

Grocery Retail in Digital Transition

Grocery was once considered one of the slowest industries to adopt new technologies, but recently, grocery retailers led the pack in rapid innovation to meet the changing needs of the consumer.

Yet, the competitive environment for share of awareness and share of wallet is challenging. For midsized retailers the contest can be intimidating, and the market is crowded by many larger and new digital-native players. The competitive set for food, beverages and meals now include grocery delivery, 3rd party grocery delivery, pure-play retail, meal kit subscriptions, and restaurant delivery. And they are all vying for the grocery retail market share.

Furthermore, customers have higher expectations of their shopping experience. Not only are consumers expecting a fair price, merchandise to be in stock and excellent customer service, they are also evaluating the overall digital experience.

75% of consumers changed how they shop during the pandemic¹

Grocery business under constant change

The grocery sector has evolved steadily, but the global pandemic accelerated the process. According to McKinsey, consumers worldwide are adopting digital habits; 75% have changed how way they shop,¹ forcing retailers to race to keep pace with what will likely be permanent changes. Other drivers in the industry include:

- Higher expectations for consistency and efficiency across channels
- Demand for local suppliers and larger range of products online
- Increased competition requiring faster speed to market
- Rise in purposeful shopping and need for transparency
- More regulation on customer privacy and food safety
- Need for unique and differentiated brands and services
- Required agility for supply chain events and product recalls

The top 10 opportunities that make MDM indispensable

Multidomain master data management (MDM) offers grocery retailers a single, integrated platform to support a wide variety of actions and initiatives to proactively stay ahead of change, opening a range of new opportunities:

1

Build stronger supplier ties

Build a robust system and set of processes for onboarding new suppliers and products. Increase capability to provide data quality feedback, reduce friction and improve product data.

2

Integrate data to support digital transformation

Create competitive advantage by using MDM to integrate silos within a specific type of data or across data domains, such as product and location, to create a business foundation of data integrity and trusted information.

3

Streamline organizational processes

Develop business processes that accelerate data management activities and decision making, enabling work to get done across departments more efficiently, increasing speed to market.

4

Improve digital experience and loyalty

Drive better personalized omnichannel product experiences that are consistent across channels. Delivering consistent high-quality product data from a single source of truth can fuel better experiences online and increase trust and loyalty.

5

Acquire new customers and improve loyalty

By collecting and integrating customer data from all touchpoints to gain a 360° view of your customer, you will be able to better cater to their needs and engage with more relevant messaging.

6

Increase collaboration and alignment

Improved governance opens access to unified data so category management, marketing and ecommerce are on the same page. Less time spent collecting data frees up more time for analytics, informed decision making and execution of marketing plans.

7

Mitigate product and customer risk

MDM can help enforce data governance to ensure product information, such as allergens, ingredients and nutritional panel images are appropriately provided on product labels and descriptions before products go live.

8

Safeguard consumer privacy

Reduce financial risk due to improper use of consumer data by enabling controlled transparency for consumers to access and manage their personal data storage and usage preferences. Data transparency also helps businesses comply with regulatory controls and best practices.

9

Increase transparency of product information

With a data model that extends from supplier sources and private brand teams, MDM enables grocers to strategically prioritize the enrichment of product data to track against corporate and social responsibility (CSR) goals and provide consumers with more detailed information to support values-based purchase decisions.

10

Accelerate digital transformation

Having a multidomain foundation of trusted information across product, supplier, location, customer and other data sources fuels innovations such as AI and machine learning. Successfully building out the digital ecosystem of apps, social media and third-party delivery services is also dependent on consistent high-quality data.

Unique features to support grocery

Grocery retail comes with its own set of unique challenges, including the wide variety and proper handling of products, speed of sell-through and even managing hours of supply to keep shelves stocked. Retailers need to execute at a high level to find cost savings, enhance CX and deliver to customers in a myriad of ways while retaining margins. Following are specific capabilities grocery retailers need from their MDM solution to drive that execution.



Flexibility in hierarchies and external taxonomy.

Grocery retailers can be challenged to manage operational, digital or special seasonal hierarchies. This can also be important for collaboration to easily reference and link to syndicated retail hierarchies (Nielsen, IRI, Spins, NPD and more).

Multidomain MDM can support as many hierarchies as necessary to grow the business today and into the future as you continue to expand into new markets and digital channels.



Customization of attributes by category to meet unique needs.

An average grocery store has over a hundred categories, many with unique attributes that are important to capture and communicate based on regulatory, operational or consumer needs.

Digital transformation is happening but not fast enough

53% of retailers say digital presence is important, but only 15% say they are leaders in putting that presence in place²

With multidomain MDM, you have unlimited ability to expand attribution at category or lower levels in your hierarchy. This can help establish relationships of data, ensuring better governance and greater insight into business performance.



Nutrition, ingredient and sustainability data management.

Grocery retailers need to quickly onboard data from suppliers, as well as internally from ERP and PLM, while maintaining data quality. Multidomain MDM addresses this need, and enables them to establish rules for sustainability and nutritional information in addition to approval requirements to track and meet CSR goals.

