



CPG 2.0: THE SOCIAL MEDIA WAY!

June, 2010

The staggering growth of social media has fuelled a bull market in a way. This fast growing mountain of information is an enticing window to the collective consumer opinion. Our paper gives a structured outlook to ways that CPG companies and marketers could use technology to capitalize on this medium that's impossible to ignore today.

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Introduction

Engaging and maintaining existing customers and attracting new customers through thought leadership and market innovations using traditional media like televisions, newspapers, magazines, etc have been the hallmarks of Consumer Packaged Goods (CPG) companies.

With the economy still emerging from one of the most challenging years in history, the ubiquity of online media with its Power of Reach at significantly less cost is a gift too good to waste! As the latest reports from Gartner points, *“more than 60% of Fortune 1,000 companies with a Website will connect to or host some form of online community to build consumer relationships.”* Today, consumers seem to be more open to sharing information (through social media) and social media is proving to be a catalyst.

‘Social media’ is an online medium that delivers and facilitates conversations and collaboration. While it delivers content, it also allows readers, viewers, and users to participate in creation and development of the content. According to a survey done by GMA, approximately 63.6 % companies are shifting resources from traditional media to social media. Forrester predicts that Social Media (which includes social networking, user reviews, syndicated videos, and blogs), to grow the fastest and be the third-largest interactive marketing spend category in five years. Facebook is the most visited site on the internet according to Google. The site logged 570 billion page views in April 2010, reaching 35.2% of the total internet population. The next most popular site was Yahoo, with 490 billion page views and 31.8% of the market. Among small business owners who use social networking, the top benefits cited include generating leads (50%), keeping up with the industry (45%), and monitoring online conversations (44%).

The expansive reach of social media provides the right avenue for CPG companies to touch directly. This natural dis-intermediation makes social media an attractive option for CPG industry.

CPG Players warm up to the Social Media Scene

CPG companies have been leaders when it comes to traditional marketing and reaching the consumer base through mass as well as targeted campaigns.

However, with technology becoming omnipresent and easily available to consumers, social media is creating new opportunities and challenges for CPG marketers. CPG companies need to make a paradigm leap from looking at social media as a mere advertising channel to leveraging it as an avenue for listening to consumers. This will enable CPG companies to reinvent their marketing arsenal, humanize their brand, create new bonds with consumers, and thereby create brand loyalty by being available when consumers have a problems, questions, or compliments.

While a lot of companies realize the importance of social media, they are still struggling to make effective use of this channel for business benefits. According to GMA, “54% do not have a program in place to monitor and report on consumer generated content.”

COMPANIES MAKE USE OF THE FOLLOWING FOUR BROAD AVENUES FOR MAXIMIZING THE BUSINESS VALUE OF SOCIAL MEDIA WORK:

Communicating within the team

How: CPG companies need to constantly innovate their products to be ahead of their competition. They can save costs and ideate by using existing social networks to create work groups where documents, schedules, and communication can be shared collaboratively, with anyone, anywhere globally. Currently, the top uses of these services are “sharing documents” and “maintaining communication with teams.”

Looking Ahead: The use of social networks to facilitate internal communication will be like what it is today. Fewer organizations will use social networks for file sharing. Among current usage, “file sharing” is tied with “maintaining communication with teams.”

Blue Shirt Nation (BSN) is a robust internal community of Best Buy employees who convene regularly to share knowledge, best practices, aspirations, and a few jokes. BSN members form groups, make friends, stay in touch and prop each other up; they swap ideas and solve problems together.



Targeting the customer

How: The most common use of social media networks, such as Facebook, Orkut, or Myspace is “Maintaining social contact with clients.” After that, about half of businesses surveyed use social media to achieve a “Better understanding of client attitudes.”

Looking Ahead: In future, organizations will see a shift towards more customer communications and, in particular, towards prospecting. It seems clear that social network will be a top lead generation tool.

Dell it was Twitter which represented a new way to reach customers. Dell gave away coupons to their followers on Twitter. By tracking the coupon code, Dell outlets generated over \$500,000 in revenue in sales of refurbished systems and \$3million in total sales.

Monitoring customer trends

How: Top uses for marketing functions include promoting organic messages and monitoring customer trends. Most of the organizations actively promote themselves through organic messaging, monitor trends among their customers, and provide ways for customers to interact with their company.

Levis.com Project 501 is a user submitted design contest which was launched using a branded entertainment segment and an online campaign targeted to women. Social media drove 38% of the awareness about the campaign as compared to 30% of awareness coming from TV. The campaign got 134,000 unique visitors; two-thirds of those were women in target age group of 18 - 25 years. Also, the campaign achieved 122,000 design ratings and 924 social networking/blog badges with over 30,000 views.

PepsiCo now famous DEWmocracy program was a seven stage campaign that aimed at production of a completely user-generated Mountain Dew beverage.

DEWmocracy 2 challenged DEW fans to create the next Mountain Dew product, with freedom to select their flavour, package design, and advertising campaign. All this was possible only by harnessing the power of the social web to empower brand loyalists to create new products - by the people, for the people.



