

All-Channel Experience: Digital Product Data

**How to Enhance the Online Shopper Experience with
Improved Digital Product Data**



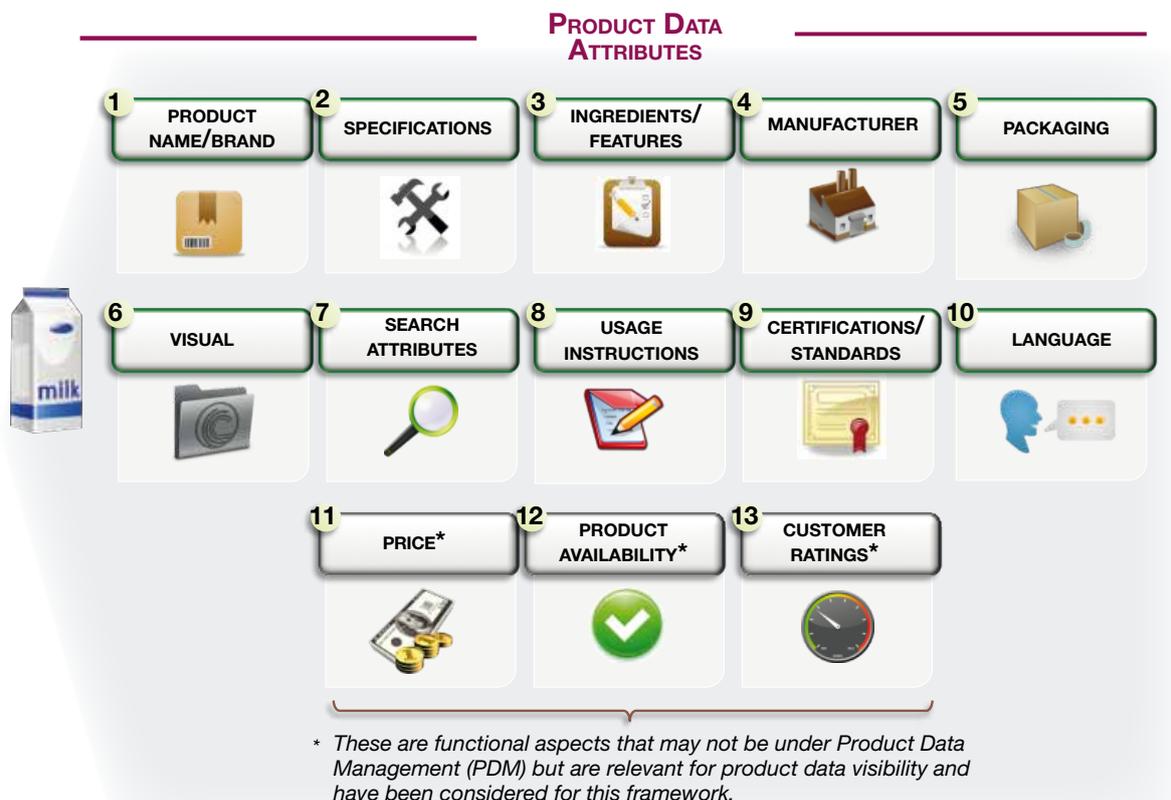
New channels, social networking and technological developments have fundamentally changed the way consumers interact with retailers and consumer products companies. The consumer is in the driver's seat, and the challenge for companies is to maintain a true two-way dialogue. This requires businesses to interact with shoppers in new ways, with more personalized and relevant content, and to offer a seamless customer experience across all channels.

The rapidly evolving communication landscape enables shoppers to decide themselves when, where and how to interact with a retailer or consumer products company. A key driver for those decisions is the relevancy of the product information that is made available for consumers through

digital channels. At the minimum, consumers should be able to get information about a product that is similar to what they can find on the product packaging.