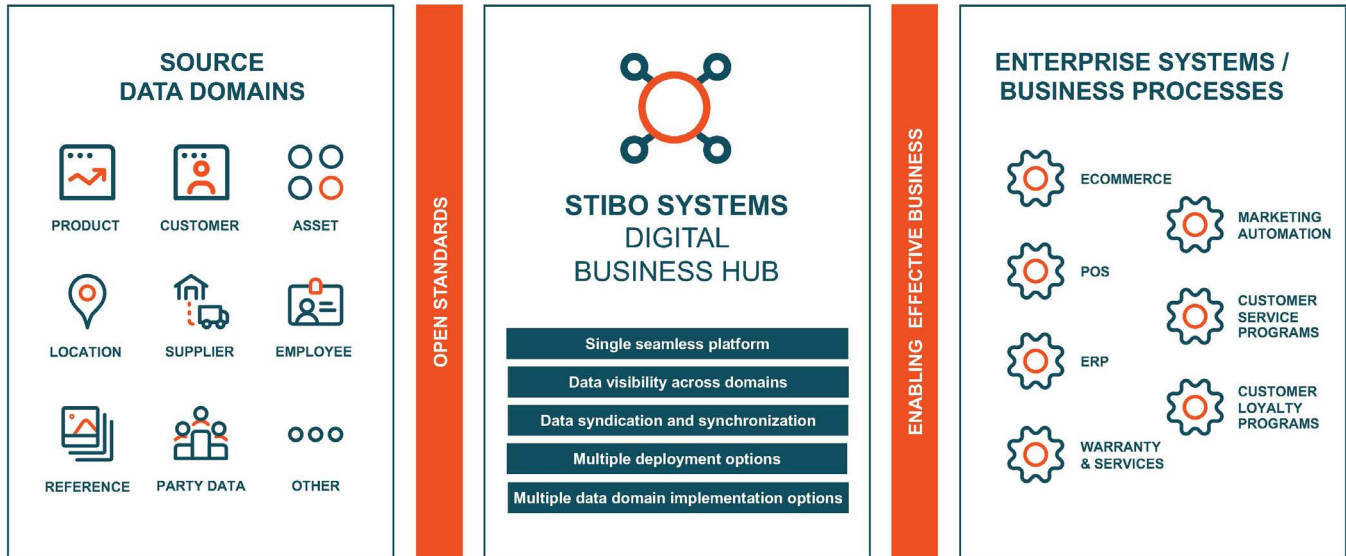
Build a digital business hub for grocery retail

Stibo Systems Multidomain MDM is a single, scalable platform that connects and manages master data across ALL data domains — products, customers, locations, suppliers, assets and employees — to create a comprehensive on-demand view of your business and operating units, leveraging accurate, up-to-date information.

Acquiring, validating, enriching and sharing data from a central master data platform enables you to build a digital business hub to leverage the value of your most important business assets.

As a retailer, you may start with supplier and product data as part of your digital transformation and add and integrate additional data domains as needs and skill sets evolve and grow.

Establishing a Multidomain MDM powered Digital Business Hub empowers digital transformation



Key features/functionality of Multidomain MDM

- **Single seamless platform**, regardless of data domain, enables future MDM capability without reengineering existing infrastructure.
- **Open API** provides flexibility for rapid integration across internal and external IT systems, sources and environments.
- **Focus on configuration vs. coding** increases speed of implementation and enables workflows and user experience to be adapted and reconfigured as your business changes.
- **Data synchronization and integration** to keep all systems and users up to date, enabling them to confidently share data across applications, partners and channels. PDX Onboarding, a built-in product data onboarding solution, enables retailers to connect easily with suppliers and partners to keep product information accurate and updated.
- **Intuitive and customizable user experience.** A role-based, optimized UX empowers users to be more productive using established workflows.

A proven leader in grocery retail

Stibo Systems is an innovator in Multidomain MDM and product information management, empowering retail success worldwide. Our Digital Business Hub strategy enables organizations to gather their most valuable data assets once — from across multiple systems, sources and domains — and to distribute them to all users, empowering the delivery of data transparency and providing a single, reliable enterprise-wide version of the truth.

To learn more about our deep retail experience, or our unique approach to maximizing the value of data in the grocery retail space, visit stibosystems.com/retail.

Sources:

1) McKinsey, What consumer-goods sales leaders must do to emerge stronger from the pandemic, August 10, 2020

2) Euromonitor, February 2020 (Quoted in: Forbes, Five E-Commerce Trends That Will Change Retail In 2021, January 2021)

About Stibo Systems

Stibo Systems, the master data management company, is the trusted enabler of data transparency. Our solutions are the driving force behind forward-thinking companies around the world that have unlocked the strategic value of their master data. We empower them to improve the customer experience, drive innovation and growth and create an essential foundation for digital transformation. This gives them the transparency they require and desire – a single, accurate view of their master data – so they can make informed decisions and achieve goals of scale, scope and ambition. Stibo Systems is a privately held subsidiary of the Stibo A/S group, founded in 1794, and is headquartered in Aarhus, Denmark. More at stibosystems.com.