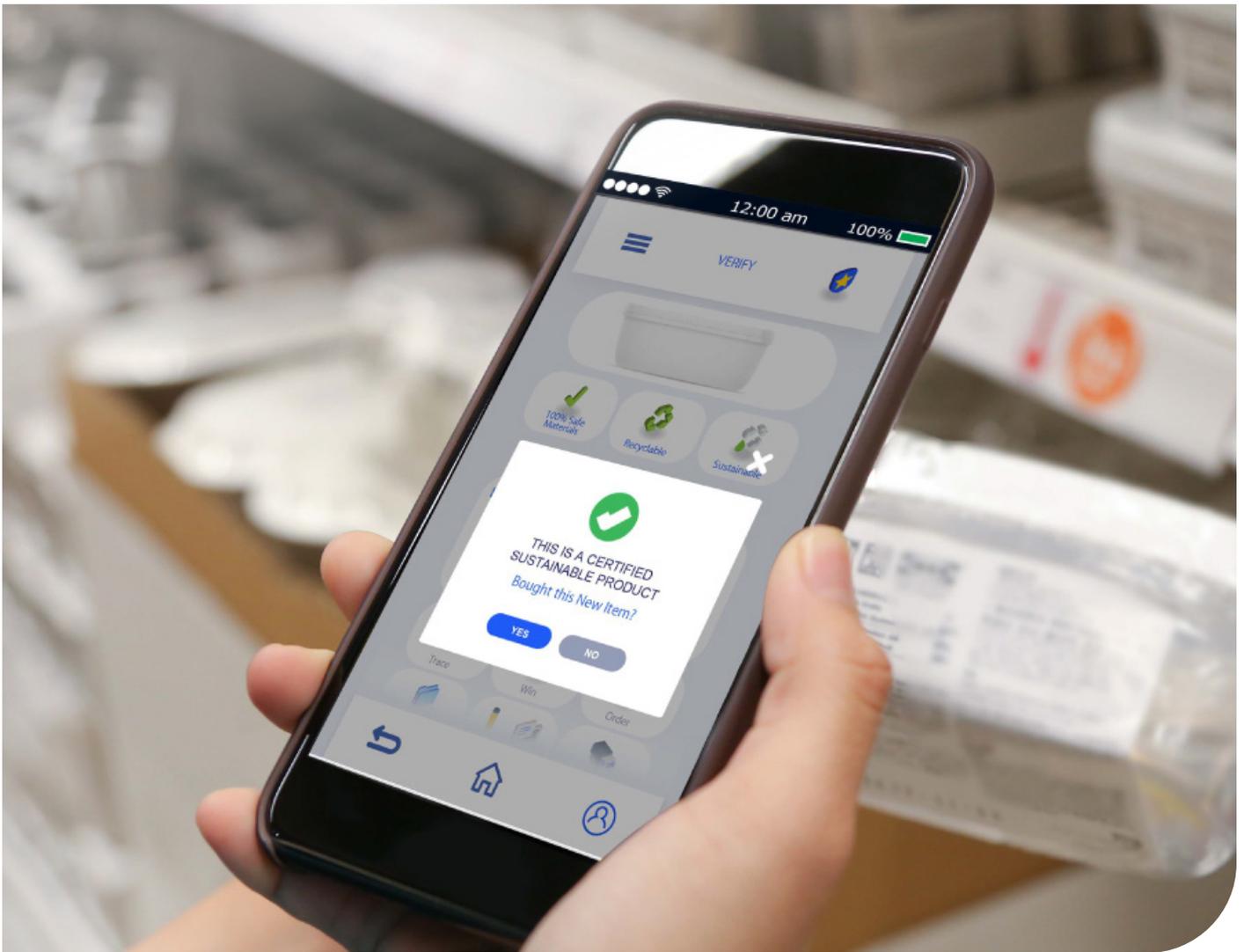# GROWTH LEVER FOR CPG BRANDS IN THE WEB 3.0 ERA

September 2022

Despite their proximity, consumer goods brand are most challenged in terms of customer knowledge. Post pandemic, the consumer demands are evolving, their shopping behavior is omnichannel and loyalty is decreasing - brands are struggling to acquire new customers and retain existing ones. The consumer of the future continues to transform and the only brands that will be able to keep up are the ones that collect and act on data around the clock.

D2C brands on the other hand enjoy the benefits of having direct consumer engagement and with a 28% customer retention rate, it improves revenue by 60%.

The future of CPG is direct-to-consumer and customer centric - the key to building the CPG brands of the future is in rethinking how data and automation can drive efficiency that benefits the customer. Brands need to adapt and think of technology to better understand the consumer journey.

In fact, CPG companies who do not make the transition to think like technology companies will be at a massive disadvantage. CPG companies who do not become tech enabled will fall behind.

