

ON THE SHELF: CROWDSOURCING



What's key to success for CPG manufacturers to strengthen retailer relationships and win at the shelf? It's all about relationships and relevance. When it comes to moving goods, manufacturers rely on their sales representatives to build trust and a strong affiliation with distribution channels. Maintaining this relationship includes not only being in contact with store managers, but also having a good grasp of each retailer's profile and statistics, such as size, customers, competitors and sales data. A variety of sources—from the retailer's POS data to Nielsen data—can readily provide this information and help the sales representative determine the best course of action to optimize offerings, promotions and placements and ultimately boost sales.

But what if a manufacturer wanted to know if the actual buyers of their product matched their target demographic? Or if their product display improved sales? Such information could be useful in helping understand their customer base and store dynamics better and make decisions to improve in-store performance. Sales representatives or merchandisers, who are responsible for checking in-store displays and campaign executions, could collect this specific data—but such a time-consuming, albeit valuable, activity could impinge on the performance of their primary functions.

The solution: crowdsourcing.

In a 2006 blog post¹, Jeff Howe defined crowdsourcing as “taking a function once performed by employees and outsourcing it to an undefined (and generally large) network of people in the form of an open call.” Before Howe coined the term, companies had already been tapping these large, undefined networks for marketing and ideation purposes. Australia's *Marketing* magazine feature² on the “State of Crowdsourcing” showed that fast-moving consumer goods (FMCG) companies had been crowdsourcing ideas since at least 2004, with Coca Cola, Pepsi and Danone using it most actively and with significant results—Coke's 2011 “energizing refreshment” contest pulled in more than 2,600 entries from 74 countries and logged 92 percent cost saving efficiencies for the soft drink giant versus its standard agency fees and production expenses.

The *Forbes* piece “Crowdsourcing: Your Key to a More Effective, Engaged Organization?”³ cited businesses that used crowdsourcing to generate ideas, including invention platform Quirky. Product ideas that pass Quirky's evaluation process get mass produced, and the creator receives a percentage of the sales. Similarly, Wal-Mart's Get on the Shelf initiative⁴ invites inventors and entrepreneurs⁵ to submit their ideas, with the winning products making their way onto Wal-Mart's website and store shelves.

Aside from ideation and product development, the retail industry can use crowdsourcing to accomplish a variety of tasks in-store:

- **Level 1: Standard activities** – These typical crowdsourcing tasks include data collection (e.g., answering a questionnaire, taking a picture, deploying a mystery shopper) or other tasks that need no specialized skills or knowledge.
- **Level 2: More sophisticated activities** – These include merchandising tasks, e.g. putting up a display or collecting coupons. Level 2 activities entail letting the store manager know that a person is being sent on behalf of the manufacturer. This level requires more skills and knowledge than Level 1, and fewer people would be eligible.
- **Level 3: Official activities** – A crowdsourced resource is sent as an official representative of the manufacturer to the store. Resources who accomplish these activities need more specialized skills, knowledge and training.

Crowdsourcing can help companies accomplish one-off activities over a wide geographic scale.

Remuneration of crowdsourced workers varies as well. The work may be accomplished in exchange for perks such as discounts or gaming currency as well as monetary compensation.

By outsourcing tasks to a wider network of people, manufacturers can:

- Accomplish simpler and one-off activities faster, even over a wide geographic scale.
- Enable sales representatives and merchandisers to focus on their own tasks, strengthening customer relationships and overseeing brand campaigns to increase relevance of their product portfolio, promotions and in-store activities.
- Collect more data about their store partners and customers to better understand and connect with them, and build loyalty through a more responsive, real-time and authentic brand-to-customer relationship.

How can your business get started on crowdsourcing? You can let your back office trigger the demand as an extension of your field staff. Alternatively, field personnel themselves may initiate crowdsourcing to extend their own team and play a high responsibility area manager role.

¹ Howe, Jeff. “Crowdsourcing: A Definition.” *Crowdsourcing*, 2 June 2006, crowdsourcing.typepad.com/cs/2006/06/crowdsourcing_a.html. Accessed 18 February 2019.

² Alasagas, Ashley. “FMCG brands boosted crowdsourcing investment nearly 50% in 2014.” *Marketing*, Niche Media, 13 April 2015, www.marketingmag.com.au/news-c/fmccg-brands-boosted-crowdsourcing-investment-nearly-50-2014/. Accessed 18 February 2019.

³ Cancialosi, Chris. “Crowdsourcing: Your Key to a More Effective, Engaged Organization?” *Forbes*, Forbes Media LLC, 3 August 2015, www.forbes.com/sites/chrisancialosi/2015/08/03/crowdsourcing-your-key-to-a-more-effective-engaged-organization/#786e42f3eae1. Accessed 18 February 2019.

⁴ “Walmart Competition Gives Entrepreneurs the Chance to ‘Get on the Shelf.’” *Walmart*, 1 July 2013, corporate.walmart.com/news/news-archive/2013/07/01/get-on-the-shelf. Accessed 18 February 2019.

⁵ “Walmart to Local Entrepreneurs: We Want Your Products. Walmart's 5th Annual Open Call Event.” *Walmart*, 17 April 2018, news.walmart.com/2018/04/17/walmart-to-local-entrepreneurs-we-want-your-products-walmarts-5th-annual-open-call-event. Accessed 18 February 2019.

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Steffen Zimmermann is a senior manager and global product management lead for our Accenture Cloud Retail Execution solution. Steffen and his team are experts in the consumer goods industry and work closely with leading consumer goods companies to design solutions that allow consumer goods companies front office teams to win at the shelf.

Prior to his role at Accenture, he was working as a scientist on molecular dynamic computer simulations for solid state physics.