Digital channels have created a need for rich consumer-oriented product data, but in many cases, the digital product information provided to shoppers is inaccurate, incomplete or missing entirely. For example, in research conducted by GS1 UK and the Cranfield School of Management, 91% of mobile barcode scans returned incorrect product descriptions and 75% returned no data at all.¹ A key step to provide better information and enhance the dialogue with shoppers is to improve the visibility of product data in digital channels.

Figure 1: Product Data Visibility Analyzed Across 13 Product Data Attributes



Source: Capgemini

¹ "Beyond the Label: Providing Digital Information Consumers Can Trust," GS1 and Capgemini, 2011.

Taking a Close-Up Look at Digital Product Data Visibility

To evaluate the visibility of digital product data, Capgemini conducted a global research study involving 62 leading retail and consumer products (CP) companies in the grocery category. The companies analyzed are based in the U.S., Canada, UK, Netherlands, France, Germany, Switzerland, Finland, Sweden and Australia. All selected companies are considered leading online grocery retailers in their market. The companies' online sites were assessed across 13 product data attributes (Figure 1, previous page), and three maturity levels were defined for each attribute (Basic, Advanced, Leader; see sidebar).

The objective of the research was to evaluate how visible and consumer driven the product data is in retailers' and CP companies' digital channels. Following is an overview of the analysis for each attribute.

Maturity Levels for Digital Product Data

Three maturity levels were defined for each data attribute examined in the study.

Level 1, Basic: Companies at this level provide the “bare minimum” of product data visibility in their digital channels. This represents the “must-have” level of product data visibility to start online or digital store operations.

Level 2, Advanced: Companies at this stage have an advanced level of product data visibility in their digital channels. They provide a better-than-average shopper experience across the different product data visibility attributes.

Level 3, Leader: Companies at the highest level have a leading-edge product data proposition and are considered best-in-class in their category.

Each level was defined in more detail for each product attribute, which then formed the framework for this study through which both retailers and manufacturers were analyzed. Examples of the framework attributes and the corresponding levels of maturity are shown in Table 1.

For example, in the case of certifications and standards, the Advanced level would include some certificates or standards with text or symbols. These could be retailer specific or brand specific. At the Leader level, the information would be more detailed and might include most locally used public certifications and standards. The information could be available either on the product page or through a link.

The complete framework is available in the full study. Please contact your Capgemini representative for more information and possible benchmarking of your company.

Table 1: Digital Product Data Maturity Levels by Product Information Dimension (Examples)

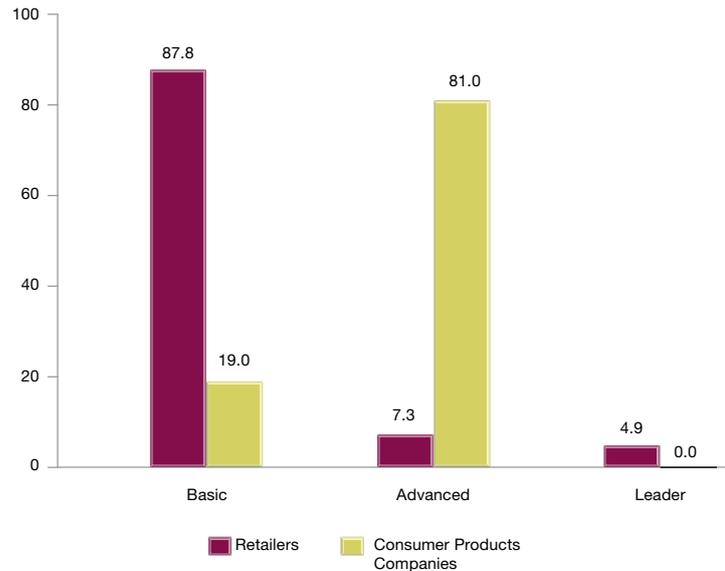
	Product Name/Brand	Ingredients/Features	Certifications/Standards
Description	Representation of the product and brand - optimized for customer search and search engines	Ingredients and nutritional information, also icons for easy identification of product features	Information on product safety standards, accreditation, environmental standards, energy certifications, etc.
Level 1: Basic	Name/brand in simple text	No information or only ingredients presented	None
Level 2: Advanced	Name/brand with logo. Product description enhanced for shopper relevancy	Ingredients and nutritional information available	Some certificates or standards/ text or symbols. Can be retailer specific, brand specific, etc.
Level 3: Leader	Optimized for customer search and link to manufacturer's website. Great value-adding storytelling about the product	Detailed information on product page and icons for easy identification	Detailed information - includes most locally used public certifications and standards. Either on the product page or available through link

