

# E-Commerce Category Leadership

## A New Approach to Retailer and Supplier Collaboration for Digital and E-Commerce Growth

An industry best practices report published by The Partnering  
Group and sponsored by The Category Management Association



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A close-up photograph of a person's hand holding a smartphone. The phone is held vertically, and the screen is dark. To the left of the phone is a brown leather bag with a strap. The background is blurred, showing more of the bag and the person's hand. The lighting is warm and natural, suggesting an outdoor setting.

# Introduction



## Purpose

E-Commerce has become mission critical for today's consumer products retailers and suppliers.

This report is written for retailers and suppliers who want to drive e-commerce growth by working collaboratively to improve the digital shopping experience end-to-end.

The goal of this report is to equip trading partners with industry leading methods and processes for e-commerce collaboration that will increase trust and alignment with growth, simplification and speed as key outcomes.

For retailers, this report offers a clear, step-by-step approach for building growth plans with suppliers including internal resources required and how to set supplier expectations for the engagement.

For suppliers, this report provides clarity on how and where to engage with retailers productively as well as the toolkit of people, skills, data and systems to support the work.



# The Case for E-Commerce Category Leadership

The rise of e-commerce and the digitally-enabled shopper have been shaking the foundations of our retail industry with recent acceleration. These changes have driven the need for more retailer and supplier collaboration in digital and e-commerce.

Through this Industry Board we uncovered mutual passion for E-Commerce and a desire to collaborate and drive E-Commerce Category Leadership across both suppliers and retailers.

The contributing companies agreed that we must find better ways to engage as trading partners to unlock value and ensure the optimal shopping experience. ECL has developed an industry roadmap to foster greater partnership in ways that are similar to existing “Category Management” programs that optimize the in-store experience.

Today, the joint optimization and innovation of digital marketing and e-commerce experiences for each category are as important as store-centric Category Management was 20 years ago.



## Project Approach

In response to requests from its members, The Category Management Association agreed to host and sponsor the development of best practices and standards for e-commerce collaboration.

In partnership, CMA and The Partnering Group (TPG), invited leading suppliers and retailers to participate in a new industry board to define E-Commerce Category Leadership for the industry.

The board then met several times over a 4 month period. Industry experts within each partner were interviewed and ECL tools from The Partnering Group were shared and used for further discussion regarding leading practices. The Partnering Group contributed approaches refined over 18 years of industry practice in digital marketing, e-commerce and over 25 years of Category Management leadership.



# About the Participants

The ECL Industry Board assigned to this task force is comprised of the following member leaders:

## Retailer Partners

Karl Varsanyi .....	Albertsons Companies
Paul Johnson .....	Albertsons Companies
Jewel Hunt .....	Albertsons Companies
Graham Watkins .....	Giant Eagle
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Jon Harvey .....	Reckitt Benckiser
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**The Category Management Association**  
Advisory Partners



**Tom McDonald**  
Best Practices Leader

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## Acknowledgments to Supporting Organizations



About The Category Management Association: The CMA, a Professional Association, exists to help its members drive meaningful category and brand growth by building shopper satisfaction heroes and facilitating strategic collaboration between retailers, suppliers and their solution providers in Category Management, Shopper Insights and Marketing and Store and E-Commerce Execution. The CMA team is dedicated to raising the bar among all participating practitioners irrespective of trade channel, level of experience or data availability.

For more information about the CMA, visit [www.catman.global](http://www.catman.global)



About The Partnering Group: The Partnering Group (TPG) is a global consulting, training and analytics firm. Our mission is to build sustainable incremental value for leading retail and consumer product companies worldwide. TPG is known for its ability to deliver pragmatic and achievable business solutions. This stems from our team's extensive experience as business leaders within many of world's most respected retail and consumer product companies. On average, TPG's Partners have over 20 years of experience in senior management positions prior to joining the firm.

For more information about the TPG, visit [www.thepartneringgroup.com](http://www.thepartneringgroup.com)

# Executive Summary of Industry Findings

Our industry workstream sessions across multiple arenas uncovered new approaches to drive customer-centric plans and sales growth through e-commerce collaboration.

We identified key arenas where both parties must collaborate to fully unlock the sales and shopper opportunity including...

1

**Fundamental Product Content** - With thousands of existing and new items needing better digital product content today, this represents the first and most foundational point of collaboration.

2

**Impulse Products** - Modern e-commerce sites and apps still lack a compelling way to drive impulse or unplanned product sales. Sales of product segments or categories like candy and batteries to name a few tend to be lower than in-store where we have mastered this art.

3

**Search, SEO and Algorithm Tuning** - While many results presented to shoppers as they path through an e-commerce site are driven by algorithms, there are ample situations whereby the results are still not optimal and require new business rules or tuning of components. This work is simply too hard to optimize at a category level without collaboration.

4

**Cross Selling** - Suppliers and Retailers can make greater headway in driving cross sell items like skin care solutions or full meal solutions through joint planning, development and testing.

5

**Personalization, Loyalty and Subscription** - A huge opportunity exists for suppliers and retailers to migrate focus and investment from promotion and acquisition of “transactions” to retention and development of shoppers. This includes using customer databases and loyalty programs even more boldly.

6

**Waste and Labor Cost Reduction** - E-Commerce business models currently bear a very high labor cost as we add in extra service to pick goods for and deliver to consumer households. Most retail business models don't recoup those costs from the customer in terms of delivery fees which puts pressure on cost for both retailer and suppliers. We believe that creative redesign of how retailers and suppliers operate the full value chain is a rich opportunity for overall cost savings.

In order to tap into and solve for these opportunities, suppliers and retailers need the following

**An Agreed Process** - Retailers and suppliers collaborate more productively when there is clarity on the steps required, inputs and outputs and how to measure results. We have proposed herein a new process for collaborative category business planning and execution called the 5D approach.

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**Data Sharing in Return for Quality Insights** - Retailers and suppliers are the recipients of massive amounts of new data including web analytics and shopper databases. Converting data into actions will require targeted data sharing, objectivity and new analytic skills for both parties. Collaboration still offers the best insights by combining the retailer's knowledge of cross-category and shopper trends with the supplier's deep knowledge of their product categories.

**Re-imagined Categories** - The shopping experience online is not “bound” by physical constraints of the store. Suppliers and Retailers must use new insights regarding how shoppers search and navigate online to rethink categories into wider solutions.

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**New Relationships** - Both parties need to reassess the concept of “Category Captains” which is an existing supplier role in collaboration with retailers. New relationships and collaborations may evolve to project based roles including “Solution Partners” involving more suppliers and tackling topics that cross categories.



# ECL Collaborative Planning Process



## Introduction

For more than 20 years, the Category Management best practices have served as the industry standard for collaboration between Suppliers and Retailers. In the past several years, the sea change development of the e-commerce channel, with both newly established and long-term retailers competing to create new connections with shoppers. This transformation has left the industry struggling to find a successful, common approach to managing the business of e-commerce.

## Purpose

Our goal in this chapter is to define how Suppliers and Retailers can develop stronger collaboration to accelerate profitable E-Commerce Growth.

# Opportunity Statement

Certainly, some Suppliers and Retailers are applying components of strong Category Management principles, yielding successful results to their e-commerce business. But few are working collaboratively in a consistent manner start-to-finish. In fact, for both Suppliers and Retailers there is still wide variation in approach to e-commerce strategy planning. The industry clearly has not yet settled into a successful set of norms for collaboration for the common objective of profitable growth. The industry challenges can be summarized into 4 categories:

Planning	<ul style="list-style-type: none"> <li>• Digital is a secondary plan after the core plan is done. Not included from the beginning. Not Omni.</li> <li>• The channel/customers are still too small for specific planning in parallel with other customers.</li> <li>• Tactics from Suppliers that are built for Bricks and Mortar vs digital first.</li> <li>• Need to be better connected to Bricks and Mortar plans to create an omni-channel experience.</li> </ul>
Organization	<ul style="list-style-type: none"> <li>• Finding the organizational bandwidth: Insights, Strategy, Execution, Measurement, Advocacy</li> <li>• Still seeking to fully understand what retailers want from suppliers and vice versa organizationally</li> <li>• Finding the right folks in the partner organizations to talk with.</li> <li>• The organizations of both parties must become more nimble</li> </ul>
Measurement	<ul style="list-style-type: none"> <li>• Accuracy of Data and Content is an issue. Transparency of data is an issue.</li> <li>• Trying to move toward personalized pricing.</li> </ul>
Efficiency and Profitability	<ul style="list-style-type: none"> <li>• Profitability is a concern. Supply Chain requirements are a concern.</li> </ul>

## Definition of ECL

**E-Commerce Category Leadership (ECL)** is a collaborative supplier / retailer approach for shopper engagement that drives accelerated business results satisfied through the E-Commerce Channel. ECL provides the business process, strategic frameworks, and organizational capability to facilitate stronger Supplier / Retailer collaboration.

Here we define the e-commerce channel to include all sales that are generated through a “connected” activity, including Websites, Mobile, and Retailer Applications. The fulfillment of the sales can be:



### Click and Collect

Shoppers order online and **pick up** at a specific location at a specific day and time



### Ship From Local Store

Shoppers order online and products are **delivered** via delivery services to their home at a specific day and time



### Home Shipment

Shoppers order online and products are **shipped** to their home from a centralized fulfillment warehouse

## Reinventing the Category

As we think about e-commerce shopping websites, it becomes clear that the “definition of a category” must expand. No longer are we bound by the constraints of a physical shelf. Product adjacencies can change depending on search terms, seasonality, time of day, and dynamic factors such as weather and even the specific shopper. Shoppers are searching for more than just products - they’re often looking for solutions and increasingly services. The rise of meal-kit home delivery is an excellent example.

With e-commerce we have the liberty to break the shackles of physical Category shelving. We are finally able to deliver a true consumer-centric organization of products. Categories can be defined by broader consumer ‘need states’ - like Breakfast or Back to School - which can span multiple product types, storage requirements, and even services. Of course, Categories can also be defined by product usage, like haircare or laundry.

For ECL, the organizing principle should be a Category or Solution that creates a distinct, manageable grouping of products and services that consumers perceive as interrelated to meet their needs.

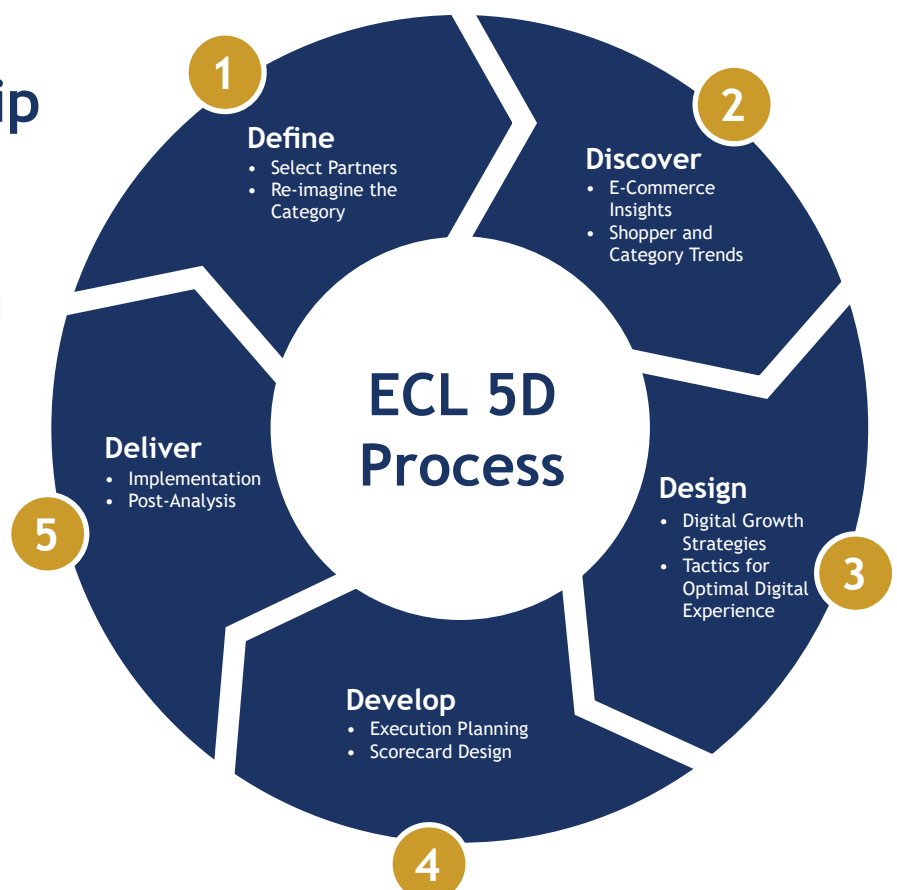
***With e-commerce we have the liberty to break the shackles of physical Category shelving. We are finally able to deliver a true consumer-centric organization of products.***

### Category / Solution Defined

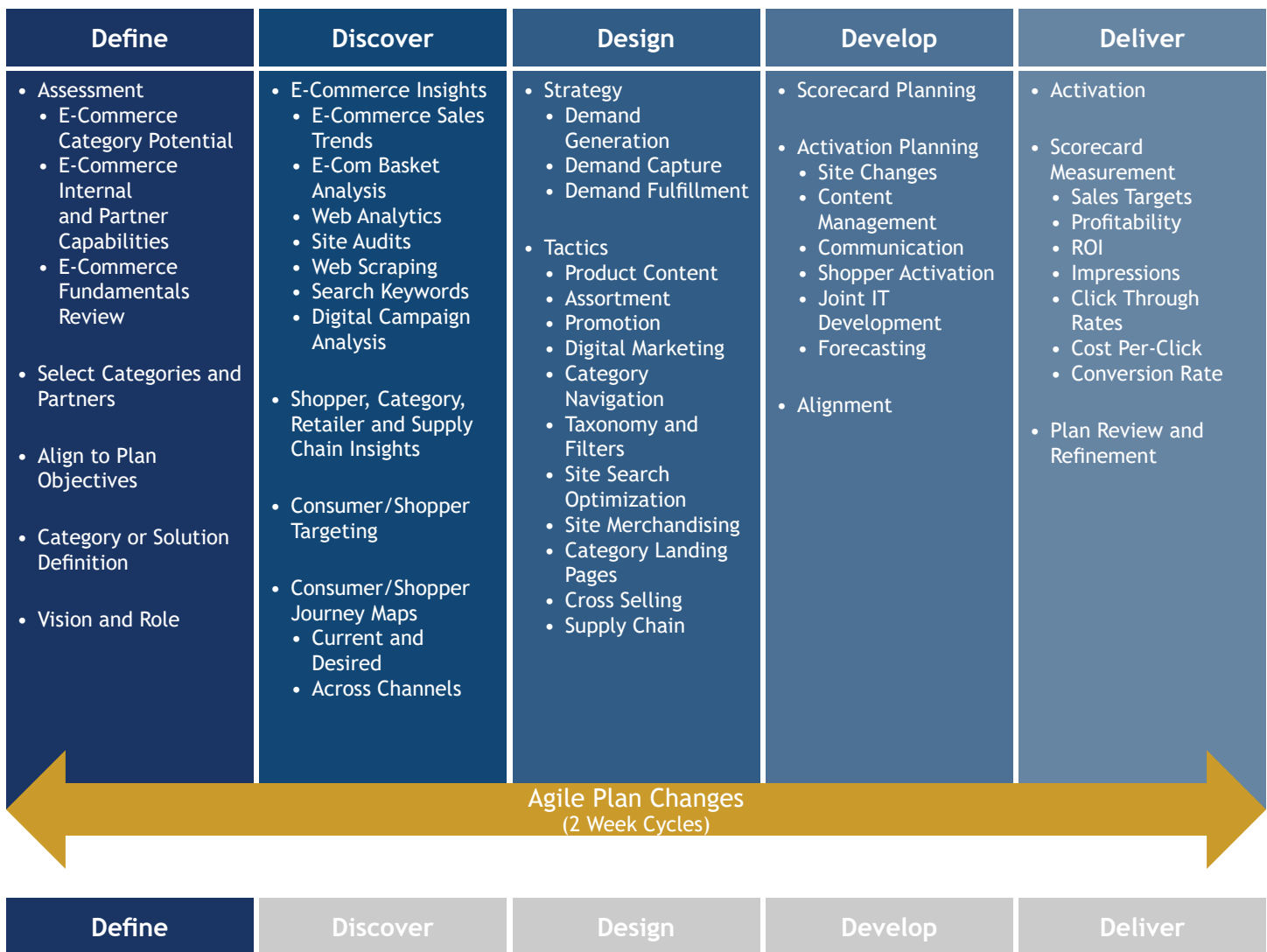
*A distinct, manageable group of products / services that consumers perceive as interrelated to meet their needs.*

## The E-Commerce Category Leadership Process - 5D

To achieve better collaboration for accelerated, profitable e-commerce growth, the industry needs a structured set of activities designed to guide Supplier and Retailer efforts. This ECL process is more shopper-focused and action-oriented. The process has five steps that typically will progress sequentially. However, it should be noted that the dynamic nature of e-commerce allows for much more agility between steps. For example, the ease of changing Retail website merchandising, combined with rapid A/B testing, can allow partners to implement different Category Definitions prior to finalizing Strategies.







