



DIGITAL FOOD & BEVERAGE

RETHINKING ECOMMERCE
STRATEGIES AND DRIVING
SUCCESS WITH DATA
POST-COVID-19





The must-attend virtual event to find out the latest eCommerce strategies in the food and beverage industry.

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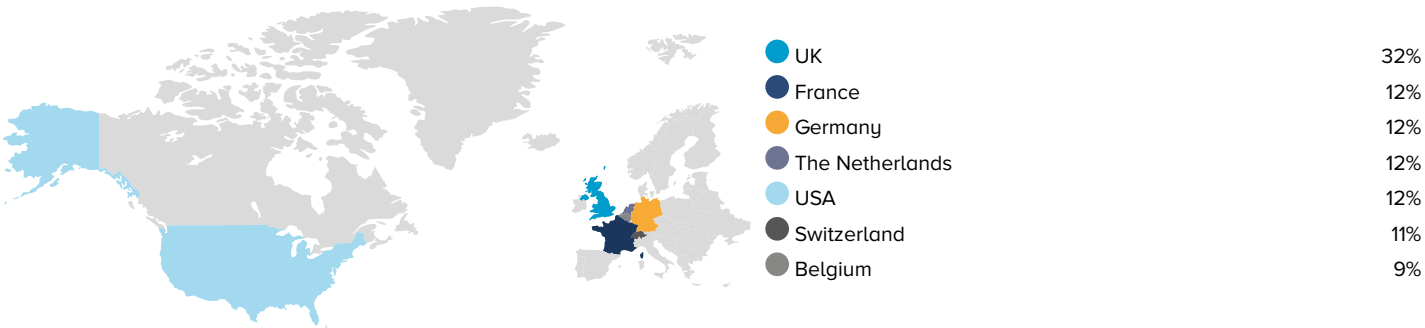
Tom Webber
Conference Director
**Digital Food &
Beverage 2021**

METHODOLOGY

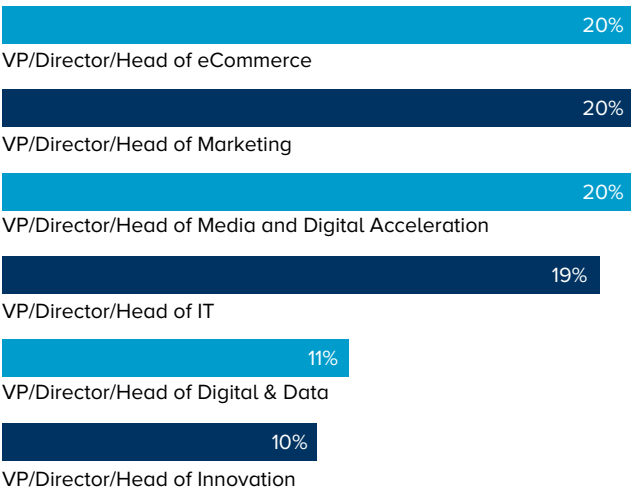
In Q2 of 2021, WBR Insights surveyed 100 Directors of Marketing, eCommerce and similar from organisations across Europe, to find out about the challenges they are facing in 2021, due to the impact of the COVID-19 pandemic, and the innovative solutions they are putting in place.

The survey was conducted by appointment over the telephone. The results were compiled and anonymised by WBR Insights and are presented here with analysis and commentary by AutoStore System, Publicis Sapient and the Digital Food and Beverage community.

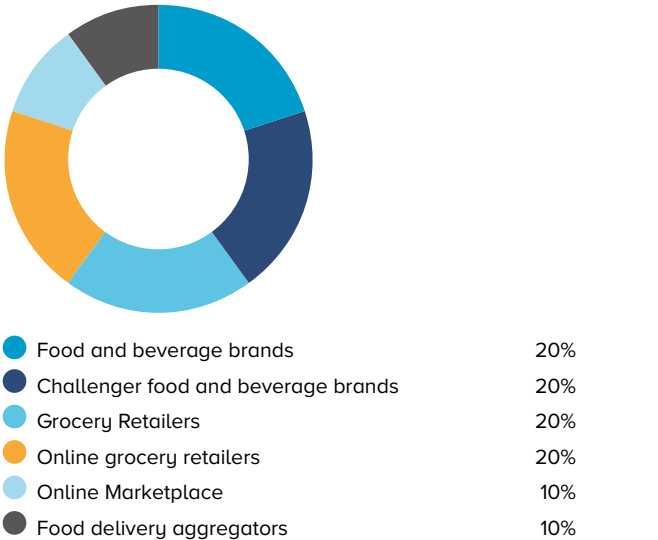
RESPONDENTS' COMPANY HEADQUARTERS



WHAT IS YOUR JOB TITLE?



WHAT TYPE OF ORGANISATION DO YOU WORK FOR?



How food and beverage brands are turning data into a strategic advantage

By Scott Clarke, Vice President, Consumer Products Industry Lead, Publicis Sapient

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The global pandemic has highlighted the vital role data, artificial intelligence (AI) and advanced analytics can play in the day-to-day business processes and decision-making of the modern enterprise. The rapid rate of technological change, growing levels of connectivity between individuals, businesses and smart devices and increasing volatility in the marketplace all combine to favour the increased use of non-human systems by consumer packaged goods (CPG) companies to identify and exploit insight-driven opportunities.

Enabling trends such as cloud computing, 5G networks, the internet of things (IoT), adaptive data platforms and the growing acceptance of technology-based solutions are poised to accelerate the wide-scale adoption of data-driven decision-making while providing the infrastructure to support data collection and advanced analysis on a hitherto impossible scale.

Food and beverage brands are not oblivious to the importance of data analytics as a source of strategic advantage. For a large number of food and beverage brands, the quest for first-party data and the pivot to data-driven decision-making were key business imperatives long before the pandemic hit. As we look to the post-pandemic world, food and beverage brands identify data analytics/data science as a primary FY21 investment, second only to direct-to-consumer (DTC) business models and platforms (Digital Food and Beverage Benchmark Report, 2021).

With greater pressure on businesses to operate quickly and with certainty, these brands will need to find ways to systematically harvest and integrate structured and unstructured data across multiple, eclectic sources and then turn this data into valuable and actionable insights with speed and scale.

Today, the data-driven use cases most frequently adopted by food and beverage brands include the use of AI to analyse product and/or consumer data, the use of advanced analytics to predict consumer demand, and the application of natural language processing (NLP) to generate insight from customer service data (Digital Food and Beverage Benchmark Report, 2021).

As we look to the future, as artificial intelligence becomes more accessible and affordable, it would be reasonable to anticipate the widespread application of artificial intelligence and machine learning (ML) to greatly enhance the brand's ability to predict and respond to consumer demand patterns and preferences in real-time. In the not-too-distant future, these predictive algorithms will be combined with a back-end

decision-management capability to effectively automate the mass volume of decisions that brands will need to make each day related to the consumer and the business as a whole.

Looking forward, as voice-assistants and chatbots continue to rise in prominence across the shopping journey, expect to see increased investments in natural language processing and voice biometrics to create more personalised end-to-end experiences through these channels. Moreover, as brand engagement expands into emerging channels such as smart cars, smart appliances and smart TVs, it will be a safe bet to assume that AI and ML will become a major investment focus to unleash the intimate power of these channels as well.

For the majority of food and beverage brands the pivot to data-driven decision-making is not without its challenges, ranging from inherent difficulties in developing a 360-degree view of the consumer, to demonstrating the ROI on data investments, to trusting in the quality of the data captured (Digital Food and Beverage Benchmark Report, 2021).

Successful brands tend to follow a series of systematic steps in overcoming these challenges and in turning data-driven decision-making into a core business capability. It begins with developing an overall data strategy that focuses the attention on the things that have a real business value.

The questions that need to be addressed are not "how do I get more meaning from this data or that data" but rather, "how can I acquire and retain consumers better"; "how can I drive consumer loyalty"; "how can I predict what consumers might buy", etc. Once the key questions and use cases are identified then the brand must determine what data it needs and when to be able to answer these questions in an informed and reliable way.

It must then determine from where this data is best sourced and define the optimal processes and technology ecosystem to enable the capture, integration and activation of this data in a way that unlocks its maximum potential and drives the desired business benefit at the right time and place.



Scott Clarke, Vice President,
Consumer Products Industry
Lead, Publicis Sapient

PART ONE

Strategic Priorities in 2021

COVID-19 has disrupted supply and delivery chains, forced customers from restaurants and bars, and has also left food and beverage marketers struggling to promote products that often rely on in-person sampling. However, the vaccine rollout and a gradual transition to economic recovery are creating opportunities in the wake of the pandemic.