Source: Capgemini

Product Name/Brand Best Practice: Intermarché

Value-adding product descriptions and brand visuals offer potential for manufacturers to improve product visibility in digital channels. French retailer Intermarché provides the brand name and logo on its product pages as well as enhanced product descriptions to add value and differentiate products.

Figure 2: Product Name/Brand Results (%)



Source: Capgemini

1 Product Name/Brand

Representation of the product and brand, optimized for customer search and search engines.

The majority of retailers studied are at the Basic level, providing only the product name, typically in plain text. CP companies are more advanced in presenting logos and product descriptions next to the product names on their websites than retailers: 81% of consumer products companies are in the Advanced segment, compared with only 7% of retailers (Figure 2). Leading retailers also provide compelling descriptions of the products and their usage. Storytelling is a great way to create shopper relevancy and differentiate products in customers' minds. Some retailers provide better storytelling for their own-label items than for the manufacturer counterparts.

2 Specifications

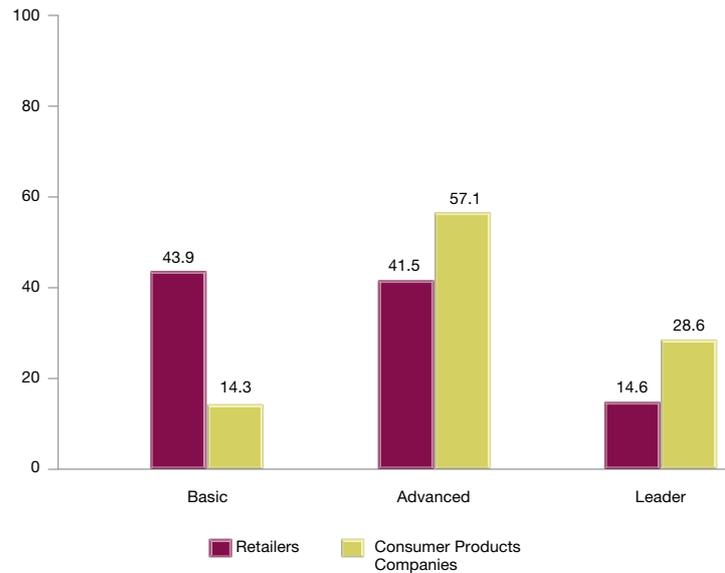
Information on product size, weight and dimensions, ideally illustrated with an image.

The majority of both retailers and CP companies provide only minimum information on product specifications. Nearly half of retailers and 38% of CP companies can be classified as Advanced, but none are in the Leader segment. Typically both retailers and manufacturers only report the product weight on their websites, even though product dimensions might also be of particular interest to customers shopping online.

Ingredients/Features Best Practice: Peapod.com

As consumers become increasingly interested in the nutritional value of products, expanded information on ingredients and features can enhance the shopping experience. U.S. online grocery retailer Peapod provides detailed information on product features, ingredients, nutritional and storage information, as well as quick-view icons like “gluten-free,” “freezable,” “low-fat” and “vegetarian” to help facilitate the shopping process.

