

# THE DATA RUSH

European survey on data  
and digitalization



nextcontinent

# NEXTCONTINENT'S DIGITAL MARKETING SURVEY

Today's Chief Marketing Officers have a host of new topics to tackle compared to the beginnings of their careers. How are CMOs affected by Digitalization & Data and what do they expect from the future? That is what the management consultants of the *nextcontinent* network investigated in this survey. We interviewed 17 top Chief Marketing Officers and other leaders in the Consumer Products & Retail industry across Europe.

## Survey results

What would a survey on Digital Marketing and Data be without some hard data? We asked each interviewee to rate its company's current and future dealings and the expected value of data and digital. Perhaps a sample of 17 interviewees could be considered to be too small to make solid scientific claims. Nevertheless, the stories these leaders share may be just as insightful.

## Interviews

We wrote their stories down in a series of interviews. What does global consumer health brand Johnson & Johnson expect of data in the Italian market? How will global retail company Lagardère Travel Retail use data to make consumers come back to their stores? How does global paint manufacturer AkzoNobel prepare itself for the future of shopping?

The synthesis of these interviews will provide you with a red line. What conclusions can we draw on the state of digitalization and data in marketing across Europe? And what do Chief Marketing Officers expect from the future: for themselves and for their teams? Which investments will they be making? To give you a hint: it's in data.

## About nextContinent

*NextContinent is a consulting network of 1.500 management consultants, amongst 4.500 professionals that is present in 40 offices in 30 countries. We help our clients make change happen in a complex world. Our citizens operate in the forefront of various industries, Consumer Products & Retail being a prominent one. Our Business Community unites consultants who are involved in these sectors.*

## Industry-wide perspectives

Some people are in a position where they can reflect on the entire industry; their stories are just as valuable as those from inside Europe's leading brands. Jean-Michel Moutot, a leading marketing professor from Audencia Business School in Nantes, wrote a brief history and outlook on the marketing profession. We also interviewed Wijnand Jongen, the president of E-commerce Europe, Europe's trade organization for online retailers. How does he reflect on Europe's digital capabilities and how do they compare to other continents?

Another interesting point of view is that of Kristian Majer, partner of the Garrison Group, a specialized strategic marketing agency. His field of expertise is hyper-segmentation. In his article, he challenges you to reconsider the common opinion about Big Data.

We hope this survey provides you with food-for-thought for your own situation. Perhaps be inspired by the stories of others or be content on how far you are down the path of digitalization. Enjoy!

Kind regards,  
Nextcontinent Business Community Consumer Products & Retail

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# THANKS

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<b>Victor Manuel Martins</b>	<b>Nestlé</b>
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<b>Sylvie Collombet</b>	<b>Manutan</b>
<b>Dennis van den Hoek</b>	<b>AkzoNobel</b>
<b>Roberto Quadrelli</b>	<b>Mellin</b>
<b>Romee Lamielle</b>	<b>Lagardère Travel Retail</b>
<b>Simon van der Wiel</b>	<b>Sanoma</b>
<b>Simon Ilardi</b>	<b>Fnac Darty</b>
<b>Guillaume Portier</b>	<b>SES Imagotag</b>
<b>Domenico Barletta</b>	<b>Johnson &amp; Johnson</b>
<b>Wijnand Jongen</b>	<b>E-commerce Europe</b>
<b>Armando Frassinetti</b>	<b>Imperial Tobacco</b>
<b>Ana Cláudia Sá</b>	<b>Bel Portugal</b>
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# EUROPE'S LEADING BRANDS ENTERING THE DATA RUSH

We interviewed 17 top chief marketing officers and other leaders in the consumer products & retail industry across Europe. Our aim was to grasp the impact that data and digitalization have on the marketing function. Of course, each interviewee had his or her own story to tell, depending on the company, the local market, and the position they held.

We observed many similarities as well. If we were to describe their common ground, it's that data is vital for these brands if they are to be – and stay – relevant to consumers. In order to pursue this strategy, investment is needed – investment in technology, but also in the people. This truly is the era of the Data Rush.

## **From one-to-many to personalised marketing**

As stated above, the common opinion is that the importance of data will grow, even exponentially. However, companies differ in their position on this growth curve. Some score themselves moderate to good on data performance and experiment with innovative solutions such as chatbots, robotics, facial recognition, and so on. Others consider themselves less advanced in this area and refer only to the move from TV ads to online advertising.

Nevertheless, they come to a similar conclusion: marketing will move from one-to-many to a much more personalised message or offering. Not only because it is a technical possibility, with the mass of current and future channels and data at their disposal, but also because personalisation will add most value to consumers, and so personalisation will become the norm.

This is easier said than done. One company, which considers itself quite sophisticated in this area, commented on the high cost of segmented marketing. It seems only viable when applied on a large scale. It is a balancing act in which monitoring the profitability of actions is key. Aligning with consumer needs proves difficult to actually achieve. Personalisation is not the silver bullet for solving this problem – yet.