The first step in the “5D” process sets the foundation for the Supplier - Retailer relationship. This will determine the focus their work together.

- **Assessment:** It’s important for each partner to complete an Assessment of Category Potential, their own Capabilities - including senior management commitment, and their current executional Fundamentals (see below for more on Assessment).
- **Select Categories and Partners:** Not all Suppliers and Retailers have the same e-commerce focus or capabilities either in general for a given set of products or services. Selecting a partner that will provide the right resources and commitment will ensure a better outcome.
- **Align to Plan Objectives:** In this early step, Suppliers and Retailers need to align to the overall objectives for their collaboration.
- **Category / Solution Definition:** Suppliers and Retailers should work together to define the category or solution of focus, creating a distinct, manageable grouping of products and services that consumers perceive as interrelated to meet their needs.
- **Vision:** The Vision is a future-looking aspiration that will motivate shopper behavior to create growth opportunities.
- **Role:** As in the original Category Management process, Categories will still have different roles for a Retailer considering the shopper and the competitive marketplace. These roles should be aligned to the strategies that are applied.

Define

Discover

Design

Develop

Deliver

The ECL process has a deeper focus on shopper understanding. This is the focus of the entire second step.

- **E-Commerce Insights:** There are several insight and analytic techniques unique to e-commerce that allow for a more specific understanding shopper behavior and the larger marketplace. See the E-Commerce Analytics section for more.
- **Consumer/ Shopper Targeting:** e-commerce strategies and activation allow for more granular targeting. The objective here is to find a Target (or more likely set of Targets) that:
  - Have commonality in their current attitudes and behaviors.
  - Are inclined to change behaviors in some favorable way.
  - Will be motivated by the same message.
  - Is reasonably big enough to make a meaningful difference for category growth.
- **Consumer/Shopper Journey Mapping:** Once a set of Shopper Targets have been defined, we much understand their current Shopper Journey and the key influence points throughout that journey.



Define

Discover

Design

Develop

Deliver

The third “D” in the ECL process is the crux of the Supplier - Retailer collaboration, creating the Strategies and Tactics that will lead to profitable growth of the Category.

- **Strategy:** There are 3 potential components of Strategy:
  - Demand Generation
  - Demand Capture
  - Demand Fulfillment
- **Tactics:** Once the Strategy is designed, the tactics can be created.



Define

Discover

Design

Develop

Deliver

This fourth step is where the Strategies and Tactics come to life with actual plans

- **Scorecard Planning:** The scorecard identifies the Key Performance Indicators that will be used to measure success. Both the Supplier and the Retailer should agree to the scorecard.
- **Activation Planning:** These are plans and programs that reach shoppers and create behavior change.
- **Alignment:** Once the Strategies and Tactics have been designed and the Scorecard and Plans developed, the Supplier and Retailer must come to a final alignment prior to execution.





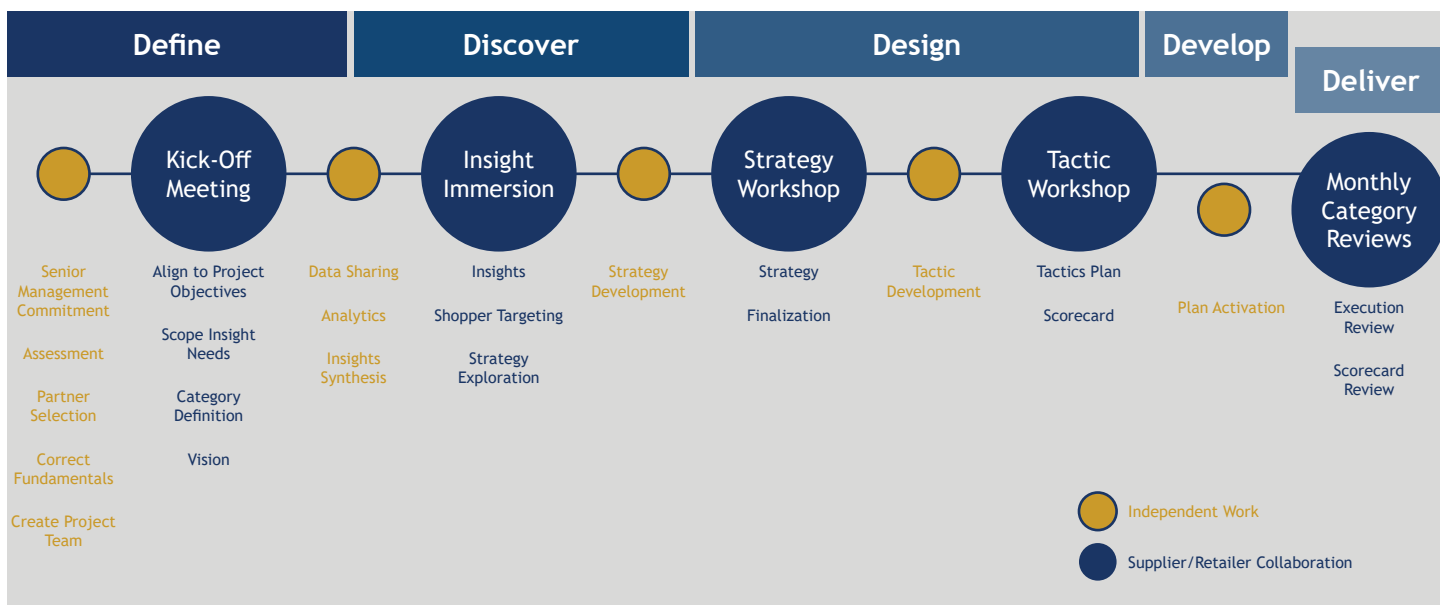
The final step in the “5D” process is to actually Deliver the plan in the marketplace.



- **Activation:** Suppliers and Retailers split up work to activate the plan, making it happen.
- **Scorecard Measurement:** Measuring the results against the Scorecard Key Performance Indicators (KPIs) will demonstrate success and also identify opportunities for refinement. With good data sharing, e-commerce can allow for near real-time measurement.
- **Plan Review and Refinement:** E-commerce allows for much more agility throughout the Deliver step. It's much easier for Suppliers and Retailers to respond and adjust to any deficiency or opportunities identified by KPI Measurement.

## Collaboration Plan

During the ECL process there will be some independent work that Suppliers and Retailers must complete. Then there are 4 key points of collaboration when both must spend time together working through the details of each process step. These workshops will facilitate the development and alignment to the total plan. During the last step, Deliver, the Supplier and Retailer should meet regularly the review progress.



## E-Commerce Category Potential

The Define step of the ECL process should start with each the Supplier and Retailer completing their own Assessments to help prioritize their e-commerce efforts. Not all products will benefit from significant investment in the ECL process. It's important to access the e-commerce potential of your category.

A good measure of current e-commerce development is the proportion of households fulfilling some of their purchase requirements through a connected activity. As this proportion approaches 50% of shoppers buying through e-commerce channels, the category has “Tipped” to become highly developed. It's easy to decide to invest resources in a category with high e-commerce development.

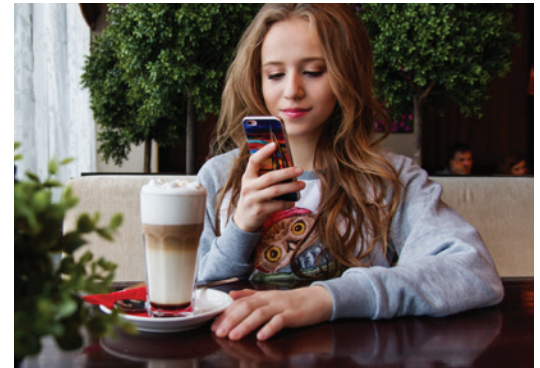
The real opportunity is to understand the potential of a category to move toward higher e-commerce



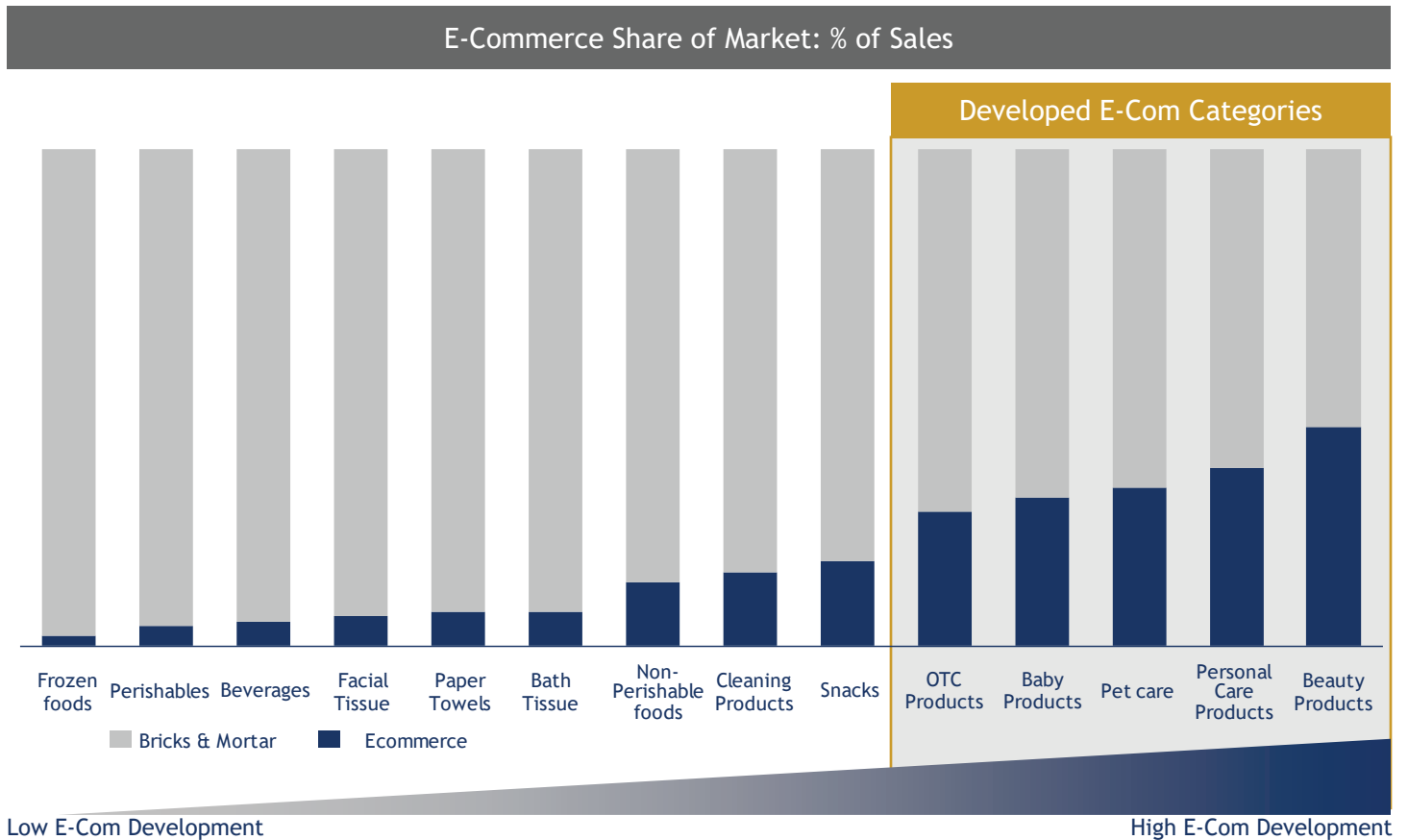
development. A matrix of 3 factors will help determine potential:

- E-commerce sales share (of all outlet sales)
- All outlet sales growth
- Size of the category

As a potential category moves toward the upper-right-hand corner, resource commitment should increase. But even categories in the lower-right or upper-left quadrants should have some resource commitment.



