

DIGITAL FOOD & BEVERAGE



Enhancing your CX and leveraging
data and channels to win
with customers

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Methodology

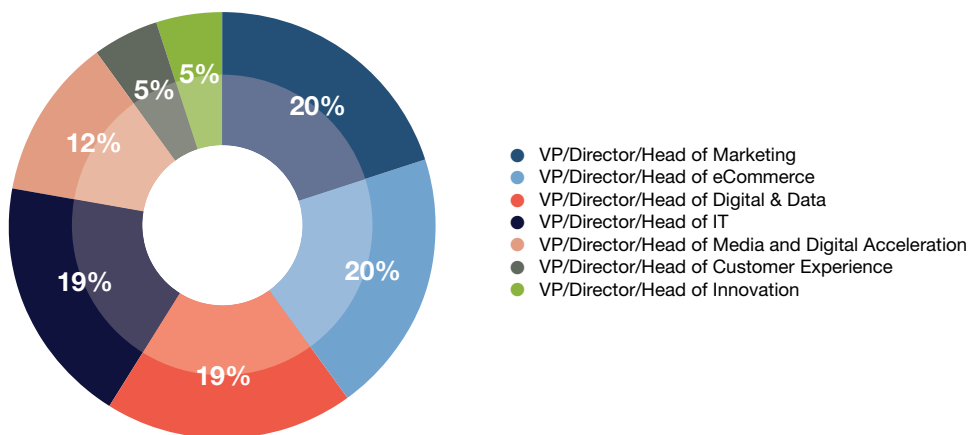
In Q2 of 2022, WBR Insights surveyed 100 Heads of eCommerce from organisations across Europe, to find out about the challenges they are facing in 2022 and the innovative solutions being brought to the table.

The survey was conducted by appointment over the telephone. The results were compiled and anonymised by WBR Insights

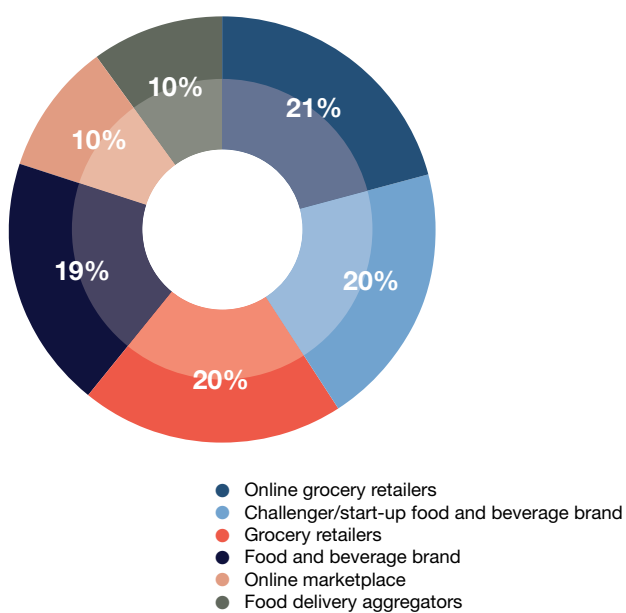
and are presented here with analysis and commentary by Edgio, Publicis Sapient, and the digital food and beverage community.

The WBR Insights topics detailed in this report will also be covered in the Digital Food & Beverage Connect event: download the agenda [here](#).

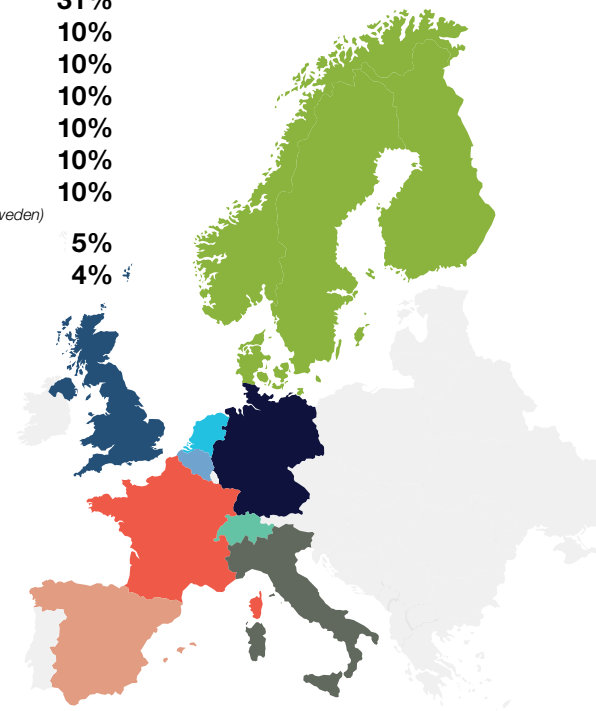
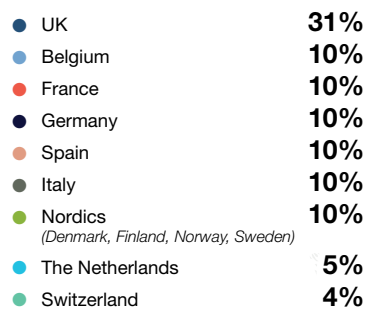
What is your organisation's primary business?



How would you describe your industry?



Where is your company located?



Key Findings

1

The top trends for F&B brands in the next three years

Accelerating eCommerce will be the biggest trend transforming the industry according to 44% of respondents. 38% said Direct to Consumer (D2C) was also important and a further 49% said that more F&B brands will go direct over the same period.

