



# Personalization through the Supply Chain: Using Accurate Product Content to Drive BtoC and BtoB performance



To succeed in today's omnichannel world, retailers and manufacturers need to meet consumer demand for in-depth product information across a variety of shopping channels, with greater specificity, than in the past. One of the most dominant and fastest growing trends today is the concept of personalization – creating a progressively better customer experience by using technology and data to meet (and anticipate) consumer needs in a way that makes their interactions easier, more familiar, and consequently more enjoyable.

This takes the form of not just personalizing the shopper experience, but also personalizing the neighborhood experience through individual store differentiation, and through the supply chain with account specific planning and delivery.

This whitepaper will examine how personalization today is not only a strategic imperative for BtoC marketers, but also for manufacturers, retailers and their BtoB trading partners in order to reach higher growth, greater efficiency, better profitability and increased shopper lifetime value.

## Today's shopper has more choices than ever

On any given week, a shopper may visit their neighborhood supermarket, order online for home delivery, and stop in to

pick up a prepared dinner for the family. Yet, according to IRI, 76 percent of all shopping trips start online. The omnichannel shopper has many diverse ways to find the products they desire, and much of it begins before ever visiting a physical location. The challenge is to keep the process completely seamless no matter how they choose to shop.

The explosion of publicly available product information has also led to a greater interest in what consultants call "transparency." Shoppers always have had high expectations about what is in the products they buy and use. This desire for clarity – far beyond FDA label requirements – has heightened the need for marketers and retailers to provide more, and more granular, content.

However, request for transparency belies a much deeper consumer desire – the ability to trust what they buy and where they shop. Manufacturers and retailers today require access to an increasing number of product attributes and images to not just enable transparency, but to deliver trust. Product content data, in its complete and verified form, ensures access to trustworthy content that helps to drive purchase and use.

**Personalization is fueled by new technologies and expansive new data sources, all leading to much deeper and more impactful shopper insights**

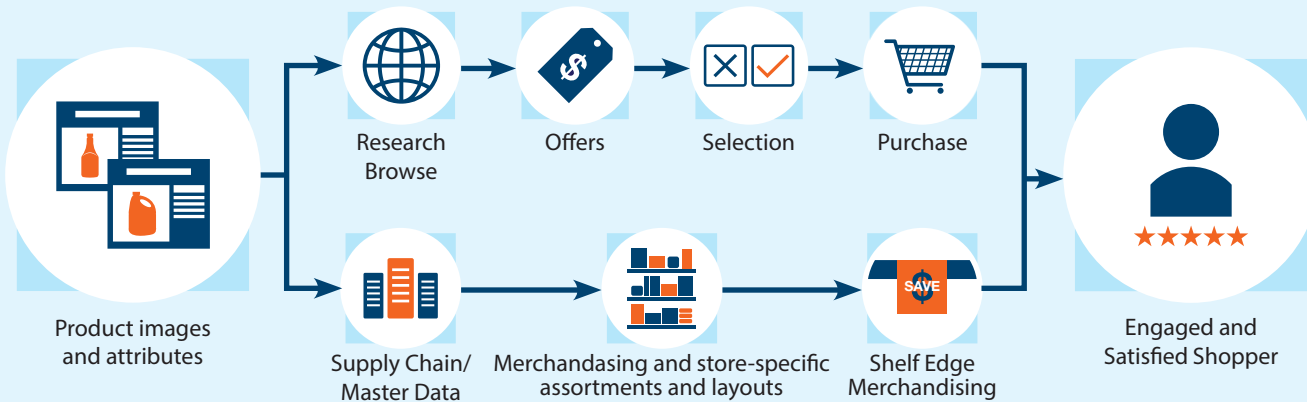
## Enabling a seamless consumer experience

Successful retailers know that the strategic focus needs to be on shopper centricity. Today's shopper is both more sophisticated and more empowered as a result of the technology now available. And the retailers and brands that do know their customers' preferences and interests are reaping the benefits. Based on MyBuy's database of over 250 million shoppers, customer-centric marketing delivers a 25 percent increase in total online sales, and a huge boost to customer lifetime value.

The ultimate goal, of course, is to create an impression of

## Excellence in execution is driven by consistent information

### Information-driven Path to Purchase



### Information-driven Merchandising and Replenishment

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a truly “one-to-one” relationship with shoppers through personalization. According to a recent Infosys study, 86 percent of consumers and 96 percent of retailers said personalization has at least some impact on purchasing decisions. A recent survey from Synquera similarly noted that 85 percent of shoppers wanted personalized online offers reflecting their past shopping behavior.

