

TAKING ON CPG'S 6 BIGGEST CHALLENGES WITH MOBILE FIELD APPS

How Access to Real-Time Data Is Helping Field Teams Sell Smarter, Solve Faster and Grow Stronger

The consumer packaged goods (CPG) industry has seen an explosion of data. To some organizations, it may seem like an impossible task to process this massive influx of information, but competitive CPG companies are finding smart ways to leverage all the data to their advantage. Specialized mobile apps are needed if the goal is to turn raw data into actionable insights that drive productivity and profitability – especially in those all-too-common situations where field reps have no access to Wi-Fi.

The following findings are based in large part on a CGT survey of global CPG executives. This research all points to one important conclusion. For CPG field teams to gain a competitive edge, they need an enterprise-grade mobile application that creates a seamless, real-time experience from the field to the office. They need an app that will empower field reps with the insights required to take a more consultative approach when selling, merchandising or delivering products.



MOBILE APP CHECKLIST

CPG companies face six common problems in their quest to serve their customers better. Implementing the right mobile application will enable CPG companies to adopt a more consultative approach that will address all six challenges and create a “win-win” situation with retail customers. The checklist below shows how industry leaders are using this strategy to get ahead.

01 | CHALLENGE 1: “SHOW-AND-SELL”

Most conversations that sales representatives have with retailers are “show-and-sell” in nature — performed in a vacuum because they have no access to in-store and external product-performance data. When they arrive in store, oftentimes, reps don’t know where the client is in terms of product, stock and so forth.

- ✓ Having the right mobile app enables sales reps to have more informed discussions with retailers. With the app in hand, sales reps possess real-time insight into retailer-specific data that reflects how individual SKUs are performing in each store and what factors may be affecting performance (e.g., pricing, late shipments, a certain item not selling well). They can also take a close look at external data from such sources as Nielsen and SymphonyIRI Group, which can be integrated with store data.
- ✓ Rather than selling product based on superlatives or “bells and whistles,” sales representatives can parlay actual product-performance insight into concrete recommendations that make it easier for retailers to order more intelligently (e.g. by adjusting purchase quantities on a particular SKU) and counter competitors’ activities (e.g., by launching a promotion at a more appropriate time). Having an app that provides actionable insights makes it easy for reps to advise on whether sufficient quantities of product have been ordered or will be available in anticipation of a promotion or other in-store event. Neither sales reps nor retailers need act on a hunch to sell or order product.
- ✓ When reps have real-time data in hand, their store visits become much more productive. By some estimates, improvements in productivity can decrease store visits by 15 to 20 minutes. Gains in efficiency help explain why 72% of companies queried for a *CGT* custom research study¹ cited the ability to have more informed discussions with retailers as a major benefit of harnessing a mobile application.

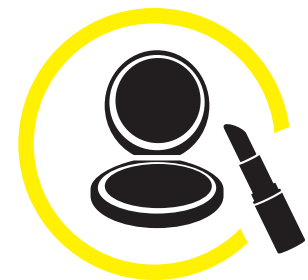
02 | CHALLENGE #2: THE PAPER METHOD

Paper-based methods make it difficult for sales representatives and merchandisers to follow up on customer issues and special requests.

- ✓ Reviewing notes from store visits and determining whether needs and requests have been addressed is simple and fast when sales representatives can tap into a mobile app on the spot and immediately address retailer concerns from a position of knowledge rather than promise to investigate a situation and provide an answer only after sifting — sometimes fruitlessly — through

L'OREAL CASE STUDY

The Beauty of an App



Consider the case of L’Oreal, which had been unable to direct or track merchandising initiatives within its consumer products, professional cosmetics, and medical cosmetics divisions. L’Oreal uses Spring’s mobileRetail app, which lets sales and merchandising reps review and act on customer data, as well as confirm stock of merchandising materials and remotely monitor inventory. L’Oreal merchandisers also leverage Spring’s mobileSurveys app to create and publish customized survey forms for field teams. This helps them to optimize in-store promotions and ensure that they are providing the service customers require.

reams of paper back at the office. Participants in the *CGT* study¹ acknowledge this: 78% of respondents reported that a mobile app helps sales representatives to be “more efficient” during store visits.

- ✓ Mobile apps make it easier for merchandisers to follow up as well. By looking at up-to-date, point-of-sale data, merchandisers can identify such common-place occurrences as the existence of “phantom inventory.” This happens when retailers are under the incorrect impression that a given SKU is on hand but not yet on the shelves. Again, having the right app helps merchandisers and their customers gain on-demand access to this data.