2

55% of respondents are investing in customer data platforms to drive CX initiatives

Improving customer experience (CX) is taking on ever greater importance, with significant investment going into the data capabilities needed to underpin personalisation at scale.

3

A lack of actionable insight and in-house expertise are hindering CX efforts

The key challenges facing CX are a lack of insight on how to best optimise their websites (48%) and the lack of talent and resources (47%).

4

Increased focus on personalising the customer journey

F&B brands are increasingly working to personalise the customer experience across multiple direct touchpoints. 25% of respondents are breaking down organisational silos to support personalisation initiatives and a further 20% are using customer feedback to tailor the customer experience.





How food and beverage brands can accelerate eCommerce growth

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

The global health crisis has changed how consumers shop, with greater emphasis on digital channels and new drivers of value.

eCommerce now makes up approximately 6.6% of all consumer packaged goods (CPG) sales¹ and all indications are that the transition towards online shopping is anything but a short-lived pandemic response.

Indeed, not only are consumers shopping online more than they did before the pandemic (71%) but almost half (48%) believe they will shop more online in the future.²

Yet despite this seismic shift towards eCommerce, the experience of buying online, with few exceptions, remains relatively underwhelming.

While food and beverage (F&B) brands have made significant gains in addressing the consumers' most pressing demands for fast, convenient, and anywhere/anytime commerce.

Very few have managed to deliver online experiences that truly 'wow' and delight the consumer.

With 44% of brands identifying 'accelerating ecommerce' as the biggest trend that will impact the F&B industry over the next three years.

Expect to see brands invest heavily in the online channel to improve overall performance, attract and retain new consumers, and 'stand out from the crowd'.

For brands to succeed they must embrace consumer-first, total commerce strategies, where consumers can - at a minimum - engage the brand universally and continuously.

This will require rethinking the alignment and integration of owned and partner channels to regain control of the entire shopping journey, creating a differentiated brand identity, and establishing a stronger relationship with consumers.

It will also require coordination, focus and investment across business functions, including sales, marketing, product development and supply chain.

Defining a winning consumer proposition

The first step to developing a winning consumer strategy, online and/or offline, is to establish a clear and unique consumer proposition.

What is it we want to be known for? Why do our consumers buy from us? What difference do we make? Brands looking to accelerate their eCommerce ambitions must first reimagine the end-to-end consumer journey.

They can also look to drive consumer loyalty and advocacy from the outside-in, by providing highly relevant, context-specific experiences at key moments that matter.

Being consumer-led is about understanding the context and circumstances surrounding consumer motivations.

This includes the frustrations, desires, problems, and preferences that lead the consumer to engage in the first place.

Turning data and analytics into a strategic advantage

Successful eCommerce channels require next-generation technology and sophisticated data modelling.

More than half (55%) of F&B companies cite 'customer data platforms (CDP)' as their largest planned investment to drive CX initiatives.

While nearly one in three (29%) cite 'AI and advanced analytics' as the biggest trend poised to impact the F&B industry.³

F&B brands are under greater pressure to deliver personalised online experiences including dynamic content, recommendations, and tailored offers.

Having the technology infrastructure and capability in place to not only draw insights from billions of data points, but to be able to effectively act on these insights, often in real-time, will become a growing source of competitive advantage.

Similarly, the use of artificial intelligence (AI) and advanced analytics to improve supply chain efficiency, including enhanced demand forecasting and execution precision, will be part of any future winning eCommerce strategy.

Create an omnichannel strategy

To win the digital shelf, F&B brands need to make their products available across a variety of sales channels, including but not limited to popular marketplaces, retailer sites, and their own D2C sites.

Different channels are often siloed in different parts of the business, serving various disciplines, and constrained by historical organisational fit rather than today's omnichannel consumer.

These are no longer standalone activities, so companies need to shift their thinking and create a strategy that focuses on the consumer and drives connections at all points along the journey, regardless of channel.

Act like a startup

To accelerate eCommerce, F&B brands will be under greater pressure to adapt and react quickly to new challenges, invest ahead of the curve, and adopt a 'test and learn' mindset.

They will also need to accelerate time-to-market for new consumer experiences, as well as rapidly prototype and release innovations in their 'minimum viable' state, rather than waiting to perfect them.

A new model for eCommerce growth will involve embedding agility and recapturing scale advantages in the way a company operates.

This new 'agility-at-scale' operating model will require thinking both more broadly and more granularly about where to compete. Moreover, it will be characterised by the ability to assemble multi-functional teams to solve high-impact problems with speed and scale.

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1. <https://www.shopify.com/enterprise/direct-to-consumer>

2. <https://www.publicissapient.com/news/inaugural-publicis-sapient-report-at-home-experiences-post-covid>

3. Digital Food and Beverage Benchmarking Report, May 2022



Part One

Accelerating eCommerce growth

Driving change in the F&B industry

Now that the pandemic is subsiding and traditional bricks-and-mortar channels are open for business again, F&B brands need to sustain the momentum of the eCommerce boom post-COVID 19. There are signs that this will be a continued trend, with 44% of respondents tipping its acceleration to be the driving force behind industry change over the coming three years.

However, back to normal does not necessarily mean back to the way things were for heads of marketing and eCommerce. From purchasing habits to meeting customers expectations, everything is evolving, and F&B brands need to keep up with the times. The 'hybrid' consumer is equally comfortable engaging with brands across both digital and physical channels and this calls for a fresh outlook on eCommerce.

What are the biggest trends that will transform the food and beverage industry over the next three years?

