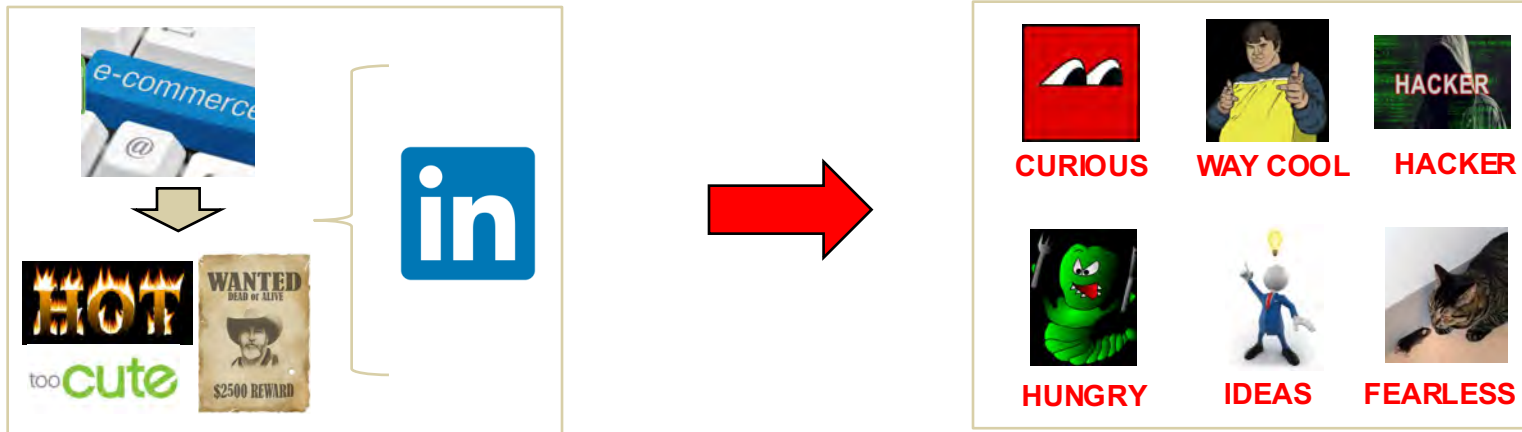
BUILD CAPABILITY



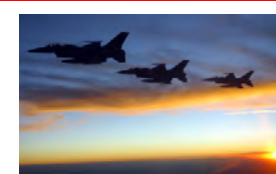
SELLING STRATEGY



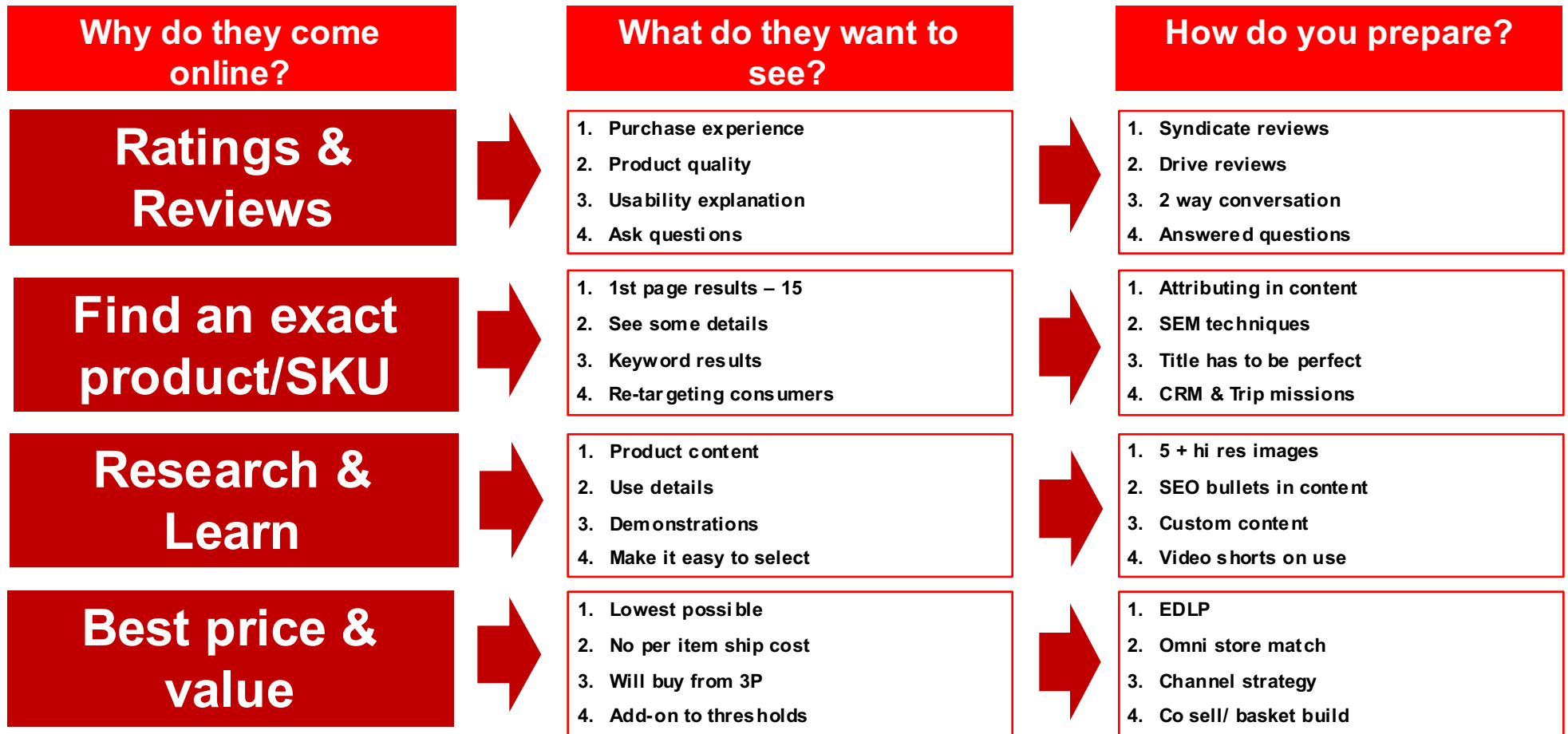
The talent WAR (yes it's a WAR)