Figure 3: Ingredients/Features Results (%)



Source: Capgemini

3 Ingredients/Features

Information on ingredients and nutritional information, as well as icons for easy identification of product features. The companies studied were split among the three maturity levels (Figure 3). With stricter regulatory development, companies will be increasingly obliged to provide shoppers with detailed information on the ingredients and the nutritional value of the products. In addition, consumers in many markets are increasingly interested in the ingredients and nutritional value of groceries and demand more accurate and comprehensive data. A recent study by GS1 and Capgemini noted that two-thirds of consumers want to examine information on the nutritional value of food products (e.g., energy/calories, saturated fats and sugar).²

Leading companies also display their own icons to facilitate the shopping process to indicate, for example, light, non-lactose or low-sodium products. Some of the retailers studied use pictures of actual product packages to provide Gross Daily Allowance (GDA) values, as good quality information might not exist yet in their Product Data Management (PDM) tools.

4 Manufacturer

Key information about the manufacturer with contact information and a link to manufacturer’s website. More than 80% of the retailers studied are still at the Basic level, providing some information about the product manufacturer but few further details such as the product’s country of origin. There is clear room – and justification – for improvement: In many cases

² Ibid

Search Attributes Best Practice: Woolworths

A good search functionality can considerably improve the browsing experience and help shoppers find the niche products they are looking for. Australian retailer Woolworths provides advanced search options, including search by alternatives and by category. For example, in the case of “organic,” a search results in a wide range of categories – from “Baby” to “Pasta, Rice & Noodles.”

information and compelling stories about the manufacturer can be the deciding factor when choosing among different products. CP companies do a better job, with 33% of them ranking in the Leader category.

5 Packaging

Information on packaging, such as size, weight and delivery temperature; also including eco-friendly and green packaging options. Packaging information is still in an emerging stage, with 59% of retailers and 57% of CP companies providing no information on packaging. A handful of retailers and CP companies in the Leader category include information about sustainable packaging and recycling options. The importance of packaging information will only grow as more consumers look for ways to diminish their packaging waste, including using more eco-friendly products to support a more sustainable way of living.

6 Visual

Visual representation of the product, including product image, zoom, 360-degree view, video and augmented reality. The majority of retailers and CP companies rely on static product images, sometimes enhanced with zoom functionality.

A product visual is particularly critical in digital shopping channels as it is the only view customers have of an item. Leading players are bringing in more advanced techniques such as 360-degree views of the product. Some retailers allow customers an option to post their own pictures of the product. CP companies especially also often offer videos of their products, although typical 15-second TV spots might not fit the needs of a consumer in a purchasing situation. Grocery retailers can learn much from other retail segments, such as fashion, in the area of product visuals.

7 Search Attributes

Provide simple product search, advanced search (multiple product attributes) and intelligent search (suggestive, related) options. More than two-thirds of retailers and 55% of CP companies offer only a simple search option where shoppers can search by product, brand name and category. However, 29% of retailers and 40% of CP companies help customers find the exact products to fit their needs by offering specific search attributes such as non-lactose or organic. Advanced search options improve and facilitate the shopping experience by helping customers find what they want and also get to know new products that meet their specific needs. However, only a small number of companies were found to provide an upgraded search functionality, which lists synonyms, understands typical misspellings, and suggests related products to increase cross-selling and impulse purchases.