Before the pandemic, food and beverage brands were prioritising a focus on health-based products which saw a rise in demand from their customers. From vegan, plant-based or free-from, to high in protein and immune boosting, heads of marketing are still going to be prioritising these product ranges post-COVID-19 as part of their campaigns.

However, recent government-imposed lockdowns and restrictions have fuelled a market for comfort and convenience foods, driving demand for snacks, sweets, and alcohol. As international travel has stalled during the pandemic, there has been a rise in the demand for 'world food' and heads of marketing have been tapping into this trend by offering their customers a flavour of what they might enjoy on holiday.

According to our respondents, the top three marketing and advertising tools their organisations are using to keep up with the industry post-COVID-19 are data analytics, Google Ads and social media ads. Forums, geo-gating mobile data and digital/programmatic ads will be key areas of investment for their organisations in the next two years.

Our survey revealed that the majority of our respondents' organisations will be focusing on using technology to reduce risk as margins become tighter in the next 12 months. The main challenges faced by our respondents were keeping up with the same seamless delivery systems they employed before COVID-19 and still

providing real-time tracking and seamless customer service.

According to our survey, 51% of our respondents said the biggest challenge their organisation faces when implementing new technology, is the lack of engagement and understanding of how the solutions will translate to their organisation.

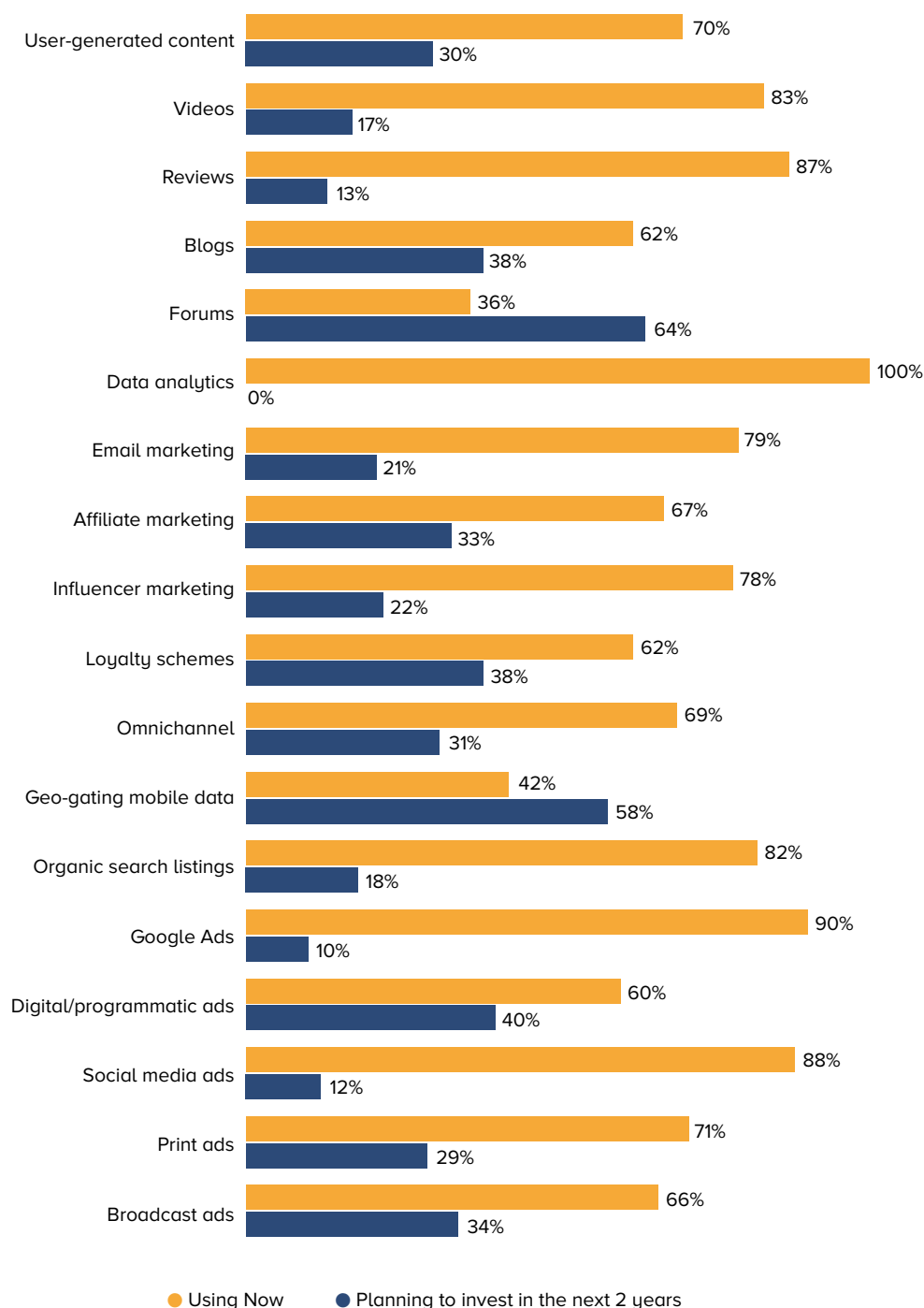
When asked how their organisations will be using technology to reduce risk as margins become tighter, our respondents said increasing the digital capabilities for all their internal functions would be the main priority this year. Other respondents said their organisations would be using technology at their processing plants, and employing inventory management and procurement technologies to reduce the risk of delays or financial loss.

Automation technology, such as robotics, IoT, AI and big data are enabling food and beverage organisations to automate more of their manual procedures during the production and processing phase. Food and beverage brands are also investing in their customer experience, and applying comprehensive data analysis techniques to evaluate usage patterns and for decision-making purposes.

Technology is also being used across the wider food and beverage industry to establish and maintain public confidence in the origin and safety standards of their products. From keeping workers at production facilities and warehouses safe, to digital expiration date labels and real-time monitoring, there are plenty of ways brands can provide transparency to reassure their consumers.

The majority of our respondents said the top three marketing and advertising tools they are using now to keep up with the industry post-COVID-19 are data analytics, Google Ads and social media ads. They said forums, geo-gating mobile data and digital/programmatic ads will be areas of investment in the next two years

Which marketing and advertising tools are you using now, or planning to invest in the next two years to keep up with industry post-COVID-19?



"I am a little surprised not to see any precision marketing activity here. The combination of first-party data from brands and second-party data from retailers has allowed businesses to send the right message with the right content to the right targets. We have been trying to do this for many years, and we have accelerated it over the last year. It is important for us to continue to do this to avoid overwhelming consumers with the same advertising. It is important to differentiate between consumers and personalise the messages you are pushing out."



Omer Waysman,
Director, Global eCommerce
& Business Development,
Danone

"In order to reach the audience they desire, businesses are rushing to integrate into the domestic mass communication channels. The future holds more personalised and targeted media for reaching that target group through the relevant touchpoints to deliver a higher CTR and conversion rate hopefully. The advertising market is oversaturated nowadays, and companies only have a split second to grab someone's attention, so targeted communications and relevant messaging are vital."



Catarina Molin Österlund,
Head of eCommerce,
Arla Foods Sweden

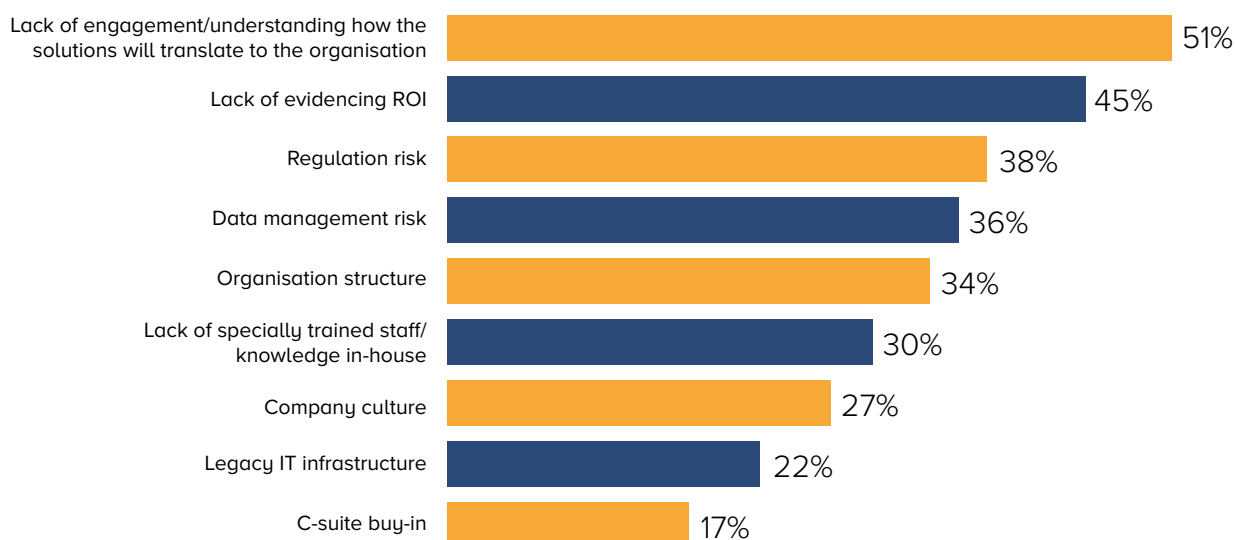
"It is clear from these results that brands and businesses are increasingly shifting advertising investment to social media channels whilst continuing to invest in traditional media, albeit at a lower rate. This is not surprising as there is a focus on specific companies, like Google Ads, and at a time where there is a debate raging about the ethics and benefits of greater personalisation of advertising. So, it will be an interesting one to watch over the next couple of years, but it's no surprise that traditional advertising channels are giving way to new and emerging ones."