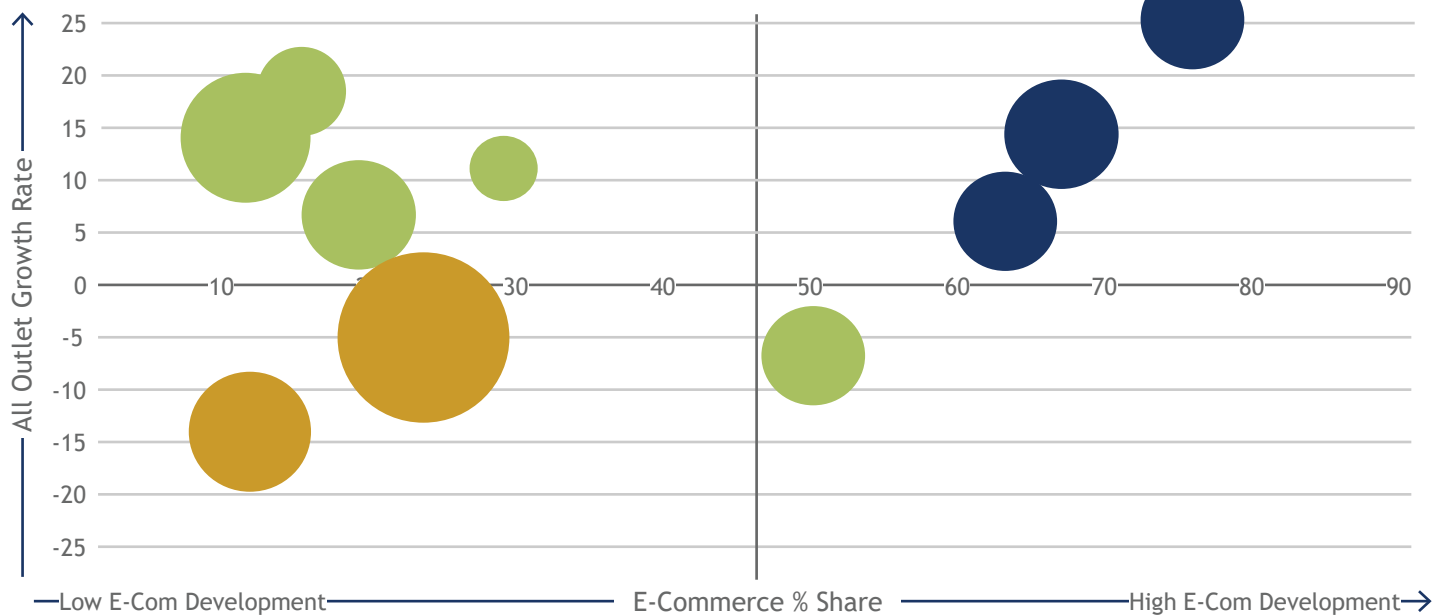
## E-Commerce Category Development Assessment



## E-Commerce Category Potential Assessment



## E-Commerce Category Potential Assessment



## E-Commerce Capability Potential

During the Define step it's important to take an honest assessment of your current organizational capabilities for e-commerce Category Leadership.

The following ECL Maturity Model identifies in more detail the characteristics of Basic, Advanced, and Leadership organizations for each of the 5D steps of the ECL process.



Step	Starter	Basic	Advanced	Leadership
Define	<ul style="list-style-type: none"> <li>Just beginning to organize</li> <li>Limited capability</li> <li>Building a Roadmap</li> </ul>	<ul style="list-style-type: none"> <li>Category definition roughly based on store definition</li> <li>Use current in-store role as same for online or no clear role</li> </ul>	<ul style="list-style-type: none"> <li>New definition and navigation/ attribution based on keywords and digital shopalongs</li> <li>New Strategic category role identified for e-commerce w/ cross-category e-com metrics</li> </ul>	<ul style="list-style-type: none"> <li>New definition of the category is more broad and inclusive of different “solutions” for the same core products (breakfast, snack, topping, etc.)</li> </ul>
Discover (See E-Com Analytics for more details)		<ul style="list-style-type: none"> <li>Limited e-commerce insights based on website audits and common best practices.</li> </ul>	<ul style="list-style-type: none"> <li>New “category specific” e-commerce and digital insights that uncover shopper experience opportunities and actions.</li> <li>Supply chain costs and speed analytics.</li> </ul>	<ul style="list-style-type: none"> <li>Custom Shopper research and ability to apply advanced analytics to retailer data yields advanced initiatives (real-time site changes, personalization)</li> </ul>
Design (See Site Merchandising and Digital Marketing for more details)		<ul style="list-style-type: none"> <li>Tactical recommendations mostly focused on getting product content fundamentals in place</li> <li>Basic e-commerce assortment</li> </ul>	<ul style="list-style-type: none"> <li>Designing initiatives for growth including: <ul style="list-style-type: none"> <li>Assortment Optimization - Online vs. Store</li> <li>Rich Product Content, Mobile first content</li> <li>Pricing/Promotion Analytics</li> <li>Navigation, Filters, Onsite Search Results</li> <li>Digital Marketing - Email, Onsite Ads, eCoupons</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Designing advanced initiatives including: <ul style="list-style-type: none"> <li>Search and Social Media campaigns for Category traffic (paid and organic)</li> <li>Personalization of site content</li> <li>Online videos and augmented reality testing</li> <li>Custom website tools for category shopping</li> <li>Auto-replenishment, Dropship and Fulfillment optimization</li> <li>Omni-channel and digital in-the-store</li> </ul> </li> </ul>
Develop		<ul style="list-style-type: none"> <li>Lack of clear activation plan and changing roles cause rework and derailed objectives</li> </ul>	<ul style="list-style-type: none"> <li>Simple clear action plan for each agreed initiative with retailer and supplier owners</li> <li>Agreed scorecard in place</li> </ul>	<ul style="list-style-type: none"> <li>Forecasted growth for each initiative</li> <li>Deep understanding of how category initiatives fit into and advance retailer total e-commerce systems roadmap</li> </ul>
Deliver		<ul style="list-style-type: none"> <li>Short and intermittent updates to category experience and content</li> <li>No common scorecard tracking</li> </ul>	<ul style="list-style-type: none"> <li>Deployment of category improvements every 2-4 weeks, ongoing testing, Monthly scorecard review</li> </ul>	<ul style="list-style-type: none"> <li>Real Time adjustments to site experience</li> <li>A/B testing, joint shopper usability testing</li> <li>Analysis of e-commerce impact on store sales</li> </ul>
Retailer Teams		<ul style="list-style-type: none"> <li>Existing retailer e-commerce team (site merch and marketing) with input from store merchandising</li> </ul>	<ul style="list-style-type: none"> <li>Plus retailer e-commerce systems expert, web analytics expert and click and collect fulfillment / supply chain expert</li> </ul>	<ul style="list-style-type: none"> <li>Plus retailer embeds store buying and merchandising and loyalty / CRM analysts for personalized programming</li> </ul>
Supplier Teams		<ul style="list-style-type: none"> <li>Existing Supplier Account team + support from central e-com Experts</li> </ul>	<ul style="list-style-type: none"> <li>Plus eCategory Management and Digital Shopper Marketing personnel, Spot support from e-commerce COE for e-com supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Plus supplier embeds dedicated digital analytics experts and/or systems development resources</li> </ul>



Define	Discover	Design	Develop	Deliver
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## Design Strategy

E-Commerce Category Leadership has 5 basic strategies to achieve accelerated business results. These should seem familiar as they build from the underlying strategies of Category Management. But e-commerce has some unique characteristics that create some specific opportunities, especially for Targeting and Digital Marketing.

Strategy	A Awareness Pull Me In	B Browse Help Me Find	C Choose Help Me Select	D Develop Grow My Basket	E Experience Lock Me In
Objective	Build Traffic	Increase Purchase Desire, Navigate to Category and Create Impulse	Choose and Buy Product	Cross sell and up sell to build transactions	Increase customer value
Targeting	Typically a wider group of potential consumers or shoppers via e-commerce	Shoppers engaged in the retailer's site and seeking information and inspiration	Shoppers engaging at category or brand level, seeking to compare and convert an item	Shoppers that have chosen the core item purchase and may be encouraged to explore a wider solution set of products	Shoppers that have purchased, engage shopper to return and buy loyally
Strategy Characteristics	<ul style="list-style-type: none"> <li>• Best to apply for high penetration, frequently purchased categories with higher percentage of sales already on e-commerce.</li> <li>• Broad reach tactics focused on these categories can bring new shoppers to the website.</li> <li>• Can often include attractive purchase incentives</li> </ul>	<ul style="list-style-type: none"> <li>• Especially important for categories or segments with less penetration, less e-commerce percent of sales and especially for impulse driven categories.</li> <li>• Tactics should engage Shoppers during the shopping process, especially onsite.</li> </ul>	<ul style="list-style-type: none"> <li>• Important for all segments and products. These tactics highlight product benefits and differentiation to make it easier for Shoppers to choose the right product within a category.</li> <li>• Comprehensive Product Standards and Site Merchandising are critical.</li> </ul>	<ul style="list-style-type: none"> <li>• Important for categories with lower penetration or e-commerce development and especially important for profit generating categories.</li> <li>• Tactics should engage Shoppers during the shopping process, especially onsite.</li> <li>• Can often include lower value or multi-purchase incentives.</li> </ul>	<ul style="list-style-type: none"> <li>• Can be used for all categories focused on either usage of the product or continued usage of the website.</li> <li>• Tactics should focus on satisfaction.</li> </ul>
Digital Media Channel	<ul style="list-style-type: none"> <li>• SEO and Paid Search</li> <li>• Digital Display Ads (offsite)</li> <li>• Retailer Website</li> <li>• Video</li> <li>• Mobile</li> <li>• Social Marketing</li> <li>• Influencers and Affiliates</li> <li>• Email Marketing</li> <li>• Brand Website</li> </ul>	<ul style="list-style-type: none"> <li>• SEO on Retailer Website</li> <li>• Paid Search Product Promotion</li> <li>• Retailer Website Digital Ads</li> <li>• Mobile</li> <li>• Content Management</li> </ul>	<ul style="list-style-type: none"> <li>• Content Management</li> <li>• SEO on Retailer Website</li> <li>• Paid Search Product Promotion</li> <li>• Retailer Website Digital Ads</li> <li>• Digital Coupons</li> <li>• Video</li> <li>• Reviews</li> </ul>	<ul style="list-style-type: none"> <li>• Retailer Website Digital Ads</li> <li>• SEO on Retailer Website</li> <li>• Paid Search Recommendations</li> <li>• Email Marketing</li> <li>• Digital Coupons</li> <li>• Content Management</li> <li>• Reviews</li> </ul>	<ul style="list-style-type: none"> <li>• Email Marketing</li> <li>• Social Marketing</li> <li>• Digital Display Ads (re-target)</li> <li>• Brand Website</li> <li>• Video</li> <li>• Mobile</li> <li>• Influencers and Affiliates</li> <li>• Loyalty Programs</li> </ul>

These strategies pull Shoppers through the loyalty funnel from e-commerce non-users (on the left) eventually through to loyalty (on the right). There are Strategies, Shopper Targeting considerations, and Tactics for each of the 5 stages.

- **Attract:** Focused on non-users or light-users of e-commerce (or a specific e-commerce Retailer or category), this strategy is used to build traffic. It is most efficiently applied to higher penetration categories or categories with higher purchase frequency. As top of the loyalty funnel, this Strategy will often have the widest targeting of shoppers - casting a wide net to pull shoppers into the E-Commerce

Category. Tactics, including the Digital Media Channels will often be relatively broad reaching.

- **Browse:** This strategy is focused on purchase facilitation - increasing purchase desire, navigating the purchase process, or creating impulse purchases. The Browse strategy is especially important for categories or segments within a category that have less penetration in general or a lower percentage of e-commerce sales. This strategy typically targets shoppers who have engaged in e-commerce shopping, with the objective of helping them find new categories or segments that they may not have considered.
- **Choose:** Here we want to drive Shoppers to choose and buy specific segments or products. The strategy can be useful for all segments and products. The target will be Shoppers that have already engaged in the category - they've been Attracted, they've Browsed and now we want to ensure they buy. Tactics will often focus on product benefits. Comprehensive Product Standards and effective Site Merchandising are critical for this Strategy.
- **Develop:** The objective for this strategy is to build the basket of Shoppers that have already bought a product (added it to their cart). This can be useful for segments that are adjacent or complimentary to the purchased product and for impulse segments. It's an opportunity to help the shopper explore a wider solution set of products.
- **Engage:** Focused on shoppers who have already purchased a category, the objective of this strategy is to drive a return to the site for future purchase - building loyalty. Tactics will focus on increasing satisfaction and building an ongoing relationship.



#### E-Commerce Category Leadership Plan on a Page

As Suppliers and Retailers work through the 5D ECL process, they can summarize their Plan in a single template. This template summarizes each of the key components of the entire process from Vision through to KPI's. It can facilitate alignment between the Supplier and Retailer and within each organization.

Category Vision	The Growth Vision for the Category or Solution that defines the strategic category role for the retailer																				
Definition	Category or Solution Definition						Most Valuable Shopper Targets														
	The business we’re focused on. Define a distinct, manageable group of products/ solutions that shoppers perceive as interrelated or substitutable to meet consumer needs. EG: Dog Nutrition or Breakfast Occasion						The Shoppers we are focused on. <ul style="list-style-type: none"><li>• Behaviors</li><li>• Demographics</li><li>• Trips or missions</li></ul>														
Synthesized Insights	Category Insights			Shopper Insights			Supply Chain Insights														
	What are the main insights about the Category, Products, or Solution that drove the Category / Solution Definition and the sub-categories.			What are the main insights about the Shopper: <ul style="list-style-type: none"><li>• Who is the shopper?</li><li>• Why are they buying and Why Not?</li><li>• When are they buying?</li></ul>			What are the main supply chain opportunities? <ul style="list-style-type: none"><li>• Opportunities for availability of product?</li><li>• Methods to lower cost and increase turns?</li><li>• Ways to increase speed of delivery to shopper?</li></ul>														
Strategies	Demand Generation			Demand Capture			Demand Fulfillment														
	Identify the strategies we’ve chosen to generate demand, might be some or all of the following. <ul style="list-style-type: none"><li>• Attract - Build Traffic</li><li>• Browse - Desire, Navigation and Impulse</li><li>• Choose - Choose and Buy Product</li></ul>			Identify the strategies we’ve chosen to capture demand, might be some or all of the following. <ul style="list-style-type: none"><li>• Develop -- Cross sell and up sell</li><li>• Engage -- Increase customer loyalty</li></ul>			Identify the strategies we’ve chosen for Supply Chain. <ul style="list-style-type: none"><li>• Speed and Availability</li><li>• Cost Optimization</li><li>• Auto-Replenishment</li></ul>														
Tactics	Demand Generation			Demand Capture			Demand Fulfillment														
	Summarize the top tactics to achieve the strategy. <ul style="list-style-type: none"><li>• Tactic 1</li><li>• Tactic 2</li><li>• Tactic 3</li></ul>			Summarize the top tactics to achieve the strategy. <ul style="list-style-type: none"><li>• Tactic 1</li><li>• Tactic 2</li><li>• Tactic 3</li></ul>			Summarize the top tactics to achieve the strategy. <ul style="list-style-type: none"><li>• Tactic 1</li><li>• Tactic 2</li><li>• Tactic 3</li></ul>														
Scorecard KPIs	E-Com % Sales			Category Visits			E-Com Cat \$ Sales			E-Com Supplier \$ Sales			E-Com % Conversion			Out of Stocks			Substitutions		
	YTD P52			YTD P52			YTD P52			YTD P52			YTD P52			YTD P52			YTD P52		
	Target X Y			Target X Y			Target X Y			Target X Y			Target X Y			Target X Y			Target X Y		
	Measure X Y			Measure X Y			Measure X Y			Measure X Y			Measure X Y			Measure X Y			Measure X Y		
	YAAG X Y			YAAG X Y			YAAG X Y			YAAG X Y			YAAG X Y			YAAG X Y			YAAG X Y		
	% Change X Y			% Change X Y			% Change X Y			% Change X Y			% Change X Y			% Change X Y			% Change X Y		





# E-Commerce Analytics



## Purpose

The working team within ECL focused on analytics with one overarching goal in mind... To define the external marketplace data (external view of the category within the e-commerce market) and retailer sourced data required to develop an E-Commerce Category plan and to support the post analysis of executions.

# Opportunity Statement

Retailers and Suppliers must foster more collaborative analytics to bridge data gaps in marketplace visibility and generate smart e-commerce tactics for category growth which requires common data types, clear analytics outcomes, work expectations AND sharing guidelines.