Respondents were asked to select three answers that applied

● Accelerating eCommerce	44%	● Smart/connected products and packaging	33%
● Working with online marketplaces	40%	● Innovative brand-retailer partnerships	28%
● Direct to consumer	37%	● New channels and touchpoints	21%
● CX and loyalty initiatives	36%	● Supply chain innovation	20%
● Data insights and artificial intelligence	34%	● Metaverse	7%

"In general, I agree that these are the key trends that we expect to come in over the next three years. Looking specifically at the partnerships with retailers selling online, we expect further acceleration of eCommerce sales which will require brands to tailor their proposition to meet consumer needs."

Vladimir Sushko
ERetail Director Europe, AB InBev

"To expand in ecommerce, a comprehensive ecommerce strategy that clearly addresses how to navigate the various channels will be essential.

Consumers have higher expectations than ever before in terms of their online experience. Surprisingly, the metaverse featured very low down in the poll; we believe there is an opportunity here for brands to innovate.

Food companies that adapt to quickly accelerating digital behaviours and start to embrace new technologies that help to merge the digital and physical worlds will differentiate themselves in the market.

We are already seeing a massive growth of livestream shopping in China for a whole array of foods, including coffee, fresh produce and high-end spirits."

Jaicee Matthews
Head of Marketing EMEA, Edgio

"I can totally understand what the respondents have stated; in short, there is this rapid acceleration in commerce and digital commerce in general across the industry. There are different ways to approach this, leveraging marketplaces and/or going direct-to-consumer, so I think that brands are experimenting a lot in various directions to retain the current customer/consumer base that they have, as well as expand and leverage additional touchpoints or new media that maybe were not considered before."

Timoty Weiss
Field Manager Digital Commerce Technology, Loacker Spa/AG

"It is certainly the case that grocery eCommerce will continue to accelerate. After the extraordinary doubling of the channel during the pandemic, there is continued demand even in the face of a tougher economic environment. This poll is interesting as the next four most popular answers all relate to the development of first party data, which is perhaps the major fast-moving consumer goods (FMCG) trend of the coming years."

Guy Keeling
VP Global Head eCommerce, Barilla

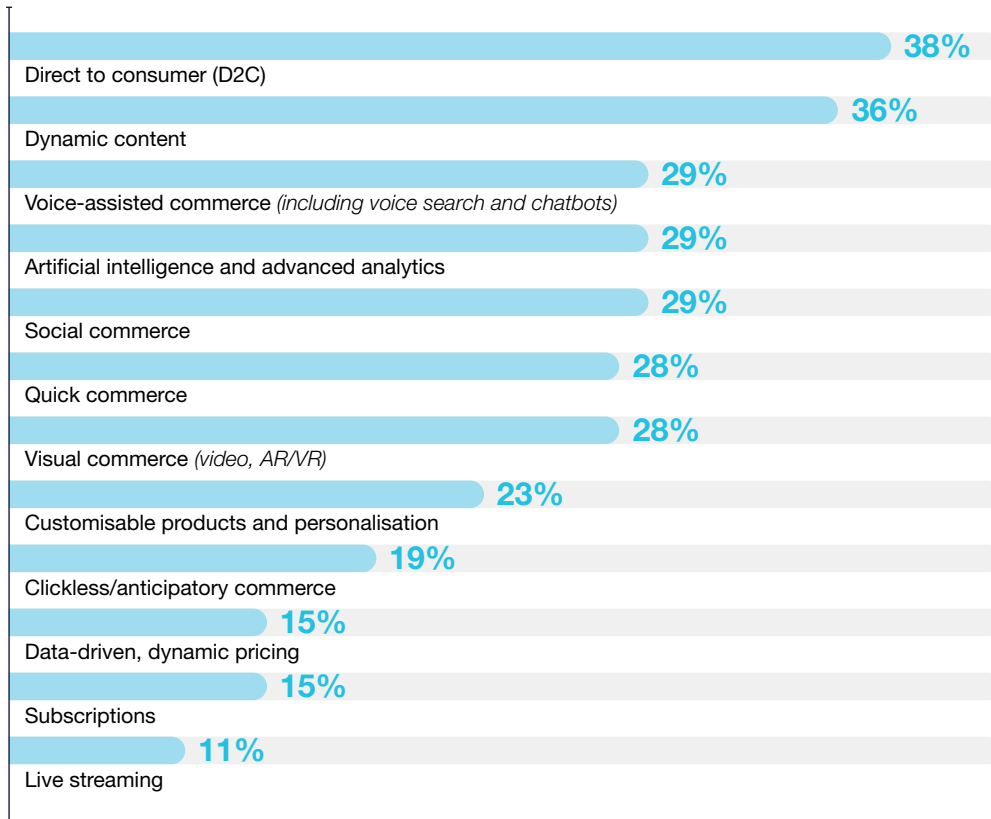
"The acceleration of eCommerce, and the various channels that this can be accelerated through, is certainly the key priority for the digital food and beverage community. The most challenging thing here is to understand, in the wake of the global pandemic, what that rate of growth will be.

There is no doubt that eCommerce continues to grow. However, forecasting growth rates for the next two to three years based on the last two to three might be unrealistic. How can brands, retailers, and other key players correctly resource and invest in line with consumer behaviours and demand?"

Will Robinson
Conference Director, Digital Food & Beverage 2022

What do you think will be the biggest trend that will impact eCommerce across the food and beverage industry over the next three years?

Respondents were asked to select three answers that applied



“The top two answers here suggest that eCommerce leaders will be looking at ways to optimise their content delivery as part of their direct-to-consumer strategy and get important benefits: mainly, a better understanding of what consumers want.