Tom Webber,
Conference Director,
Digital Food & Beverage 2021

51% of respondents said the biggest challenge their organisation faces when implementing new technology, is the lack of engagement and understanding of how the solutions will translate to the organisation

What are the biggest challenges your organisation faces when implementing new technology?



The respondents were asked to select three

"COVID-19 has generated much more attention for eCommerce. However, many organisations are still struggling on the buy-in side with a lack of engagement and understanding of how solutions will translate to the organisation, so I am not surprised that this is the majority response. The old principles pre-COVID cannot be fully transferred into the new world post-COVID; growth is no longer all about reach or ROI, and eCommerce and new customer journeys have become much more complicated than before. In this context, we must find new ways of explaining and translating this to organisations.

I advise businesses to continue building digital and eCommerce understanding within their organisations and, of course, to secure top-down buy-in. The C-suite levels must understand how eCommerce impacts overall business since it is not a silent factor. It cannot just be measured at one touchpoint, on a click-through rate (CTR), or one occasion; it is much more complex. For successful eCommerce, I also recommend setting daily joint business targets. It is imperative that a case is built and the importance of eCommerce and the digital platform is demonstrated to get the organisation's full attention. eCommerce is challenging the traditional organisation structure, affecting sales, digital marketing, and marketing strategies. We are not used to taking full responsibility across the disciplines; this absolutely needs to be changed. Successfully managing change across an organisation is an integral part of digital and eCommerce success."



Catarina Molin Österlund,
Head of eCommerce,
Arla Foods Sweden

"During the pandemic, everyone was looking to launch new initiatives, learn how to leverage new capabilities, and find out how new start-ups could help accelerate their business. However, when you are a 100-year-old company, it is not that easy. There are procurement, legal, and IT business units to consider. Consequently, we set up a fast-track option for proof of concept and tailored legal framework for smaller companies. Without this, some of our successes in 2020 would not have been possible, especially in terms of speed and rapidity. Ultimately, you cannot walk into a start-up with a 150-page master agreement and then ask them to hire a lawyer to sign the agreement. It needs to be agile and fast in execution."



Omer Waysman,
Director, Global eCommerce & Business Development,
Danone

"Buy-in, which is usually a significant challenge when implementing new technology, seems to be least problematic option here. That may be because respondent organisations are all completely or almost completely persuaded of the value and benefits of investing in new technology for advertising and eCommerce. Whilst not shocking it is maybe a little surprising. However, these results show that there is still a long way to go in terms of solution providers collaborating to design better integration processes to speed up engagement and adoption."



Tom Webber,
Conference Director,
Digital Food & Beverage 2021

We asked our respondents how their organisation is using technology to reduce risk as margins are becoming increasingly tighter in the next 12 months. [Here is what they told us:](#)

"We are using the capabilities of artificial intelligence and data. For enhancing the retention percentage and increasing margins, these are vital to our technology mix."

"Our organisation uses technology at the processing plants. There is more efficiency and the supply is also maintained adequately by using automation and robotics technologies."

"The organisation is using cloud and digital services for enhancing customer experience. Technology has provided us with the means to increase the speed of delivery to users."

"Inventory management and procurement technologies are used to reduce the risk of delays or financial loss. IT teams have been very systematic in providing innovative organising technologies."

"We are using technology to ascertain popular product categories. Some items have to be discounted because of the lack of demand. There is a limited shelf life for these products."

"Comprehensive data analysis techniques are applied to evaluate the usage patterns and for decision-making purposes. As margins are getting tighter, we need concrete information for our decisions."

"We've been focused on optimising the online shopping process. As the margins are becoming tighter because of competition from larger companies, we have to ensure the best quality of service."

"Even as the margins are becoming tighter, we have to keep up with the same seamless delivery systems. We cannot be negligent about the services provided to clients. Real-time tracking and seamless customer services are also being offered."

"Technology is being used to automate manual procedures during production and processing. Also, we are using artificial intelligence to understand the varying demand trends."

"Packaging technology has been enhanced recently. As margins become tighter, we aim for further automation. We have to also consider workplace restrictions until the global health threat subsides."

"Identifying and avoiding cost is a key application of data, particularly in service of sustainability goals. Finding new methods to improve efficiency and reduce wastage is a continuous process that is never 'done'. The digitisation of management information has helped to reveal opportunities to optimise processes and hit sustainability goals through the application of machine learning."

Data's day job is to help make better-informed decisions. These decisions tend to be focused on optimising activity that already exists. However, one of the killer applications of data is to foresee the future, identifying hidden opportunities that drive innovation and new product development. This is the real power of data and AI, not just to optimise but to innovate."



Simon James,
Data & AI Capability Lead, EMEA/
APAC,
Publicis Sapient

"One of the main ways to use technology to reduce risk is by collecting data, having data ownership, and having a straightforward process for using the data. This is a big challenge for Fast-moving consumer goods (FMCG) companies; they want to collect the data, but then, they don't know what to do with it. You need resources, people, budget, and a clear road map. There is no use collecting data over the years without knowing what to do with it. I would recommend organisations not only be ready to collect data but also analyse data."

Secondly, you should continually test your website to reduce risks. You should optimise your website in terms of speed and security and make sure it is seamless. To achieve success, you need to challenge yourself with technology at each stage while encouraging consumer engagement at the right level."



Omer Waysman,
Director, Global eCommerce &
Business Development,
Danone

"It is good to see a broad use of AI and automation technologies to drive efficiency, which is clearly a trend. Also encouraging is the frequent mention of data to understand how businesses are performing and customer engagement with products. I think what is missing here is a focus on cross-functional collaboration, where different departments and functions cooperate in the use of automation technologies and enterprise-wide data sharing. The more collaborative businesses are internally, the faster and more agile they can be. This is especially important when customers are rapidly changing behaviour and habits, and a time when they are being offered more of a chance to go back into stores as COVID restrictions lift."



Tom Webber,
Conference Director,
Digital Food & Beverage 2021

PART TWO

Driving Success with Data Post-COVID-19

Food and beverage brands are looking to create deeper, more engaged experiences across their brands by using first-party data assets. This approach can enable heads of marketing to accelerate product innovation, across multiple channels, and to create deeper and more personalised engagement among consumers.

According to our respondents, the top three data-driven use cases in their organisations are analysing product or customer data using AI, predicting consumer demand, and analysing product or customer usage data. The top three challenges our respondents had when using data to drive profitable decisions were: achieving a 360-degree view of their consumers (40%); evidencing ROI (52%); and concern over stringent data privacy and rules regulation (43%).

Food and beverage brands are successfully using data by investing in software that can enable them to establish a holistic view of the entire life cycle of their products. They are also using descriptive and prescriptive analytics to identify potential issues and fuel effective decision-making.

Other technology solutions that use data, such as enterprise resource planning (ERP) systems can enable food and beverage organisations to identify business opportunities that were previously hidden and to

weed out products or features that do not contribute meaningfully to their business objectives. Regarding investment planning for the future, the majority of our respondents said that AI, ML and IoT are the technologies that are very important to them in the next three years.

With sampling and product demos having fallen out of favour in light of the COVID-19 and social distancing government health restrictions, food and beverage brands are looking for new ways to engage with their consumers on a personal level. Innovative techniques such as live streams, augmented or virtual reality experiences, and digital-first conventions are some of the options now available.