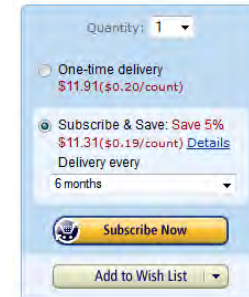
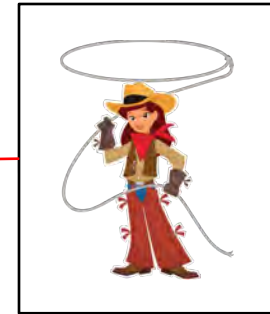
SO WHAT ARE YOU SUPPOSED TO DO ???



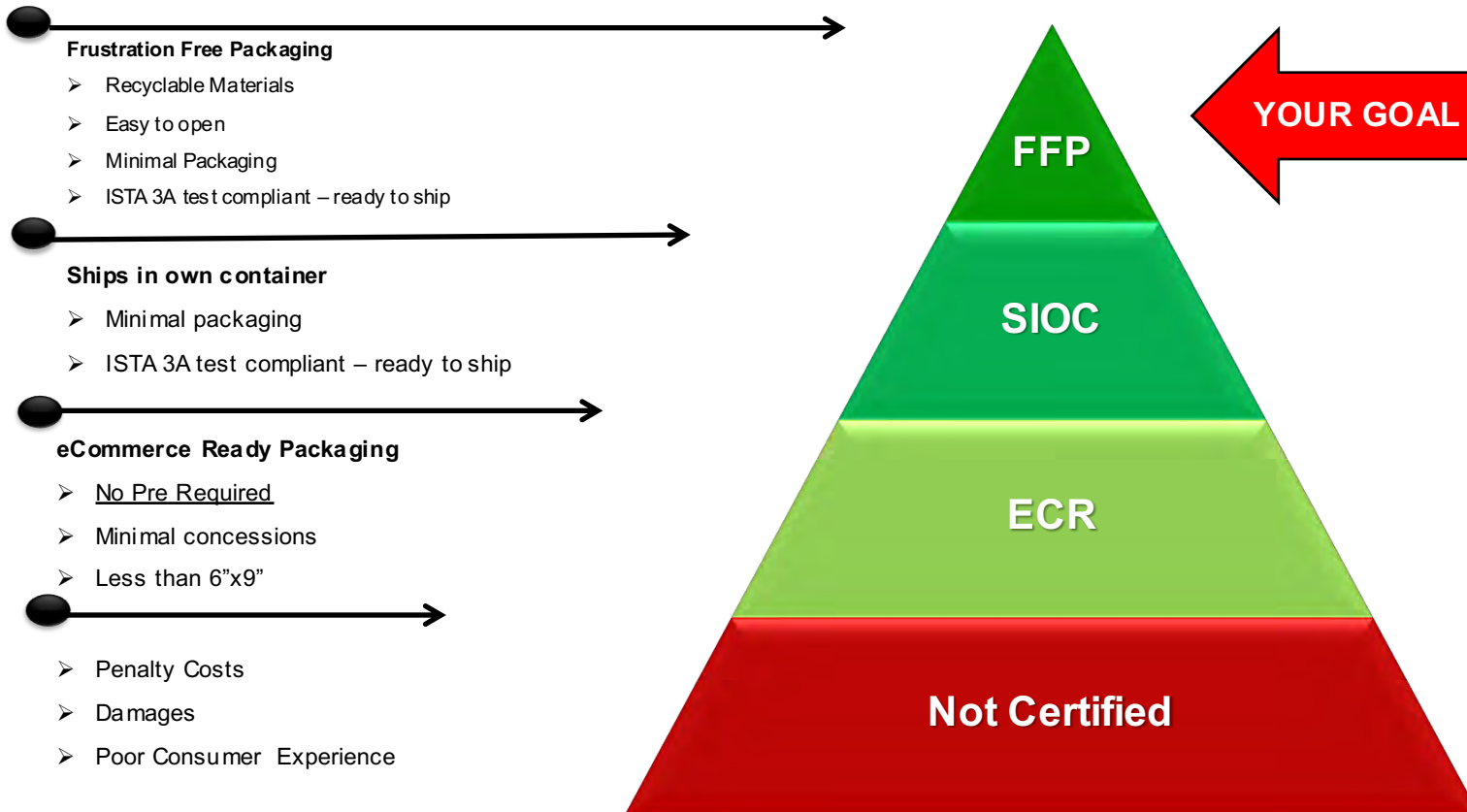
Building capabilities



Must have – NON NEGOTIABLES



eCommerce packaging simplified



U.S. Share of Media: Digital Expected to Exceed Traditional

Average Time Spent per Day with Major Media by US Adults, 2011-2017

hrs:mins

	2014	2015	2016	2017
Digital	5:09	5:29	5:45	5:56
— Mobile (nonvoice)	2:37	2:54	3:08	3:18
— Radio	0:39	0:44	0:49	0:52
— Social networks	0:23	0:27	0:30	0:32
— Video	0:22	0:26	0:29	0:32
— Other	1:14	1:17	1:20	1:22
— Desktop/laptop*	2:14	2:12	2:11	2:10
— Video	0:23	0:24	0:25	0:25
— Social networks	0:16	0:15	0:14	0:13
— Radio	0:06	0:06	0:06	0:06
— Other	1:28	1:27	1:26	1:25
— Other connected devices	0:19	0:23	0:26	0:28
TV**	4:22	4:11	4:03	3:58
Radio**	1:28	1:27	1:25	1:24
Print**	0:32	0:30	0:28	0:27
— Newspapers	0:18	0:17	0:16	0:15
— Magazines	0:13	0:13	0:12	0:11
Other**	0:26	0:24	0:22	0:21
Total	11:57	12:00	12:04	12:05

Note: ages 18+; time spent with each medium includes all time spent with that medium, regardless of multitasking; for example, 1 hour of multitasking on desktop/laptop while watching TV is counted as 1 hour for TV and 1 hour for desktop/laptop; *includes all internet activities on desktop and laptop computers; **excludes digital
Source: eMarketer, Oct 2015

1968TB

www.eMarketer.com

- For the first time, Digital is expected to be about the same percentage of media time compared to total Traditional in 2017
- Digital remains only vehicle where media call-to-action can directly equate to sales conversion
- TV, Radio, Print share of media declining and settling around 50% of total media time
- What is retail media???? 
- YOUR GOAL : invest where the  are going
- Over the course of the next 5 years seek to ask WHY every digital \$ is not a working \$

eCommerce media is diverse, and one needs to embrace it