Furthermore, the EA participants identified the following specific challenges to optimal analytics in ECL:

## Difficulty Expanding Level of Data Sharing

- Retailer discomfort sharing data, desire for clear expectations for value to come from data sharing
- No standardization or automation, data pull overload for retailers
- Limited investment in e-commerce analytic tools, analytic personnel and data due to newness and current size of business

## Data Quality Issues

- Master data issues in e-commerce for split packs, variable weights, fresh produce: flavor changes
- Web scraping can be interrupted by retailers like Amazon seeking to block
- Syndicated third party datasets are nascent and not scaled
- Panel datasets have limits on utility due to panel size and source of panelists
- Web Analytics tools not designed with Category “views” in mind, sites not “tagged” for category views

## Hard to Extract Insights From New E-Commerce Data

- Data can be hard to interpret by individuals accustomed to looking at traditional brick mortar data
- Can be hard to look at data trends over time
- Identifying the right benchmarks is challenging

## Flawed or Limited Post Analysis of E-Commerce Initiatives

- Ensuring that partners jointly review post analysis and determine whether changes worked
- Lack of full ROI visibility leading to reduction in ongoing supplier funding
- Suppliers having to wait too long for post analysis

## Summary of Findings

Both retailers and suppliers appreciate the opportunity for collaboration to unlock the value of the new and massive data sets and research sources available. It takes a productive and planned collaboration to bring both the retailer expertise (overall store insights) and the supplier expertise and added resources (category and item level insights) to drive e-commerce growth. Several key findings and tools were generated to help industry partners better collaborate and drive sales online.

### 01: First Step Is Assessing the Available Sources



When beginning an E-Commerce Category Leadership project in collaboration it is first helpful to determine what analytic sources and assets both parties may have. Often joint work is hampered by lack of use of the wider toolkit available from the retailer, supplier or the marketplace of providers.

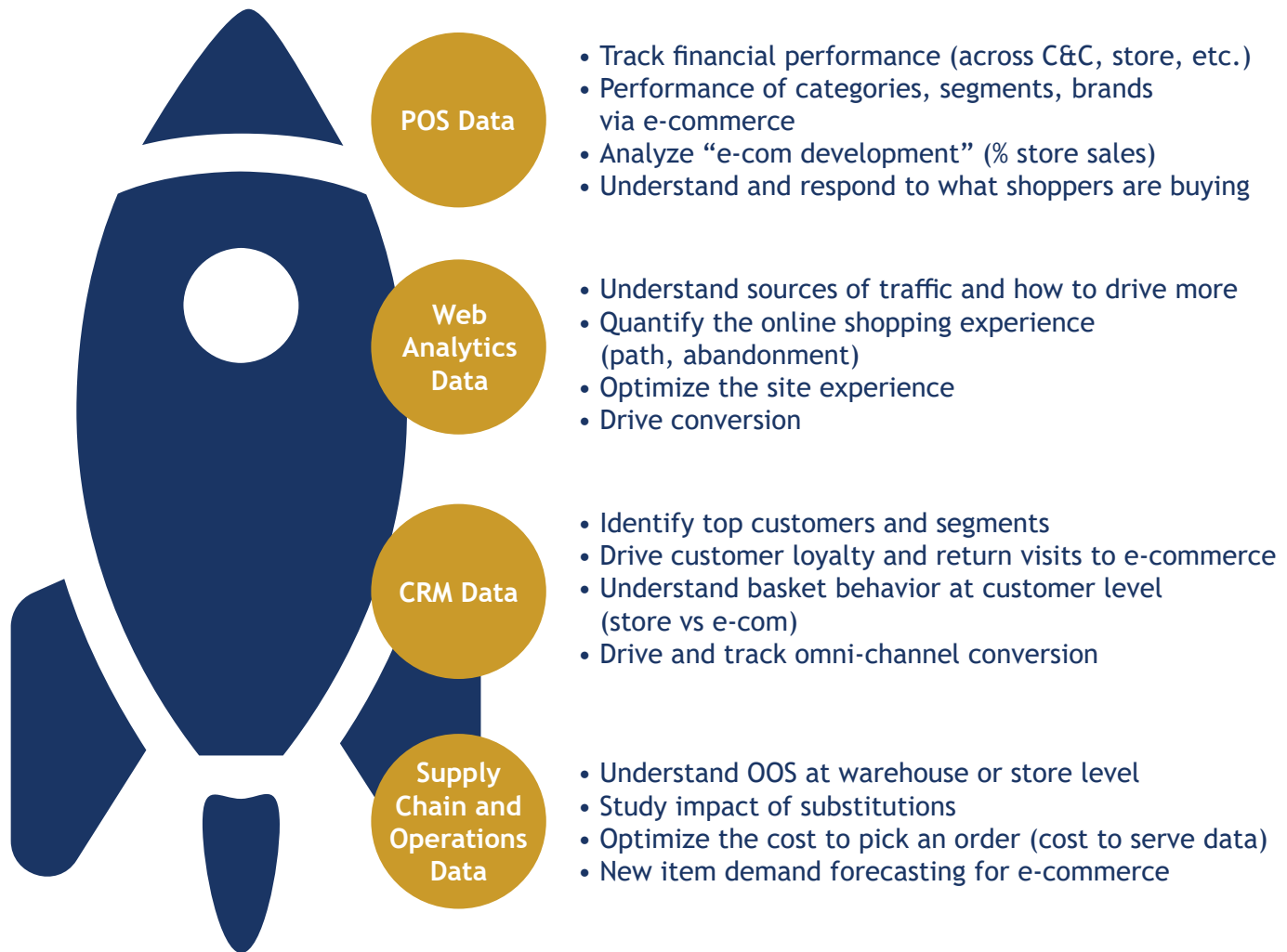
Here are two summaries of the types of “Marketplace Sources” and “Retailer Sources” of e-commerce related insights:

## Summary of Data Sources: Marketplace E-Commerce Analytics

Web Scraping Data	Price tracking and tools that organize/capture recent promotions across the marketplace	Understand the business rules being used by competition and develop optimal approach	Assess the level of brand execution (items, placement on key pages, quality of product detail page content, etc.)
E-Commerce Panel Data	Provides ongoing tracking of a panel of shoppers	Often captures regional cross category shopper data as well as market share vs competition	
Syndicated Retailer E-Commerce POS	Third party data aggregators... IRI / Nielsen / others	Certain retailers are sharing e-commerce POS data for aggregation	
Web Audits and Usability Studies:	Manual heuristic web audits done by supplier or retailer of the e-com experience against a checklist	Usability Studies - The ability to literally “shop along” with an online shopper	Opportunities to reduce barriers and increase triggers to purchase
Keyword Trends and SEO Review (category level)	Using tools from Google Adwords and Trends (others) to understand traffic drivers and content needs	Managing the constant flow of keywords that drive SEO is best met via collaborative planning	SEO review of most critical keywords within a product category can help drive optimal products up in the rankings on search engines and within retailer onsite search
Omni-channel path to loyalty studies	Track the shopper path to loyalty from initial desire through to the final purchase to determine how shoppers use stores, digital and e-commerce	Consumer use and social commentary on the experience is a new and critical piece of research	To better understand “pre-searching” and how decisions get made online before the store or while in the store with smartphone in the aisle
Targeted Surveys and Industry Reports	Specific one off quick query research conducted by retailer or supplier		Industry macro surveys or studies of e-commerce
Social Listening	Distill the commentary of shoppers and consumers regarding products, brands and retailers into key trends		Opportunity to understand shopper point of view, breaking trends and crisis management



## Summary of Data Sources: Retailer Analytics



## 02: Scoping “What” to Analyze Requires a Shopper Journey Framework



Retailers and Suppliers are awash with data and with various requests for answers to business questions. The challenge: What approach could be used to focus efforts on gathering a comprehensive view of the e-commerce shopping experience while not “boiling the ocean?” How to not miss a critical part of the journey? How to agree up-front what will be the goals and outcomes of sharing data from both parties?

This is critical to retailers who need to know “what they will get” in terms of insights and value from sharing data. Today, too many collaboration projects are un-scoped and unlikely to proceed. TPG provided a starter model which the team refined into the ABCDE Analytic Scoping Tool as shown below:

## Comprehensive E-Analytics - Studying the Levers Along the Funnel

Funnel Phase	Awareness Pull Me In	Browse Help Me Find	Choose Help Me Select	Develop Grow My Basket	Experience Lock Me In
Data Source	<b>Supplier:</b> Customer data, white papers  <b>Retailer:</b> Post audits (web analytics/ESP reports)	<b>Supplier:</b> Customer data, site audit, digital shoppalongs  <b>Retailer:</b> Web Analytics	<b>Supplier:</b> Site audits or retailer best in class examples  <b>Retailer:</b> Scan data for e-commerce	<b>Supplier:</b> Site audits, digital shoppalongs, or shopper research	<b>Supplier:</b> Shopper research  <b>Retailer:</b> Supply chain/ Delivery metrics CRM/Dbase
+	Shopper and Category Trends	Macro trends impacting e-commerce and the category		Supplier: Panel data, customer data, white papers	Retailer: Sales Data, CRM/Cust Dbase

The team also jointly prioritized key business questions from a set of over 40 common questions from prior TPG project work in e-commerce.

### Top Business Questions for Analytics

Phase	Business Questions
<b>Awareness</b> Pull Me In	<ul style="list-style-type: none"> <li>How effective are digital ads, search marketing, social, email and other campaigns?</li> <li>Which retailers and consumer brands are winning search engine results for top 20 keywords on Google/Bing?</li> <li>What digital sources of traffic are driving sales in category? Direct URL? Search? Email? Digital Ads? Social? Brand sites?</li> </ul>
<b>Browse</b> Help Me Find	<ul style="list-style-type: none"> <li>How do shoppers navigate from start to finish? Where do they abandon the site? Main site, M-commerce site, App?</li> <li>What are the top 20 keywords or phrases being used for the category through retailer onsite search? Are they resulting in optimized search results?</li> </ul>
<b>Choose</b> Help Me Select	<ul style="list-style-type: none"> <li>Which digital promotions are most effective? How should they be used in concert with in-store promotions or separately?</li> <li>Are there assortment opportunities? Items not carried that are carried in-store? What's optimal level of choice?</li> <li>What is current gap in category prices vs. competition online?</li> </ul>
<b>Develop</b> Grow My Basket	<ul style="list-style-type: none"> <li>Is the category being promoted as a cross sell or recommended purchase on related or adjacent categories?</li> <li>Are there opportunities to add this item to other carts through the list, prior order, add to cart and checkout processes?</li> </ul>
<b>Experience</b> Lock Me In	<ul style="list-style-type: none"> <li>What delivery option is most prevalent / growing (click and collect, home delivery, personal shopper)? Why?</li> <li>Are there any loyalty program or triggered messaging (email, other) programs that could act in concert to drive repurchase?</li> </ul>
<b>Shopper and Category Trends</b>	<ul style="list-style-type: none"> <li>What's different about the profile and category purchasing behavior of an e-commerce shopper vs. average store shopper?</li> <li>What is the profile and behaviors of online shoppers? Vs Store Shoppers?</li> <li>What is the role of this category and how does it perform vs other categories in the portfolio? Does it differ online vs B&amp;M?</li> </ul>

While any retailer or supplier could easily start with this scope, the ECL board recommends (as a part of the 5D ECL process) that teams start with scoping and prioritizing their own top priority questions and ensuring that the breadth crosses each of these phases.

### 03: Know Where Your Analytic Capabilities Are Today and Where You Want to Be Journey Framework

Both retailers and suppliers on our board expressed the need to “crawl, walk... then run” in terms of any given ECL project and the data/analytics attempted.

Retailers, in particular, made note that many suppliers were seeking access to data sources without any recent proof of their capabilities or added value.

Both parties agreed that access to retailer data might be made more easy for both parties if a supplier could self-assess their capabilities and develop them over time to “unlock” higher levels of analytic projects with retailers AND more access to data.

To this end, a **Maturity Model for E-Commerce Analytics** was developed which identifies major types of analytics by their Type (end goal or actionability) and their level of excellence (Basic, Advanced and Leadership).

#### ECL Analytic Capability Maturity Model (Supplier or Retailer)

	Starter	Basic	Advanced	Leadership
Sales Trend	<ul style="list-style-type: none"> <li>Just beginning to organize analytic resources</li> <li>Simple reporting of business trends (sales)</li> <li>No analytics approaches in place</li> <li>Limited e-com data</li> </ul>	<ul style="list-style-type: none"> <li>E-commerce SKU sales data</li> <li>Brand/Category Trends</li> </ul>	<ul style="list-style-type: none"> <li>Omni-channel Category Mix</li> <li>E-commerce retailer/brand to E-commerce Channel mix</li> </ul>	<ul style="list-style-type: none"> <li>Predictive Analytics (ie. advanced forecasting models)</li> </ul>
Assortment		<ul style="list-style-type: none"> <li>Active In-store vs. E-Com Assortment Audit</li> </ul>	<ul style="list-style-type: none"> <li>Assortment Optimization Modeling</li> </ul>	<ul style="list-style-type: none"> <li>Assortment Margin Mix Optimization</li> </ul>
Site Performance		<ul style="list-style-type: none"> <li>Retail Site Audits</li> <li>Visitors, Visits, Page Views</li> </ul>	<ul style="list-style-type: none"> <li>Usability Studies (digital shopalongs)</li> <li>Funnel, Path, Product Page Analysis</li> <li>Keyword Search Conversion Analysis</li> <li>Traffic Source Analysis</li> </ul>	<ul style="list-style-type: none"> <li>A/B Testing</li> <li>External and Internal SEO Optimization</li> <li>Programmatic Content Serving</li> <li>In-store + Online Purchase Based Personalization</li> </ul>
Performance KPIs		<ul style="list-style-type: none"> <li>Manual Reporting</li> <li>Defined Top KPIs</li> </ul>	<ul style="list-style-type: none"> <li>Performance Dashboard</li> <li>KPI Exception Based Notifications</li> </ul>	<ul style="list-style-type: none"> <li>Forecasting KPIs</li> <li>Retailer/Category Annual Targets</li> </ul>
Promotion		<ul style="list-style-type: none"> <li>E-Com promotional sales lift (pre/post)</li> </ul>	<ul style="list-style-type: none"> <li>Promotion and Price Gap Trends (web scraping)</li> <li>Campaign Optimization</li> <li>E-Com Promo Lift and ROI Analysis</li> </ul>	<ul style="list-style-type: none"> <li>Personalization Analytics for Promo</li> <li>Revenue Attribution Modeling</li> <li>Marketing Mix Attribution</li> </ul>
Supply Chain and Operations		<ul style="list-style-type: none"> <li>In-Stock Availability</li> </ul>	<ul style="list-style-type: none"> <li>Click and Collect Availability (OOS, Subs)</li> <li>Cost to Serve and Cost Modeling</li> </ul>	<ul style="list-style-type: none"> <li>Automated demand planning</li> <li>Click and Collect Store Modular Planning</li> </ul>
Market View		<ul style="list-style-type: none"> <li>Panel data - E-Com Channel Sales / Share Industry Surveys</li> </ul>	<ul style="list-style-type: none"> <li>Content Health Analytics (search ranking/content via webscraping)</li> </ul>	<ul style="list-style-type: none"> <li>n/a</li> </ul>
Shopper Insights		<ul style="list-style-type: none"> <li>Panel based Demographics</li> </ul>	<ul style="list-style-type: none"> <li>Shopper Segmentation</li> <li>E-commerce Basket Analysis</li> <li>Online and Offline Shopper Demographics</li> <li>Online Product Decision Hierarchy Research</li> </ul>	<ul style="list-style-type: none"> <li>Omni-channel Shopper Behavior Analysis</li> <li>Lifetime Value</li> </ul>



As a companion piece, the team also devised answers regarding the level of resources typically required and the levels of retailer data sharing offered to Basic, Advanced and Leadership levels of expertise.