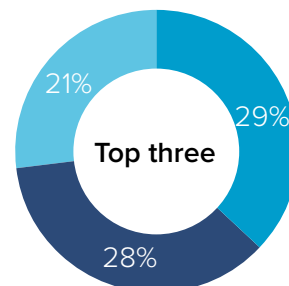
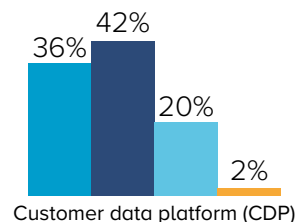
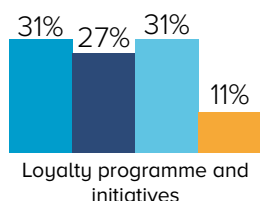
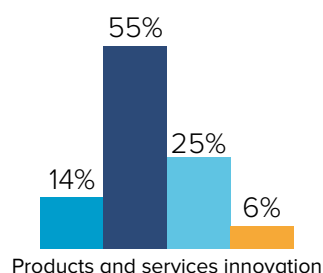
Consumer experience, data analytics/data science and a direct-to-consumer (DTC) business model are areas that have seen the largest change in investment in FY21 as a result of the pivot from COVID-19.

The top three personalised experiences our respondents' organisations are currently investing in are: personalised offers; personalised content (dynamic, tailored content to consumer); and personalised products offerings. Focusing on improving the customer experience also creates opportunities for food and beverage brands to capture customer data and attribute it to specific campaigns or initiatives.

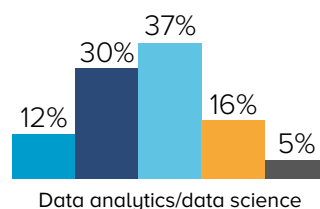
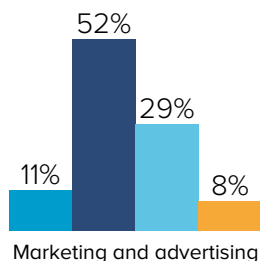
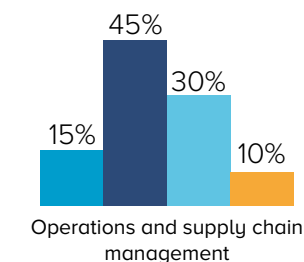
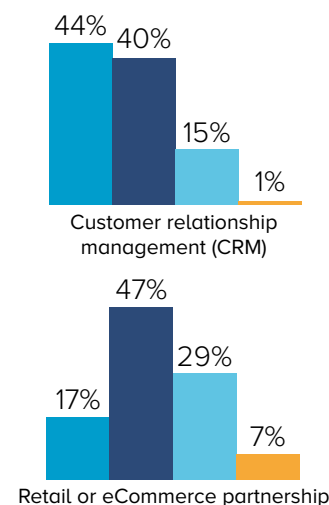
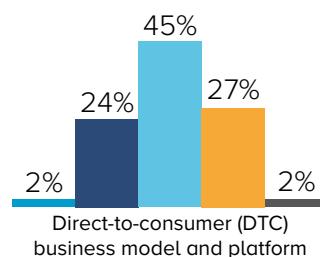
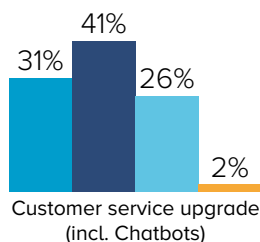
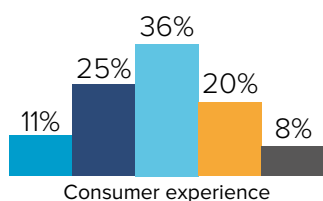
Consumer experience, data analytics/data science and a direct-to-consumer (DTC) business model are areas that have seen the largest change in investment in FY21 as a result of the pivot from COVID-19

In which of the following areas are you making the greatest investment in FY21 as a result of the pivot from COVID-19?

● No change in investment ● Slight change in investment ● Moderate change in investment ● Change in investment ● Large change in investment



● Direct-to-consumer (DTC) business model and platform
● Consumer experience
● Data analytics/data science



"I am a bit surprised by the retail or eCommerce partnership data. The eCommerce landscape is huge, and there are so many channels and players that you must think outside the box to reach beyond what you are constantly doing.

Brands are rushing toward DTC without genuinely understanding the channel's role and if they want to rely upon it. The key is to understanding your direct consumer's role and then deciding about their investment shift. From acquisition to conversion until delivery and unboxing, businesses must master the consumer experience from A-Z. Companies must master all these consumer touchpoints and make sure all of them are well covered by their brand."



Omer Waysman,
Director, Global eCommerce &
Business Development,
Danone

"It is not surprising that capturing data and using that data through DTC platforms to understand and design consumer experiences are the frontrunners in terms of investment over that period. The best way to sell in a crisis when people are at home is online, so these results are expected. It is interesting to see the change in investment in loyalty programmes and initiatives, operations and supply chain management, and retail and eCommerce partnerships here. These are activities that businesses have been spending a lot of time on improving and funding to differentiate. Especially, as customers need to be engaged in buying from you and not your competitors and on your platform for longer. Developing partnerships and tie-ups with key players within the ecosystem, such as grocers and food service delivery partners and increasing the focus on end-to-end digital supply chains are areas where I think we will continue to see growth, likely after the pandemic too."



Tom Webber,
Conference Director,
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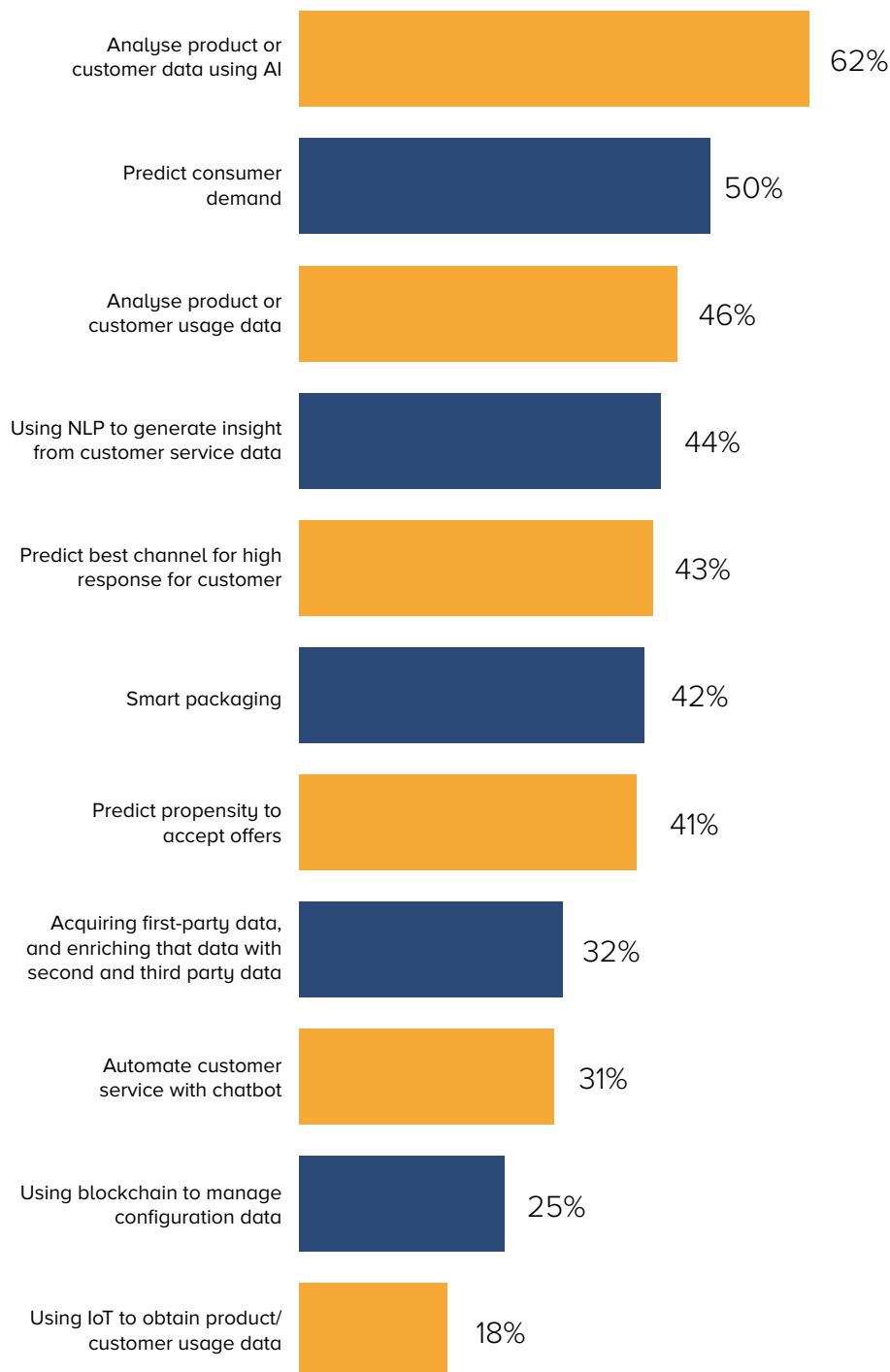
"For me, data analytics/data science is an interesting area. The proper use of data goes beyond just what you do with it. It has to be integrated with insights and activities. Data is nothing without the analysis and creating the insights; data gathered must be structured in such a way that it provides valuable insights to your organisation."



