



Mindtree

A Larsen & Toubro Group Company

From conception  
to realization:

# Building a consumer-packaged goods promotion platform

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*Welcome to possible*

# Success Story



*Amy frequently purchases her favorite brand of potato chips from her neighborhood supermarket. She makes her usual purchase every week as a part of her routine grocery shopping. Today, on her way home, she received a text message from the potato chip maker (a large consumer-packaged goods (CPG) company), that informed her of an ongoing subscription-based campaign they're running—with an opportunity to win a gaming console.*

*Intrigued, Amy clicked on the link. She then scanned the point of sales receipt she received at the supermarket and created an account login. After validation, she was automatically subscribed to product updates on the CPG company's newly launched D2C promotion platform. Amy is enrolled to win the gaming console—and as a bonus, she receives a digital discount coupon for a new product just introduced by the CPG company, which she remembers seeing in a recent YouTube advertisement. Amy is also notified that she will receive an extra 200 bonus points (to be redeemed for future product credit) if she follows them on Instagram.*

## Executive summary

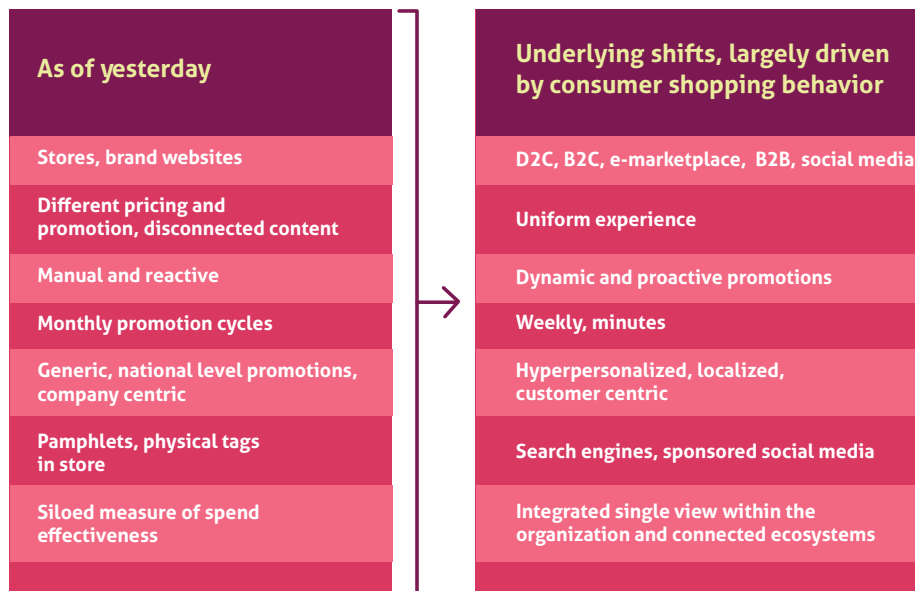


Amy's scenario is a great example of how a 360-degree view of the consumer, combined with trade and marketing spend, can create a success story. However, many CPG companies struggle to provide consistent and personalized experiences to their consumers, often lacking the infrastructure to deliver insights and make decisions to defend their market share or attract their next segment of consumers. According to a recent study by Forrester and cadentcg.com, CPG companies invest close to 20% of their revenue in marketing spend. However, 59–65% of that is lost money as most companies continue to target consumers

in traditional ways—ones that revolve around mass marketing and short-term sales boosts that fail to address new shopping habits and preferences.

Retail and CPG industries are currently in rapid flux, which has led to significant changes to the ways CMOs plan their marketing spend. While trade promotions continue to take the lion share of the spend (consuming 50% of the budget), digital marketing has been making a meteoric rise in last five years. CPG companies are focusing on social media, digital banners, sponsored content (influencer marketing),

and search ads that are contributing to higher spend ROIs. Some of the significant shifts are illustrated on the right, clearly showing that CPG organizations are trending towards everyday price management, concentrating on digital spend, moving away from traditional methods of advertising, and focusing on building brand equity.