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THREE STEPS TO BUILDING AN ENTERPRISE-WIDE STRATEGY FOR BETTER CUSTOMER RELATIONSHIPS:

1

DATA & D2C

Retailers have historically owned the first party consumer data but rarely shared it. But now that CPG brands are selling D2C, are able to harness the power of it.

Most companies make the leap to a D2C model primarily in search of more direct revenue and higher profit margins, but that's only the beginning of what this strategy has to offer businesses who get it right.

By making the pivot to D2C, brands that have previously operated with only indirect retail and wholesale selling channels, can unlock the ability to build more valuable and lasting relationships with customers.

With 75% of shoppers seeking personalization from brands, actively engaging consumers with interactive products & creating direct communication channels will help brands unlock real-time insights.

Based on consumer data analytics brands are able to customize promotions and engage with shoppers post purchase through social interactions. Create exclusive upsell, cross-sell or bulk sell offer options to increase consumption & customer retention. Additionally, brands can grow their CRM database and build loyalty programs with reward incentive programs linked to validated contact details.

ROI : LOWER COST OF CUSTOMER ACQUISITION TO UNDER $1

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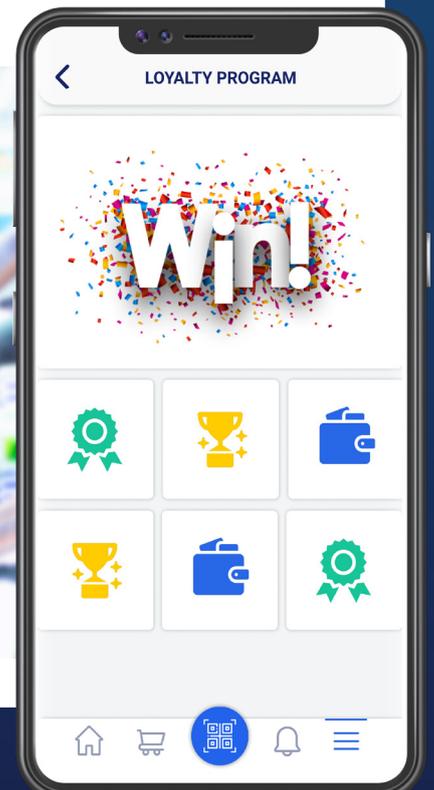
SINGLE CUSTOMER VIEW

CPG is a particularly tricky category because consumers often buy many different products from disparate brands. With the power of D2C, CPG companies can link all of their first party data sources, across brands and channels, to pinpoint key metrics they need to act on.

By gaining the ability to understand and act on each customer's motivations, preferences, and behaviors at each step of their e-commerce journey, brands also gain the ability to provide a bespoke experiences that keeps consumers more engaged and promotes long-term loyalty. 70% of the consumers have mentioned missing the physical experience while shopping online. CPG brands today can offer immersive e-commerce experiences with life-like brand flagship stores.

From a click and buy experience to traversing the store and enjoying personalized placements & content based on preferences will enhance the consumers e-com experience. Furthermore, real time digital sales assistants who recommend products based on preferences, needs derived from past purchase data will drive increased basket value.

ROI : HIGHER TRAFFIC AND INCREASED BASKET VALUE BY 15%

## 3 GRANULAR PRODUCT LIFECYCLE VISIBILITY

CPG brands have always been dependent on retailers and one size fits all promotions – personalization was never an option due to lack of first party data. With purchase data history CPG brands drive subscriptions and promotions.

Importantly, an effective omni channel experience also needs brands to increase operational excellence - build compliance and traceability into existing processes. This not only offers consumers a smooth and seamless experience cross channel but also allows brands optimize range availability with smart merchandising & real time insights.

Complete supply chain transparency can be easily achieved interoperable serialization. CPG brands can also reduce freshness costs by achieving 100% FIFO compliance with granular inventory traceability.