Catarina Molin Österlund,
Head of eCommerce,
Arla Foods Sweden

According to our respondents, the top three data-driven use cases in their organisations are analysing product or customer data using AI, predicting consumer demand and analysing product or customer usage data

What are the data-driven use cases your company is currently adopting?



"In a post-cookie world it is more important than ever for brands to own and grow sources of first-party data. The data itself will become a common currency to integrate into the ecosystems of retailers and technology platforms. The more activity that is undertaken through these integrations, the more data is generated and a virtuous circle is created. Not investing in first-party data runs the risk of being left behind, and food and beverage brands being divided into haves and the have nots."



Simon James,
Data & AI Capability Lead, EMEA/APAC,
Publicis Sapient

"I am not surprised by the majority result and agree that companies should take this initiative. With the availability of new technologies, analysing customer data to evaluate user journeys has never been easier. This is important for customer personalisation, especially in a world that will soon be a cookieless environment; even if it is now postponed by a couple of years, it will still arrive."

Analysing product and customer data using AI also helps to predict the best channel for high consumer response. With the market today, people communicate with their brands by multiple means, such as SMS, WhatsApp, Facebook, or even by traditional mail. The key to maximising the effectiveness of your marketing campaigns is to master the various channels and to make sure you are delivering the right message to the right audience."



Omer Waysman,
Director, Global eCommerce &
Business Development,
Danone

"These results demonstrate how important the data quality of your customers is and how it can also be a key competitive differentiator. So, the fact that the majority of respondents are adopting AI to analyse product and customer data does not surprise me; in fact, it is encouraging and suggests we will continue to see ever smarter ways to turn data into better products and experiences. However, regarding the least popular response, the internet of things, I think we will see this developing and increasing over the next decade as more and more devices, especially voice assistance, are used to order and repeat order food and beverage items from homes."



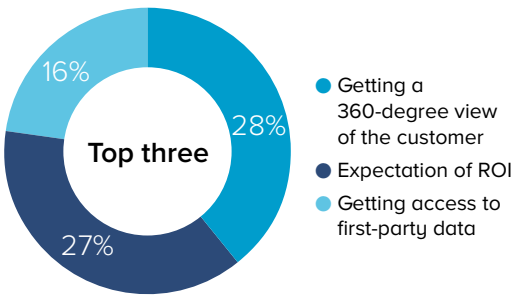
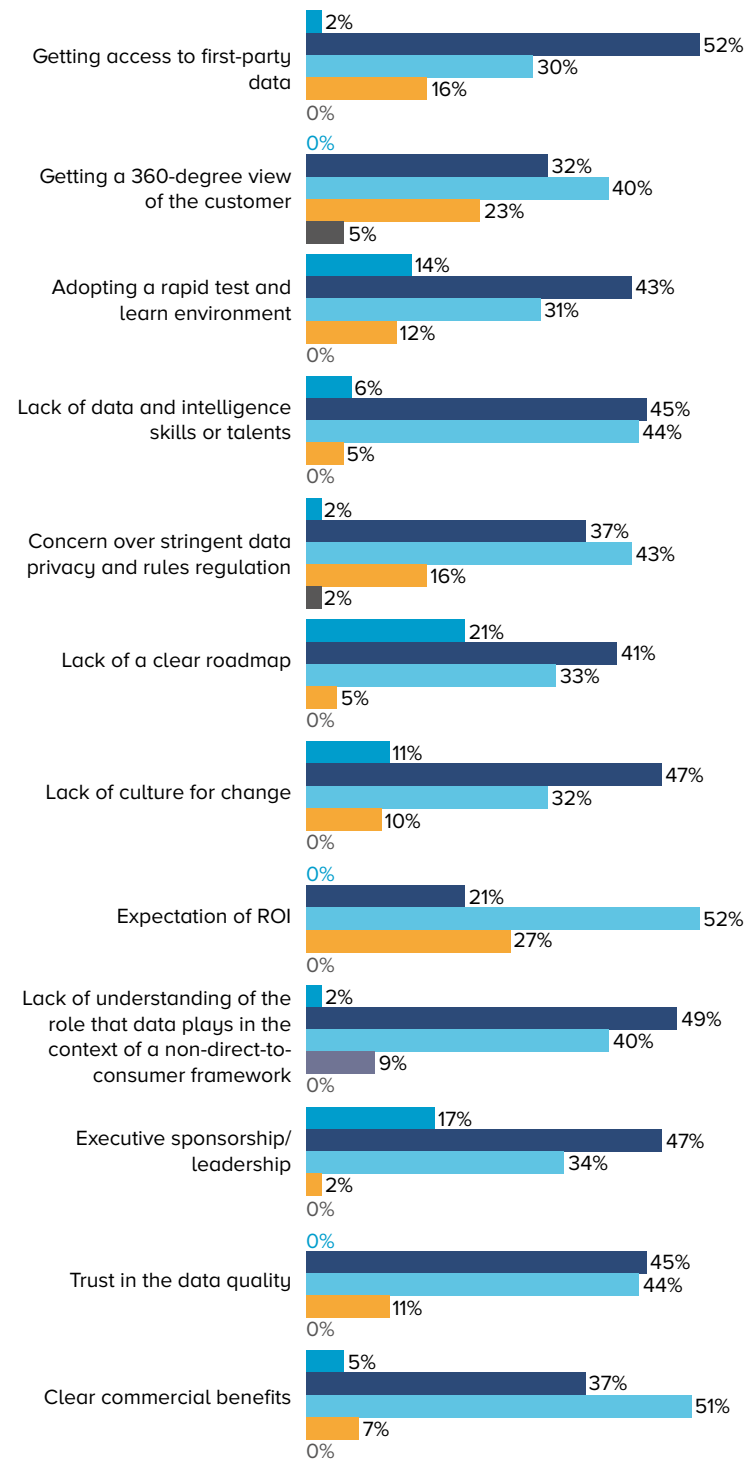
Tom Webber,
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Digital Food & Beverage 2021

The respondents were asked to select all that applied


The top three challenges our respondents said their companies face in using data to drive profitable business decisions are getting a 360-degree view of the customer, the expectation of ROI and concern over stringent data privacy and rules regulation

What are the primary challenges your company faces in using data to drive profitable business decisions?

Not challenging Slightly challenging Moderately challenging Challenging Very challenging




“Specifically for food and beverage brands, they have a challenge in constructing 360-degree views of their customers. Rather than trying to gather everything about a customer, a more prudent approach is to identify what is important to the process of servicing customers and giving them value, and focus on that data only. The world is full of over-specified and underused customer 360s.”

 **Simon James,**
Data & AI Capability Lead, EMEA/APAC,
Publicis Sapient


“Post-COVID-19, there was pressure to ensure a profitable business and to overcome the challenges presented by the pandemic. I would say getting a 360-degree view of the customer and expectation of ROI are the most important factors in driving profitable business decisions. In eCommerce, many investments are made, and ROI needs to be validated. I’m not surprised that the ‘Expectation of ROI’ option has received such a high response. Regarding this, there is a lot of data and insights available online that help tell the ROI story.

I also believe it is essential to have an omnichannel approach. Things like loyalty cards and memberships to keep in touch with your customers and understand what they are doing both online and offline. This will then allow businesses to optimise investment strategies and bridge the gap between online and offline.”