### **Breaking down silos**

Data and digitalization also affect the way companies are organized. Interviewees differ in their perspective on how to organize digital. Some encourage a separate organizational entity for digital, being able to govern itself and make its own decisions to drive their growth. Most favour an omnichannel approach: aligning all channels, all operations, both front and back end, into a customer-centric organization. CMOs could be the most likely ones to break the traditional organizational silos since, as one interviewee described it, CMOs act as a voice of the customer in the organization.

Perhaps the most compelling statement is that data is becoming the responsibility of the entire organization. Useful data are to be collected at each stage of a customer journey and at each stage of internal processes. Those same data are to be utilized throughout the entire customer journey. This way, bad data quality has a larger negative impact than ever.

### **The nerd is your new boss**

The marketing organization itself will also change. Most interviewees mention the merging of marketing and technology. Or they mention T-shaped profiles in which a marketing specialist has some expertise in IT and vice versa or even “layered cakes” in which one cannot live without the other. Data scientists, who understand business stakes and needs, will certainly become the most wanted experts on the labour market, closely followed by neuroscientists.

### **Making mistakes is the new success**

Another important factor is the increasing pace of innovation. The pace at which innovations are having a bigger impact on markets is increasing. It does not leave time for extensive studies or analyses. Project and company governance will have to facilitate a ‘fail fast’ start-up culture, rather than business cases and risk control ruling boardroom decision-making. It’s all about agility and real-time diagnostics now.

### **You will be disrupted**

New entrants, such as Amazon or Alibaba, are the biggest worry for interviewees in the retail industry. What these disruptors have in common is their unparalleled use of data in adding value for consumer. Retailing companies can still compete by nurturing their assets: their loyal customer base and their physical channels. However, as one interviewee stated, investments in data are a prerequisite for having a future at all. The only defence for retailers seems, yet again, to be investing in valuable use of data.

### **Don’t forget the people behind the data**

In the end, almost all interviewees come back to the human factor. Consumers’ needs are the real driving force behind successful innovations. Personalisation still requires a human touch in order to be effective and efficient. Robots and algorithms cannot take over all human work. It’s the data scientist, the neuromarketeer, and the ‘new’ marketer who will determine how to satisfy the consumer’s ever-changing needs. The most important characteristic of the future workforce is and will be intrinsically human: it’s the ambition to explore new territories.

# INTERVIEW WITH ROMÉE LAMIELLE LAGARDÈRE TRAVEL RETAIL



By Jean-Michel Moutot

Lagardère Travel Retail is known for its wide range of news and convenience, duty-free shops and restaurants across 34 countries. Below, Romée Lamielle, the company's Innovation Manager, shares his experience and views on digital retailing and marketing.

## **How has digitalization impacted Lagardère Travel Retail?**

"There are four main areas where we use digital technology: e-commerce, data-driven knowledge of clients, back-office processes optimization, and in-store. There are many ways to enhance physical stores using digital technology."

## **How does Lagardère Travel Retail use digital technology in-store?**

"We aim to create an experience that makes clients enter our stores and come back by surprising them with the use of displays and robots, for instance using gamification to entertain clients in-store; by giving them information digitally, including reviews of offers that can also be found online; by smoothing the client experience; by eliminating queues and facilitating the transport of purchased goods."

## **What are the main challenges when it comes to digital technology?**

"Digital technology should be used to better know your client in order to direct them towards offers they are interested in. For Asian clients, it is important that we use and master social media, such as WeChat and Weibo, to promote offers before their trip – for example, finding a highly fashionable Lancel bag during or before the flight and making sure the client will find it at the airport on arrival."

## **How does this affect the marketing function?**

"It is important to develop it as a corporate innovation function, developing methods used by startups and working with data scientists. Employee profiles are also more and more oriented towards digital."

### Which areas of investment will Lagardère Travel Retail focus on?

“We recognise the importance of our Chinese clients. We therefore intend to invest in payment processes, facilitating point-of-sale payments, such as Apple pay, WeChat pay. This year, we announced the rollout of WeChat pay in our European stores. We will also invest in getting to know our clients better, via machine learning, data science, artificial intelligence and so on. We want to use enriched data, such as boarding passes, airports, selling points and so on, to best serve our clients.”