## Data Sharing and Investments by Tier

	Starter	Basic	Advanced	Leadership
<b>Data Sharing from Retailer to Supplier</b>	<ul style="list-style-type: none"> <li>Just beginning to organize analytic resources</li> <li>Limited or no retailer sharing of data</li> </ul>	<ul style="list-style-type: none"> <li>Site Merchandising Project related or Digital Campaign related data is shared</li> <li>Basic E-Com Sales Data</li> <li>Web Analytics Dashboard</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing access to key Web Analytics reports or data and customer database info across channels</li> <li>Retailer Customer Dbase or Loyalty Data (for store and online channels if relevant)</li> <li>Web Analytics Custom Analytics and Detailed Reports</li> </ul>	<ul style="list-style-type: none"> <li>Omni-channel Analytics - for correlations b/w digital, e-com and store = Matched Data - web analytics to store transactions</li> </ul>
<b>Investments for Suppliers</b>		<ul style="list-style-type: none"> <li>Funding for Database Capabilities (panel data)</li> <li>Current Category Management Analyst Team with added training</li> <li>Current Shopper marketing with added training</li> </ul>	<ul style="list-style-type: none"> <li>Funding for Retailer Specific Databases</li> <li>Central E-Com Center of Excellence team support of e-com work (plus local teams)</li> </ul>	<ul style="list-style-type: none"> <li>Investment in Wide Array of Tools</li> <li>Cross-Functional team at key retail customers plus dedicated E-commerce experts in eCatMan and Digital Shopper Marketing</li> <li>Some spot use of Data Scientists</li> </ul>
<b>Analytics Investments for Retailers</b>		<ul style="list-style-type: none"> <li>Funding for Web Analytics software</li> <li>Central Analytics team support of e-com work</li> </ul>	<ul style="list-style-type: none"> <li>Funding for Retailer Specific Databases</li> <li>Dedicated web analysts for category and total website/app optimization</li> </ul>	<ul style="list-style-type: none"> <li>Funding for cross category Research Initiatives (usability, testing)</li> <li>Some spot use of Data Scientists</li> </ul>

These models propose a new and more productive way to jointly engage in analytics and drive sales.

## 04: Rules of Sharing and Role of Supplier Must Be Defined

To facilitate more sharing of data and insights, two arenas came into focus.

First, both parties need a set of guidelines regarding the do's and don'ts of sharing data (and use of shared data) in ECL projects which are listed below. By adhering to these principles, joint teams can avoid problems and conflicts.

1

Supplier shares information with the retailer to benefit the category but will not share competitive retailer information

6

All data research should be sourced and cited and methodology explained

2

Retailer shares information with supplier to help them jointly build the category

7

All information shared should be considered confidential and should not be shared with other parties

3

Retailer will not share profit, price or cost information with suppliers regarding their competitors

8

No personally identifiable consumer information should be shared

4

Data and research that is shared should be scoped to answer desired business questions

9

Advanced analytics relationships may choose to share granular data for predictive modeling and machine learning executions

5

Data will be shared at an increasing depth, quantity and frequency tied to project needs AND analytic capability level of the supplier

Second, the role of suppliers in key E-Commerce Category Leadership projects may shift from traditional retailer-specified roles like “Category Captains” or “Category Advisors” to roles like “Solution Partners”. A Solution Partner is a role emerging in numerous ECL projects whereby the relationship with the retailer is focused on a project to solve for a particular category (or cross-category) challenge.

### Defining Levels of Planning Engagement - Supplier Role

Past and Present Physical Store Approaches		E-Commerce Approach
Category Captain	Category Advisors	Solution Partners
<ul style="list-style-type: none"> <li>Heavily reliant on one supplier</li> <li>Focus on Assortment and Planograms</li> <li>Exclusive sharing of some key data from retailer</li> <li>Narrow view of the category</li> <li>Concentration on categories as a silo vs experience across categories</li> </ul>	<ul style="list-style-type: none"> <li>May be more than one supplier</li> <li>Data sharing with wider view of category</li> <li>Advisory spans shopper marketing, supply chain and core assortment/ planogram</li> <li>Collaborative planning of tactics that may span adjacent categories</li> </ul>	<ul style="list-style-type: none"> <li>Retailers carve out strategic projects</li> <li>May be beyond the size of a traditional category</li> <li>Sharing of relevant data for planning</li> <li>Strategically scoped projects with trusted and analytically capable supplier partners</li> <li>Focused on leading across shopper visits and categories</li> </ul>

ECL board members believe this is the type of supplier role the industry is migrating to over time.

## Pilot Programs Recommended

As suppliers and retailers may want to consider pilots in these areas:

1

Basic work of building a joint “Discovery” of e-commerce insights for the category as a standalone project

2





Advanced work of piloting a full ECL plan (e.g. 5D Model) with embedded analytics throughout

3

Leadership work to combine web analytics and customer dbases to understand the omni-channel impact of digital on store sales and vice versa

## Recommendations

As suppliers and retailers explore ways to unlock more value and actionable e-commerce tactics from data, here are the summary findings.

 Suppliers	<ul style="list-style-type: none"> <li>Know your level of analytic capability and strive to advance to the next level</li> <li>Invest in people and training required to handle new analytics across your customer teams (e.g. web analytics and loyalty/CRM for e-commerce)</li> <li>Continue to build out your own analytic toolset as you review solution providers across the different e-commerce marketplace data/research types</li> </ul>
 Retailers	<ul style="list-style-type: none"> <li>Assess your analytic capability and seek suppliers who can augment</li> <li>Avoid handing over data to suppliers who may not be ready for insights work at that level</li> <li>Consider sharing e-commerce sales data into a syndicated data provider or at a minimum enable supplier access at the right level</li> </ul>
 Suppliers and Retailers	<ul style="list-style-type: none"> <li>Jointly scope the killer business questions (and sources of data) to ensure comprehensive category view BUT with priority needs in focus</li> </ul>
 Solution Providers	<ul style="list-style-type: none"> <li>Focus on the key business questions and pain points of the industry as you develop next generation products</li> <li>Specific focus on providing more robust data sets for industry or total marketplace e-commerce trends (e.g. total e-com sales in market and market shares for retailers and suppliers) are particularly needed.</li> </ul>



# Digital Marketing



## Purpose

The purpose of this chapter is to better define how Suppliers and Retailers can better leverage Digital Marketing to accelerate profitable E-Commerce Growth.



# Opportunity Statement

Even in conventional Bricks and Mortar channels, our industry faces some broader promotional challenges:

1. Consumers, Media, Retailers, and the Shopper Journey are becoming increasingly fragmented.
2. Traditional Trade and Marketing spending is under pressure for stronger ROI.

The increasingly important e-commerce channel, magnifies both challenges in 4 specific ways.

Retailer Marketing Opportunities	<ul style="list-style-type: none"><li>• Retailer marketing opportunities are extremely varied, with different objectives.</li><li>• Shared to combined first party data with retailer tactics, for better targeting.</li><li>• Not as many opportunities to partner strategically between suppliers and retailers.</li></ul>
Supplier Brand Opportunities	<ul style="list-style-type: none"><li>• Digital Marketing isn't fully able to bring to life brand equity objectives.</li><li>• It's harder to interrupt shoppers to make new products, or impulse products more discoverable.</li><li>• Need to better replicate the in-store product experience, especially product sampling.</li><li>• Can be challenging to achieve category building / basket building objectives.</li></ul>
Budget Limitations	<ul style="list-style-type: none"><li>• Quality data can be expensive.</li><li>• Finding budget to support better digital marketing can be challenging.</li></ul>
Data Transparency and Measurement	<ul style="list-style-type: none"><li>• Lack of data transparency -- especially if using 3rd Party Sellers</li><li>• Measurement through to sales, especially incremental sales is difficult.</li><li>• Sales attribution is non-existent in many platforms.</li></ul>

However, Digital Marketing offers unique potential to address these issues.

## Definition

E-Commerce Digital Marketing includes all consumer or shopper engagement using digital channels to influence shoppers to purchase products when fulfillment is satisfied through E-Commerce Channels.

Here we define the e-commerce channel to include all sales that are generated through a “connected” activity, including Websites, Mobile, and Retailer Applications. The fulfillment of the sales can be:

- “Click and Collect” picked up at store
- Delivered to home from a local store
- Shipped to home from a centralized distribution center

Over the years several media channels have developed to form Digital Marketing. While technology will continue to create new ways to engage shoppers, the major media channels available today can be summarized.

As a foundation, most Suppliers have Brand Websites for those searching specifically for their Brands. To better capture those consumers, most marketers use Search Engine Optimization to make sure their websites will have high rankings for searches related to their products (for example on Google). Beyond Supplier Websites, there are many other ways marketers provide content to engage shoppers, including Video, Social Marketing, Bloggers, etc.

The more advanced power of Digital Marketing comes from its ability to target specific consumers or shoppers. There are digital media channels particularly effective for targeting, such as Digital Display Ads (also called Banner Ads) and

### E-Commerce Digital Marketing Definition

*Marketing efforts using digital channels to influence shoppers to purchase products satisfied through the E-Commerce Channel.*

Email. And there are also channels built specifically to encourage purchase. These include Price Comparison, Digital Coupons, Reviews, Retailer Websites, and Loyalty Programs.



- Retailer Website and Apps
- Reviews
- Loyalty Programs
- Digital Coupons/Apps
- Affiliates and Price Comparison Sites
- Influencers/Bloggers
- E-Mail CRM
- Content Management
- Digital Display Advertising
- Paid Search
- Mobile/Apps
- Video
- Supplier Website
- Search Engine Optimization
- Social Marketing

## Digital Marketing Targeting

The great power of Digital Marketing is the robust targeting that can be achieved with the right data. Broadly there are 5 types of targeting strategies.

- **Audience Targeting:** This is the broadest targeting and often the lowest cost when buying media. This is typically focused on Demographic characteristics or sometime broad interests.
- **Behavioral Targeting:** This can become extremely specific targeting based on behaviors including websites visited, products searched and even off-line behavior including stores shopped, products purchased, and media viewed.
- **Daypart Targeting:** Targeting people that active at certain times of the day.
- **Re-Targeting:** Targeting people that have previously engaged with your content, such as visitors to your website or Facebook page.
- **Geotargeting:** Focusing on the location of shoppers, could be at the zip code level or more granular locations, even in-store locations.
- **Device Targeting:** Targeting or re-targeting based on specific device used, such as a smart phone.

## Targeting Data

More sophisticated targeting beyond the most basic Audience (Demographic) targeting will require some amount of data about consumers or shoppers. There are 3 sources of targeting data.

- **First Party Data:** Your own information that you've collected from your websites or programs, including Customer Relationship Marketing. Your organization will own this data and have the right to use it.
- **Second Party Data:** This is another organization's First Party Data that they have collected and have the right to use with partners. Second Party Data is less commonly used, because of privacy and data sharing concerns. However, for Supplier / Retailer collaboration this information can be powerful to drive a Retailer's e-commerce sales among a Brand's users.
- **Third Party Data:** Information collected, aggregated, and sold by another organization. Typically, this is done by supplier that specialized in consumer and shopper information. Fees for this information are charged on a Cost Per Thousand (CPM) basis.

For many Digital Marketing programs, data types and sources will be combined to increase the reach of a

program. Often very precise shopper characteristics can be defined based on specific shoppers past behavior. These characteristics can then be applied to a much, much wider group of shoppers that have similar characteristics - a process called look alike modeling.

## Digital Marketing Process

The ECL process is a full journey to e-commerce success. The process for Digital Marketing falls within the Design and Develop steps, building off the insights from the Discover step.

Define	Discover	Design	Develop	Deliver
<ul style="list-style-type: none"> <li>Assessment <ul style="list-style-type: none"> <li>E-Commerce Category Potential</li> <li>E-Commerce Internal and Partner Capabilities</li> <li>E-Commerce Fundamentals Review</li> </ul> </li> <li>Select Categories and Partners</li> <li>Align to Plan Objectives</li> <li>Category or Solution Definition</li> <li>Vision and Role</li> </ul>	<ul style="list-style-type: none"> <li>E-Commerce Insights <ul style="list-style-type: none"> <li>E-Commerce Sales Trends</li> <li>E-Com Basket Analysis</li> <li>Web Analytics</li> <li>Site Audits</li> <li>Web Scraping</li> <li>Search Keywords</li> </ul> </li> <li>Digital Campaign Analysis</li> <li>Shopper, Category, Retailer and Supply Chain Insights</li> <li>Consumer/Shopper Targeting</li> <li>Consumer/Shopper Journey Maps <ul style="list-style-type: none"> <li>Current and Desired</li> </ul> </li> <li>Across Channels</li> </ul>	<ul style="list-style-type: none"> <li>Strategy Selection* <ul style="list-style-type: none"> <li>Demand Generation</li> <li>Demand Capture</li> </ul> <p>*There will likely be multiple Strategies, each with a different objective, which could have different Shopper Targets.</p> <li>Digital Marketing Objectives</li> <li>Digital Marketing Shopper Targets</li> <li>Behavior Change Job to Be Done</li> <li>Digital Marketing Brief <ul style="list-style-type: none"> <li>Each Strategy / Objective / Target could have a unique Job to Be Done.</li> </ul> </li> <li>Each Digital Marketing Program should have a specific Brief.</li> </li></ul>	<ul style="list-style-type: none"> <li>Scorecard Planning</li> <li>Creative Development</li> <li>Media Plan Development</li> <li>Digital Marketing Approvals</li> <li>Activation Planning <ul style="list-style-type: none"> <li>Site Changes</li> <li>Content Management</li> <li>Communication</li> <li>Shopper Activation</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Activation</li> <li>Scorecard Measurement <ul style="list-style-type: none"> <li>Sales Targets</li> <li>Profitability</li> <li>ROI</li> <li>Impressions</li> <li>Click Through Rates</li> <li>Cost Per-Click</li> <li>Conversion Rate</li> </ul> </li> <li>Plan Review and Refinement</li> </ul>

Define	Discover	Design	Develop	Deliver
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As mentioned previously, the third “D” in the ECL process focuses on Strategy and Tactics. Digital Marketing is one of the Tactical considerations for Suppliers and Retailers. Often times an ECL plan may have multiple strategies and even multiple shopper targets. Each Target / Strategy combination will have a series of Digital Marketing Programs throughout the year.

Each program will have Objectives and a Shopper Target and especially a Behavior Change that needs to be accomplished to influence Shoppers to buy the category. It’s this behavior change that drives growth. The Digital Marketing Brief summarizes the information that agencies will use to create Digital Marketing. (See below for an example of a Digital Marketing Brief).