 **Omer Waysman,**
Director, Global eCommerce & Business
Development,
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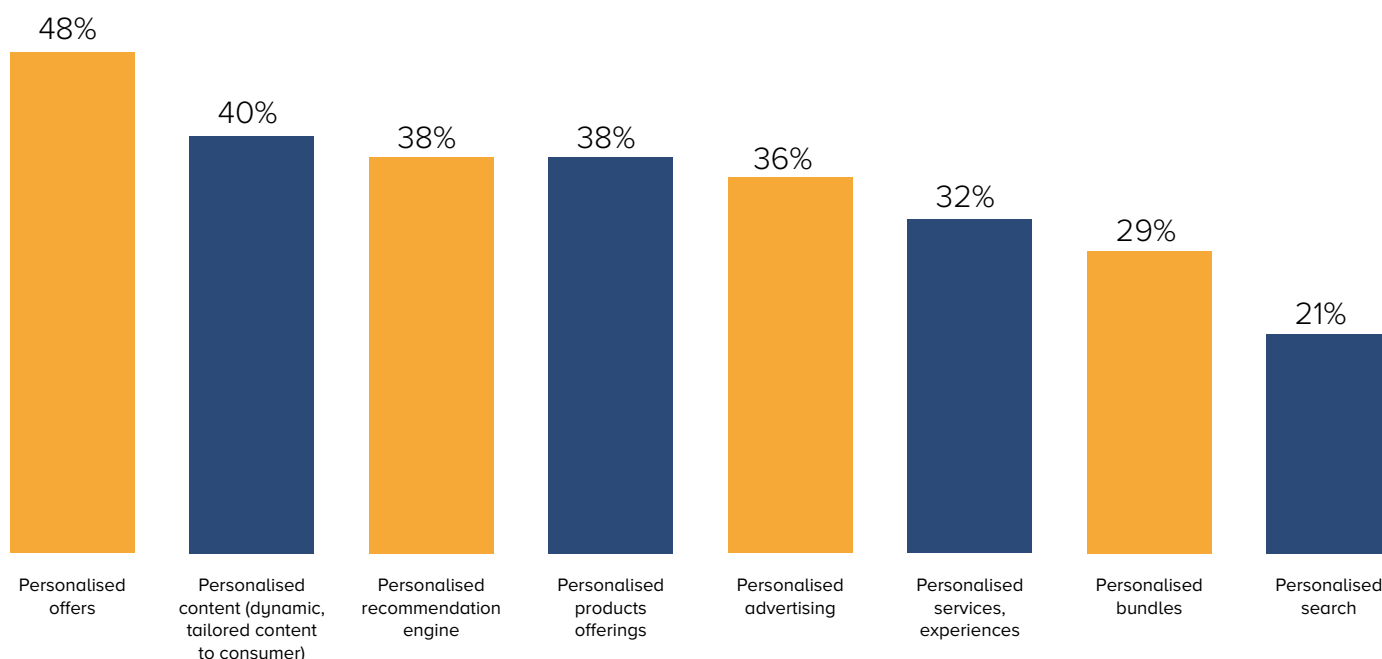
“The primary challenge to getting a 360-degree view of the customer is all about data - capturing, managing, interpreting data, and turning it into valuable insights to redesign customer experience and understand your customer. It is not easy, but it has got to be done and, therefore, is a top priority.

The concern over stringent data privacy and rules regulation is not surprising. There has been a raft of guidance, directives, and tight regulations that have recently come in globally about what can and cannot be shared, the personalisation of the choices made online, opt-in or out etc. This is now the culture of buying and shopping online, and it is going to be continuously and increasingly regulated. So, this is definitely a very challenging area to focus on. On the other hand, respondents have said getting buy-in and having a clear road map is not as challenging, which shows that they know where they want to go with their eCommerce strategy, and they have got the C-level support to deliver on the vision. It is just about navigating that changing landscape as quickly as possible, failing fast and applying the lessons faster than competitors.”

 **Tom Webber,**
Conference Director,
Digital Food & Beverage 2021

The top three personalised experiences our respondents' companies are currently investing in are personalised offers, personalised content (dynamic, tailored content to consumer) and personalised products offerings

What kind of personalised experiences are you investing in for your company?



The respondents were asked to select all that applied

"Personalisation is often quoted as an important objective. It covers advertising, customer experiences, CRM, how products are merchandised on a retailer website and how well they rank on certain keyword searches. The trick to exploiting the power of personalisation is finding enough scale to justify the extra complexity; personalisation is a means to an end, not the end itself"



Simon James,
Data & AI Capability Lead, EMEA/APAC,
Publicis Sapient

"It is essential to be clear what your relationship with the customer is if you also want to personalise content for your customers. As previously mentioned, precision marketing is useful for addressing a direct message to a specific audience with the right channel. Ultimately, to understand your clients better, you must have a clear strategy and objective. It is also necessary to have a very reliable database big enough to apply the right hypothesis and better understand your community. First and foremost is to collect the relevant data."



Omer Waysman,
Director, Global eCommerce & Business Development,
Danone

"Putting aside for one moment the debate that is going on around the future of personalisation, it does not surprise me that 'personalised offers' is the majority response. It is a proven way of attracting and winning customers. The following top two answers are again unsurprising; they are all about driving engagement and knowing your customer - key priorities for any customer-centric organisation. However, I am not sure if I agree with 'personalised search' being an unpopular response. It could be due to regulation that it is not as popular, but I think it will increase over the next few years as a primary driver for new sales."



Tom Webber,
Conference Director,
Digital Food & Beverage 2021

"I specifically work with eCommerce, and I constantly see that what kind of investment in personalised experiences is best depends on the customers and the possibilities on their platforms. I am not surprised that the majority of respondents are choosing to invest in personalised offers. In the end, everyone I speak to tells me that personalised offers will be the primary determinant of content and offering development; as mentioned earlier in the report, advertising and messaging needs to be relevant to break through the noise of everything else out there. So I fully expect there to be a lot more investment in this area. Furthermore, using all the data gathered is key to hitting the sweet spot in the consumer and user journey at the right time with the right message."

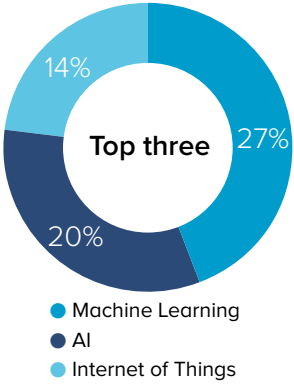
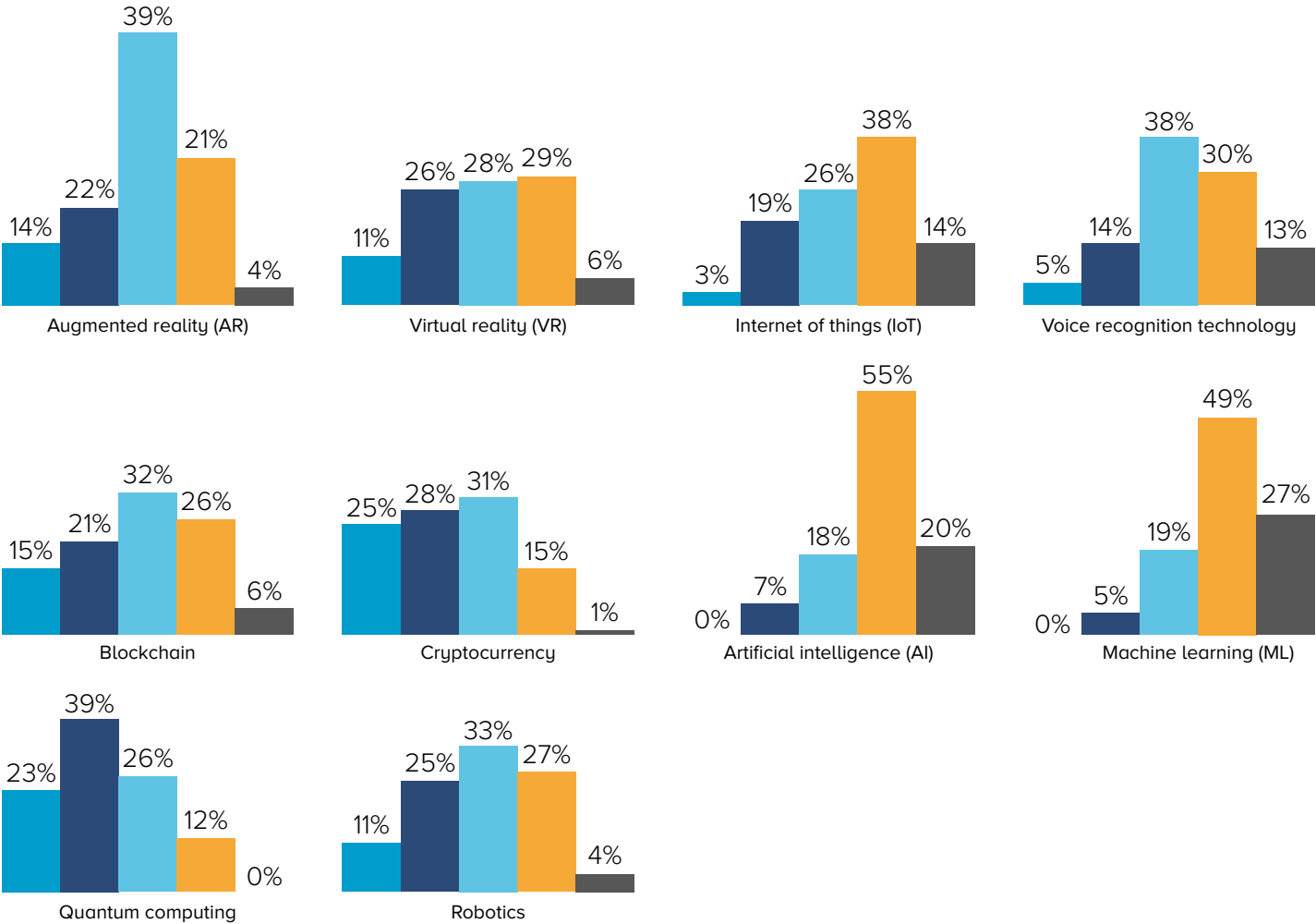


Catarina Molin Österlund,
Head of eCommerce,
Arla Foods Sweden

Our respondents said AI, ML and the IoT are the technologies that are very important to them in the next three years.