ROI : REDUCE INVENTORY LOSS BY UP TO 7%
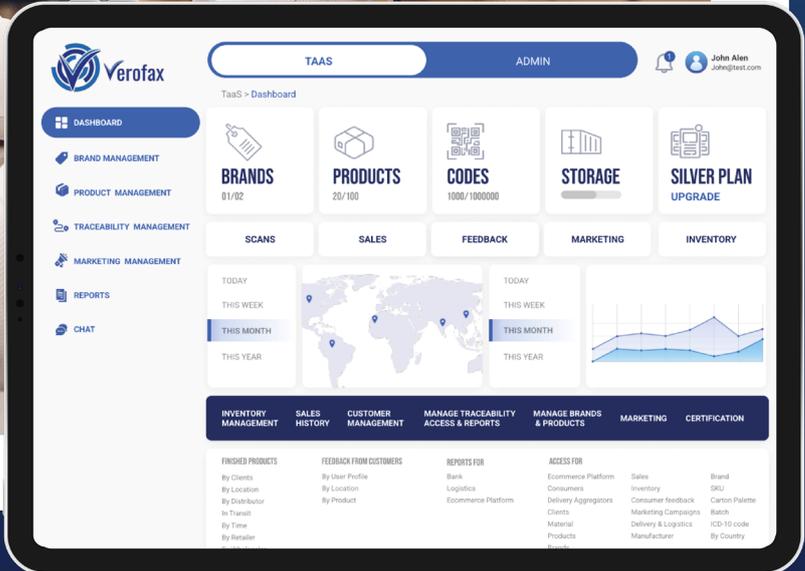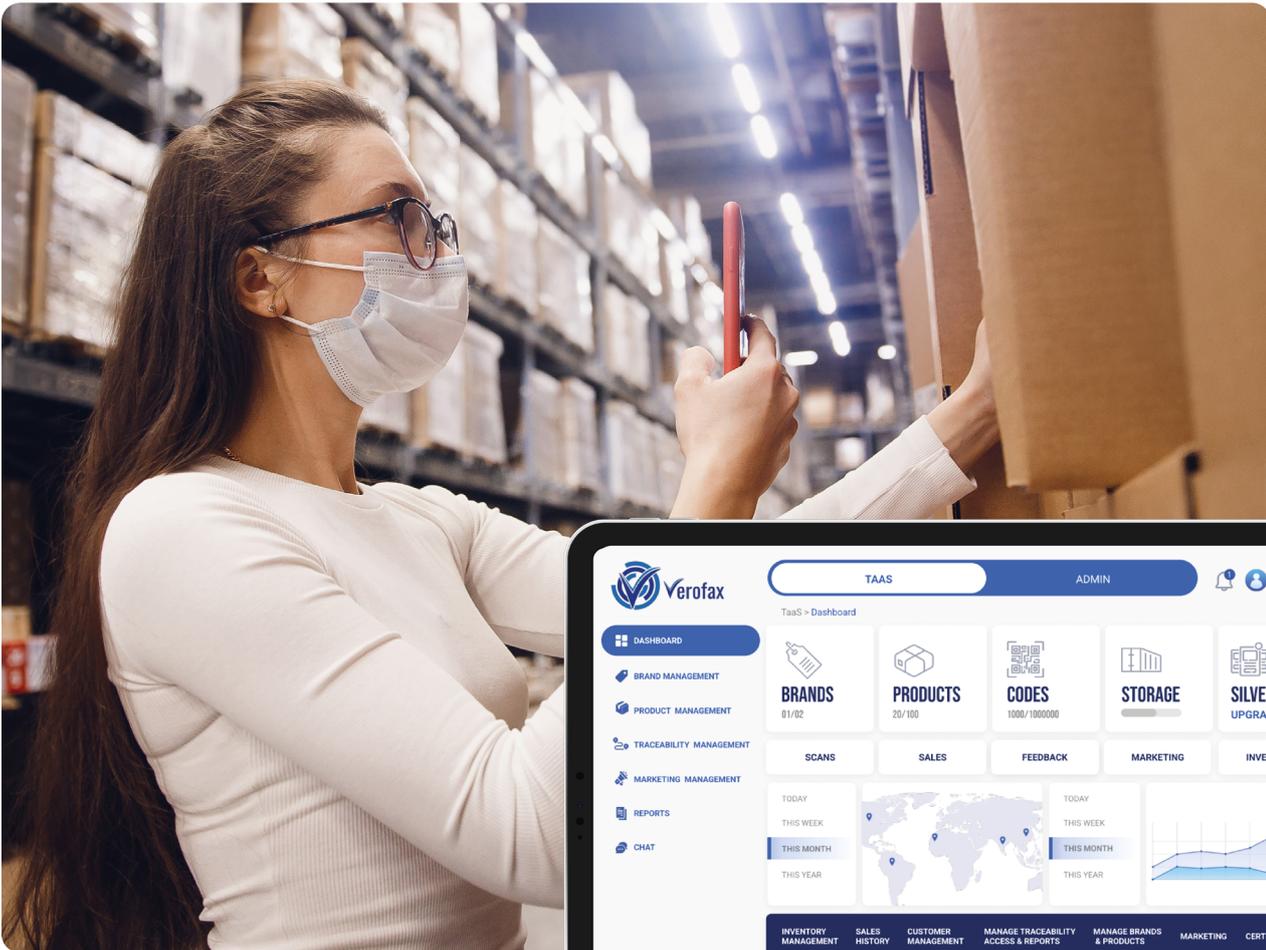
Verofax unlocks a world of meaningful engagements by turning products interactive.

Verofax digital identities, and Web 3.0 solutions enable direct to consumer business models.

Turn customer insights into personalized product recommendations to enhance brand loyalty and advocacy.

The solutions are deployed seamlessly within 90 days and integrate with over 130 ERP's.

ACCELERATE THE GROWTH OF YOUR CPG BRAND TODAY!

TO KNOW MORE ABOUT OUR D2C SOLUTIONS VISIT:

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