Define	Discover	Design	Develop	Deliver
--------	----------	--------	---------	---------

This is the step where creative and media buying agencies develop the actual Digital Marketing programs that engage consumers and shoppers. These programs will then come to life in Site Changes, Content Management, and Shopper Activation throughout the various Digital Marketing Media Channels.



# Digital Marketing Strategy

As outlined previously, E-Commerce Category Leadership has 5 basic strategies to achieve accelerated business results. These Strategies will drive Digital Marketing, including the type of Targeting Strategy used, the typical Digital Media Channels selected and the KPIs for measurement.

The Strategies are used to establish and grow your category in e-commerce. They pull e-commerce non-users (on the left) into the category, influence them buy products and eventually can create loyalty (on the right). Each Strategy has specific implications for Digital Marketing.

Strategy	<b>A</b> Awareness Pull Me In	<b>B</b> Browse Help Me Find	<b>C</b> Choose Help Me Select	<b>D</b> Develop Grow My Basket	<b>E</b> Experience Lock Me In
Objective	Build Traffic	Increase Purchase Desire, Navigate to Category and Create Impulse	Choose and Buy Product	Cross sell and up sell to build transactions	Increase customer value
Digital Marketing Targeting	Broader Consumer and Shopper Targeting: Audience and Online Behavior, and Re-targeting	Shopper Targeting: Online and Purchase Behavior, Geotargeting and Re-targeting	Narrow Shopper Targeting: Online and Purchase Behavior, and Re-targeting	Shopper Targeting: Online and Purchase Behavior, and Re-targeting	Shopper Targeting: Re-targeting and Purchase Behavior
Digital Media Channel	<ul style="list-style-type: none"> <li>• SEO and Paid Search</li> <li>• Digital Display Ads (offsite)</li> <li>• Retailer Website</li> <li>• Video</li> <li>• Mobile</li> <li>• Social Marketing</li> <li>• Influencers and Affiliates</li> <li>• Email Marketing</li> <li>• Brand Website</li> </ul>	<ul style="list-style-type: none"> <li>• SEO on Retailer Website</li> <li>• Paid Search Product Promotion</li> <li>• Retailer Website Digital Ads</li> <li>• Mobile</li> <li>• Content Management</li> </ul>	<ul style="list-style-type: none"> <li>• Content Management</li> <li>• SEO on Retailer Website</li> <li>• Paid Search Product Promotion</li> <li>• Retailer Website Digital Ads</li> <li>• Digital Coupons</li> <li>• Video</li> <li>• Reviews</li> </ul>	<ul style="list-style-type: none"> <li>• Retailer Website Digital Ads</li> <li>• SEO on Retailer Website</li> <li>• Paid Search Recommendations</li> <li>• Email Marketing</li> <li>• Digital Coupons</li> <li>• Content Management</li> <li>• Reviews</li> </ul>	<ul style="list-style-type: none"> <li>• Email Marketing</li> <li>• Social Marketing</li> <li>• Brand Website</li> <li>• Video</li> <li>• Mobile</li> <li>• Influencers and Affiliates</li> <li>• Loyalty Programs</li> </ul>
KPIs	<ul style="list-style-type: none"> <li>• Impressions</li> <li>• Cost Per Thousand (CPM)</li> <li>• Unique Open Rates</li> <li>• Bounce Rate</li> <li>• Click Through Rate</li> <li>• Cost Per Click</li> <li>• Social Shares</li> <li>• Penetration</li> <li>• Brand Awareness</li> <li>• ROI</li> </ul>	<ul style="list-style-type: none"> <li>• Click Through Rate</li> <li>• Cost Per Click</li> <li>• Conversion Rate</li> <li>• ROI</li> </ul>	<ul style="list-style-type: none"> <li>• Conversion Rate</li> <li>• Click Through Rate</li> <li>• Cost Per Click</li> <li>• Sales</li> <li>• ROI</li> </ul>	<ul style="list-style-type: none"> <li>• Buy Rate</li> <li>• Basket Size</li> <li>• Conversion Rate</li> <li>• Unique Open Rates</li> <li>• Bounce Rate</li> <li>• Click Through Rate</li> <li>• Cost Per Click</li> <li>• Social Shares</li> <li>• Sales</li> <li>• ROI</li> </ul>	<ul style="list-style-type: none"> <li>• Cost Per Thousand (CPM)</li> <li>• Unique Open Rates</li> <li>• Bounce Rate</li> <li>• Click Through Rate</li> <li>• Cost Per Click</li> <li>• Social Shares</li> <li>• Loyalty</li> <li>• ROI</li> </ul>

- **Attract:** Focused on non-users or light-users of e-commerce (or a specific e-commerce Retailer or category), this strategy is used to build traffic. This strategy will typically have the broadest Targeting, leveraging Audience, more general Behavior, and Re-targeting methods. Digital Media Channels will also be relatively broad reaching including Digital Display Ads (not on the Retailers site), Social Marketing and Paid Search. KPIs will be focused on reach efficiency.
- **Browse:** To help increase purchase desire, navigate the purchase process, or create impulse purchases. This strategy typically targets shoppers who have already engaged in e-commerce shopping so online and purchase Behavior targeting and especially Re-targeting are useful. Retailer site Display Ads and Sponsored Products are good media opportunities. Click Through Rate (CTR) and sales Conversion Rate are appropriate KPIs.

- **Choose:** Focused on driving Shoppers to buy products, this strategy has the narrowest Targeting. The target will be Shoppers that are on the Retailer website searching for the category. Purchase Behavior Targeting is appropriate, and Conversion Rate is the most important KPI.
- **Develop:** The objective here is to build the basket after 1 product has been selected (added it to their cart). Past purchase Behavior (especially Bricks and Mortar behavior) can be an especially helpful targeting approach, though the Third Party Data for tends to be more expensive, relatively. Again Retailer site Display Ads will be the right media channel, along with Digital Coupons. Here we're looking to increase Basket Size as an important KPI.
- **Engage:** Focused on shoppers who have already purchased the category, the objective of this strategy is to drive a return to the site for future purchase - building loyalty. Re-targeting will be particularly effective. Digital Media Channels should include Email and Loyalty Programs.

## Digital Marketing Brief

The only way to accelerate profitable e-commerce growth is to target a group of shoppers whose behavior can be changed by the same messaging. So great digital marketing will start with an effective, clear Brief focused on this specific behavior change. It should give your Agencies a foundational information, expectations, messaging, and creative direction. The components of a good brief are summarized here.

### Behavioral Digital Marketing Program Brief

Category:	Retailer:	Brands:	In Market Timing:
Category Vision: The Vision of Category Growth		Growth Strategy: Attract, Browse, Choose, Develop, Engage	
Business Challenge at Retailer:		<b>Retailer Objective:</b> <ul style="list-style-type: none"> <li>• Measurable Business Objective: Sales, Share, Repeat</li> <li>• Measurable Site Objectives: Impressions, Click Through, Cost Per Click, Conversion</li> </ul>	
Program Objective:		<b>Supplier Objective:</b> <ul style="list-style-type: none"> <li>• Measurable Business Objective: Sales, Share, Penetration, Buy</li> <li>• Rate Measurable Marketing Objectives: Awareness, Equity, Affinity</li> </ul>	
Shopper Target:		Shopper Insights:	
Current Shopper Think, Feel, and Do: What is the shopper currently thinking or feeling, and especially doing during their purchase journey?		Why: What are the underlying drivers of this behavior?	
Shopper Job to Be Done: What is the desired shopper behavior and the desired thinking and feeling you want from the shopper?		Why: What will cause this change in behavior or thoughts or feeling?	
Communicator Priorities: What message will be genuinely motivating to achieve the Job to Be Done?		Reasons to Believe: What are the rational reasons to believe the motivating communication?	
Program Digital Channels: What are the channels that should be included. Digital Display, Paid Search, SEO, Video, Mobile, Email CRM, Social, Digital Coupons, Reviews, etc		Executional Mandatories: What must be included in the creative executions?	
Media Considerations: What should drive the media plan		Post Event Measurement Approach: How should success for program be measured?	
Budget: \$		Key Deliverable Dates:	

# Digital Marketing Maturity Model

Suppliers and Retailers will have different levels of Digital Marketing maturity. Below represent the characteristics of organizations at different stages of maturity.

## Achieving a Best in Class ECL Organization

Basic	Advanced	Leadership
<ul style="list-style-type: none"> <li>• Tactical engagement with e-commerce</li> <li>• General Shopper Insights</li> <li>• One-off Digital Marketing programs</li> <li>• Resources stretching to work in e-commerce</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic commitment to e-commerce</li> <li>• E-commerce trends understanding</li> <li>• B&amp;M Category Strategy</li> <li>• Audience based Shopper Targeting</li> <li>• Digital Marketing planning sequential to B&amp;M planning</li> <li>• E-Commerce Center of Excellence</li> </ul>	<ul style="list-style-type: none"> <li>• Senior Leader commitment to e-commerce</li> <li>• E-Commerce-specific Shopper Insights (e-com retailer-specific)</li> <li>• E-Commerce Category Strategy</li> <li>• Behavioral-based Shopper Targeting</li> <li>• Holistic Activation Planning including Digital Marketing</li> <li>• Dedicated, but integrated Digital Marketing resources</li> <li>• Supplier / Retailer Strategic Alignment for Digital Marketing</li> <li>• Digital Marketing measurement and refinement</li> </ul>







# Site Merchandising



## Purpose

The E-commerce Site Merchandising workstream has a mission to design best practices for planning, executing and measuring new Site Merchandising initiatives to deliver growth through differentiation and loyalty.

Key areas of exploration by our retailer and supplier team involved how to collaborate on site merch areas including: category definition tree, keyword analysis, user experience tracking, clickstream analytics, navigation, taxonomy, product detail pages, landing pages, assortment optimization for e-commerce, and collaboration guidelines.



# Opportunity Statement

The pace of retail disruption requires retailers and suppliers to efficiently leverage their insights to collaborate on optimizing digital traffic and e-commerce customer engagement.

## Summary of Key Themes from Our Workstream

There were 5 important themes, recommendations or industry guidelines that emerged as follows:

### 01: Site Merchandising Requires Collaboration

Retailers are in a unique position to understand shopper behavior with a powerful combination of sales and engagement results across all platforms (i.e. websites, mobile apps, social media, email, mobile, physical stores and display advertising). These results can be converted into insights and ways to optimize and test new digital customer touchpoints/engagement throughout the shopper journey.

Suppliers are uniquely positioned with category expertise and shopper data/research that provides insight into growth opportunities to reinvent the digital category experience.

### 02: Wins Come from Clear Process Including Execution and Post Audit

While there are successful examples of collaboration in digital site merchandising today, we must formalize the process to ensure successful measurement of initiatives. This includes both the information sharing process as well as the framework for delivering initiatives execution through ongoing optimization.

Given that the digital customer may enter the digital store in a variety of ways, it's critical to ensure a comprehensive view of all merchandising tools that represent the digital touch points.

The Site Merchandising team identified a current state of collaboration today along with a desired state of evolution for successful category collaborations.

Current State	Desired State
Joint discussions on ideas for e-commerce category growth	Formalized process and assigned teams to develop continuous test/learn optimization process through execution
Joint collaboration on short-term campaigns	Insight into retailer roadmaps, resources, and long-term plans
Suppliers are developing more educational and product content for the digital shelf and SEO	Formalized content planning and post-analysis process to leverage supplier developed content
Suppliers are receiving limited access to retailer sales data	Sharing of web analytics and customer lifetime value level analysis between retailers and suppliers
Review of e-commerce specific assortment plans	E-commerce assortment plans designed based on the unique behavior of e-commerce customers
Digital capabilities/resources are beginning to grow across both retailers and manufacturers	Leverage the new unique site merchandising test/learn capabilities
Applying in store experience to an e-commerce store	Design personalized experiences to support “impulse selling” and “solution selling” strategies on retailer sites

### 03: Site Merchandising Collaborations Require Cross-functional Focus

The most effective retailer/supplier collaborations are led by a retailer and include dedicated teams from both the retailer and supplier (for more on this refer to the “People” section of this report). This begins with the development of an omni-channel category plan using the 5D approach as the foundation for designing an e-commerce site merchandising optimization strategy.

Some recommended check list items are listed below... specifically for Site Merchandising. These occur during the Develop phase:

#### Site Merchandising Planning Checklist

1

Understand Existing Digital Marketing and Site Merchandising Capabilities of the Retailer

2

Conduct E-Commerce Site and App Audits Across Platforms

3

Gather Available Data or Benchmarks

4

Gather Required Digital Assets and Systems Development Resources

5

Build Your Plan and Estimate Impact

Successful collaborations include a clear project timeline with dedicated time to prep separately by consolidating data and turning it into insights, followed by joint meetings to align on insights and prioritize key initiatives.

Establishing clear testing opportunities with well-defined success criteria and measurement are keys to leveraging the collaboration to “learn” and impact category growth by leveraging each of the steps in the connected shopper journey.

### 04: Sharing of Audits, Capabilities and Calendars Is Key to Productivity

Teams can drive more productively to quick testing of site merch changes and results by ensuring that key capabilities audits are completed (e.g. reviewing e-commerce capabilities available from both parties) and data sharing is in place.

For example, Suppliers optimally contribute detailed audits of the customer experience across channels and devices, while retailers provide access to sales and digital engagement metrics, along with technology and design roadmaps.

Another critical aspect of the planning process is designing growth strategies and initiatives that begin with in depth knowledge of the existing shopper experience cross platforms and clear performance metrics.

Retailers who are best in class share the available “engagement points” for influence across each shopper experience and channel - the merchandising tool kit. The supplier can then propose a prioritized list of initiatives and timelines, along with cross-functional teams to bring the initiatives to life according to a timeline.

Listed below are some quick guidelines to consider when approaching ECL site merch.

#### Site Merchandising Sharing Guidelines



## 05: Designing Successful Site Merchandising Requires Execution and Measurement Plans

Defining success criteria upfront before execution is critical to the success of measuring impact and establishing key metrics to track before and after a change to support testing and agile workflow.

Additionally, teams must establish frequent review touchpoints to quickly identify winning strategies to roll forward and optimize initiatives that may not produce anticipated results.

The most successful collaborations have a focused resource managing the collaborations as a project, facilitating between the various cross-functional partners and ensuring meetings take place with reporting/analysis.

***The most successful collaborations have a focused resource managing the collaborations as a project, facilitating between the various cross-functional partners and ensuring meetings take place with reporting/analysis.***

## Example Initiatives Pre/Post Analysis

Product Metrics	Post-change	Pre-change	Post-change vs. Pre-change	Percentage change	Optimization Recommendation
Curbside Revenue	\$10,274	\$5,246	\$5,028	96%	
Curbside Orders	300	294	6	2%	
Site Visits	2,218	995	\$1,223	123%	
Curbside Conversion Rate	22%	30%	-8%	-27%	
Curbside Basket (AOV)	\$15	\$11	\$4	36%	
Curbside Revenue/View	\$4	\$1	\$3	300%	
Cart Additions	20	21	-1	-5%	
Bounce Rate	60%	46%	\$0	30%	
Time Spent (seconds)	78	43	35	81%	
Category Orders	533	435	98	23%	
Category Visits	3,550	2,354	1196	51%	
Site Abandonment Rate	95.00%	97.52%	-3%	-3%	
Category Abandonment Rate	96.00%	97.62%	-2%	-2%	
Site Conversion Rate	0.32%	0.41%	0%	-22%	
Category Conversion Rate	15.01%	18.48%	-3%	-19%	
Site Bounce Rate	28.56%	26.97%	2%	6%	
Category Bounce Rate	13.59%	8.10%	5%	68%	
Site Time Spent	4.25	3.78	0.47	12%	
Category Time Spent	1.19	1.16	0.03	3%	
Category SEO Visits	400	299	101	34%	

Looking forward, it will be important for retailers and suppliers to continue testing new engagement opportunities as they advance from the basics to leadership.