How important are these new channels or technologies for you in the next 3 years?

Not important Slightly important Moderately important Important Very Important



"I am surprised by the high response to AI. Currently, I do not believe AI is mature enough, at least not for the FMCG market. In my experience coming from the IT industry, I think other technologies are better suited to give FMCG companies a better understanding of their customers. As people strive to simplify their lives, voice-recognition technology is becoming more popular, as well as IoT. As a result, I fully expect both of these to gain further importance over the next few years."

Omer Waysman,
Director, Global eCommerce &
Business Development,
Danone

"Automation, ML, and AI continue to be increasingly important as organisations operate at scale with voluminous data, making manual data analysis in nearly all cases, impossible. I suspect technologies like IoT will increasingly become more important as more and more people invest in them and they become more integrated in the end-to-end shopping experience. Adoption of enabling technology such as voice assistance and voice search, will drive momentum. I believe even in as few as 5-6 months we will see IoT and many of the other related technologies listed becoming 'very important' given the pace of change and acceleration of digital adoption during the pandemic."

Tom Webber,
Conference Director,
Digital Food & Beverage 2021

"The most popular technologies and channels aim to provide relevance to both businesses and suppliers. AI, for example, is widely used for collecting data and creating personalised and targeted marketing campaigns. The theme of personalisation seems to be a common thread throughout this report."

Catarina Molin
Österlund,
Head of eCommerce,
Arla Foods Sweden

PART THREE

Re-thinking your eCommerce Strategy

One of the most significant effects of COVID-19 has been the worldwide shift to a reliance on eCommerce and online transactions, with many consumers indicating that they will continue to rely on digitally enabled methods of ordering and delivery after the pandemic. So, food and beverage organisations will need to optimise their time, resources, and information management to reduce waste and improve the quality of delivery in the years ahead.

Many organisations have been experiencing challenges in generating ROI from eCommerce strategies because campaigns take time to roll out and work with their target audience. 50% of our respondents have a very complex or somewhat complex customer journey. Due to the lingering effect of COVID-19 influences, relying on customer retention, loyalty points and the usual profitability metrics to measure ROI on their eCommerce channels can be challenging.

Mapping customer journeys and activities to determine the efficiency of eCommerce campaigns can help. In the past 12 months alone, there has been a huge emphasis on personalisation, product suggestions and recommendations to improve the basket size as customers shop online. A proportion of our survey respondents are including these clicks to find out how well their eCommerce strategies are performing, beyond using the normal numbers for managing ROI.

Our respondents with a formal web presence are also evaluating how their shoppers navigate through their website. Their organisations are recording the clicks and suggestions that have been most valuable for their customers. Such analysis also indicates which suggestions have resulted in sales.

Maintaining long-term relationships with customers is a key part of the eCommerce strategy for some of our survey respondents, who include retention rates and cart value consistency in measuring their eCommerce ROI over the next 12 months. Other respondents said their organisations are analysing data and shopping trends to develop an eCommerce strategy. Measuring eCommerce ROI then involves calculating the spending

and the budget allocations for the next year, along with the expected gains.

For many food and beverage organisations offering different product categories or brands, their eCommerce success is determined based on the spending for each category. This approach gives a better picture about what strategies are more convenient and cost-effective. However, those food and beverage organisations with multiple marketing strategies tend to consider conversion rates as the best way for them to measure their eCommerce success.

Food and beverage brands can further improve the return on their eCommerce marketing investment by using their first- and third-party data to create more robust targeting parameters. This can help to guarantee that advertising remains relevant to their intended audience. Using automation, machine learning, and personalisation can also enhance the performance and relevance of digital marketing and advertising campaigns.

One area of particular relevance to today's consumers is corporate social responsibility (CSR). Customers are increasingly interested in how digital food and beverage brands are sourcing their ingredients, their production processes, and customers are more willing to pay a premium for authenticity and sustainability. Our respondents said that health and wellness, reducing CO₂ emissions and equal opportunities are the top three environmental, social and governance (ESG) areas that are important for their organisation to help drive consumer engagement.

Food and beverage brands will need to be mindful of waste reduction as their consumers demand a more sustainable and transparent production process, as well as, packaging. Regenerative farming practices, recycling, biodiversity, and organic farming and food production will be concepts that brands will need to practice and promote in the years to come.

We asked our respondents how their organisation is measuring ROI on their eCommerce strategy in the next 12 months. [Here is what they told us:](#)

"Maintaining long-term relationships with clients is a key part of our eCommerce strategy. The retention rates and cart value consistency are included in measuring the ROI."

"We analyse data and shopping trends to develop our eCommerce strategy. Measuring the ROI involves calculating the spending and the budget allocations for the next year, along with the expected gains."

"There have been challenges in generating the ROI because campaigns take time to roll out and work with the target audience. However, we are mapping the customer journey information and activities to determine the efficiency."

"Customer retention, loyalty points and the usual profitability metrics will all be used to measure ROI for the eCommerce strategy. It will be challenging because of the COVID-19 influences still lingering."

"There are different product categories, or brands. The ROI is determined based on the spending for each category. It gives us a better picture about what strategies are more convenient and cost-effective."

"Conversion rates are considered in deriving the ROI. The process of lead generation from each marketing strategy is different, so all of these are taken into account for an appropriate measurement."

"There has been emphasis on personalisation, product suggestions and recommendation to improve the basket size as customers shop. Apart from using the normal numbers of ROI, we will be including these clicks to know how strategies are performing."

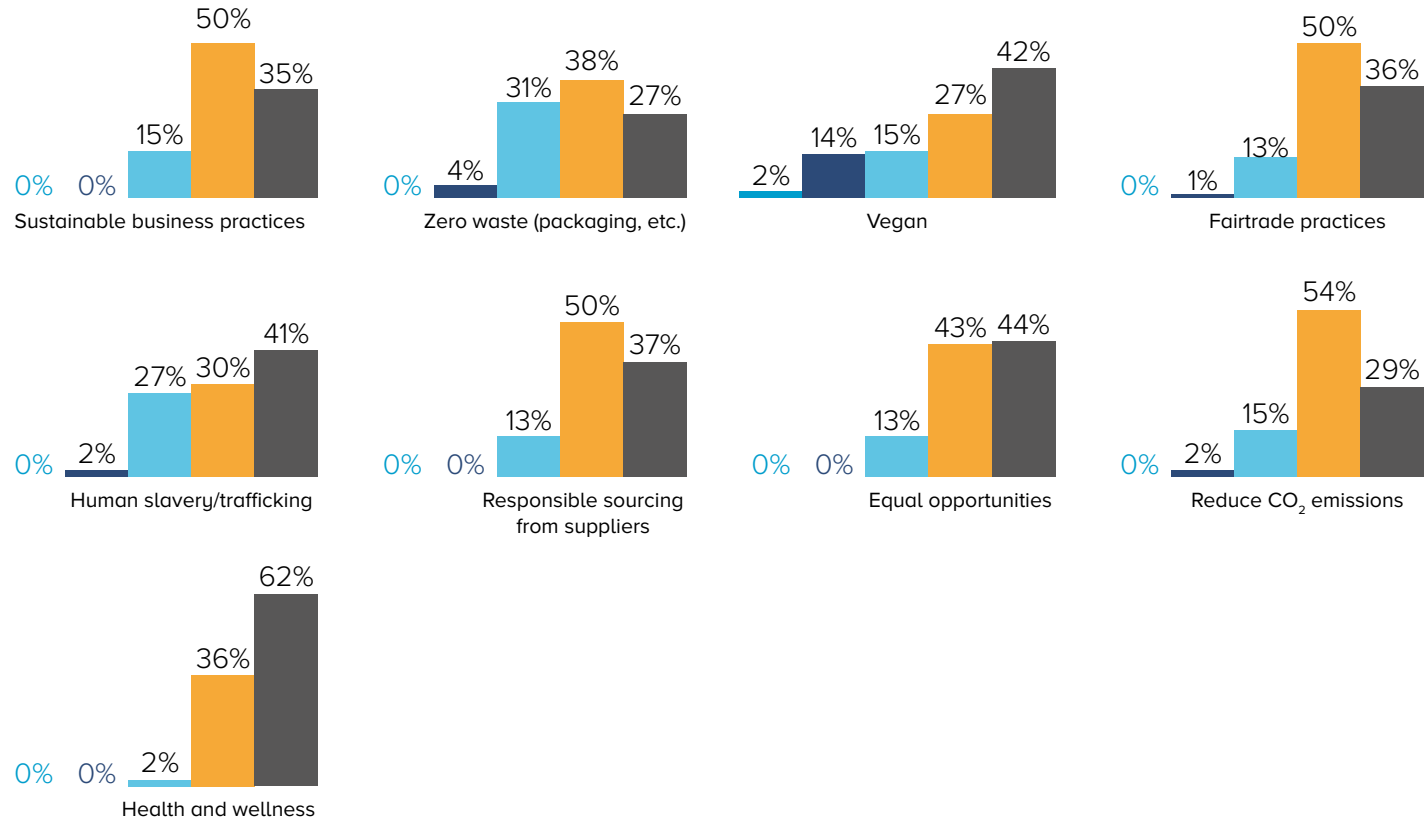
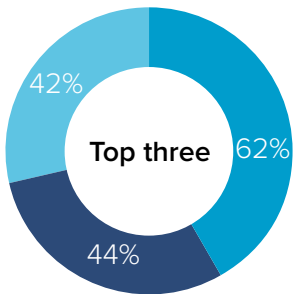
"We are evaluating how shoppers navigate through our website. We will be recording the clicks and the suggestions that have been most valuable for our clients. We will also see which suggestions have ended up in sales."