# Transforming trade promotion management in the new era of trade and marketing spend

Over the past 10 years, trade promotion budgets have doubled with close to \$1 trillion being spent annually. However, 67% of them are not breaking even [source: *nielsen*]. Technologies, consumer behavior, and demographics have rapidly changed, requiring CPG companies to constantly evolve their marketing spend strategy to incentivize and reward consumers. In the digital world, the brands are employing a wide range of promotional strategies—ranging from social media-driven instant win contests, to sweepstakes, to co-creation labs and continuity programs that ensure the success of the promotion. But are these decisions being based on gut-driven manual processes or conscious insight-driven decisions? The following are key questions that marketing teams should be asking:

- *How do we launch a promotion quickly? Will it be dynamic enough to flow into all consumer touchpoints?*
- *How do we position our time effectively so we can focus on building brand equity? How do we remove ourselves from shifting data manually and moving between IT systems?*
- *How do we get an integrated view of our promotional budget and automate the entire promotion process from planning to execution?*
- *What are the parameters we should consider to effectively measure our marketing spend ROI?*
- *How do we help the business do things quicker, cheaper, faster—but still use future-proof solutions with the latest technological capabilities?*
- *How do we make our solution standard, reliable, and scalable across many geographies and markets?*

**While working with some of the leading CPG giants across the globe, we have found that the following are key capabilities organizations want to focus on, keeping in mind consumer demand patterns, competitor landscape, and technology shifts:**

## **Integrated promotion plan and execution aligning to uniform omnichannel experience**

Different types of marketing spend (trade promotions, digital spend, advertising costs, consumer promotions, etc.) have largely existed in silos and been loosely aligned to supply chain and finance systems. Organizations are looking for one internal view of all functions—this would help them holistically oversee their promotions across channels, as there is an increasing need to evaluate and understand marketplace and competitive dynamics. In addition, there is a constant need to plan dynamic promotions which can be planned within a week, days, or at times, hours. Success of such promotions largely depends on robust processes which are closely aligned to a scalable and integrated IT system. It has become important that the category spend strategy is closely coupled with the brand strategy and focuses on providing consistent experiences, even if the consumer moves from stores, to online, to social media channels.

## **Measuring effectiveness on trade investment**

Measuring effectiveness of marketing spend has always been a debatable metric. Most CPG companies measure the detailed cost overhead—but for sales, the measurement of sales uplift, category growth, and market share becomes trickier. CPG companies are including granular data from external sources, which includes competitor information, retailer compliance, census data, weather patterns, and external factors (including unstructured social media data) to understand the true impact of sales and optimize the spend. However, availability of data remains a challenge. Hence, there is a growing need to collect data at granular levels and map them to the internal data sources, run intelligent algorithms, determine price elasticity by category, track success of each individual promotion, and find improvement areas to optimize the spend.

## **Designing a trade promotion platform**

The following information addresses key capabilities that we at Mindtree enabled for an American multinational food manufacturing company—a CPG giant. It also discusses Adobe as a platform and answers questions on promotion strategy, technology, and execution that helped our client:

1. Design and execute holistic promotions across multiple channels
2. Provide one view of their promotion spend by integrating data from different systems— marketing, sales supply chain, and revenue management systems
3. Track the performance of promotions in real time and course correct for non-performing promotions

In addition, we've provided a complete list of promotion strategies that this platform can address. helping CPG companies jump start a future-proof platform.

## **Technology as an enabler**

Trade investment platforms have seen a shift from gut based, to excel based, to monolithic platforms, which guide marketing teams on the use of traditional advertisement and promotions. However, as dynamics have changed, the need for an intelligent and connected platform has become imperative. Companies are looking for platforms that are intuitive and provide intelligent suggestions and *what if* scenarios. These platforms guide functional teams in making proper spending decisions and helping plan promotions across channels. This requires a connecting of disparate systems in the ecosystem, which allows for the capturing of granular levels of information and the ability to run algorithms with internal and external data sources that define promotions. It also makes run time adjustments possible for the promotion, if the performance warrants it.