Digital analytics

What to measure?



Where to invest



Driving revenue growth : channel segmentation

The conversation YOU must have on OMNI

1. Are OMNI customers a source of eCommerce growth
2. May 'not have a choice' @ 2020+
3. Satisfying the unique models of A (click & collect), B (subscriptions), C (drive through), grocery retailers
4. How to measure and monitor and establish quotas for it
5. Driving awareness through media
6. Leveraging and knowing what you are building
7. TALENT building and ensuring you work as a TEAM

D2C is an AND, not an OR.....



LOYALTY



ADVOCACY



INFORM



LEARN



PERCEPTION

3P marketplace overview/discussion

**What is 3P
Who are they**



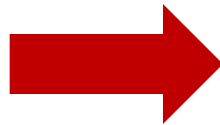
1. Independent sellers, model created through EBAY in 1995
2. In our world Walmart.com, Amazon.com, Alibaba.com,
3. They are resellers acquiring from retail & brokers
4. They have lower operating costs as they are not scaled

**What issues do
they cause**



1. Lower price thresholds
2. Counterfeit
3. Bad quality, consumer experiences
4. Poor reviews

**How is it
impacting you**



1. You are getting the sale somewhere else in the ecosystem
2. Winning buy box online
3. Dot com sales directly impacted
4. Occasional pricing question from buyers who are learning

**Do you need a
full strategy**



1. No individual 3P has shown scale YET
2. You are getting the sale somewhere else in the ecosystem
3. #'s not significant enough YET other than a distraction
4. Revisit every 3 months – expected to be large share of CPG eComm at scale

Key TAKEAWAYS

1. YOU can DO it!
2. You DON'T have a choice.
3. Enter with your FULL intent.
4. Focus on STAFFING – buy external expertise, develop internally.
5. Invest in CAPABILITIES.
6. Bring brick & mortar DISCIPLINE to your online customers.
7. D2C is an AND not an OR.

Thank You and stay in touch!

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