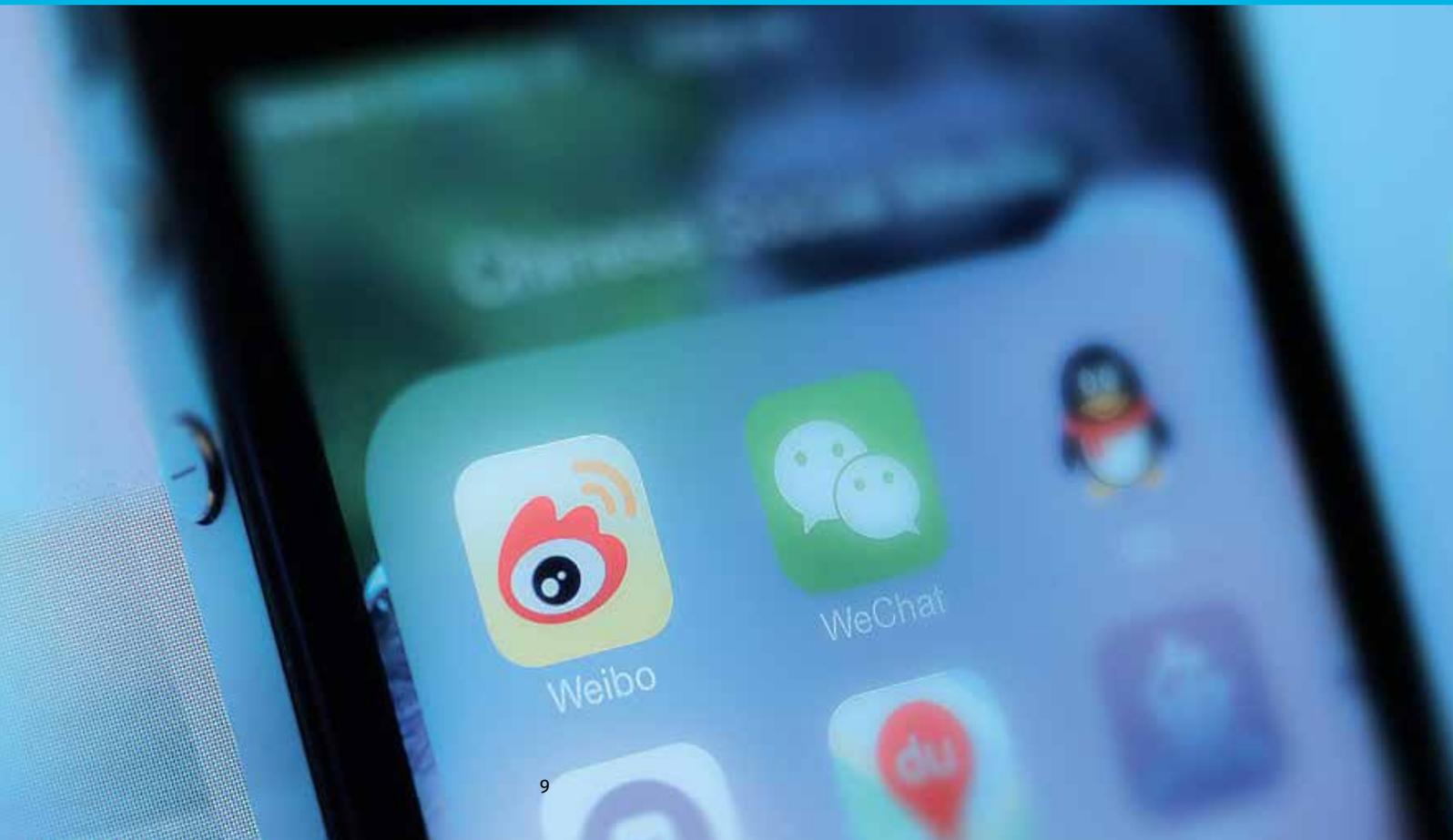
**“We recognise the importance of our Chinese clients, therefore, we invest in WeChat and Weibo.”**

#### About Lagardère Travel Retail

Lagardère Travel Retail is known for its wide range of news, convenience, duty-free shops and restaurants across 34 countries. It is part of the Lagardère Group, a global leader in content production and distribution, including publishing, radio, TV, and media & entertainment.

#### About the interviewee

Romée Lamielle is Innovation Manager of Lagardère Travel Retail. He started out his career as a strategy consultant, working for insurance company AXA and consultancy firm Roland Berger. In 2015, he entered Lagardère Travel Retail.



# INTERVIEW WITH SIMON VAN DER WIEL SANOMA



By Axel Groothuis & Marileen Kan

As one of Europe's leading media companies, Sanoma serves millions of consumers via its print and online media brands, such as Donald Duck, Libelle, and VTWonen. As a media company, Sanoma is part of a special dynamic, since it serves both consumers and businesses that want access to those consumers. We talk to Magnus Red alumnus Simon van der Wiel, Director Consumer & Trade Marketing about Sanoma's digital marketing challenges and the outlook for the future.

## **What does your job entail?**

"I'm responsible for consumer revenues through subscriptions, services and products for Sanoma Netherlands. My team of marketers, customer service representatives, and data experts is predominantly responsible for magazine sales, either via subscriptions or in-store. I work alongside Sanoma's three domain directors, who are responsible for creating and branding their media brands."