# Platform reference architecture

The conceptual view for the reference architecture uses business terms to provide a high-level description of the promotion platform capabilities.

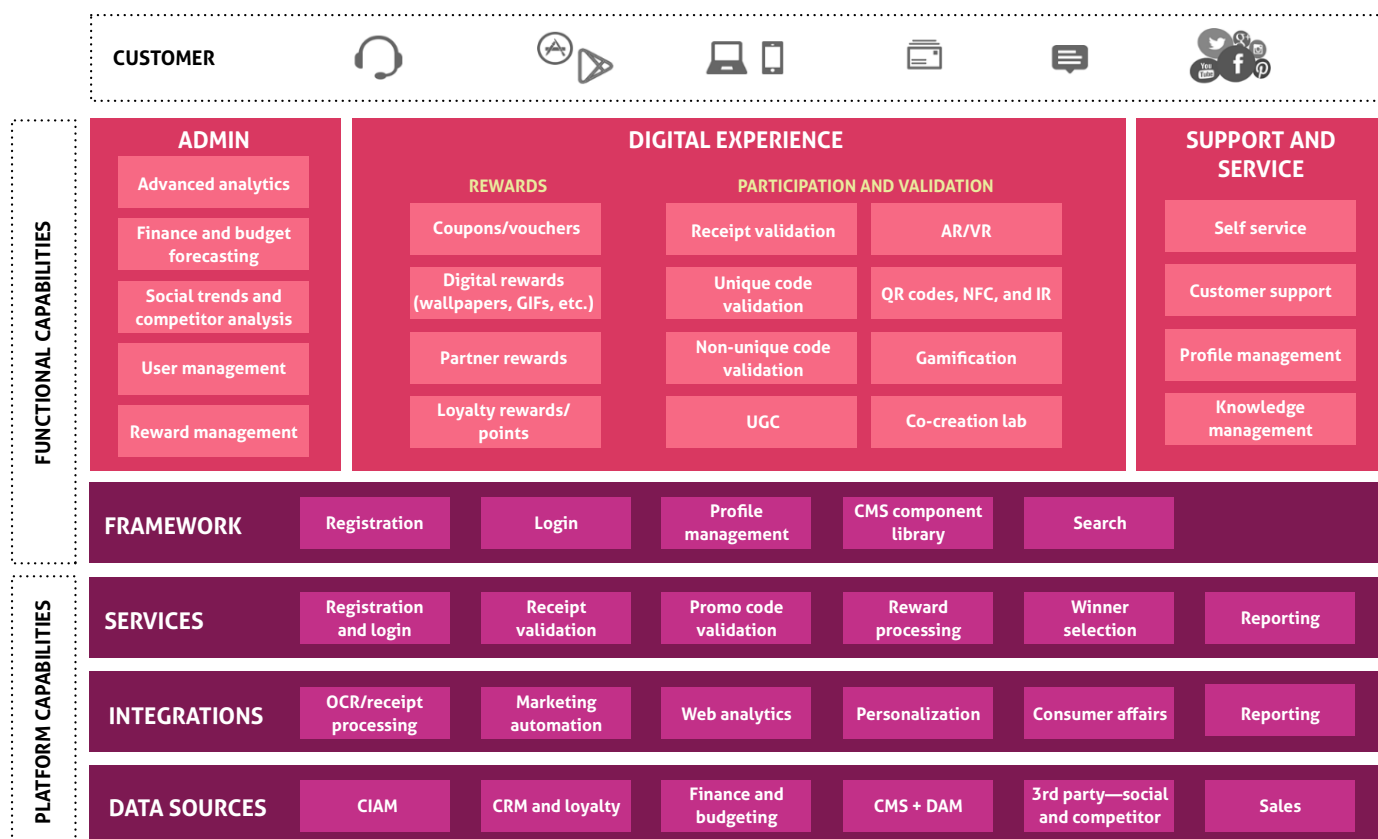


Figure 2. Promotion Platform Reference Architecture Conceptual View

The customer channels section of the illustration shows support for the different channels that a company typically uses to conduct business with customers. Integration with social networks through third-party advertising platforms is an important capability that drives users to promotions and campaigns.