## Pilot Programs Recommended

Collaborations are a successful way to pilot new technologies in a single category that could potentially have an impact across several categories.

Several new areas for discussion include:



Impulse Selling



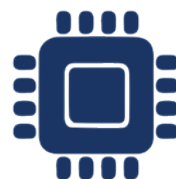
Personalization



Voice Commerce



Augmented Reality



Machine Learning

Each of these become components for pilot testing and consideration.



# Next Steps: Expanding the Scope of Site Merch from Basic to Leadership

Each retailer and supplier may be at a different level of implementing collaborations across categories. To get started, leverage the E-Commerce Category Leadership process as a foundation and include Site Merchandising in the process. As you progress, consider assigning a focused cross-functional team of retailer and supplier resources to build a full E-commerce Category Plan with Site Merchandising initiatives at the basic level including optimization of site navigation, taxonomy, product detail pages and site search.

As the program progresses, leverage new types of content and technologies to increase digital engagement moments across the shopper journey.

## Achieving Best in Class Collaborative Site Merchandising

Basic		Advanced		Leadership	
<ul style="list-style-type: none"><li>• Full store assortment</li><li>• Digital selling content complete</li><li>• Presence in site search results</li><li>• Optimize Navigation/Taxonomy</li><li>• Consistent search results across platforms</li></ul>		<ul style="list-style-type: none"><li>• Changes to top level navigation</li><li>• Category attribute enhancements</li><li>• Optimize category landing pages</li><li>• Site search Cross-sell banners</li><li>• Intelligent PDP solution selling</li><li>• Cart-level impulse selling</li></ul>		<ul style="list-style-type: none"><li>• Dedicated teams and resources</li><li>• Advanced brand landing pages with interactive tools and content</li><li>• Personalized cross sell category banners</li><li>• Online exclusive bundles and lists</li><li>• Testing new designs, sampling</li><li>• Collaboration on new technologies</li></ul>	



The area of **impulse selling** in digital can be the most challenging and a great initiative for collaboration with a single category that can be optimized to include other categories and personalization as it evolves.

# Digital Assets



## Purpose

The working team within ECL focused on digital content as a key driver for one primary reason: As the digital engagement increases during the shopper journey, it is critical that digital assets are accurate, consistent and robust for shoppers through every step for optimal brand and retailer experience.

Digital assets serve as the “virtual sales associate” for the digital shopper and require quality imagery, complete content, and far more detail that must be translated across digital devices. Additionally, the “digital shelf” has significantly more real estate than the physical store shelf to convey brand stories, assist shoppers in the decision process, inform, entertain, and encourage brand advocacy.

Given the growing volume of digital assets, technology, and devices, the management of Digital Assets has grown in importance. Retailers and suppliers have come together to define the pain points and solutions for ensuring accurate and complete digital assets and address new challenges including Mobile Commerce images and online video.

Key areas of digital asset exploration by the industry board included:

- Content and Product Information Standards
- Product Detail Pages
- Multiple Device Optimization
- Organizational Foundations
- Policies Surrounding Accuracy of Content
- Content Management/Data Processes



# Opportunity Statement

Retailers and suppliers need efficient organizational structures, resources, processes and systems to support accurate digital asset management and traffic across all channels and devices to increase sales.

The Digital Assets participants identified the following current state and desired future state....

Current State	Desired State
Many pieces of data to compile on the back end for suppliers to deliver content-rich product detail pages custom to each retailer	Centralized supplier digital asset database with infinite attributes.
Content options on the rise, increasing brand story telling	Flexible and automated system to manage the output and optimization of content across various types of media
Joint SEO optimization strategy is taking place, but not consistently between retailers and suppliers	A formal process for collaboration between supplier and retailer on SEO strategy by category, along with systems to execute
Many retailers are using API feeds with suppliers with many points of failure due to the multiple systems and custom retailer infrastructures	Open retailer infrastructure that allows for digital asset feeds and attributes that automatically pull assets to support a personalized and differentiated brand experience
E-commerce teams are increasingly making manual and creative changes to add new forms of content	Fewer resources required to support digital asset management due to increased automation
Digital capabilities/resources are beginning to grow across both retailers and manufacturers	Assign dedicated collaboration teams to develop, execute and analyze optimum e-commerce digital assets by category

## Summary of Digital Content



Suppliers desire to have a single, agile and unlimited database of assets that retailers can automatically draw from that encompasses content, images, videos, and any other assets defined with attributes assigned. Retailers desire to have an automated feed infrastructure that pulls the specific content and attributes for their unique retailer experience.

Today, the systems are manual and different across suppliers and retailers, causing collaboration challenges and inefficiencies. As a result, it is critical for retailers and suppliers to establish formal processes to share technology roadmaps, audit content, ensure inclusion of new formats of digital assets and to align on optimization of digital assets across devices.

The work will require dedicating cross-functional team to the organization, planning, execution and auditing of digital assets along with co-creating new digital assets and leveraging new capabilities and technologies with clear measurement plans.

# 01: Digital Assets for E-Commerce

E-Commerce digital shelves require more content in different formats than traditional retailer brick and mortar shelves to assist in the inherent “self-directed” selling process in a digital environment. Each element of content is crucial in the facilitation of the buying decision process, give that a human is not present to assist and shoppers cannot physically touch the products. GS1 has established a set of product standards (see appendix), however the industry has been slow to adopt the standards.

Many suppliers and retailers struggle with the process, standards and systems required to support detail-rich Gold Standard Product Detail Pages. Complexity surrounding content-rich product detail pages is increasing and depends on the shopper needs in each category. As an example, the detail required to make a purchase decision for a banana is different than selecting a television. One size of digital content does not fit all categories; however, most retailer infrastructures are built for consistency across all categories. Additionally, the design of product detail pages must be optimized by format and device, adding to the increased complexity for retailers. Below represent the different spectrums of assets to be considered on a product detail page. Future content assets to be considered include voice and user generated content.



Gold Standard  
Digital Assets  
Checklist

1

Mobile Image Quality

2

Lifestyle Image

3

Customer Reviews

4

360 Video

5

Packaging Image

6

7

Scale of Product Imagery

8

9

Value Messaging

10

11

Country of Origin

12

13

Testimonial Videos

14

15

Recipes

16

17

User-Generated Photos

18



## 02: Digital Assets Data and System Infrastructure and Need for Collaboration

Multiple systems are required to aggregate, manipulate, optimize and publish digital assets in today’s world, causing inefficiency and added resourcing to accommodate the various formats. Retailers and suppliers are at varying levels of maturity between manual and automated systems.

A system gap exists in the industry for consolidation of various data/content sources to allow for automated optimization by device (source of aggregating and manipulating content). Suppliers seek a centralized system infrastructure that retailers can leverage with automated feeds, selecting the digital assets desired to support the unique retailer shopper experience and design.

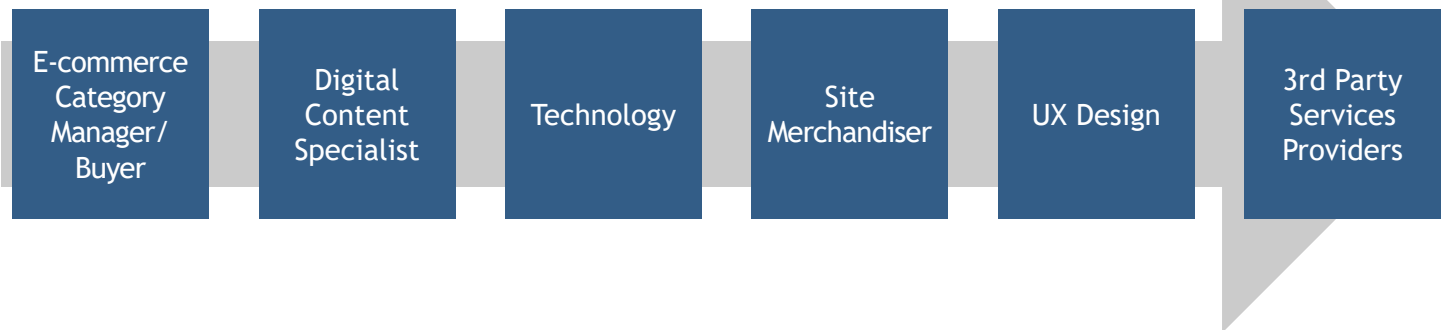
Retailers seek efficient system infrastructure that delivers speed to market. Given that systems do not yet support the aligned supplier and retailer infrastructure goals, collaboration becomes critical because the various human touch points and systems open many points of failure along the process. To support the manual and custom nature of digital content production, we have identified the following resources to align on digital assets on a monthly basis.

### Gold Standard Digital Asset Planning Resources

#### Supplier



#### Retailer



Additionally, there are various levels of maturity needed to support infrastructure investment. Below represent the various areas needed for support and the maturity level required to effectively deliver a connected shopper experience across digital infrastructures.

## Digital Infrastructure Maturity Model for Digital Infrastructure

	Basic	Advanced	Leadership
Supplier R&D / Packaging Teams Build Core Content	X		
Enterprise Resource Planning (ERP) Systems with E-Com Product Info	X		
Nutritional and Allergen Information		X	
Digital Asset Management (DAM)		X	
Regulations		X	
Recipes and Ingredients		X	
Master Data Management (MDM)		X	
Supplier Brand Teams Drive Branded Content			X
Customer Review and UGC Systems to Syndicate Content			X

## Recommendations

As suppliers and retailers continue to navigate the complex waters of delivering a best in class connected digital shopper experience through accurate and consistent digital assets, there are several key recommendations.



- Serve as the main source for all e-commerce digital assets to be leveraged on a retailer website. GS1 has created a library of attributes that can be leveraged (see appendix).
- Create the ideal list of digital assets based on the category and recommend to retailer. As new assets are developed, suppliers should share digital asset creation plans, including new formats to test.



- Allow suppliers to manage digital assets directly and improve the stability and ease of use of these systems. Enable mass upload and APIs to automate feeds.
- Engage 3rd party digital asset management resources, buyers, content specialists, and technology in a quarterly planning meeting to evaluate progress towards increased automation. Share digital asset management technology roadmaps and site design plans.

## Pilot Recommendations

There are many areas recommended as collaborations between suppliers and retailers to test that are tangible and measurable. Here are a few starter suggestions:

# 1



## Mobile First Images and Content

The importance of mobile optimized images continues to grow as mobile shopper engagement accelerates. Ensuring that digital assets in the mobile experience make the shopping experience easy will help to increase mobile conversion. A pilot between a supplier and retailer could test new images and design to optimize the mobile experience

# 2



## Voice Commerce

The growth of shopper adoption of voice activated shopper engagement is transforming the shopping experience. Several retailers are beginning to test voice as a digital asset to activate through the shopper journey. A pilot will help to better understand the impact of voice as a way to increase shopper engagement and digital commerce.

Please find below additional information and resources from GS1 regarding global data quality initiatives which span and impact both store and e-commerce data/content needs:

All of these resources can be found on [www.gs1us.org/dataquality](http://www.gs1us.org/dataquality)

- Download the FULL GS1 US National Data Quality Playbook
- Download the GS1 Package Measurement Rules
- Download the GS1 GTIN Management Standard
- Download the GS1 US National Data Quality Data Governance Best Practice Guidance
- Download the GS1 US National Data Quality Program Framework
- Access the GDSN Retail Grocery Attributes Interactive Spreadsheet Tool (GDSN v3.1)
- Download Inaccurate Package Measurements: A Common, but Preventable Root Cause of Data Quality Problems







# Supply Chain



## Purpose

When designing the ECL program for 2018, the sponsoring retailers and suppliers made a considered choice to focus on the joint marketing, analytics and site merchandising opportunities to deliver quick wins and deliver meaningful value to shoppers, retailers and suppliers.

All parties identified the Supply Chain as a key driver to optimize trading partner efficiencies but agreed that the focus would be on scoping the challenges first. We conducted brief, but meaningful industry group discussions to identify industry problems in improving the flows of product and information in e-commerce. This had implications on assortment, packaging, and fulfillment. This work has established a foundation for future collaborative efforts between retailers and their suppliers.



# Opportunity Statement

- E-Commerce is highly efficient for shoppers but challenges existing supply networks which are based on palletization, full trucks, and cost optimization to the retailers' shelves.
- The e-commerce supply chain is ineffective based on high shopper expectations, picking and distribution costs and dated collaboration and cost to serve modeling.
- Shopper's expectations for of e-commerce fulfillment (no/low cost same day delivery) are margin decretive and contribute to increased costs in the shared value chain.

The Supply Chain participants identified the existing pain points.

## Retailer Pain Points and Constraints

Product	Data/Modeling
<ul style="list-style-type: none"> <li>• Packaging solutions required to withstand delivery and minimize manual packing solutions</li> <li>• Dense, heavy, High cube SKUs expensive for e-commerce</li> </ul>	<ul style="list-style-type: none"> <li>• No industry standard cost to serve model for e-commerce</li> <li>• Demand forecasting fluctuations caused by surges in click and collect</li> <li>• No clear roadmap or approach to manufacturer collaboration</li> </ul>
Retailer Process and Programs	
<ul style="list-style-type: none"> <li>• Managing and reducing fulfillment costs when consumer expectation is that delivery is free</li> <li>• DCs not capable of pick pack delivery operations</li> <li>• Delivery solutions vary by population density; suburban solutions not suited for urban (unattended delivery)</li> <li>• High cost of human picking from shelf ... soon to be even higher due to costs of labor AND in uncompetitive in comparison to automated pure play warehouse</li> <li>• Retail backroom construction not suited for click and collect</li> <li>• Product assortment cost increases (storage, etc) as retailers extend virtual assortment available on line</li> </ul>	

## Manufacturer Pain Points and Constraints

Product	Data/Modeling
<ul style="list-style-type: none"> <li>• Packaging solutions required to withstand delivery and minimize manual packing solutions</li> <li>• No standards or methodology for secondary packaging, ISTA-6 standards overkill for many products</li> <li>• Higher than average damage due to non unitized purchases/handling</li> <li>• Limited unsaleable information (audit data) to identify causes and solutions</li> </ul>	<ul style="list-style-type: none"> <li>• No industry standard cost to serve model for E-commerce</li> <li>• No common investment model to identify potential investment choices between manufacturers and retailers</li> <li>• No joint manufacturer/retailer best practices to identify cost optimization and supplier/retailer responsibilities</li> </ul>
Supplier - Process and Programs	
<ul style="list-style-type: none"> <li>• No clear definition of retailer requirements to influence manufacturer Supply Chain strategies</li> <li>• Unclear focus on e-commerce critical SKUs for retailers. Need to focus on the SKUs which represent 75% of e-commerce orders</li> <li>• Customization of products and packages; and bundling</li> <li>• Pricing and Incentive programs are designed for full truck shipments with adequate 5-7 day lead times.</li> <li>• E-commerce costs</li> <li>• Supplier legacy systems and facilities not equipped for <ul style="list-style-type: none"> <li>• Warehouse operations cannot fulfill consumer orders (minimal automation, case picking, pick/pack and drop ship)</li> <li>• Systems for Omni require integration with WMS, ability to manage personal information</li> <li>• Redundancy of SKUs and packs for B&amp;M and E-comm can led to duplicate inventories and inaccurate demand</li> </ul> </li> </ul>	

# Summary of E-Commerce Supply Chain Findings

Retailers and Suppliers have a responsibility to move jointly to develop adequate cost to serve modeling from order generation to shopper fulfillment while changing the historical business models resulting in functional silos and cost shifting, defined ownership of portions of the value chain, and business practices that are based on efficiencies of full truckload, palletized shipping. This work will require collaborative work to address packaging and assortment opportunities, cost center identification, and redefined cost neutral programs and marketplace strategies.