## **How significant are data for Sanoma right now? For instance, what would happen if Sanoma had no access to data for one day?**

"When it comes to our current and former customers, I think we can manage without for one day. Our most important marketing channel for this group is our customer service team. It's very low-tech, but far more efficient and effective than all the digital marketing channels I have at my disposal. Our customer service team excels in cross selling, up selling and retention. Before I started this job, I assumed digital channels would be the most effective marketing channels, but it turns out that nothing beats that team."

## **Does this say something about the maturity of data at Sanoma?**

"No, not necessarily. As a media company with a large digital portfolio, we collect a lot of real-time consumer data in quite a sophisticated way. We sometimes combine our data with data from third parties, such as Zalando. This way, we make all kinds of combinations and are able to target people based on their online behavior. But in my experience it is harder to persuade people online-only. The best way to benefit from data is when we connect the digital and the physical world."

### **How do you connect those worlds?**

“We work with a concept called look-a-likes. We take the data from the physical world, for example our most loyal readers of women’s magazine Libelle and find people with similar traits or online Behavior. This leads to significantly more conversion on our offers. Another example is combining data for cross-selling: if in the home of a Libelle subscription, the website of magazine Autoweek is frequently visited, we can make an offer for the two magazines.”

### **How do you find such combinations?**

“Our data scientists are the ones who find these combinations and then we test their efficiency with marketing campaign pilots. This can be quite labour-intensive, since we make very specific combinations from various data sources. If a pilot is successful, then we automate the campaign. This is how we create a constant ‘undercurrent’ – a continuous marketing-contacts flow.”

### **This all sounds very effective. Why is human contact still so valuable?**

“People who call our customer service are already clients; clients who take the trouble to get in touch with us by phone. This is a moment when clients are open to what we have to say or to what we offer. And we can make a relevant offer because we have all the relevant data at hand. We can even choose which call center agent a call is routed to, based on the topic or on the persuasion skills of the agent. It’s the combination of being relevant and persuasion skills that makes this team so effective. Outbound calling by the same team, for instance, has proven to be far less effective.”

### **How does Sanoma fare in gathering relevant consumer data – a challenge for any consumer-faced company?**

“Our priority now lies in enriching our current clients’ profiles. Once a year we conduct a survey about consumer media preferences, which a lot of people are happy to fill in. Also, if we want to create a marketing campaign based on certain data, we often ask clients to give us more details.”

### **Are people still willing to share information? Have you noticed a shift in attitudes?**

“Most of the time, we offer people the chance to win a reward for entering data. It’s a trade-off many people are happy to make. Also, we use Facebook advertising to access very rich consumer profiles. Because Facebook users always log in, it allows the company to gather a lot of one-on-one information.”

### **Is that something Sanoma is working on as well – a login for consumers?**

“Yes, we are motivating our clients to log in well. News site NU.nl is a good example; we have bought the live-streaming rights to Champion’s League football matches. People who want to watch those matches need to log in first, and that works. As long as you provide a substantial premium for logging in, people are willing to log in.”

### **How do you rate Sanoma's current big data capabilities?**

"We are doing pretty well. We have a nearly complete 360-view of our clients, having tied together many data sources. Of course we can always improve, but I would say that we are nearly at the top."

### **What challenges do you face?**

"Even though we have more than a million clients, scalability is often a problem. If we want to create personalised email-flow, the target group for that email-flow is often too small. The business case for automating an email-flow frequently doesn't add up."

### **What do you expect to happen in the near future?**

"I expect our partnerships to help generate new and more relevant data. Scoopy, one of the startups Sanoma has funded, is a good example. It is an app that allows consumers to rapidly profit from cash-back offers. Consumers scan their grocery receipt and the cash-back money is transferred to them. These receipts generate a wealth of valuable information. Buying behavior is a very strong indicator, stronger than reading an article or watching a video on a certain topic."

### **What changes do you foresee in the role of marketing?**

"Well, we definitely need more database marketers. These people are hard to find. As a database marketer you need to be very intelligent, but also be prepared to do a lot of operational work – digital marketing is still quite labour-intensive. It doesn't mean that we need fewer 'generalist' marketers – the people who set up and run a marketing campaign. But they, too, are specialising. Marketing channels have become more complex, so there are marketers who focus on inbound marketing only or digital marketing only."

### **How does it change the position of marketing vis-à-vis the rest of the organization?**

"We have to work more intensely with IT in creating, executing and automating marketing campaigns. There is someone from the IT department who is permanently based in our agile development team. This works very well, because it enables the team to formulate and answer the right questions: 'how can we persuade consumers of product x to also buy product y.' It's so nice when the two worlds meet: the creative and the data world. It's what motivates me personally, too: working in a company where imagination meets commerce."