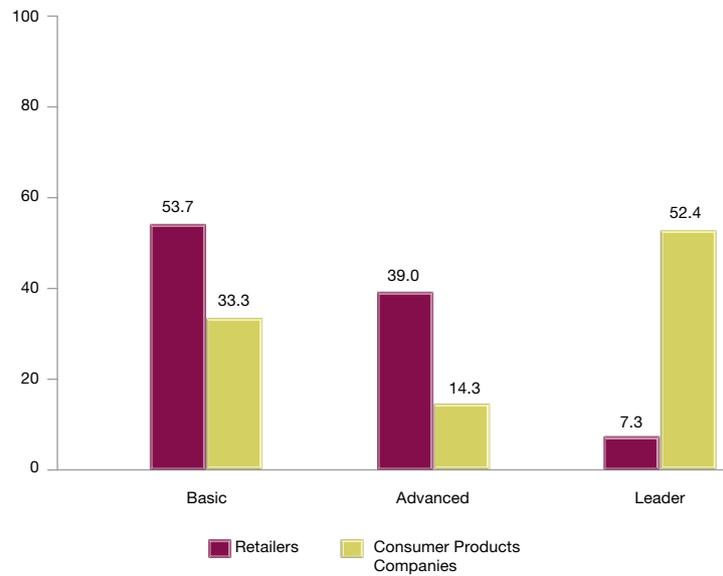
8 Usage Instructions

Information on how to use products, usage/buyer guides, how to's, do's and don'ts, links to social media, etc. Many consumer products companies provide shoppers with high-quality usage instructions, including how-to videos that often are not available on retailer websites. More than half of CP companies rank in the Leader category, compared with only 7% of retailers (Figure 4). Some CP companies have brand-specific shop-in-shops inside online stores where products are presented with recipes, videos and seasonal tips. Leading retailers link products to recipes, how-to videos and serving suggestions. The best-practice retailers also have a good library of product usage videos, typically also available on YouTube. Customers may also be provided with a community where ideas, usage instructions, and questions and answers can be exchanged.

9 Certifications/Standards

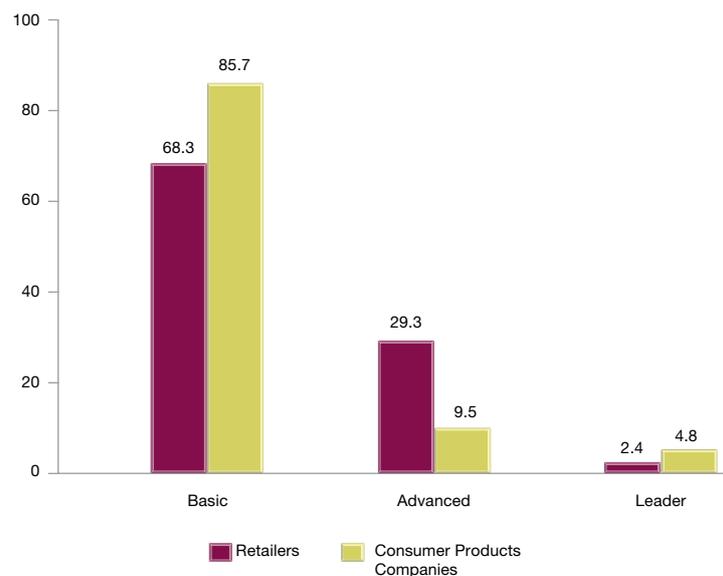
Information on product safety standards, accreditation, environmental standards, energy certifications, etc. Interestingly, many retailers do not provide shoppers with relevant information about key product standards and certifications, and CP companies score even lower on this attribute. Yet certifications and standards are important in creating consumer trust and helping shoppers buy more ethical products, which are often more profitable. Thirty percent of retailers and 15% of CP companies display at least some kind of certifications and standards (such as organic or fair trade) on the product page (Figure 5). Leading players also include integrated certifications in search functionality and provide easily recognizable icons for consumers.

Figure 4: Usage Instructions Results (%)



Source: Capgemini

Figure 5: Certifications and Standards Results (%)



Source: Capgemini

Language Best Practice: H&M

Multiple language functionality offers an opportunity for retailers to potentially reach a larger number of customers. Grocery retailers can learn from apparel retailers like H&M, which offers customers the ability to select from a wide number of languages across multiple regions.