## Functional capabilities

### Purchase validation

The platform provides support for digital purchase validation, including **unique codes** printed on packs or cans, **non-unique codes** (i.e., UPCs, SKUs or batch codes), and **receipt validation**. **UGC** support enhances promotion participation using slogans, photos, videos, and social media posts. It also serves as an input to the winner selection process.

Next-gen purchase validation experiences include mobile barcodes on-pack such as **QR codes** and **snap tags**, **augmented reality** on-pack (that can add graphics, visuals, and audio over



product packaging), **NFC**, and **image recognition (IR)** that allow users to participate in promotions without the need for barcodes, printed electronics, digital watermarks, or similar systems for coding information into the packaging.

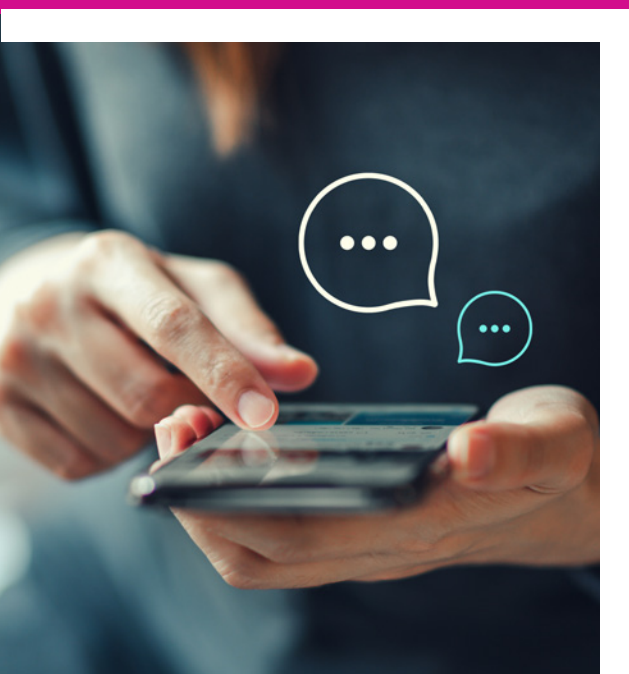
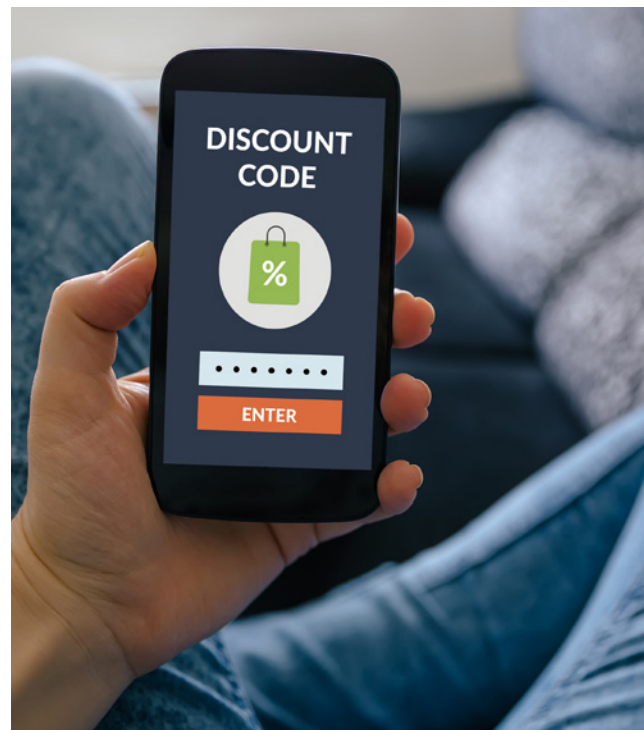
## Rewards

The platform caters to a wide range of rewards that could include coupons and vouchers, partner rewards (for example, an online redeemable voucher for a game or e-retailer), digital rewards like themes, wallpapers or gifts, and points that are redeemable on a connected loyalty system.