**“The best way to benefit from data is when we connect the digital and the physical world”**

### About Sanoma

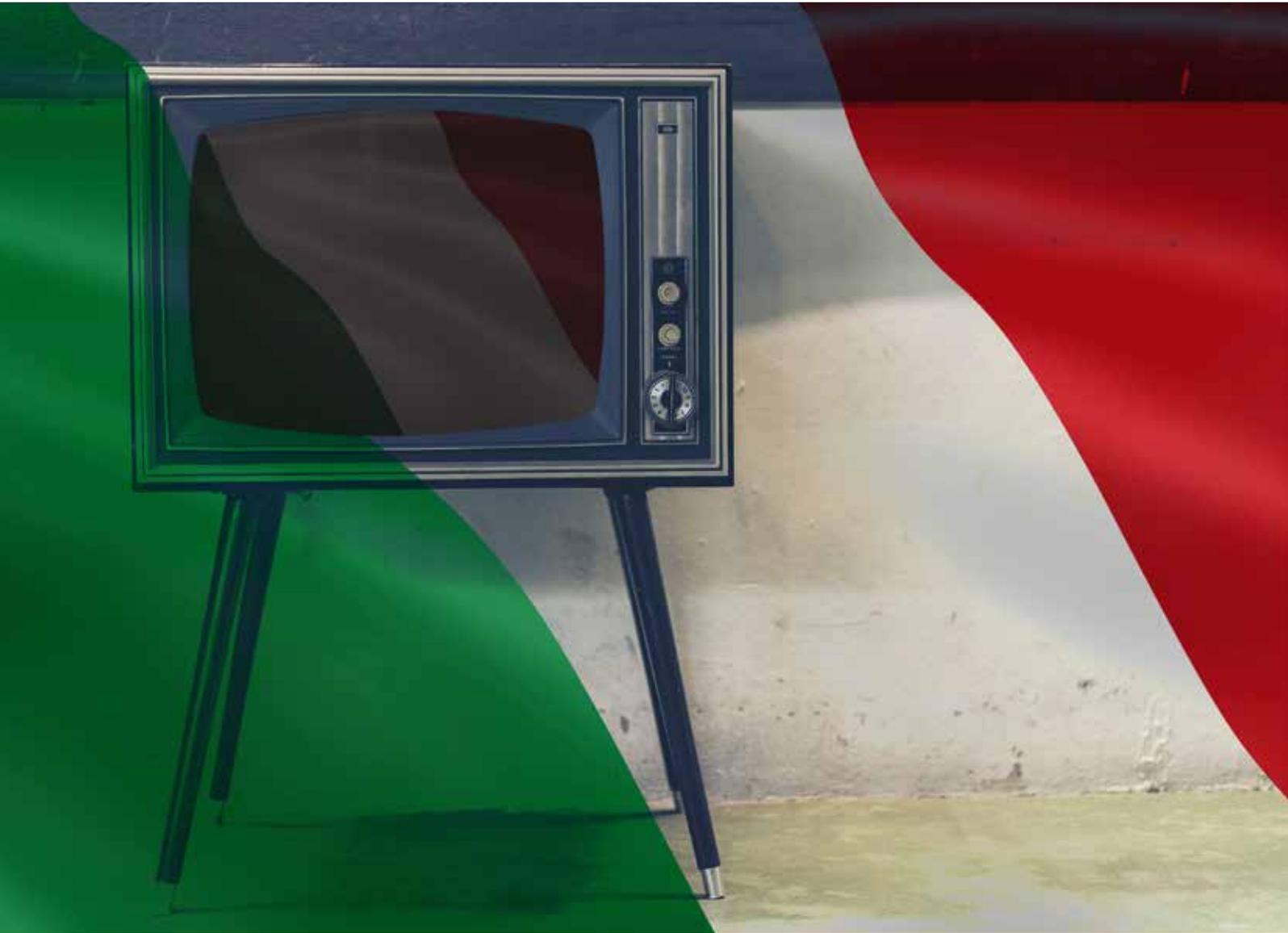
As one of Europe's leading media companies, Sanoma serves millions of consumers via its print and online media, such as Donald Duck, Libelle, and VTwomen. Its headquarters are based in Finland. With companies operating in Finland, the Netherlands, Belgium, Poland and Sweden, it employs around 5,000 professionals. The company's net sales totalled €1.4 billion in 2017.

### About the interviewee

Physicist Simon van der Wiel started his career as a management consultant at Magnus Red, working on multiple business-IT alignment projects. In 2004, he started working for Sanoma, as leader on a large variety of projects. Since 2015, Simon has been Director Consumer Trade & Marketing for Sanoma Netherlands.



**“In Italy, investments in TV advertising are still high.”**



### **About Johnson & Johnson**

Johnson & Johnson is a worldwide operating multinational for consumer health products, based in the US. Its product range consists of pharmaceutical, medical and consumer products. It is the company behind several well-known daily consumer products, such as Listerine, Neutrogena, Johnson's Baby, and Aveeno.

### **About the interviewee**

Domenico Barletta is President of the Board at Johnson & Johnson S.p.A Consumer Italy. He has worked for several renowned global consumer product companies, such Procter & Gamble, Pfizer Consumer Healthcare, and British American Tobacco.