10 Language

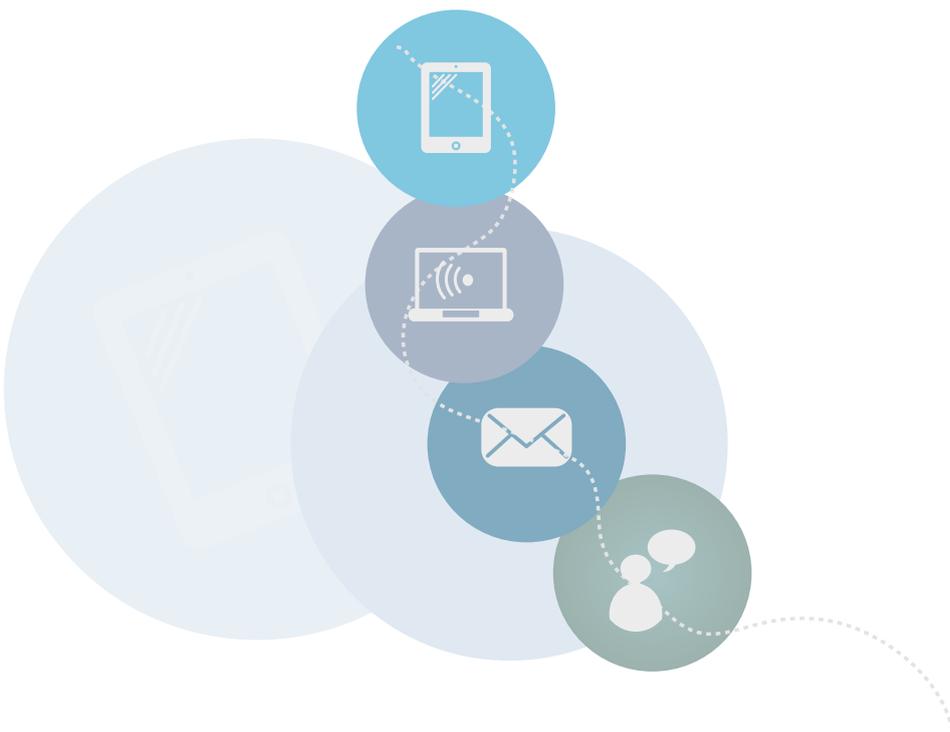
Availability of product information in multiple languages. Even though packages may show product information in several languages, 93% of retailers provide information in only one language on their online product pages. Multinational CP companies typically have country-specific product/brand pages, which are in the local language. Retailers need to broaden their approach in most markets to include two or three key languages, which will require new capabilities. Often retailers' merchandising/category management organizations do not have good storytelling capabilities in several languages and might appreciate manufacturers' support in this area.

11 Price

Information on product price, including breakouts such as by weight, and information in multiple currencies. More than half of the retailers analyzed rank in the Basic category, while about one-third provide more detailed price breakouts. Retailers in the Leader category include special campaign prices, such as a volume discount, and may offer free shipping for purchasing a certain number of products.

12 Product Availability

Information on product availability in real-time, ideally across channels; includes stock count, updates on in-stock/out-of-stock status. Product availability is applicable mainly to retailers, but nine out of 10 do not currently provide this feature. Those few that are in the Leader category typically list product availability by store as well as stating stock availability at the warehouse, and in some cases they indicate approximate delivery times for out-of-stock products. Some CP companies that sell products online also provide information on stock availability.



Customer Rating Best Practice: Walmart

Ratings and reviews can help build shopper confidence in products and encourage customers to try new items and new categories. On its product pages, U.S.-based Walmart provides customer rating totals, the number of customers who recommend the product and ratings on individual attributes. In addition, a customer-to-customer section enables customers to connect to discuss product features, ask questions, and offer opinions and suggestions about products.