03 | CHALLENGE #3: MANUAL PROCESSES

Compiling and analyzing data and acting on it accordingly is a challenge because of the manual nature of traditional processes. Field teams need a faster flow of information, both upward and downward.

- ✓ With a mobile app, data collected in the field is immediately funneled to those who need to act on it. For example, instead of filling out spreadsheets to document orders completed in-store and submitting them to a manager for inclusion in a master spreadsheet that is sent to corporate headquarters — an endeavor that can take two weeks from start to finish — sales representatives can simply upload data through their mobile app. Those involved in planning can then begin their work immediately.
- ✓ Data needs to be disseminated in a meaningful form. In other words, data needs to be presented so that the impact of one variable (e.g., a promotion or an increase in the number of product facings) on another (e.g., higher sales) is immediately evident to sales reps as they review planograms, promotion plans or other initiatives with store managers. The end result: Sales reps engage in more productive negotiations with store managers, opening doors for increased allotments of shelf space and additional placements of their products.
- ✓ When reps spend less time trying to find the data they need to properly negotiate with store managers, this gives them extra time to invest in building relationships. Findings from the *CGT* study¹ confirm the advantages of building trust with store managers when a mobile app is in place; 75% of respondents said their mobile app permits field representatives to devote more time to customers, in turn forming better, more productive relationships with them.

04 | CHALLENGE #4: WORKING OFFLINE

Sales reps who lack access to the right information from headquarters can inadvertently sell product that is unavailable or inaccurately priced. They can also present expired options to retailers, offering what they cannot really deliver and inciting customer frustration later on.

A lack of Internet connectivity (due to lack of Wi-Fi password access or physical store attributes like cinderblock walls) exacerbates the situation. Without Internet

JDE COFFEE CASE STUDY

Drinking in the Benefits



In the Netherlands, JDE Coffee utilizes a customized version of the scalable mobileSales solution. The app enables field representatives to work offline on iPads, while still having access to the most recent product pricing and availability information. As soon as reps are back online, all of their order information is instantly uploaded in the company's database and available across its network of devices.

access in the store, field reps who don't have access to the right mobile app solutions cannot pull up the information they need when they need it most.

- ✓ The best mobile apps function even when reps are offline and then sync up the very latest data as soon as they go back on. Having access to the company data ensures that field reps always use the correct pricing and are only able to sell product that can truly be found somewhere in the supply chain. Eliminating pricing and supply issues like this helps to cultivate retailer loyalty — and a win for CPG companies no matter where in the world they operate.

05 | CHALLENGE #5: UNCOORDINATED DATA

Many CPG companies experience trouble sharing information back and forth with their distributors. This can make it difficult for distributors to determine who customers are, which customers are buying specific products and what order quantities need to be delivered. When distributors only have limited access to data that is two to four weeks old, this impedes their quality of customer service and interferes with the retailer's quest to have the right products in the right quantities on the shelf at the right time.

- ✓ Equipping distributor teams with the right mobile app facilitates the process of gathering and updating detailed customer information and makes it simple for distributors to provide data to CPG firms as well.

UNILEVER CASE STUDY

Cleaning up the Data

Unilever harnesses Spring's distributorInsight mobile app to unify the format of data received from its distributors and to organize that data on a dashboard with actionable information on each customer's special needs and inventory status. Having this ability has enabled the company to coordinate the efforts of its worldwide network of distributors.



06 | CHALLENGE #6: LATE KPIS

For many CPG companies, it's hard to gather all the right KPIs from the plethora of data they generate, let alone pass this information on in real time. Consequently, field representatives have no concept of their performance until the end of each sales period — when it is too late to initiate improvements. Likewise, managers are unaware of their teams' performance, so they cannot address issues proactively.

- ✓ Having a mobile app as an integral part of a field strategy enables CPG companies to present the right KPIs to the right people in real time. By providing up-to-the-minute information that can be addressed with immediacy, a mobile app can yield productivity improvements of up to 30%.

CARLSBERG-VIETNAM CASE STUDY

Cheers to Performance



Beer purveyor Carlsberg-Vietnam leverages Spring's distributorInsight, a cloud-based distributor management tool, combined with mobileSales, a mobile salesforce automation solution, to track its sales and distributor reps. Supervisors can track such activities as travel routes, orders generated, product surveys and sales of equipment like beer kegs, ensuring that targets are met and impediments to sales performance are eliminated quickly. This approach has helped Carlsberg to monitor field team working hours more closely as well as conduct more accurate inventory assessments.