# INTERVIEW WITH DOMENICO BARLETTA JOHNSON & JOHNSON



By Marina D'Artibale

Johnson & Johnson is a global brand in consumer health products. We talked to Domenico Barletta, Country Manager of Johnson & Johnson Consumer Italy. He shared his views on marketing and content creation in the digital age.

## **How has digitalization impacted Johnson & Johnson?**

“The impact of digitalization for us is twofold. On the one hand, it requires us to create new content. Messages for digital media have to be developed differently, since there are new touch points that require different value propositions. On the other hand, there are new influencers on social media and in blogs who we need to consider.”

## **How has it affected the marketing organization?**

“We are looking for new competencies outside the company and identifying digital companies to hire new experts. We're also searching for new partners and trainers to develop digital competencies within our current marketing team. In addition to developing digital competencies for everyone, we have created a dedicated role responsible for digital content. It is valuable to have a single point of reference to review and harmonise the digital strategy.”

## **What will marketing at Johnson & Johnson look like in five years?**

“In the next five years, we expect a further change in the marketing mix and in media investments. In Italy, investments in TV advertising, although decreasing, are still high compared to other European countries. At some point in the next five years, digital media investments will top traditional media. Via digital media, consumers will receive messages in a more personal and targeted manner. For marketing content, this implies more and more tailor-made messages for segmented target groups. It will become critical to develop a very precise marketing approach, with the use of new analytics to evaluate this approach.”

# INTERVIEW WITH DENNIS VAN DEN HOEK AKZO NOBEL



by Dora Barends Photography

By Axel Groothuis & Marileen Kan

Dennis van den Hoek is responsible for taking e-commerce to the next level in AkzoNobel's Decorative Paints division. What is his vision of the marketing function in the digital era? How does he see the future of marketing at AkzoNobel? What role will data play, now and in the future?

## How would you describe your role at AkzoNobel?

"In my role, I enable AkzoNobel to enjoy more success in e-commerce in the 80 countries in which it operates. Decorative Paints is a rather traditional market; the vast majority of consumers and professionals still buy paint in a physical store. We are actively driving our customers to start buying their paint online. We analyse the most relevant drivers and blockers, and build solutions that help our markets drive conversion and, ultimately, online revenue."

## What keeps people from buying paint online?

"There are several, but a main recurring theme is colours. There are so many colours, so many finishes, that it can be daunting for consumers to choose a colour online. Being able to see the colour in real-life is an important reason to buy paint in a physical store. Custom-made colours also pose a major supply chain challenge. At what point in the chain should colours be mixed-to-order? What should we do with returns?"

## How do you remove those barriers to digitalization?

"On the consumer side, we have invested a lot in helping people make a decision. We sell testers online and via our DIY retail partners, provide a lot of inspirational content, promote the colour of the year, advise what colours go together and so on. In 2014, we launched a visualizer app, which uses Augmented Reality to help people see what a colour would look like in their home. We continuously improve the app and it has been downloaded 17 million times in 2018. It's something we're very proud of; it really helps consumers feel comfortable with trying, and finally buying our products online."

## How about the barriers in the supply chain?

"AkzoNobel has three types of online channels. Our own digital channels, which we use in establishing and nurturing relationships with consumers

and professionals, and eTail partners. These are both our traditional resellers who sell paint online, such as DIY stores and trading companies, and pure online channel partners, such as Amazon. To effectively serve all these channels, we need to make product data readily available on a global scale. This is one of the focal points for me now.”

### **What role does AkzoNobel play in digitalising the value chain?**

“Due to our market position, we are able to influence the market. To give an example, I am working closely with eTailers across the globe to advise them on how to build a better paint product category: what filters are relevant in buying paint? If they are able to offer the right consumer journey, that would remove a barrier for consumers. On the other hand, it could also be a disruptive force for our traditional resellers. So we support them too, by sending them valuable leads via our own digital channels. Ultimately the consumer decides, and we aim to always offer them an option to buy (online).”

### **How valuable is digitalization for AkzoNobel?**

“Digitalization is of strategic importance; our CEO is an active advocate of the digital path. We are certainly heading in the right direction. However, there is always room for improvement. Fortunately, since we are taking the digital steps on a global scale, whenever we take a step forward, it’s going to be a big leap.”

### **How valuable are data for AkzoNobel?**

“We have created customer journeys based on our data, so we know which steps people typically take before actually buying paint. Since this process takes only a few weeks, we need to be quick and effective with our marketing. Therefore, we have designed our CRM tooling accordingly so that we can automatically tune in on that decision-making process.”

### **What does this all mean for the marketing function?**

“In a sense, marketing is still what it has ever been. Optimizing the different marketing channels, making sure you are promoting the right product, in the right place, at the right price. As a manufacturing company, it is important to provide third-party channels with the right tools to make the sale. However, there are new areas of marketing expertise emerging: data analytics, and technological know-how are essential to marketing today.”