Delivering dynamic content - digital or online content that changes based on data, user behaviour and preferences - is key to monetising that relationship.

A modern web architecture that allows organisations to increase deployment frequency and lower deployment time will result in an overall online experience that is more personalised and can adapt quickly to external factors.”

Jaicee Matthews
Head of Marketing EMEA
Edgio

“The D2C market has grown exponentially in recent years with an increasing number of CPG brands adopting D2C as a business imperative. CPG companies who decide to go direct-to-consumer typically do so for the purpose of regaining brand identity and control, the ability to gain direct access to first-party data, and the ability to shape and personalise the end-to-end consumer experience.

However, getting up and running on D2C is only the first obstacle that CPG brands must overcome. Ultimately, to drive growth, they must deliver unique digital experiences that create value beyond what can be achieved through any other channel and continuously iterate and mature these experiences in a way that incites the consumer to want to keep coming back.

CPG brands will need to think beyond the products they sell and drive consumer loyalty and advocacy by providing highly relevant, context-specific experiences at high demand moments across the consumer journey. A key feature of this will be the use of dynamic content, where consumers receive highly personalised web content based on their individual behaviour, needs, preferences and interests.”

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

“It comes as no surprise that D2C is foremost in mind for many brands and their stakeholders. I do believe it will be an important driver for the development of eCommerce in the future.

Artificial intelligence and advanced analytics would be my second pick as they move from being a rare and unique capability to an absolute must for organisations looking into the future.

Finally I strongly believe that the benefit of getting your grocery shopping faster than you can stand up from sofa and get to a local convenience store is a very important consumer benefit that would drive further acceleration of quick commerce that can only be partially offset by profitability of the model in Europe.”

Vladimir Sushko
ERetail Director Europe, AB InBev

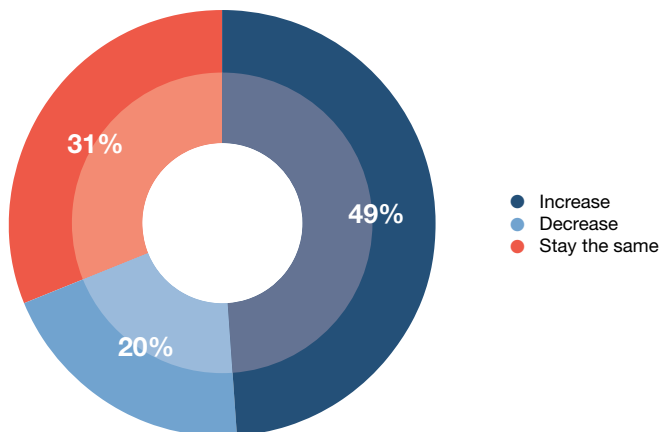
“While D2C is quickly establishing itself in many more valuable categories, for much of the grocery sector it is a tough opportunity to chase. My view is that few F&B FMCGs will be able to do so successfully.”

Guy Keeling
VP Global Head eCommerce, Barilla

Our survey results indicate that D2C models are seen as the major trend in the F&B industry. The financial benefits of removing intermediaries will provide straightforward returns, but by forging direct links with the end consumer, forward-thinking brands can deepen their relationships and create new sources of value.

The business case is so overwhelming that 49% of our respondents said that more F&B brands will go D2C over the next 3 years. From driving repeat purchases via personalisation initiatives, to tapping into emerging demands with new product offers, D2C offers myriad opportunities to heads of marketing and eCommerce to capitalise on in the future.

Do you think the number of food and beverage brands choosing to go D2C will increase, decrease, or stay the same over the next three years?



"As noted in the 'trend' question, most FMCG marketing teams are working hard to develop a first party data strategy and it is natural that D2C will form a leg of that strategy. Interestingly 20% (i.e. one in five respondents) have said that they would expect the number to decrease. Are these companies who have tried D2C and realise how tough it is to do it well and profitably?"

Guy Keeling
VP Global Head eCommerce, Barilla

"I can relate with what the respondents have said here because we are also trying to establish direct-to-consumer capabilities within the company. The impact on brands is massive because the organisational changes required are huge so this is probably one of the biggest challenges that the brands may actually face in upcoming years."

Timoty Weiss
Field Manager Digital Commerce Technology, Loacker Spa/AG

"D2C is an area that all major brands appear to be looking at, and we can see that many see this as the single biggest opportunity in the market. If players can get it right it represents a significant revenue generation opportunity, cutting out middlemen and driving margins.

Understanding the right products and portfolios for this route to market is key. However, not all food and beverage products are necessarily suitable. Innovative business models and product developments (such as personalisation) are also key to driving success in D2C."

Will Robinson
Conference Director, Digital Food & Beverage 2022

Inevitably, there are obstacles to consider before doubling down on D2C. However, for our respondents, the shift to operating direct-to-consumer fulfilment and logistics represents a major challenge.

Inventory management, shipping notifications and returns of damaged products are just some of the areas that will require the addition of new systems and processes. That is before any consideration is given to the resourcing of a high-frequency touchpoint like customer services. Small wonder then, that organisation alignment and culture rank jointly as the biggest challenges for our respondents.

Restructuring long-established systems and orchestrating new processes will require deft organisational management. Time will tell if these efforts pay off.

What do you think is the biggest challenge that food and beverage companies face in going D2C?

● Fulfilment and logistics	17%
● Organisational alignment and culture	17%
● Data access	13%
● Creating a unique/differentiated consumer experience	11%
● No clear business case / ROI	11%
● Technical infrastructure	10%
● Internal skills and mindset	10%
● Search engine optimisation (SEO)	7%
● Channel conflict	4%



"Fulfilment and logistics is understandable due to the issues that occurred during the pandemic. Personally, I would consider the organisational alignment, and the change management efforts required, as the biggest challenges faced by a company embarking on a direct-to-consumer endeavour."