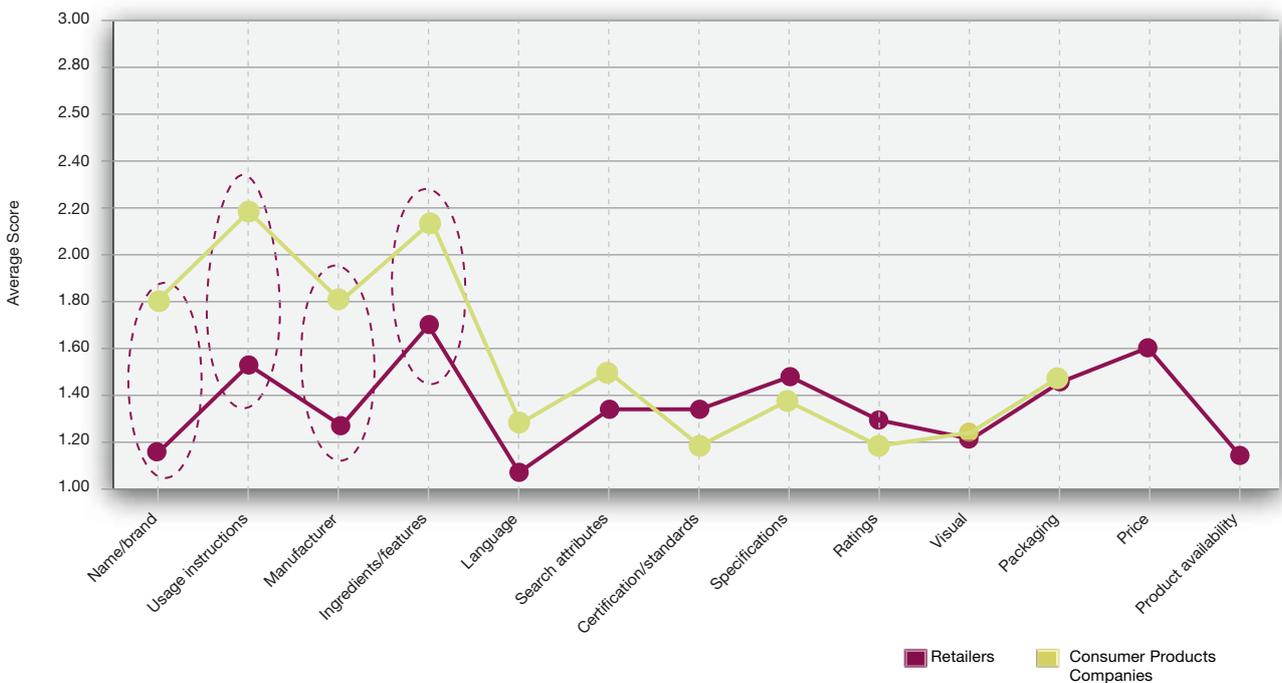
13 Customer Ratings

Allow shoppers and experts to rate products on a single criterion or multiple criteria and also write/share comments and expert opinions. Shopper ratings and recommendations are a key enabler to introduce new products and drive sales of existing items. However, only 20% of retailers and 10% of CP companies provide shoppers with the possibility to rate and review products on the product page. Leading players also offer customers the possibility to ask and answer questions related to

specific products and also post their own product pictures on the product site.

This is the attribute that differentiates retailers most: How open are they to customer discussions? Customer reviews might accelerate sales for many products, but also possess risks especially for own-label products. Typically the leading players in this field also operate in other retail sectors, where customer reviews have already become an industry way of working.

Figure 6: Biggest Differences in Average Scores for Retailers and CP Companies



Source: Capgemini

Key Conclusions to Improve Product Data Visibility

The insights derived from the research highlight a number of key conclusions, including:

