

ECOSYSTEM OF PRODUCT – Monthly Update and Outlook



THE CONTENT EXPERIENCE GAP BY EFFECTUS STRATEGY PRACTICE

Manufacturers, distributors, retailers, and consumers (while all different) face many of the same challenges when it comes to selling, transporting and buying products in the Ecosystem of Products. A common challenge is the lack of seamless transfer of information between each of these entities. Manufacturers have a meaningful story to pass to their retailer partners about their products, and failure to do so has a negative impact on sales performance and their ability to work with these retailers. Distributors rely on having the right product specs (e.g., dimensions, guidelines, etc.) to quickly transport goods through the supply chain, and failure to arm them with the right information at the right time creates delays and bottlenecks. Retailers manage thousands of SKUs, each with a unique story, and failure to communicate this value proposition properly to the shopper results in lower throughput and fewer sales. In today's world, consumers expect an immersive experience – whether shopping in-store or online – with sufficient information and the right inputs to simplify and justify each product purchase. This month, we will take a closer look at the root causes that may be creating a content experience gap in your Ecosystem of Product.

MARCH 2021 AREAS OF INSIGHT

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I. INEFFICIENT PRODUCT ONBOARDING PROCESS

Put simply, an inefficient product onboarding experience is a symptom of not having access to the data/inputs needed when you need it. Even when we know exactly what data fields are needed to set up products, having to chase down answers and inputs slows down the product onboarding and setup process. Digital marketing teams are the gatekeepers for digital assets that tell the story of our products. At the same time, logistics teams have their own language, and one that if not communicated effectively through the supply chain, can lead to issues on both the sending and receiving end of products. Lastly, we have strategy teams who are expected to bring all elements together to craft a compelling story. By the time the right people have the right inputs, time that could have been spent selling the product has been lost. When we should be innovating in lockstep with our partners, we find ourselves playing catch-up because of all the time wasted trying to track down the information we need. In the retail space, many organizations rely on their buyers to onboard and manage every item (which can be hundreds if not thousands of products). Historically, this has been a manual process, one that takes significant time and energy and frequently leaves the business exposed to human error. Businesses throughout the ecosystem of product should recognize this as a major risk to running their businesses smoothly.

II. SILOED STORAGE AND MANAGEMENT SYSTEMS

Data silos are a major challenge for growing businesses as well as well-established organizations that manage large datasets. We live in a world where the information we need is often at our

fingertips, but that information is only as useful as our ability to access it. Whether it is our time or someone else's, siloed storage leads to a huge time inefficiency when it comes to tracking down information needed to on-board products, refresh product stories, answer questions and provide the information needed for supply chain logistics.

III. LACK OF AUDITING AND/OR MAINTENANCE

A consumer's needs are dynamic and constantly changing. To manage these needs and quality expectations, there is an ongoing need for data auditing and maintenance. One advantage that lean organizations have is the ability to execute on updated or new information quickly – but the right actions can only be taken once the correct inputs are received and understood. This applies to every link in our Ecosystem of Product chain, down to the consumer. Having the 'latest and greatest' versions of all product details is paramount to making sure that we are telling the story that needs to be told about our businesses.

Furthermore, when our distribution channels rely on various commerce sites it becomes harder for us to maintain a global view of the stories we are telling. There is often a lack of communication between brand and retailer which leads to a 'chasing our own tail' scenario. The reality is that retailers cannot be hyper-focused on every brand they sell at their stores, but this reality is one that brands will often overlook and their products will suffer because of this preconceived notion. Different companies have different goals but auditing your digital presence to understand how your products are being talked about and what changes can be made to improve that presence is an action that will add value to your business and its ability to reach said goals.

IV. LACK OF CENTRALIZED VIEW OF PERFORMANCE

Understanding sales performance is crucial and a datapoint that we often take for granted. Whether you are a product manager tasked with managing your brand, or a buyer responsible for hundreds of brands across every store in the country, being able to quantify your data is powerful. At Effectus, we have found a positive correlation between POS data visibility and sales performance. Companies that lack this centralized view of performance struggle to identify their “product story blind spots.” This view of the business enables us to be prescriptive in narrowing the content experience gap. As the content experience is enriched, we can quickly start to uncover the power of information and reduce the money being left on the table.

V. INCONSISTENCIES DUE TO MANUAL INPUTS AND ERRORS

All companies, agnostic of industry or discipline, use data to drive key business decisions. The quality of the data and the speed at which it is compiled and accessible has a direct impact on both operations and performance. Specifically, in retail environments, buyers are not only responsible for the planning, managing, and purchasing of goods, but also for setting up these products and getting them ready for retail formats as soon as possible. This “spreading thin” of bandwidth causes lack of necessary focus and attention, increasing the risk of erroneous or inconsistent data being entered. Without proper quality control metrics in place, these human errors can have a costly impact on the company by steering them the wrong way with inaccurate data and providing a poor customer experience.

In addition to lower quality, manual processes are cost intensive and slow. These processes depend on people – and people productivity fluctuates due to factors such as: health, varying skillsets and speeds, training needs, and only being able to manage to one volume. A retail environment that has buyers exerting their energy into manual data entry is not using their resources effectively. Buyers should be spending their time in strategic procurement in order to grow their business. By automating the process of data entry, the specialized business units can focus on their specific strategic areas such as content strategy, new areas to discover, and new partners to build a relationship with, ultimately increasing business efficiency, employee satisfaction and customer service.

VI. CALL TO ACTION

Every business in the Ecosystem of Product is unique – and every day businesses are missing an opportunity to capitalize on their unique market positioning because they do not know how to tell their story effectively. Whether you are part of the brand, wholesaler, or retailer, your consumer is only able to make decisions based on the information that they have available about you. As consumer behaviors change, our competency for changing with them is mission critical. To do that, we need to make sure the right information is available to them at every step of the consumer journey. If we can manage to deliver product stories more effectively, we will find more success when challenged to deploy said information in new and innovative ways to make buying products easier.