### **How does it affect marketers at AkzoNobel?**

“We need to fully understand the costs of making that online sale. What exactly are we gaining from a Facebook campaign? What does it mean to do business with an eTailer? What does it mean if we do direct online sales? How do you handle the returns process effectively?”

### **How do you perceive the position of marketing within AkzoNobel?**

“Marketing and IT are becoming more intertwined. As a marketer, most projects I manage are, de facto, IT projects as well. This is also my particular added value: being a marketer who understands technical requirements and needs, and can manage projects through to implementation. Such capabilities are crucial for today’s digital marketers.”

### **What are your expectations for the next five to ten years?**

“Virtual Reality could be a real opportunity for us. Let’s take the example of using VR glasses to visualise your new home. The technology is available, but not widely adopted by consumers, yet. Or take 3D printing; if consumers print their own custom-made mixes at home that would completely alter the e-commerce process. In the near future, we expect to generate a lot of new business via our online channels”

**“Virtual Reality could be a real opportunity for us.”**

#### **About AkzoNobel**

AkzoNobel is a leading global paints and coatings company and a major producer of specialty chemicals. Most people know its high-street paint brands such as Dulux, Flexa and Interlux as well as its professional brands. It is one of the largest manufacturing companies in the world, operating in more than 80 countries.

#### **About the interviewee**

Dennis van den Hoek has been working in the digital sector for almost two decades now. He started his career at Microsoft and worked in digital marketing & e-commerce positions for major consumer brands. Dennis now works for AkzoNobel. As Global lead E-commerce & Transformation, Dennis van den Hoek, is helping take digitalization to the next level in the Decorative Paint division.



## SOME STATEMENTS ABOUT ...

“Digital is crucial to us, and it’s increasingly urgent. Our loyal client base is our asset, but we need to invest in cross-channel loyalty programs quickly. It’s time to scale up, but it’s not a clear company priority. Top management has a poor digital culture, which is a major hurdle in going forward. Meanwhile, we’ve noticed that online pure players are looking for opportunities to purchase a retail chain.”

*French retailing company*

## ... The Role of Digital & Data Today

“Digital has huge value for the future, which we do not tap into today. The value of our database today is still low, but I expect it to grow exponentially. What is important is not just collecting the data, but being able to structure and analyse it in order to know what to do with it.”

*Romanian retailing company*

“Digitalization and CRM help us to better understand customer needs and to provide customers with relevant offers via personalisation. We have the privilege of owning a customer and transaction database with over 10 years of history. Because of investments in technology in the past, we can analyse online and offline transactional data, and create personalised offers for customers. However, our online platform needs updating. Digital requires continuous improvement. Because of the complexity of systems architecture and integration, this is very costly.”

*Romanian hypermarket*

Some of the interviewees wished to stay anonymous. A choice to be respected. Remaining incognito certainly gave them the freedom to make some bold statements.

# OPINION ALL DIGITAL MANAGERS SHOULD BE FIRED



By Kristian Wulfsberg Majer

I get scared when managers tell me they love their brand beyond everything. I also get scared when managers say they are digital in their DNA. And yes, it is difficult to fire someone who loves your company brand and is digital to their core in today's digital transformation. But, what's really important?

I have met so many brilliant digital people that have little understanding of human behavior. They see the numbers, but they don't know how to interpret them. I recently had a meeting with a gigantic book retailer. They were selling a fantastic book on photography, on how to take great pictures, with stunning visual examples.

Two segments were buying the same book, in other words two groups of consumers displayed the same behavior. The motivation, however, was radically different. One segment bought the book because they genuinely loved the art of photography and found it intellectually rewarding. The other segment bought the same book, because they wanted to put it on the shelf to show off when they had dinner guests. The exact same behavior, but totally different motivations, which means we must create two different communications to reach them.

Obvious? I remember the marketing director of Dove told me after she had launched the Self Confidence campaign that made Dove one of the biggest brands in the world: "People approached me and said it was an obvious insight that women got fed up with the unrealistic view of beauty. It was so obvious they did not even see it".

It worries me that so many people have lost sight of the obvious. The numbers don't mean anything if you don't know how to make it human. It worries me that people think big data is about amassing hundreds of data silos, and expect they will get statistically valid human insights they can actually use. Being good at digital and being good at human beings should go hand in hand.

Here is how we, at Garrison Group, approach Big Data. Don't start with hundreds of data silos. Start with one. And no, it is not your internal data silo. That is just category data. You start with a gigantic single-source database that has one purpose and one purpose alone: understanding all the humans in the country you operate in. In all the countries Garrison Group operates in, we have the biggest single-source database in that



country. That means we have a sample size of 10,000 - 70,000 people who answer about 7,000 questions. This means that in the database we have upto 300 categories, 3,000 brands, lifestyle data, media data, leisure data, and shopping data. All in one. We have the unique possibility to segment the country into human segments that ACTUALLY ARE HUMAN. And here is something I hope is obvious to you. The segmentation is exactly the same when we work for Carlsberg, Danone, Visa, Coca-Cola, IKEA or any other brand. Because you, the reader of this article, you are the same human being when you buy a beer, yoghurt or coffee table. Your habits and insights go across categories. If you want to show off, you show off in many categories. If you are traditional, you are traditional across categories.