WINNING WITH MOBILE APPS

In the retail business, merchants are always looking for new strategies for beating their competitors. Mostly, their goal is to ensure that customers have access to the right products at the right time. Merchants are also continuously trying to expand their assortments in an effort to overtake their retail adversaries. Unquestionably, retailers remain more inclined to work with CPG companies that are prepared and informed to help them succeed.

A Gartner report,² sums this up perfectly: “Winning at the shelf continues to be a critical focal point in the consumer goods industry as headquarters’ plans and promotions from more mature trade promotion management (TPM) systems get translated into in-store activities.” Unfortunately, outdated methodologies that prevent reps from taking a more consultative approach to their work prevent CPG companies from winning at the shelf. Their field reps are simply unable to assist retailers in their efforts to provide what consumers want, when they want it.

Overcoming sales- and inventory-related obstacles is a great way to brighten a revenue and profitability picture. Making improvements to on-shelf product availability is a prime example. According to Gartner,³ “indications from out-of-stock levels vary from 8% in North America to 12% in Europe. Indications from on-shelf availability initiatives, however, suggest that on average, a three-point improvement in on-shelf availability can yield around a one-point improvement in revenue growth. In categories that are growing only 3% to 4% annually, a one-point improvement is significant.”

A look at the benefits that can be reaped when CPG companies empower sales representatives with mobile technology — and the consequences of failing to do so — make a strong case for bringing mobile apps into your game plan. Supporting field reps with an open architecture mobile application differentiates best-in-class organizations from under-performers. In a recent Aberdeen report,⁴ analyst Peter Ostrow notes that best-in-class organizations are more likely than under-performers (63% versus 49%) to be “very” or “extremely” focused on arming their sales team members with “modern sales effectiveness technologies.”

This is just the tip of the iceberg. Of participants in the study conducted by CGT,¹ 100% of respondents said utilizing a mobile tool to access and review relevant store data in the field helps make store visits more effective. So while “transactional capabilities” remain important, a “maturing retail execution and monitoring market is shifting the focus from such capabilities to those that can aid field sales forces in selling more product with greater consistency.”

On the flip side, out-of-stock issues will continue to mean big losses for retailers that have yet to address the situation. According to a report by the FMI/GMA Partner Alliance,⁵ the authors observe that “despite many years of good-faith efforts by manufacturers and retailers, the out-of-stock rate remains at a stubborn 8%, on average, with out-of-stocks for promoted items often exceeding 10%. That represents a potential revenue loss of 8% to 10% or more in an industry already challenged with rising costs to serve the customer.”

There is no question that every CPG company needs a mobile app in its pocket in order to compete at the shelf. The key to success lies in an easy-to-use, feature-rich mobile app that makes field representatives feel confident and provides them with all the information they need to operate as trusted advisors.



100%

of CPG companies said utilizing a mobile tool to access and review relevant store data in the field helps make store visits more effective.

25%

of CPG companies believe mobile apps improve the level of trust placed in sales representatives by their customers.

78%

of CPG companies reported that a mobile app helps sales representatives to be “more efficient” during store visits.

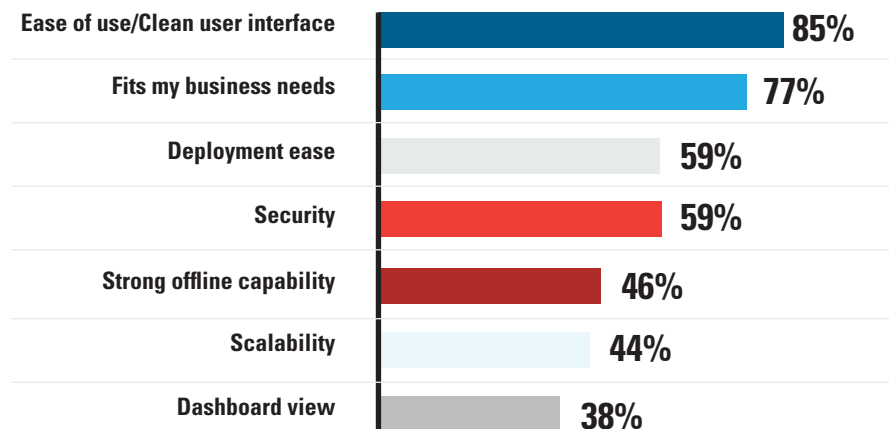
Consider this commentary from consulting firm Aberdeen,⁶ “Mobilizing all sales initiatives becomes a must-have rather than a convenient element of contemporary sales management.”