Timothy Weiss
Field Manager Digital Commerce Technology, Loacker Spa/AG

"Many of the FMCG brands that have been so successful in-store over the past decades are poorly equipped to quickly develop D2C businesses, where average selling prices need to be >£25 with regular repeat and low shopper churn – very different to the in-store grocery shelf where most SKUs play at price points around £25 with a monthly promotional battle which erodes shopper loyalty. For most, winning in D2C requires new skills and new products which offer shoppers a genuine benefit over shopping for their groceries as part of a full basket in a well curated online or physical store."

Guy Keeling
VP Global Head eCommerce, Barilla

"Ironically, one of the biggest threats to a successful D2C model, is a company's own legacy standing in its way. Often the larger an organisation, the greater the challenge the 'change', because the processes and governance models that have worked to drive long-term sustained growth for decades before, are challenged."

Moving to a D2C model is a seismic shift for the company itself, its customers and partners. To be successful, requires significant change across people, process and operations, and technology. Often these functions must move from running independently, to jointly orchestrating, in a new agile way around consumer journeys. When the change affects the organisation at this level, it revolutionises to an entirely new business model, thanks to ownership of the full end-to-end consumer journey."

Gemma Leutton
Director, Publicis Sapient

"While fulfilment costs and complexities are definitely an important barrier to overcome, I am a bit surprised not to see 'creating a unique/differentiated consumer experience' higher, as for me it is extremely important to be clear what consumer/shopper problems D2C is trying to solve. I think any organisation aiming to go D2C should map key potential advantages for shoppers as well as for the organisation and act on these."

Vladimir Sushko
ERetail Director Europe, AB InBev



Part Two

Enhancing your CX to win new customers and keep existing ones

Data: the key to unlocking customer winning CX

To ensure a strong customer experience, F&B brands are investing heavily in personalising their customer journey. Personalisation is the axis for eCommerce in the future and heads of marketing and eCommerce will need a rich, coherent view of the customer. Mastering data will enable brands to unlock the growth opportunities personalised customer experiences offer.

It is for these reasons perhaps, that customer data platforms are being invested in by over 55% of respondents. Their ability to collect and unify customer data from a range of sources, both internal and external, and employ advanced analytic techniques will give brands the data foundations they need to innovate across the end-to-end customer experience.

The shift to becoming a data-driven brand will also enable another differentiating CX initiative, the loyalty programme, ranked second for investment by our respondents at 36%. With a holistic customer view, F&B brands can target frequent customers with tailored discounts, prime them for product launches based on their purchase history and extend the kind of personalised, preferential treatment that deepens loyalty, drives repeat spend and increases word of mouth.

In which of the following areas is your organisation making the greatest investment to drive CX initiatives?

Respondents were asked to select all answers that applied

● Customer data platform (CDP)	55%
● Loyalty programmes and initiatives	36%
● Website architecture	35%
● Products and services innovation	30%
● Customer service upgrade (i.e. chatbots)	29%
● Marketing and advertising	29%
● Data analytics	26%
● Customer relationship management (CRM)	15%

"Again, we see the first two answers reflect the industry drive towards first party data – an internal and self-serving initiative – only then followed by initiatives that genuinely improve the shopper experience. For me, as an industry, we must be working hard together to dramatically improving the online shopping experience for groceries which is still a long way short of where it really needs to be to become a seamless part of most people's week."

Guy Keeling
VP Global Head eCommerce, Barilla

"CPG companies now recognise productivity increases and improves customer experiences that result from insight-driven decision-making, yet few are equipped to fully capitalise on this opportunity. The average marketer is dealing with a myriad of vendors and an ever-increasing volume of data from a proliferation of channels, devices and internal applications. Managing all of this dispersed data and acting on it quickly is becoming much harder.

To overcome the demands of an ever-changing consumer and technology landscape, the CPG company of the future will need to systematically harvest structured and unstructured data across multiple, eclectic sources and apply advanced, predictive algorithms that turn AI-driven insights into foresights and recommended actions.

At the heart of this vision is a customer data platform (CDP). The ultimate value of a CDP is to provide a unified omnichannel view of first-party customer data for marketers and the ability to activate that data for real-time customer engagement. Looking forward, expect to see more CPG companies begin to invest in CDP capabilities, with an increasing focus on AI powered, right-time journey orchestration across all channels, comprehensive analytics, next-best offer capabilities, real-time decision-making and seamless integration with other marketing functions to enhance insights and shorten the time from insight to action."

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

"Data is the very bedrock and foundation of any CX initiative within the industry today, and so to see that the customer data platform is the top priority within this space is unsurprising.

Investing in the correct management and analytics of customer data is consequently one of the areas that most brands and retailers are seeing the greatest digital technology ROI from."

