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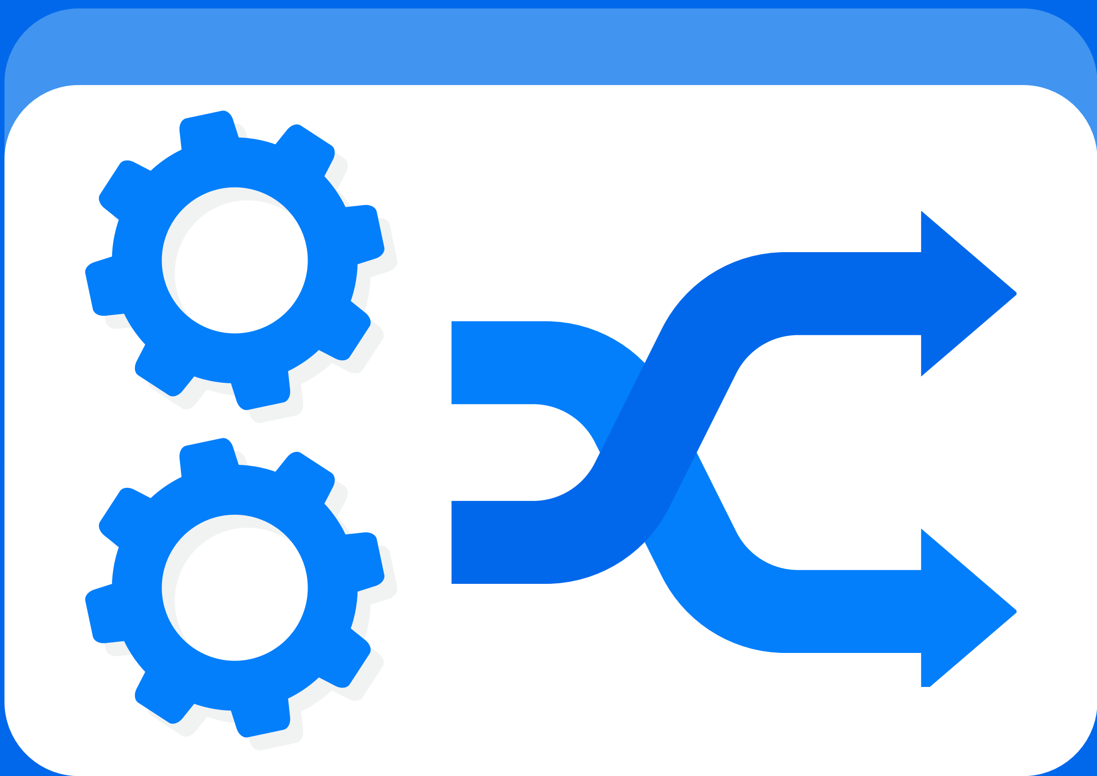
CPG omnichannel myth busting

EBOOK 2 OF 2: ADAPTING TO CHANGE



OCT - NOV 2021

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Myth busting the CPG omnichannel market

Welcome to the second ebook in a series of two on the CPG omnichannel.

As outlined in the first ebook, the rise in ecomm driven by the pandemic was one of necessity and consumer demand, and retailers rose to the occasion.

For traditional retailers, it was a reasonable move to make at the beginning of the crisis, despite the constraints—tight timing to meet demand, logistics, financial pressure and general risks involved.

Initially motivated by a fear of shopping in-store, studies show that post Covid, shoppers intend to continue buying online and the market continues to evolve according to consumer preferences.

This ebook clarifies some common errors associated with this transformation.

Myth #1

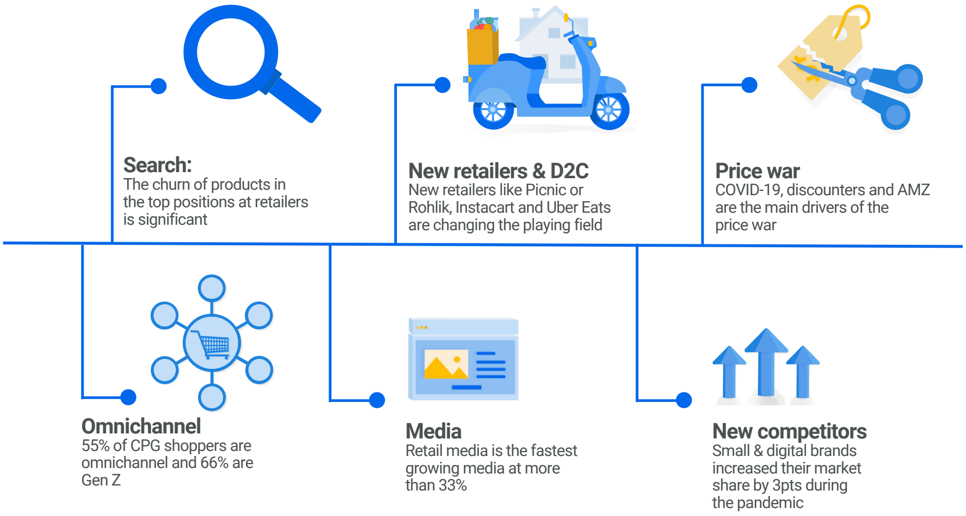
FALSE: New technologies are driving change in CPG ecomm