This is also one of the biggest challenges for retailers, however. Creating a seamless, enhanced shopping experience across all formats is a high-stakes game. Competition is fierce and the most valuable shoppers (in terms of lifetime value) are omnichannel. It’s predicted that by 2018, 50 percent of CPG industry growth by 2018 will be from online.

#### Technology enables hyperlocal personalization at retail

Brand marketers have leveraged mobile, online and behavioral shopping data to drive consumer loyalty. Retailers too can now capture an unprecedented amount of individualized data on any given shopper, using it to create a more personalized experience in store. They can target segments – and individuals – based on integrated multidimensional data including demographics, psychographics, point of sale, product characteristics and detailed shopping behavior by channel.

A good example of this is beacon technology in-store. Beacons interact with a shopper once they’ve entered a store by sending special personalized offers and greetings. Target is using beacons in select stores to deliver hyper local personalized offers to shoppers based on their location in-store. Another example is Northeast Ohio retailer Marc’s, which is deploying Allrecipes’ in-store beacon-triggers to connect its shoppers with personalized meal recommendations through its Dinner Spinner mobile app. This has led to 35 million views of Allrecipes.com recipes every month from shoppers using this app while in-store.

Other retailers are taking notice. According to Swirl, 61 percent of shoppers would visit and do more shopping in a store with

beacon marketing campaigns. And shopper behavior supports this – with 30 percent redeeming beacon-triggered offers at the point of purchase.

**At its core, personalization is about creating efficiency for the customer to enable a faster path to purchase**

#### Personalizing the experience in-neighborhood and in-store

But personalization does not stop at marketing or electronic promotion. It also is reshaping the retail landscape in the physical world. The availability of more granular shopper insights has allowed store formats and layouts to change more rapidly. In the past, category management programs used product movement data to predict buying patterns and maximize profits. Today’s data – including individual purchase data, block-by-block demographics and complete product attribute detail – enable deeper insights. From this, retailers are now creating entire store formats that are designed and stocked for the individual neighborhood. Whole Foods’ 365 banner has embraced this “local” trend, and Kroger has expanded their ability to deliver personalization and maximize in-store experience by applying insights derived from both suppliers and its own shopper insights.

As retailers strive to reflect shopper needs at a store-by-store level, there are significant implications to assortment planning. Brands and retailers are working much more closely to ensure each store offers the most relevant product assortment to meet shoppers’ individual cultures and lifestyles. An example is Albertsons Companies, which recently made an investment in an assortment platform that will provide category managers with on-demand analytics capabilities and insights that will also enable shared insights with CPG suppliers. Integrated assortment, store and shelf

**50%**  
of CPG industry  
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source: IRI

optimization solutions will enable Albertsons to transform assortment planning and execution at national and divisional levels.

**Personalization also occurs at the store level;** shopper insights and product attributes are impacting store layouts and assortment planning

### Personalizing the BtoB experience

The supplier-retailer relationship is one of balance. Both benefit from efficiencies through cooperation, yet both compete for the precious commodity that is the shopper's wallet. This creates a natural tension as all parties look to grow their businesses. Much has been shared about using technology and data to create personalized interactions for consumers, yet it also has had a significant impact on trading partner relationships.

The rules of engagement between retailers and brands are changing at both the store and supply chain level. Manufacturers use best practices in category and assortment planning, given their view of multiple formats and outlets, while retailers provide the most profitable mix and placement at the individual store level and online. Programs can even be taken into the virtual world for greater speed and efficiency. Research firm Kantar, for example, developed its Retail Virtual Reality platform to provide virtual reality software for consumer goods manufacturers and retailers. A comprehensive data set – that supports all applications – is very important to drive such plans.

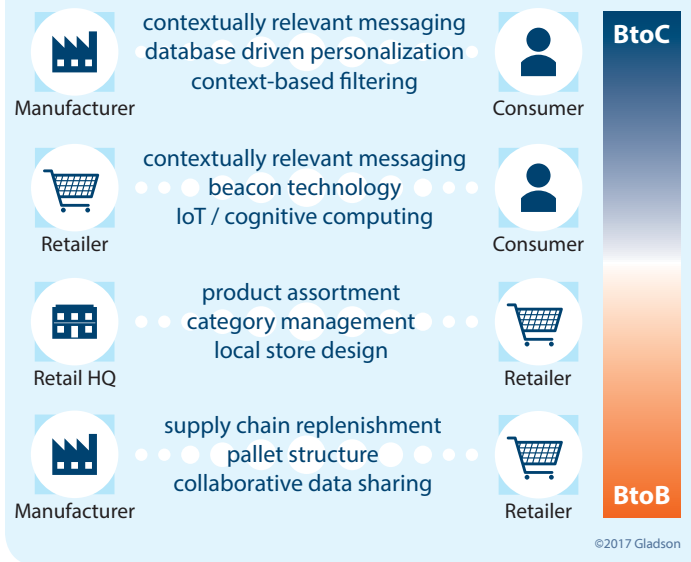
When successful, the result is greater collaboration and partnership. Building closer relationships does more than improve trade relations. It leads to providing a personalized experience that can make interactions more efficient, seamless and ultimately more profitable.