Our respondents said that health and wellness, reducing CO₂ emissions and equal opportunities are the top three ESG areas that are important for their organisation to help drive consumer engagement

Which environmental, social and corporate governance (ESG) areas are important for your organisation to help drive consumer engagement?

Not important Slightly important Moderately important Important Very Important



“This is a critical topic currently as businesses are looking to transform their eCommerce regarding these areas. At Danone, corporate social responsibility (CSR) is in our DNA, so these results are not surprising to me at all. We are trying to transform eCommerce regarding CSR, by making sure that our packaging and sales are eco-friendly, optimising delivery journeys to reduce carbon emissions, etc. These factors are essential not only for the consumers but also for the planet. This is why at Danone, we are taking steps to achieve these fundamental goals. Concerning health and wellness, which is unsurprisingly the majority result, we have a very well-known plant-based company in our portfolio that we are continuously promoting and encouraging. Sustainable business practices are also key for us; we are trying to push for these with our retail partners and drive forward our healthier and more sustainable products across different channels.

I encourage, especially larger companies, to take CSR steps to be completely friendly and in line with all these elements.”



Omer Waysman,
Director, Global eCommerce & Business Development,
Danone

“Sustainability is at the top of nearly every corporate agenda so this is unsurprisingly visible in these results. Connecting eCommerce and consumer behaviour data to sustainability goals will be a massive competitive differentiator going forwards, so any investment in these areas for the respondent organisations is a safe bet. As will be any investment in data that helps you understand consumer attitudes to sustainability and sustainable products.”



Tom Webber,
Conference Director,
Digital Food & Beverage
2021

“In line with the current trend, we are of course working on reducing CO₂ emissions and taking environmentally friendly actions, which has proven to be extremely important to our customers. In addition to sustainability and environmental awareness, we place great emphasis on health and wellness, both physically and mentally.”



Catarina Molin
Österlund,
Head of eCommerce,
Arla Foods Sweden


50% of our respondents have a very complex or somewhat complex customer journey.

How complex is your customer journey?

"I am not surprised at all; nowadays, the customer journey is pretty clear. I think it may be more complex for new brands to acquire the proper awareness and considerations and the brand assets, so consumers recognise their brand and added value. For the IT industry, the customer journey will probably be very complex because the price point will be very high. The higher the price point, the more complex the customer journey."

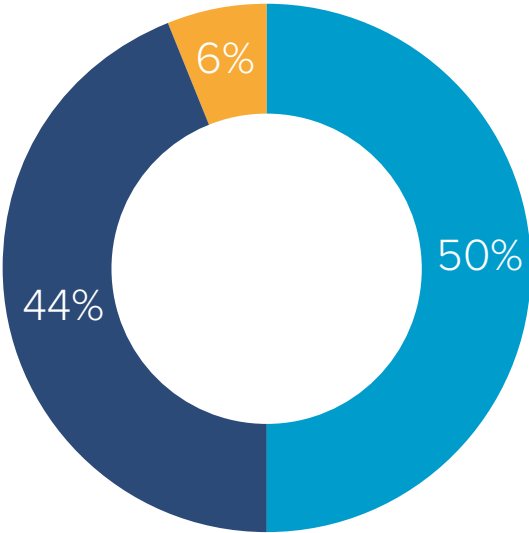
 **Omer Waysman,**
Director, Global eCommerce & Business Development,
Danone

"Many organisations are trying to understand what parts of the in-store experience they should replicate online, if any. They are also working out how to cater to a range of different, constantly shifting needs of customers operating in digital environments. Getting this right can be complicated if it is not done well and complexity can arise from trying to meet all needs in-store and online in a single strategy. Businesses getting it most right are looking at eCommerce and online shopping as its own experience and resourcing and addressing the channel differently. So, complexity can be managed out or down simply by making the assumption that shoppers will buy differently online and keeping them engaged in that experience may require more specialist attention."

 **Tom Webber,**
Conference Director,
Digital Food & Beverage 2021

"I was pretty surprised by these results as I would have assumed that the customer journey is at least somewhat complex for most businesses. Perhaps digital food and beverage companies are not faced with such a complex consumer journey, but my experience is that it is very complex, especially now with so many digital and physical touchpoints. It is essential for us to understand the increasingly complex and continuously evolving customer journey, discover what generates sales, identify trigger points, etc."

 **Catarina Molin Österlund,**
Head of eCommerce,
Arla Foods Sweden



- Not complex
- Somewhat complex
- Very complex



CONCLUSION

COVID-19 has brought the health and safety aspects of food and beverage brands to the forefront of public consciousness. This has created an opportunity for heads of marketing to capitalise on this trend by offering products with health and immunity-boosting content.

Focusing their messaging on safeguarding the transparency of their supply chain from source ingredients, to manufacture, packaging, and delivery, and how their products tie into their customers' health is the way to succeed in the post-pandemic environment.

The majority of our survey respondents are using technology to reduce their risk in the next 12 months, as margins are becoming increasingly tighter. Some of our respondents' organisations are using technology at processing plants. Other respondents said their organisations are using AI, data management, cloud and digital services to: enhance customer experience; improve inventory management and procurement; and to optimise their online processes and delivery mechanisms.

With investment in personalised experiences figuring highly on their list of priorities, our respondents said that AI, ML and IoT are the key technologies that are very important to their organisations in the next three years. However, technology implementation is not without its challenges. 51% of our respondents said a lack of engagement and understanding of how technology solutions will translate to their organisation is the biggest challenge they face when implementing new technology.

Consumer experience, data analytics/data science and direct-to-consumer (DTC) business models are seeing increasing investment post-COVID, with organisations analysing product or customer data using AI, predicting consumer demand, and analysing product or customer usage data. Getting a 360-degree view of the customer, ROI expectations, and concern over stringent data privacy and rules regulation are key challenges in these areas.

As online sales continue to drive revenue in the sector post-pandemic, organisations will need to optimise their time, resource, and information management, and closely monitor the ROI on their eCommerce strategies. 50% of our respondents have a very complex or somewhat complex customer journey, so customer retention, spending and budget allocations in each product category, and conversion rates are among the criteria our respondent organisations will use to establish this.

In an atmosphere of increased consciousness over ethical and sustainable practices, our respondents cited health and wellness, reducing CO₂ emissions, and equal opportunities as the top three areas that are important for their organisation to help drive consumer engagement.

About Publicis Sapient



Publicis Sapient is a digital transformation partner helping established organisations get to their future, digitally-enabled state, both in the way they work and the way they serve their customers. We help unlock value through a start-up mindset and modern methods, fusing strategy, consulting and customer experience with agile engineering and problem-solving creativity. As digital pioneers with 16,000 people and 53 offices around the globe, our experience spanning technology, data sciences, consulting and customer obsession — combined with our culture of curiosity and relentlessness — enables us to accelerate our clients' businesses through designing the products and services their customers truly value. Publicis Sapient is the digital business transformation hub of Publicis Groupe. For more information, visit publicissapient.com

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