Will Robinson
Conference Director, Digital Food & Beverage 2022

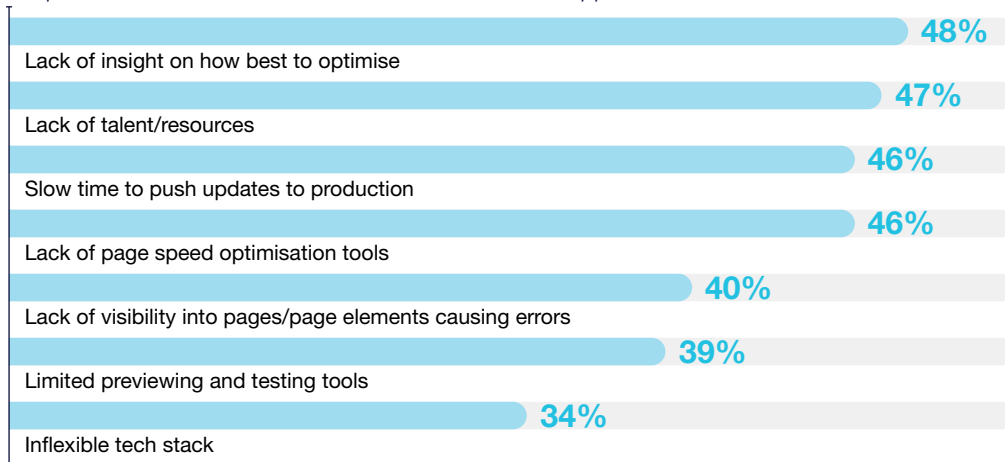
Yet technical challenges to delivering better customer experiences persist. Almost half of our respondents said lack of insight on how to optimise CX was holding them back. This is, essentially, another data problem. Only by mapping the end-to-end customer journey, installing real-time tracking capabilities, and surfacing that data in an insightful way can brands identify pain points (and the drops they lead to) in the purchase journey.

Delivering on CX objectives requires more than data, of course. This is where we run into the second blocker, the lack of talent and resources (47%). Of course, the skills gap continues to hobble the digital economy as a whole and, while F&B brands can take small comfort in the knowledge that theirs is not a unique position, there are no quick fixes.

Low and no-code solutions offer one potentially fruitful avenue with the ability to build, test, launch and iterate on customer-facing digital propositions. This can be done both at speed and with less technical resource required. However, whether this strategy is adopted at large, and bears results is yet to be determined.

What are the top technical challenges that hinder efforts to improve CX on your website?

Respondents were asked to select three answers that applied



"Hiring top talent remains a key challenge for many organisations particularly those that are looking for engineers and competing against industries that typically offer higher salaries and more attractive benefits."

Organisational process and outdated legacy technology are two additional factors that often overlap and exacerbate a desire to improve the website.

Many engineers are often spending the majority of their time focusing on Non-Functional Requirements (NFRs) and even those organisations that have a mature technology stack are often hindering their speed to market by having multiple bottlenecks in their release process."

Jaicee Matthews
Head of Marketing EMEA, Edgio

"Becoming a D2C organisation is one challenge; actually delivering a unique, compelling and useful service to consumers is another."

A D2C model must always strive to use data to mine greater insights and translate that into stronger, more personalised consumer experiences and services, constantly improving the value exchange. This involves more streamlined and rational decision-making, which in turn requires a smart data engine and compatible tech stack.

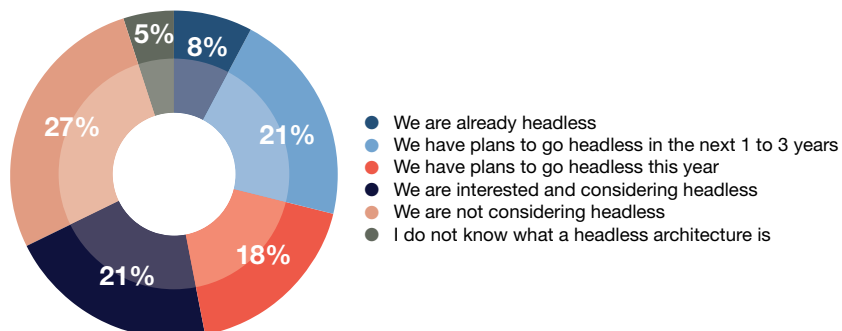
The move to D2C demands orchestration around an omnichannel experience, to do this both the front and back office must be intricately connected. The flexibility of the tech stack is paramount in achieving this. Many companies and brands turn to headless architecture to power the sophisticated back-end, but de-couple the consumer experience on the front-end, to enable the agility to adapt the consumer experience, relative to either internal or external factors. And of course...test, test, test. A thriving test and learn culture, plus smart analytics tools are essential components to identify insights and build a CX enhancement engine."

Gemma Leutton
Director, Publicis Sapient

"For me, these answers show that many brands are becoming accidental shop owners, often with poorly organised, funded, and supported teams. If we were to ask 'digital native' F&B brands, born in the digital era and designed to win in the eCommerce environment, the same question, I think that we would see very instructively different answers. That gap is the major challenge that we have in quickly re-tooling traditional F&B brands for the new economy."

Guy Keeling
VP Global Head eCommerce, Barilla

What importance does a headless commerce architecture have in your organisation's CX strategy?



"It is encouraging to see that 60% of respondents understand the concept of headless commerce and are planning to incorporate this trend into their future plans. One of the many benefits of having a decoupled architecture is that you can run the storefront separately and this enables eCommerce heads to take full control of the user experience."