## Promotion administration

A promotion administration module allows promotion owners and brand managers access to:

1. A dashboard which provides a view of the overall status of the promotion, including consumer entries, status, and access to receipts and web analytics metrics like traffic, user behavior patterns, etc.
2. Reports and data extracts allow administrators to export promotion entry information offline to excel, pdf, and other formats
3. Entry management allows administrators to search and filter promotion entries for handling consumer complaints and queries
4. Reward management and status allows administrators to monitor reward code allocation, set up status alerts, and manage reward code allocation across promotions



## Support and service

Support and service provides help to customers throughout the promotion lifecycle, including purchase validation issues, troubleshooting, reward delivery, etc. At an elevated level, this includes comprehensive self-service that is essential for great customer experience (especially for the do-it-yourself type of customer), omni-channel customer support, self-service account and profile management, and a comprehensive knowledge management for consumers and customer support executives.

# Platform capabilities

## Data sources

From the promotion platform perspective, the following act as systems of record that create, collect, and manage various types of data:

- 1. CRM system**—Acts as a system of record for customer profile information
- 2. CIAM**—The Customer Identity and Access Management system allows for customer account creation, federated authentication, social logins, and consent management.
- 3. Promotion repository**—The Promotion Platform manages entries, rewards, purchase information, receipt images, and others in a repository that is compliant with enterprise data retention and archival strategy.
- 4. CMS + DAM**—Adobe Experience Manager provides the CMS and DAM features required for the platform.
- 5. Loyalty**—An integrated loyalty management encourages and rewards customers and promotes repeat business and/or purchases. Promotion rewards can be linked to an existing loyalty system.
- 6. Promotion budgeting platform**—An essential tool to build end-to-end budget visibility for the promotion with a forecasting capability that intelligently curves out from past budgeting data.
- 7. Social listening**—Social reaction data gathered from Social listening tool helps build better promotional content.
- 8. Competitor information**—Another great source to get inspired and build strategy for future campaigns, this information critically assesses comparative campaign performance.
- 9. Innovations hub**—A continuous flow of ideation and innovation helps build new promotion strategy, content, and experience to stay ahead of the game.

## Integrations

The promotion platform provides integration with the following systems:

**Receipt validation**—There are many SaaS services in market which can provide OCR, receipt validation, and fraud check capabilities to the platform by incorporating a machine learning algorithm for desired precisions. Mindtree has its own version too, which is a great option to consider for faster time to market and optimized cost.

**Marketing automation**—Adobe Campaign is used for any customer communication through transactional emails for account setup, reward code communication, winner communication, etc. as well as to launch targeted marketing campaigns across all channels for promotion launches.

**Web analytics**—Adobe Analytics has been integrated to track and monitor metrics related to user actions such as registration, login, receipt upload, code validation, and rewards

**Personalization**—Adobe Target is leveraged as the personalization engine for the platform to provide targeted offers and recommendations, which greatly improves a marketer's ability to cross-sell and up-sell.

**Consumer affairs/support and service** provides help to customers throughout the promotion lifecycle, including promotion information, troubleshooting, purchase validation issues, login, account management issues, etc.

**CDP\*** integration aids in building a complete view of the customer. The CDP also helps organize individual profiles into segments, which can be consumed by other systems in the marketing and advertising ecosystem.

# Implementation and rollout approach



A proven blueprint exists for any platform to devise a successful implementation and rollout approach. However, the unique complexities which may exist in an ecosystem may demand focus on critical areas.