PARTNERING FOR SUCCESS

Enabling a field team to take a consultative approach is sure to have a major impact on a company’s ability to maintain a sharp competitive edge and to foster continued growth. With a mobile app in the game plan, CPG field teams have access to the insights they need, when they need them — even when reps are offline. That success trickles down all the way to headquarters, ultimately setting organizations up for end-to-end growth.

Choosing the right mobile app plays a major role in winning at the shelf. Ensuring that a mobile app has the right feature set is essential since the technology has the potential to enhance job satisfaction among field reps and, in turn, improve their performance. In a recent *CGT* study,¹ almost half of respondents (48%) said a mobile app increases job satisfaction. Figure 1 reveals that ease of use, and a clean user interface top the list of mobile app requirements, among other must-haves.

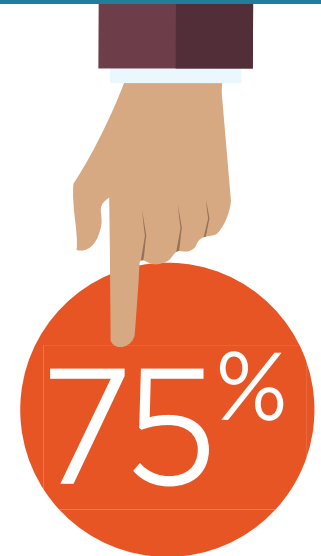
FIGURE 1: REQUIREMENTS FOR MOBILE APP SOLUTION¹



Is your organization ready for an enterprise-grade mobile app? The aforementioned checklist will help you choose the right mobile app, the proper implementation strategy and the services needed to optimize a wide array of CPG business processes, starting in the field.

Spring Mobile Solutions’ family of mobile apps meet or exceed all of the criteria described above. Spring apps help CPG sales reps, merchandisers, drivers and even distributors succeed by giving them access to the real-time insights they need to take a consultative approach in their relationship with retailers.

All of the CPG companies in the case studies chose cloud-based, enterprise-grade mobile applications from Spring. Choosing a partner like Spring has helped them to achieve rapid implementation and extend their capabilities as their strategies mature. Spring mobile apps empower their field reps to sell better, solve problems faster and grow stronger — all with real-time data at every turn.



of CPG companies said their mobile app permits sales representatives to devote more time to customers and form better, more productive relationships.

Find out what most CPG executives said they wanted in a mobile app in the CGT Mobile Retail Execution Custom Research.

GET IT NOW!

¹CGT Custom Research “Mobile Retail Execution”, November 2015, www.consumergoods.com/CGTIndustrySurvey

²“Market Guide for Trade Promotion and Optimization” (Gartner, August 2015)

³“Key Considerations for Consumer Products Companies to Grow Revenue by Improving On-Shelf Availability” (Gartner, February 2015)

⁴“Would You Buy From a 20th-Century Sales Rep?” (Aberdeen, May 2015)

⁵“Solving The-Out-Of-Stock Problem” (FMI/GMA Partner Alliance, 2015)

⁶“Beyond the Quota: Best in Class Deployments of Sales Performance Management” (Aberdeen, January 2014)



ABOUT SPRING MOBILE SOLUTIONS

Consumer goods brands around the world rely on Spring to gain real-time visibility into their field operations and help their mobile teams sell smarter, serve clients better and distribute goods faster.

Whatever your retail needs may be, Spring has an app that delivers precisely what you need to improve productivity, drive revenue and grow market share. Here are just a few reasons to choose Spring as your mobile app partner:

- **9 of the top 10** consumer goods companies use Spring mission-critical apps.
- Spring offers out-of-the-box solutions that can be deployed in as little as **10 to 12 weeks**.
- Field reps swear by Spring's colorful, engaging interface and friendly, **intuitive user experience**.
- Spring **apps work beautifully offline** and sync up all of the latest data as soon as reps go back online.
- Spring's pay-as-you-go SaaS model gives you innovative solutions at a **fraction of the cost** of custom-built apps.
- Spring gives your sales, merchandising and delivery teams **real-time visibility** into your most important KPIs.
- Spring mobile apps enable your employees to achieve **perfect retail execution**.

Learn more about how Spring can solve your CPG challenges by putting actionable insights right at your fingertips at www.springglobal.com.