- Only a few leading retailers and consumer products companies score well in many different areas of product data visibility. All companies have opportunities for improvement.
- The most significant differences between retailers' and CP companies' scores are found in presenting: 1) the product name/brand, 2) usage instructions, 3) manufacturer, and 4) ingredients/features (Figure 6, previous page).
- The best retailers enhance the shopping experience in many ways, for example:
 - Enhanced storytelling about products, with content not available in common data pools
 - Easy product searches, including product substitute names and common misspellings
 - Simple icons to provide more information about product specifications, standards and certifications
 - Device-optimized multimedia about products and their use
 - Linkage to product recipes and vice versa
- Manufacturers can help retailers in providing shoppers with compelling, interactive multimedia and visuals about products; most of this already exists.
- Storytelling about products and their usage is a key capability that retailers need to enhance, in many markets and in multiple languages.
- Most markets are still in an early maturity stage and can learn from the UK, which has best-practice retailers in terms of digital product data, and is already driving

significant business in online grocery operations.

It was clear from the research that many retailers have already developed basic digital product data capabilities but need to advance quickly to the next levels to remain relevant to shoppers (Figure 7). This requires taking steps such as enhancing product information beyond the basic data on the product package; using storytelling to create a compelling shopping experience; and adding higher-value features such as shopper ratings and multimedia capabilities.

To implement these features, retailers must invest in efficient PDM processes, flexible Master Data Management (MDM) tools and new competencies in product marketing organizations. Integrating customer ratings, recipes and search engine optimization will increase the complexity for digital Product Data Management. Easily integrated solutions are a must in order to gain

Figure 7: Building a Leading Online Shopping Experience



Source: Capgemini

Quick Wins to Improve Product Data Visibility

Small things can make a big difference in the digital shopping experience. Following are examples of quick wins that both retailers and consumer products companies can benefit from.

- Display the brand logo and manufacturer information on the product page.
- Let shoppers search products by brands, alternatives, allergens, special diets, etc.
- Add existing multimedia from CP companies to retailer product pages.
- Add storytelling for key products to create excitement and enhance shopper relevancy.
- Use informative icons to help shoppers find products (organic, gluten-free, etc.).
- Include product ingredients and nutritional value on the product page.
- Let shoppers rate products, share opinions and “Like” products with, for example, a Facebook button.
- Deploy flexible Product Data Management solutions to enable “outsourcing” the work to manufacturers.

support from manufacturers and data pools.

Integrating the operations of the 50 largest manufacturers to retailers is relatively straightforward, but small and local manufacturers also need simple tools and an easy interface to maintain information about their products. This group represents the long tail, which is becoming increasingly important in today’s competitive landscape.

Consumer products companies should focus on producing compelling storytelling, innovative usage instructions and multimedia to gain competitive advantage and better visibility in retailer digital channels. CP companies should act as content creators to provide value for shoppers, while also driving the content into retailer digital channels. With the rapid pace of development, retailers may not have sufficient resources or capabilities to update

and enhance product data, providing an opportunity for CP companies to step in. This may include establishing a digital team to support retailers and developing integrated platforms for Product Data Management.

Retailers will face a challenge, as most need to gain new product data and new attributes that do not exist in traditional product data pools, and they will need to get this data directly from manufacturers. Because some retailers see product information as a competitive advantage and an entry barrier to the local market, all players will not require data pool development. Across the industry this will mean a number of direct point-to-point system integrations, unless industry standard data for digital channels can be agreed upon. In this environment, PDM will be critical for both retailers and manufacturers in the near future.



About Capgemini and the Collaborative Business Experience™

With around 120,000 people in 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2011 global revenues of EUR 9.7 billion. Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want. A deeply

multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

Learn more about us at
www.capgemini.com

Rightshore® is a trademark belonging to Capgemini

To request more detailed information about our findings, please contact:

Sami Finne

sami.finne@capgemini.com

Brian Girouard

brian.girouard@capgemini.com

Kees Jacobs

kees.jacobs@capgemini.com

This executive summary provides an overview of our "Digital Product Data" study. This report is meant to be the first in a series; additional studies will focus on topics such as mobile use of product data and the quality of digital product data.

The "Digital Product Data" study was conducted by Capgemini's Consumer Products & Retail Strategy Lab, led by Manvendra Khati.