Jaicee Matthews
Head of Marketing EMEA, Edgio



Part Three

Developing D2C and on-demand strategies that meet shoppers' needs

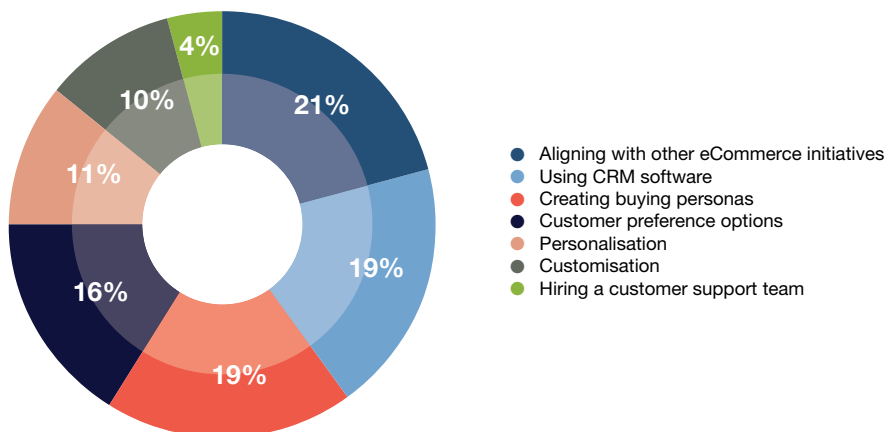
Putting the customer at the centre: the core of D2C strategies

Going direct means getting closer to the customer, but building relationships nowadays is difficult, especially with the plethora of brands competing for a share in the attention economy. According to our research, exploiting synergies with other eCommerce initiatives is the industry's first port of call (21%).

Faced with little traffic and awareness of a fledgling direct channel in the market, it makes sense to drive volumes through already-established sources, though this does not come without the risk of cannibalising conversions via other channels. However, more enduring relevance is surely to be achieved by engaging customers at their moment of need. 19% of our respondents tap into the capabilities of their CRM systems, specifically those that draw on real-time analytics, to reach out to customers with timely and targeted messaging.

Serving the right message at the right time cultivates a stronger customer relationship, reinforcing the relevance of the direct channel over time. Knowing your customer inside out is why 19% of respondents are creating buying personas as a precursor to efforts aimed at making their D2C offerings more relevant. Orienting direct and on-demand strategies around a foundational understanding of needs and behaviours will ensure direct channels are better optimised for conversions too.

How is your organisation making their D2C channel relevant to customers?



"Aligning with different initiatives, eCommerce as well as CRM, is vital to the direct-to-consumer endeavour. I see it as the key priority for brands, having a clear vision, mission and roadmap for the various initiatives to guarantee heading into a specific direction. Focusing the organisation and keeping a customer-centric approach is paramount. Identifying specific buying personas from the beginning is not a must-have and could be tackled at a later date."

Timoty Weiss
Field Manager Digital Commerce Technology, Loacker Spa/AG

We asked our respondents what the most important benefit of D2C to their organisation is. Here is what they told us:

“We can create our own personalised paths to reach our customers without a lot of unnecessary external participation.”

“The need for multiple strategies and expenses on marketing reduces significantly with D2C channels.”

“We can create best-in-class customer experience strategies based on first-party customer data.”

“Understanding customer journey with better visibility is the most important benefit to our organisation.”

“Direct communication helps us maintain relationships with the customers and also helps maintain brand reputation with better attention to detail.”

“We can have our own channels of service and build a stronger omnichannel environment.”

“I agree with what the respondents have said here. It is important to understand how your consumers will benefit from D2C. Organisations need to also find out which data points their consumers are willing to share with them and the most efficient way to utilise that data for consumers benefit. Discovering which products shoppers like or dislike will help companies to refine their product offering for their D2C channel.

Another benefit of having a D2C channel is an opportunity to optimise a full funnel marketing strategy that would allow brands to have the best connection to their consumers. This is not only important for driving sales via the D2C channel but also leveraging that knowledge in wider marketing campaigns will allow more efficient communication to consumers to influence results across all other channels.”

Vladimir Sushko
ERetail Director Europe, AB InBev

“I think that the key benefit is first party data; by getting closer to specific customers/consumers and gathering this kind of information from the source, it can then be leveraged within the company. This could support omnichannel activities in the markets as well as generating insights to innovate and create new and in demand products. So, a two-fold benefit can be generated.”

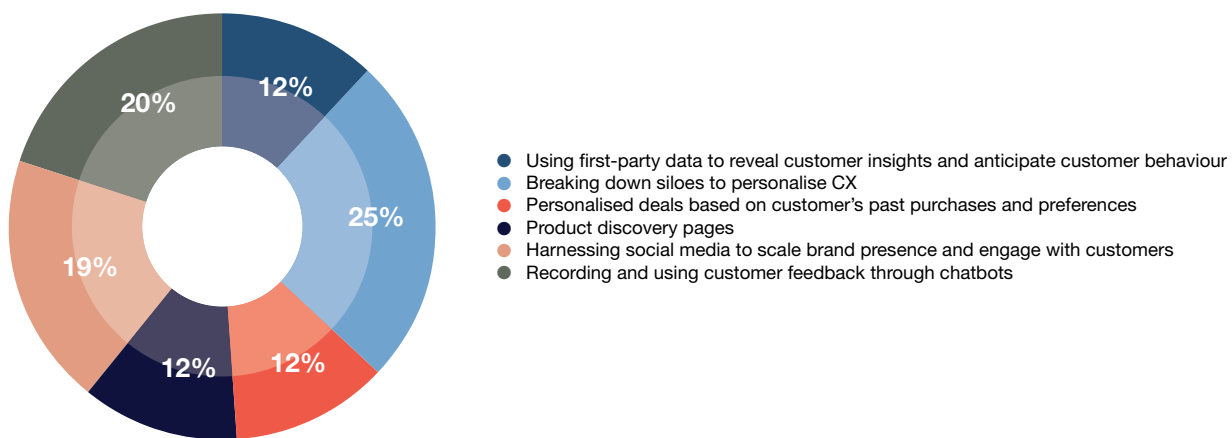
Timoty Weiss
Field Manager Digital Commerce Technology, Loacker Spa/AG

Naturally, attentiveness to customer needs should extend across all touchpoints, and this should be reflected in the customer experience. D2C is no different. It is encouraging then, to see that a quarter of F&B brands are breaking down their organisational silos to personalise their D2C experience.