TRUE: Consumer demand is driving ecomm change--tech often creates complexity

If the most innovative technology does not answer a consumer desire it won't last. Consumer behavior always drives market change. Technologies certainly enable new behaviors but there must be a need there.

New technologies often bring complexity in addition to benefit, and require a period of adaptation.

The ecommerce landscape is changing very quickly, mainly driven by consumer behavior but also by new levers and players.



Myth #2

FALSE: Omnichannel complexity is difficult for brands to manage

TRUE: Comprehensive location-based analytics uncover the source of discrepancies

Accurate data can pinpoint exactly where and how gaps between negotiation and execution occur, right down to SKU level.

	Examples of gaps	Size of the gaps
Distribution	• Increase in out of stocks • Gaps in the distribution of blockbusters • Loss of share of assortment in some regions/stores	20% to 30%
Visibility	• Important differences in search among stores • Negotiated emedia activity not respected • Competitor emedia not tracked • Content not optimised	30% to 50%
Conversion	• Bad replication of promotions online • Decrease of the price under MAP in some stores/regions	15% to 25%

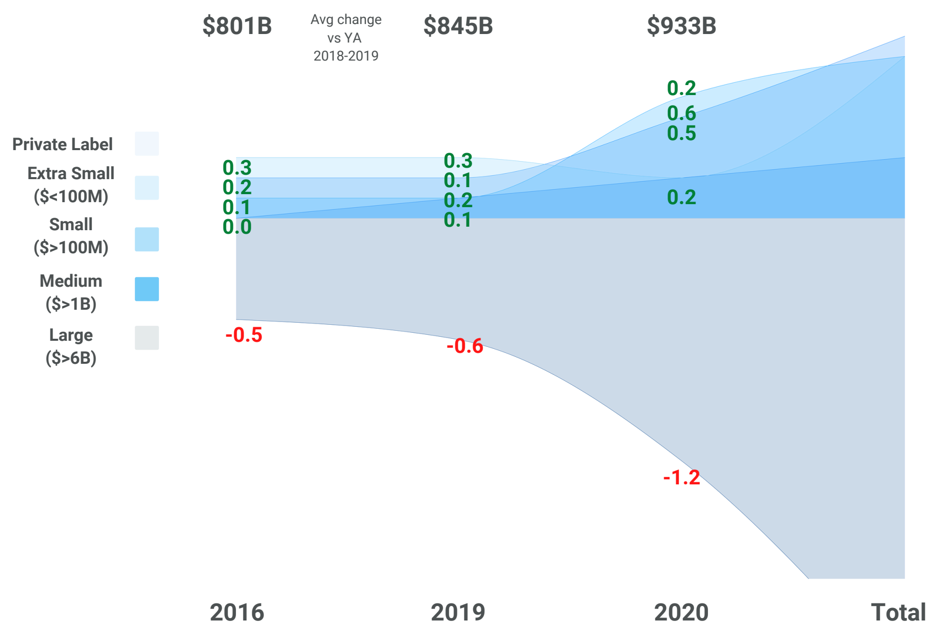
Myth #3

FALSE: The biggest threat to large CPG manufacturers comes from new channels and marketplaces

TRUE: Challenger brands represent the biggest threat to established CPG players

During the pandemic large CPGs grew significantly, but they still ceded share to smaller manufacturers. Agile brands respond rapidly to problems and thus seize opportunities.

% Share of CPG sales by manufacturer size / total U.S. MULO + C



Source: IRI POS Data MULO + C. IRI & BCG Analysis

If these insights interest you, don't hesitate to let us know.

We'd love to show you how to improve your digital shelf performance.

- Digital shelf analytics
- Eretail media monitoring
- Location-based analytics
- Amazon market share

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About Data Impact

We help manufacturers improve their digital commerce. By collecting over 60 billion data points per day, Data Impact offers the most granular, and therefore insightful, overview of the online CPG marketplace. We collect data at every single online site that major retailers list products, and render it in a simple, clear dashboard with a user experience our clients rate highly.

Our support team accompanies brands in customizing their platform to monitor the KPIs they choose such as share of voice, digital shelf analysis, optimizing availability and pricing, and estimating market share and increasing performance on Amazon.

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