## 01: Inadequate Cost to Serve Approaches

The industry has inadequate cost to serve approaches to identify the additional costs for e-commerce fulfillment which ranges from low/no cost home delivery to click and collect. These additional costs from smaller order quantities shipped to distribution centers to in store order selection must be identified and managed so that neither suppliers nor retailers simply exchange costs. Similarly, manufacturer programs and policies in the areas of bracket pricing and efficiency incentives are designed to minimize smaller orders and reduce product handling.

## 02: Challenging and Transforming a Supply System Perfectly Built For Stores

The current shared distribution system is exceptionally efficient and designed to maximize full pallet, full truckload shipments from producing plants and regional distribution centers. Manufacturer and retail distribution systems are inadequate to support order picking and small parcel shipment. Retailers who fulfill e-commerce shipments from retail stores have the added cost of double handling products in store.

## 03: Packaging Design

Traditional packaging is designed for upright visibility on retail shelves, and few human touches in the flow from selection to checkout. E-Commerce requires packaging that requires minimal excess packaging to withstand the rigor of shopper fulfillment and must be cube efficient to minimize distribution costs. Retailers report that their most loyal customers are using click and collect to manage stock up purchases – traditionally the higher cube, heavier products.



# Recommendations

Our retailer and supplier members came to a consensus opinion that the supply chain function requires a concerted joint approach to identify future improvements in managing distribution and fulfillment for e-commerce. As a starting point, the work group believes that the following guidance should drive collaborative work between e-commerce trading partners.

## E-Commerce Supply Chain Guidance

### Focus Areas



- Retailers - Ensure you have communicated your policies and expectations regarding e-commerce supply chain
- Retailers - invite your suppliers to help with speed, availability and costs



- Suppliers - invest in e-commerce SC resources in internal and trading partner engagement
- Suppliers - Focus on retailer profitability. Create Cost to Serve data for pro forma PL to better understand retailer costs
- Suppliers and Retailers - Map out critical work process and information flows immediately to manage custom products and e-commerce distribution
- Suppliers - Establish revised bracket pricing and incentive policies now to manage channel conflict and cost to serve; re-examine marketplace policies
- Suppliers - Create packs to minimize damage, returns and maximize fulfillment costs and develop core value added SKUs to connote e-commerce value

### Critical Tactical Areas

- Fast customization for process, products and packaging
- Create simple and effective Demand visibility and forecasting processes
- Network solutions to minimize distribution costs
- Quickly assess internal capabilities and footprint to manage e-commerce customization and distribution
  - Information systems
  - Work process change
  - Space requirements
  - Capital/Labor
- Collaborative pilot tests to design the future

In order to bring the guidance above to life, we recommend that suppliers and retailers consider the following collaborative pilot tests to design the future.

# Collaborative Pilot Test Opportunities

Another key focus of the supply chain discussions was to identify where the industry requires pilot testing to improve e-commerce supply chain efficiencies. These pilots should be designed for rapid pilot testing and prototyping followed by scalable improvements. In essence, this is the work where retailers and suppliers joint create industry best practices. The pilots identified fall into the following areas:



Development of a simple working cost to serve model to identify e-commerce costs through shopper order fulfillment

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Document packaging requirements to withstand home delivery. Develop simplified approach for packaging “fit for use” assessment

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Picking efficiencies - identify in-store solutions for home delivery/click and collect pick optimization. This would include solutions to insure in-store inventory record accuracy

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Efficient assortment - what are the top SKUs for home delivery - what solutions can be developed to improve costs

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Automation and corresponding trading partner requirements in the flows of product and information





# People and Skills



## Introduction

During the Define step of the ECL process, Suppliers and Retailers are encouraged to complete an internal e-commerce capability assessment. This is an honest assessment of your organization's readiness to successfully progress through the entire process. This may identify competencies that should be strengthened to ensure a stronger collaborative relationship with your trading partner.

## Purpose

Our goal in this chapter is to define how organizations ensure they have the competencies to be successful collaborating with their trading partners through the ECL Process.



# Opportunity Statement

For both Suppliers and Retailers there is a wide range of e-commerce competencies in the industry. Teams working on e-commerce opportunities are a mix of people with long-time industry experience, but little previous digital experience - digital specialists coming into the CPG industry for the first time - and everything in between. Many organizations are struggling to commit the resources necessary to be fully successful in e-commerce. Through recruiting, training, and learning from each other, Suppliers and Retailers can improve their e-commerce capabilities and create structure for better collaboration.

## Senior Management Commitment

Organizations with visible, consistent commitment from Senior Management will more easily find e-commerce success. This requires making the linkage from corporate strategy through to Category Leadership. It means allocating the resources to execute the ECL process and holding them accountable.

## E-Commerce Competencies

A fundamental tenant of the ECL process is collaboration between Suppliers and Retailers focused on e-commerce. Success depends on more specific organizational competencies than conventional Category Management. There are several unique competencies within organizations leading in e-commerce.

- **Relationship Development:** Developing e-commerce trading partner knowledge and building relationships in order to collaboratively identify mutually beneficial solutions to meet the needs of the trading partner and the company.
- **Analysis and Insights:** Understanding the unique data types, research methodologies, analytical techniques available to develop e-commerce insights for consumers, shoppers, categories and markets. These insights serve as the foundation for opportunity identification, strategy creation, decision making, and initiative development.
- **Strategic Business Planning:** Development of clear, logical and comprehensive e-commerce business plans that reflect company objectives and align with those of the partner. Creating e-commerce strategies and tactics which reflect insights and address problems.
- **Product Development and Assortment:** Identifying and developing products and packaging to meet identified consumer/shopper and commercial needs for e-commerce channels.
- **Pricing and Promotion:** Understanding the unique personalized pricing opportunities in the e-commerce channel, and developing price tiers and price/size relationships for e-commerce. Developing and implementing these price and promotion strategies and initiatives.
- **Site Merchandising:** Designing web and mobile retail site merchandising space and managing assortment to meet business objectives and executing those designs flawlessly.
- **Digital Marketing:** Managing retail and product brand equity, building consumer/shopper loyalty, leveraging data for extremely targeted digital consumer/shopper marketing.
- **Supply Chain:** Providing outstanding customer service through planning and management of the forecasting, ordering, inventory, shrink and damage control processes using a working knowledge of the total e-commerce supply chain.
- **Systems Development:** Developing or adjusting site experience or digital marketing through direct changes in systems functions or new e-commerce systems capabilities.

# E-Commerce Competencies Assessment

The first step of the ECL Process (Define) includes an honest assessment of your current organizational competencies for E-Commerce Category Leadership. Only with the assessment can you best determine how to engage with your trading partner. Each of the competencies above can be assessed using a framework of Basic, Advanced, and Leadership.

Competency	Basic	Advanced	Leadership
<b>Relationship Development</b>	Negotiates with direct partner contacts using a basic understanding of partner needs.	Works collaboratively with contacts across the partner's organization.	Develops joint innovation to the business based on long-term vision and partner collaboration at the highest levels.
<b>Analysis and Insights</b>	Accesses general sales and e-commerce auditing information to track progress	Leverages new e-commerce data and research to invent successful programs.	Uses insights to predict next best action and automated personalization of the shopper experience.
<b>Strategic Business Planning</b>	Follows basic business planning process develop projections and actions.	Develops strategies and tactics across phases of the shopper funnel for breakthrough results.	Develops innovative joint business plans which maximize return on investment for both parties.
<b>Product Development and Assortment</b>	Manages effective new product launches and implements online assortment to drive category growth.	Creates synergies between in-store and e-commerce assortments. Optimizes key products for e-commerce shipping/profitability.	Identifies new product functionality and benefits by designing for e-commerce.
<b>Pricing and Promotion</b>	Leverages effective pricing and promotion tactics with knowledge of e-commerce pricing and store pricing interactions.	Develops pricing and promotion solutions that are responsive to dynamic pricing and promotion changes.	Undertakes constant test and learn approach to price and promo changes. Utilizes new e-commerce models for personalized value.
<b>Site Merchandising</b>	Has fundamental knowledge of e-commerce site/app functionality and how retailers and suppliers effect changes. Ensures good product content.	Has ability to assess a shopper's site, app or voice experience and identify ways to improve conversion and build the transaction.	Understands the algorithms driving key aspects of e-commerce personalization and seeks to optimize or tune the results.
<b>Digital Marketing</b>	Leverages effective digital shopper marketing tactics as a part of integrated events/programs.	Identifies and executes digital marketing messaging along the shopper's e-commerce funnel to drive awareness, conversion and loyalty.	Uses shopper insights to create personalized and triggered messaging for greater ROI and loyalty.
<b>Supply Chain</b>	Understands current supply chain capabilities regarding e-commerce across different modes (e.g. Click and Collect vs. Ship to Home)	Applies deep knowledge of existing logistics and supply chain processes to provide improved e-commerce fulfillment to the shopper.	Leverages knowledge of end to end store and e-commerce supply chain to provide innovative solutions.
<b>Systems Development</b>	Some knowledge of how systems that drive e-commerce manage content and how to interact with those systems.	Ability to develop automation of content and tactical changes through systems connectivity solutions.	Knowledge of website and app development and ability to work with partners to test and develop new digital experiences.

## Partner Selection

During the Define step, Suppliers and Retailers are encouraged to carefully select the categories and the Trading Partners they will work with through the ECL Process. The most productive relationships will be those of partners with similar capabilities.

There may be many times when Suppliers and Retailers want to work together to increase their collective capabilities as they work through the ECL Process. There are also times when a Supplier or Retailer can leverage their more advanced capabilities to help their trading partner develop further and ultimately drive profitable category growth.

## E-Commerce Partner Assessment



## Supplier - Retailer Relationships

As E-Commerce Category Potential increases and e-commerce capabilities increase, Trading Partners will benefit from fully developed cross-functional relationships. This relationship goes beyond a Key Account Manager and Buyer to include several resources from multiple functions. In the beginning, this may be just 1 or 2 additional resources (for example maybe Supply Chain and Analytics). But eventually the Category Potential will require all the typical resources that the most developed Bricks and Mortar relationship requires. These functions will work best when they have direct access to each other, unfettered by a single point of contact on either side.

### Supplier - Retailer Relationships



At this advanced stage, Suppliers and Retailers will successfully collaborate to accelerate profitable E-Commerce Growth.



# Actions for the Industry



E-Commerce Category Leadership is mission critical in today's hyper-competitive market. Most leading retailers and suppliers are executing it today, in some form or another. However, many are still limited to only their most important trading partners. Most say they have plans to continue or expand their focus on ECL in the coming years, and all agreed that ECL is relevant to all partners.

Companies with a well-defined ECL program, with trained staff and senior level commitment perform better than those who don't. This requires time and effort creating a barrier for some companies, but allowing for a competitive advantage for those willing to make the investment in ECL. Results are unmistakable as companies who have experience with ECL report a deeper understanding of business drivers, stronger working relationships, deeper levels of joint value creation and even increased levels of resources and support between trading partners.

## Next Steps

It is highly recommended that companies make an assessment of their current strategies and processes for business planning. Companies who currently do not have a trading partner segmentation strategy should develop one and companies who have not yet written process steps should begin. Lastly, we highly recommend developing a training manual and competency training for key personnel.





# Glossary of Terms



## **Average Time Spent**

How much time the average user is spending browsing the website. Depending on the type of site this could have implications on complexity or interest

## **Average LTV**

What is the monetary value of your average customer. Average customer total spending less the cost of acquisition

## **Bounce Rate**

Indicator of how many individuals are not finding what they are looking. % Of individuals that view only one page before leaving

## **Cart Additions**

Indicates when a shopper added an item to their shopping cart. Useful as a metric for delineated finalized for abandoned transactions

## **Click Throughs**

Measures the effectiveness and usage of a link or ad that is presented to a group. Click instances per view

## **Conversion**

Indicates how effective sales are being closed once a visitor has interacted with your e-store. Purchase instances over total visits

## **Cross Selling**

Definition: Invites customer to purchase related or complimentary items.

## **Cross-selling/Attach**

Definition: Introducing relevant additional categories into the shopping experience throughout the journey at the right time and place. Typically executed through algorithm engines based on specific rules on the product detail page, pop-ups in cart and banners through the shopping experience. Considerations for Mobile vs. Desktop.

## **Customer Acquisition Cost**

Measure of the investment required to attain new customers. Average marketing spend prior to customer purchase

## **Customer Retention Rate**

How many of your customers are repeat or loyal customers. New customers less old customers over total customers for the period

## **Customer Reviews**

Definition: Peer-generated product evaluations posted on company or third party web- sites. Platforms are available to syndicate ratings and reviews for brands on retailer websites to increase the volume of reviews.

## Daily Unique Visitors

Measure of how many people per device visited your e-store. Number of unduplicated visitors over the course of a single day

## Exits

Where a shopper terminated their interaction with your e-store for a particular visit. Number of times a value is captured as the last instance in a visit

## Lifetime Customer Value

Understand who are your best customers. An individual customers total spending less the cost of acquisition

## Onsite Search

Definition: Site search is search activity performed on a website and not on search engines. Site search is mainly done through internal search engines but may also be performed through navigation menus and tools. Levers: 1)Promoted Search - Product search ranking boost campaign 2)Search synonym or manual override 3)Cross-sell display- search keyword triggered banner for supplier (clicks through to brand)

## Orders

Number of orders made during a specific time period. Indicates how much volume the e-store is doing

## Page Depth

Indicates the amount of pages viewed in a session. Page views for a particular visitor during a particular session

## Product Detail Plus

Definition: Adding advanced content (video, Q&A, recipe, health interactions, etc.) Additional content supports increased brand visibility in search engines resulting in organic traffic to sites

## Seasonal Stores

Definition: Aggregating a curated selection of products specific to a topic or theme on a single landing page. Special messaging driving to the custom content throughout relevant pages on site or external marketing campaigns

## Size and Composition of Basket

Measures depth of relationship with customers. Basket analysis

## Taxonomy/Navigation

Definition: The path from one page to another based on how catalogs are organized. This includes product categorization and thematic merchandising groupings such as Sale, New Arrivals, Trending, Editor's Picks, or Shop by Brand.