For a global CPG enterprise, it is required to think ahead and consider the possible challenges that could arise from local markets. This includes data management, standardization, synchronization, tools, technology variances, translations, and various other localization requirements. At the same time, there is synergy that exists among markets that should be utilized as much as possible. A templated factory approach with a high reusability quotient needs to be built alongside a clear strategy to keep the platform decoupled. This ensures easy integration with local tools and/or technologies. It must also be extensible (to address custom localized needs), performant, and scalable (to cater the global load). Data governance, standardization, and synchronization all need separate attention to align with enterprise information architectural strategies without hurting the local flavors of it. Bringing promotion data back to a global pool sometimes add challenges which need an extensive collaboration effort.

It is essential to keep a feedback loop active to allow for investment in correct features and promotions, which ultimately leads to better adoption of the platform. From an end user standpoint, the ease of participation, along with lucrative rewards need to be thoughtfully considered for a successful campaign to run. Utilizing more obvious features (like pre-filled information for existing consumers) is a simple but proven example of better user experience.

## Platform success measurement

Measuring the success of a promotion is difficult. This is because, based on its nature, the realized outcome may differ. But when it comes to a technology platform, success criteria stay the same in nature, aside from a few program-specific outcomes which may vary case to case.

Below are few KPIs which the platform can be measured against:

- **Platform adoption**—Percentage of specific promotions that are launched and leverage the platform.
- **Promotion coverage**—What percentages of promotions get covered by the platform? This measurement helps to know whether the platform has been built to cater the most common promotion types for the enterprise.
- **Return on investment**—Post platform build, evaluate the amount of savings for each promotion, along with how many promotions it will take to recoup the spend.
- **IT productivity**—How many business flows have been automated as part of the platform, resulting in productivity improvement for IT groups?**YoY promotion performance**—If the promotion is seasonal in nature, compare this year's promotion to last year's in terms of new user acquisition, existing user retention, participation volume, and social buzz.**Time to market**—How quickly can a promotion be launched compared to past promotions?



# Conclusion

In conclusion, every brand must promote their products to remain relevant. This requires change and investment in this digital, social media-clad era. Technological innovation allows for a never-before-seen experience for brand promotions, challenging businesses, to find new and various avenues of marketing to stay ahead in the race.

At Mindtree, we work collaboratively with our clients as they embark on a proven journey of successful creative marketing promotions. This includes a technology stack—tools, frameworks, and accelerators, as well as an innovation toolset that creates a long lasting impact on their customers.



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# Authors



## **Rituparna Sengupta** *General Manager*

Rituparna Sengupta is the Global Head of Business Analyst group within Mindtree's Retail and Consumer Products vertical. She has over 18 years of experience in this domain and leverages her strategic and service mindset to help clients in different transformational programs.



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Joydeep has over 17 years of IT experience with five years in digital architecture and consulting roles for customers across insurance, healthcare, professional services industry, automobile, real estate, and consumer-packaged goods. He has demonstrated expertise in technical and architectural consultation for large size digital platforms with tangible value realization.



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Madhu has over 14 years of extensive IT experience in architecture, design, development, and deployment of digital solutions, along with rich experience in digital marketing domain, including Adobe Experience Manager (AEM/CQ), Adobe Experience Cloud (Target, Campaign, and Analytics) and SharePoint. He is certified Master Level for AEM Sites.

## About Mindtree

Mindtree [NSE: MINDTREE] is a global technology consulting and services company, helping enterprises marry scale with agility to achieve competitive advantage. "Born digital," in 1999 and now a Larsen & Toubro Group Company, Mindtree applies its deep domain knowledge to 270 enterprise client engagements to break down silos, make sense of digital complexity and bring new initiatives to market faster. We enable IT to move at the speed of business, leveraging emerging technologies and the efficiencies of Continuous Delivery to spur business innovation. Operating in more than 24 countries across the world, we're consistently regarded as one of the best places to work, embodied every day by our winning culture made up of over 23,800 entrepreneurial, collaborative and dedicated "Mindtree Minds."