Just as the traditional in-store experience can blend with digital into an omnichannel shopper-centric experience, so can trade/category planning and supply chain management. This requires better alignment across the enterprise, and also across the teams of their partners. In this new world, the need for consistent, accurate, vetted data down to the product attribute level is a crucial component to delivering on the promise of a more personalized experience for consumers and within the supply chain.

Consider the effect of BtoC personalization on the BtoB supply chain. To accommodate retailer needs for local store assortment, manufacturers need to fundamentally change the way they pallet products to ensure timely delivery with no out-of-stocks. Assortment planning also is going through strategic changes, due to the potential need for varied product types by store banner and physical location – all driven by product attribute data at its most complete level. Kroger is now focusing on collecting product-focused insights to drive these crucial

assortment decisions, such as the item's selling power, or its "incrementality" (showing whether customers loyally purchase the product week after week or happily switch between alternatives).

### Personalization through the supply chain



### Rich content plays a critical role throughout the supply chain

Accurate, consistent and compelling product content is critically vital for shopper and partner personalization. This will necessarily require greater accuracy and integration earlier in the supply chain to help maximize those opportunities. According to performance marketer Merkle, one challenge – and opportunity – for success is what they call "addressability at scale": the ability for marketers to reach their consumers through both digital and offline platforms in a consistent and familiar way, extending the brand's reach across both. By incorporating this content accurately, brands and retailers can provide a clear path for consumers, enabling both transparency and actual purchase and use across format.

This consistency – from manufacturer through distributor to retailer – plays directly into solidifying long term shopper loyalty and increasing lifetime value. The priority for all is to collaboratively deliver a consistent, seamless and repeatable experience no matter where, when and how the consumer chooses to shop, while providing strong brand support and recognition.

Shoppers will continue to chart their own path to purchase by engaging on their own terms. That path may include searching for product images, nutritional information, recipes, critical health labeling, or videos of the product in action. Today, both brands and retailers recognize the importance of having diverse product content that reflects the shoppers' individual journey.

...but  
**80%**  
of dollars in  
2025 will be  
spent in store.

source: FMI, Nielsen



Marketers must be vigilant about brand consistency (both at the product and store levels) across multiple touch points. The most effective brands and retail partners today are accessing more rich content to help drive their systems and strengthen their brand consistency, increasing sales by satisfying shopper demand.

This demand also requires having a high level of collaboration to create and deliver much richer and varied product content. Beyond ensuring “one to one” personalization of marketing messages, the availability of more and expanded product content helps build consumer trust – a critical component for shopper loyalty. Collaboration also facilitates more effective engagements on the BtoB side, enabling the ability to sell more products across a rapidly growing diverse set of channels. The key is that the product content needs to be integrated, accurate and consistent across all channels to achieve optimal sales impact.

### Requirements for personalization throughout the supply chain

As the retail marketplace continues to evolve, retailers must work even harder to succeed in today’s hyper-personalized world. Customers expect it.

Driving all of this is access to comprehensive, accurate product content that can be personalized according to data attributes and formats tailored specifically to meet individual shopper needs. The other side of the coin is that BtoB personalization also drives assortment planning, merchandising, store layouts and the retail supply chain.

Personalization is all about being contextually relevant. Both manufacturer brands and retailer locations have been working to continually improve on this premise via better engagement, enhanced customer service and being more informed by way of data and analytics. Of course, manufacturers, distributors and retailers must collaborate to provide the most efficient supply chain on the BtoB side as well.

With technology platforms and content programs that deliver seamless personalization for shoppers, it is critical for brands, retailers and other trading partners to work in close collaboration with each other to satisfy shopper demands. Ensuring the most complete, consistent and accurate data will

help to drive this efficiency. Although personalization includes many moving parts, technological advances coupled with deep shopper and product insights can help retailers be more relevant, innovative and proactive to ensure the consumer remains center stage.

### About Gladson

Gladson offers the most complete, comprehensive and personalized digital product content and retail omnichannel optimization solutions on the market today. Gladson helps retailers, distributors and manufacturers engage better with shoppers, collaborate effectively, sell more product in-store and online, and realize tangible operating efficiencies.

For more information, visit [www.gladson.com](http://www.gladson.com)

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