For too long, valuable data has been stranded across business units; processes have been designed with the imperatives of internal departments at the forefront, and the voice of the customer has been too easily obscured.

By using the shift to D2C to tackle cross-company divisions, F&B brands can tap into their data resources, remove friction from journeys and reorient their CX around the customer. This customer-centric ethos is evident too in the use of chatbots (20%) to record feedback, creating a rich stream of insightful data to channel into product and service improvements.

How is your organisation personalising their D2C experience across multiple touchpoints?



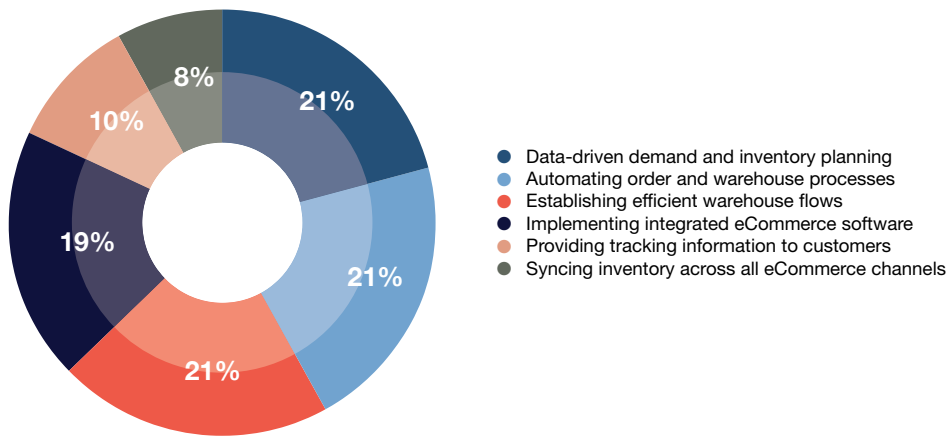
"Personalisation is definitely a trend and I think the relevance of the experience of each single customer within a D2C platform is something that will be even more important in the upcoming years. The issue is finding the right way of providing the content in a personalised way, with explicit and implicit inputs that the consumer can provide. The balance between providing specific information or asking specific data to get the information is the most important part to be solved.

Again, the silo within a company is one of the most important challenges to overcome, especially for content production, when you usually have a central team and a localised team. If the needs of the brand or of the local team are not really synchronised there will be some challenges, especially when trying to support more than one customer journey."

Timoty Weiss

Field Manager Digital Commerce Technology, Loacker Spa/AG

How is your organisation streamlining their D2C fulfilment process to meet customer needs and expectations?



“Making more efficient warehouse flows and automation is key, and not only for D2C. To stream D2C, it is important that digital channels are being considered within the bigger picture of the brands. D2C will not represent a big share for the majority of brands, perhaps, between 5 and 10%, which is not usually enough to trigger specific changes. Hence, integrating D2C in the main business processes could help to ensure that other business models are maximising the output of fulfilment teams and departments.”

Timoty Weiss
Field Manager Digital Commerce Technology, Loacker Spa/AG

“Though the fulfilment often does not lie within the responsibilities of the eCommerce, digital marketing and digital transformation leaders that make up the Digital Food & Beverage community, fulfilment’s success and correct operation is key to the customer experience. It is interesting to see that the areas of greatest investment and development within this more traditional operational space continue to be data-driven and automated.”

Will Robinson
Conference Director, Digital Food & Beverage 2022



Conclusion

Since the worst of the COVID pandemic, there has been a profound disruption to retail creating long-lasting effects.

Consumer pre-pandemic shopping habits are unlikely to return as people have grown used to the convenience of eCommerce. Even with the re-opening of brick and mortar, brands are increasing their digital sales to ensure future growth.

However, this is not a case of one channel takes all: both online and offline must work in concert to meet the needs of increasingly 'hybrid' consumers.

While F&B brands strive to capture more value by going direct, heads of marketing and eCommerce will seek to balance their strategies as in-store sales begin to take off again.

There are positive signs, that the industry is getting serious about data capabilities. Data is essential to the creation of delightful and, crucially, differentiating customer experiences. Ultimately, the industry tilt towards D2C will rest on the ability to tailor CX to the needs and preferences of individual consumers, necessitating a shift in both operating models and cultural alignment.



Key Suggestions

- **Strive to become data-driven by default** – Tackle any data deficits with resolve. The future is undoubtedly data-driven, and to be in with a fighting chance of winning and keeping customers, the right foundations must be in place early. Heads of marketing and eCommerce are tapping into customer data platforms now, to align themselves with the industry's direction of travel and to avoid being left behind their competitors.
- **Organise for eCommerce success** – Heads of marketing and eCommerce are already identifying growth territories and setting an eCommerce strategy for sourcing value. However, the real focus needs to be on putting in dedicated resources and investing in top talent to build eCommerce success. Attracting the right people and working hard to retain them will be the next challenge as we enter an era that is increasingly defined by workforce mobility.
- **Invest in creative content to drive direct traffic** – Consumers expect content-rich experiences from their favourite brands. Heads of marketing and eCommerce must invest in the right content to tell their brand story, connect with their consumers on their preferred channels and drive traffic to their D2C offering. Content is key and it could unlock long-term growth for the D2C strategy.

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