Promoting public relations

How: The four most common public relations functions using social media are - maintaining a company profile page, using social networks to distribute press releases and news items, monitoring and responding to mentions of the company and its products, and interacting with bloggers and members of the traditional press.

Starbucks started off with 'MyStarbucksIdea' (<http://mystarbucksidea.force.com>) to facilitate the customers to submit ideas for the company. These ideas are then voted by other users, the best of which will be implemented by the company. This generated lot of positive ratings for the company as well as gave them a platform to crowd source ideas for their products.

Social Media Strategy for CPG Companies

With increasing consumer complexity, traditional sources of insights are no longer efficient. CPG manufacturers need more granular information, more advanced analytical capabilities to look at their consumer data in innovative ways. Wipro CPG has identified the strategic drivers propelling the CPG industry and defining the right social media strategy that can help achieve these drivers.

Protect "BRAND": Brand defines the value to the consumer. Creating a strong brand loyalty and bringing awareness about your brand and company's CSR initiatives can be aptly executed by using the right set of social media tools. Also, it's a good way to analyze how well your brand is performing. As long as your customers are talking about you, you're in social media.

Enhance 'REACH': Reach is about delivering value to the consumer. Fostering the sensing of demand and responding through integrated & global supply chains can be made possible by incorporating features of social media analytics in your Supply Chain Applications such as CRM, SRM, and the likes.

Nurture 'INNOVATION': Innovation enhances value to the consumer. In CPG sectors such as Home & Personal Care, Food & Beverage, there are many choices available and cost of switching is significantly less. Therefore, connecting with the consumer and ensuring their feedback is incorporated in the New Product Development & Introduction (NPDI) phase to gain market share can be achieved by intelligently tapping the benefits of social media.

Implementing the social media strategy for an organization is an exhaustive and complex process. CPG Companies need to clearly plan for undertaking a social media program without which they cannot reap the benefits of the entire exercise.



Set your objectives right

Before jumping into your social media strategy, it's critical that you know what is it that you intend to achieve. As brand is the most important asset for a CPG company, the objectives can be one or many of the following:

- Building buzz around a particular product/brand
- Get insights on customers: How they perceive brands, better overall brand awareness, and educate customers about their brands
- Customer feedback for new product development
- Improve internal communication
- Generate higher traffic to website (which is the means to the above end of better brand awareness and educating customers)

Appoint an evangelist

As CPG companies spend huge amounts on marketing related initiatives, social media typically would require dedicated focus. CPG organizations need to have a designated Social Media Evangelist who would own and drive the social media plan at an organizational level. A company serious about its social media endeavours should also have a Chief Social Media Officer (CSMO) reporting directly to the CEO. The CSMO should have visibility to all the communications from top to bottom and across organizations, have an excellent understanding of the company's goals & objectives, the top selling as well as poorly performing brands, understand how to leverage social media to accomplish those objectives, and should be someone with a proven track record of turning programs into measurable successes.

Some examples in industries that have already appointed CSMOs are:

- [Van Marcke Group](#), a key player in several industries like plumbing, hydronic heating, air conditioning equipment, and the likes has appointed a CSMO last year. The management decided to bring in social media as a fundamental part of their outreach strategy towards clients, business partners, and employees alike.
- [University of Toronto](#) hired their first ever Social Media Officer in 2007. The person will be responsible for planning and then executing social media strategies so the communication between the university and its 11,000 faculty/staff and 70,000 students will be easier, more transparent, and two-way.



Social media analytics

This is going to be one of the most critical aspects of creating a social media strategy for CPG companies. A consumer signing in to a social media website comes in with his basic data about demographics. Signing on to a brand plug-in in the social media site, the consumers express opinions, pass feedback, share information, compare attributes with competition, and in some cases buy the product as well. Social media analytics would focus on collecting this information and combining it with information gathered from traditional and evolving media like POS, Mobile technology, and the likes, to present a cross-channel unified view of the consumer and set the stage for potentially powerful analytics.

Wipro CPG's Approach to Social Media

Keeping one's eyes and ears open to the world of online media can be a daunting task for any organization. Blogs, forums, social networks, and competitor websites gain popularity every day. Without a plan to monitor and manage an organization's online reputation their brand could be at constant risk.

You may want an overview of your online presence, analyze your search engine rank presence or build your own brand community. Whatever your requirement may be, it is possible to take the guesswork out of many of the key decisions affecting your brand.

Social Business Intelligence

One key aspect which has largely remained unaddressed is the ability to collect consumer and channel level data from social media and combine it with data from traditional and emerging channels such as POS/Mobile/Online. An analytics layer on top of such data can be used to derive insights into channel performance and individual customer behavior, thus shaping not only targeted personalized marketing but also adjustment to the overall brand and channel marketing strategy.

In this section, we have presented our thoughts on the components of Cross-Channel Consumer Analytics.

In our point-of-view, the following are the components of an overarching consumer analytics vision spanning online, traditional & emerging media:

Capture consumer generated content on the web:

This incorporates listening to millions of conversations on the web ranging from blogs, forums, Facebook, Twitter, Wikis, and so on. The idea is to capture all such conversations and tag them in pre-defined themes on product/brand, customer, competition and industry on one axis and reviews, feedback, opinions on the other.

Capture consumer content on traditional/evolving

media: The information on pre-purchase behavior, shopping cart analysis, and post purchase behavior from traditional/evolving channels such as POS, Mobile, and Kiosks should also be captured. The source channel is also captured to enable gauging the impact of marketing channel mix on consumer behavior.

Capture customer profiles: This involves capturing key customer information on demographic, tastes, preferences and habits from social, traditional, mobile, and POS. The idea is to group similar customers into meaningful segments & verify if they form marketing groups exhibiting similar tendencies.



Produce actionable reports:

Utilize the information in Steps 1 through Step 3 above for creating actionable reports.

Some examples of actionable reports include:

- Brand attention and perception share mapping on the web, traditional media and evolving media
- Shopper clustering and numbers in each cluster for every media (POS, Mobile, Social and Kiosks)
- Comparison report on web collected informal feedback for brand/key competition
- New production introduction insights

Shopper data collected from online, traditional, and evolving channels can then be combined together to present a consolidated cross-channel customer centric picture and in turn lend itself powerful business benefits through advanced data modeling.

Some examples of advanced analytics using this approach include:

- Automated Competitive Intelligence on online assortment & pricing using KPI's like Net Promoter Score and Voice of Customer Index
- Customer traffic analysis at stores, mobile kiosks, and online channels
- Customer segmentation analysis for personalized targeting, altering marketing mix, and creating effective marketing campaigns
- Perception analysis, opinion mining, and behavior targeting to understand consumer feedback on product/brand, align marketing campaigns, and develop/alter products
- Marketing channel analytics to adjust marketing spends and alter marketing mix
- Digital search analysis and shopping cart analysis to create personalized offers by channels

Focus on the Socio-Green Consumer

Today's consumers are sharp and discerning. They follow the "Green Philosophy" and use social media technology to stay connected and spread environmental awareness. They are the quintessential Socio-Green Consumers. CPG companies too are focusing on these two buzzwords 'Social Media' and 'Green' so as to derive maximum advantage and good will in the eyes of its consumers. So far, these two subjects have been mostly discussed in isolation. But, synergies could be created if one could use the technology (Social Media) to achieve the philosophy (Green). Take for example –the Food and Beverage Sector of CPG. These companies are constantly thriving to reduce PET (Polyethylene terephthalate) content and focus heavily on recycling their used products. These companies can install recycling machine kiosks at various shopping malls, restaurants, entertainment arcades, etc, where consumers can dump in the particular waste bottles/cans etc. They can then maintain a microsite pertaining to this initiative and consumers can become members and earn points based on the number of times they dump their recyclable waste in such machines. The CPG companies can then involve the consumers with highest points in their new product design, promotions, marketing, and consumers could also redeem the points for various other articles and condiments from the CPG company.

Wipro Solutions & Tools

Digital Marketing Cockpit: Helps define where you have to focus your time and energy for marketing management in the online world. Our consulting services combined with our Digital Marketing tools ensure that your brand has the right online visibility, communicates your firm's key messages, and helps strengthen your online marketing campaigns. Using intelligent text analysis and natural language processing to understand the context and significance of the online results, our accelerator tools will automatically distil them down into a focused, prioritized set of findings.

Web Presence Sentinel: A complete brand monitoring solution with qualitative analysis of online buzz about your brand.

Search Rank Analyzer: A search engine monitoring tool that tracks the pattern of search on the internet across multiple keywords.

Energy: A completely customizable community building platform based on open source technologies.

Improved Brand Positioning

Assessing and prioritizing opportunities for more effective marketing programs; providing applications for quantifying campaigns

Competitive analysis

Find out which keywords are important pertaining to your business and measure the effectiveness of activities.



Social outreach

Outline which communities are worth monitoring, what the competition is doing and how you can naturally enter these communities and form relationships, how to identify the important conversations in your industry and when, how and whom to reach out to.

Community

Create your own brand community and integrate messages into enterprise functions.



Conclusion

While the decision to embark on a social media program may depend on the company's objectives and customer segments, it is something that all CPG companies should evaluate. The opportunity to connect with the multiplicity at a budget lower than almost any other marketing channel is hard to let go. The scope of functions in an enterprise that can benefit from social media stretches from innovating on new products to complaint handling and companies today are spreading their wings and experimenting with involving the consumer in as many internal business functions as possible.

Appendix

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Wipro's unique value proposition is further delivered through our pioneering offshore Outsourcing Model and stringent quality processes of SEI and Six Sigma.

Wipro in Consumer Product Goods

Wipro's CPG Practice established in 2001 has since grown to a team of more than 2500 professionals who understand the key challenges faced by CPG companies in today's dynamic marketplace. With a unique blend of domain knowledge, technology expertise and delivery excellence best practices, Wipro CPG practice provide innovative solutions for a large number of global CPG clients. Our competencies lie in the area of Procurement, Product Lifecycle Management, Supply Chain Planning, Manufacturing Execution systems, Trade Promotion Management, Consumer & Marketing Analytics, Media Planning & Optimization, Mobile Solutions and RFID, to name a few.



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