When you know the segments in the countries (which in itself is big data), then you can do whatever you want. You can do a fusion with a category segmentation, or your CRM database if you have a loyalty club or do E-commerce. Just imagine the power of having a database, where you not only know WHAT people buy, but WHY they buy it and WHERE and HOW they prefer to buy it. You can personalize your shopping experience with path to purchase. We recently did a project with one of the biggest E-commerce companies in Europe. They went from big data category understanding, to big data human understanding. They increased sales by 300% in six months.

Fire all your digital managers – virtually or literally – but change their jobs and how they do it. Make them consumer managers. Make them work 24/7 for the consumer, and your sales will triple.

### About the author

Kristian W. Majer is Senior Partner (and Director of Western Europe) at the Garrison Group. He develops full go-to-market strategies for some of the largest brands in the world, covering more than twenty countries on three continents. They include IKEA, Carlsberg, Danone, Coca-Cola, Groupama, EFES, Egmont, LEON and TGI Fridays. He is also a visiting professor in Marketing Strategy at Master's level at CEMS.

# INTERVIEW WITH ARMANDO FRASSINETTI IMPERIAL TOBACCO



By Antonio Fois

Imperial Tobacco is the company behind well-known brands Gauloises, Davidoff, and Montecristo. We spoke with Italy-based Market Manager Armando Frassinetti about the challenges he faces when it comes to digital marketing and data.

## **How valuable are digitalization and data for your current activities?**

“Today, digitalization and data have very low value in our activities. Digital skills and tools have not been our priority until recently. Now we are joining the electronic cigarette market, in which digital capabilities are extremely important. In the coming years, we are going to design and implement an effective digital strategy; it will be crucial for us.”

## **How would you assess your company’s performance in dealing with digitalization and data?**

“We usually collaborate with external agencies; we don’t have effective internal digital tools and skills. Today, we are evaluating the opportunity to hire a Digital Manager to integrate into our team. Without a doubt, our investments in Digital Transformation will be very significant in the years to come.”

## **What is the impact of digitalization and data on your marketing team?**

“The impact of digital on our marketing team will be huge. We are going to build all of our digital capabilities from scratch. In the future, we will certainly need new skills, best practices, and innovation. We are also looking for internal resources to manage these kinds of activities. Our digital team will be part of the Marketing function but it will operate as an autonomous sub-department. Our investments will be in communication, social media, brand ambassadors, bloggers, influencers, and e-commerce. We really want to enter the digital world with a 360-degree view.”

**What will be the impact of digitalization and data on your own activities in five years?**

“The impact of digitalization will be very significant, and not only for the activities I oversee. The entire organization will be affected by it. On a corporate level, we will work with best practices and tools, which we will manage through a tailor-made approach in every country.”

**What skills are you looking for in your marketing team?**

“Thinking out of the box, creativity, the ability to engage people, and the capability to approach new projects with a ‘test-and-learn’ philosophy, which centres around validation and scalability.”

**How will you manage to attract those skills in your company?**

“Our plan is to have a digital internal resource, one internal focal point. This resource will then have to work closely with a communication agency.”

**What will be the focus of your digital investments?**

“As I’ve already said, we will invest in social media, communication, bloggers, and influencers and everything else that can heighten our brand awareness. We will invest more in communication than CRM and data crunching. In the electronic cigarette market, we have fewer limitations and more opportunities than in the tobacco market.”

**What risks do you expect to face in terms of digital investments?**

“Everything is KPI-bounded: the hardest thing to do is to correctly set KPIs and goals. If the KPIs are clearly set I don’t see huge risks. With digital we’ll be able to monitor all data, even the smallest. If everything is monitorable, I don’t see any big risks.”

**Who will manage the digital program in your company?**

“Our digital resources will manage the various aspects of our digital program. We also have a digital team at group level with twenty resources already engaged in the electronic cigarette market launch. Our internal digital resources should, of course, be aligned and engaged with all other functions in the company. Digitalization will be successful when it becomes a common culture engaging with all parties in the company.”

**“We are going to build all of our digital capabilities from scratch.”**

### What are your concerns for the future?

“As time passes, I realise how management is still not fully ready for the digital shift: there is not enough trust, background and know-how to fully understand the change. In my opinion, only companies with a digital management culture will succeed. What I notice is that companies are still struggling to understand the potential of the digital transformation. Even in our company digital is not always seen as an opportunity to seize.”

### About Imperial Tobacco

Imperial Tobacco is the fourth producer of tobacco products worldwide. The company was established in 1901 and has its headquarters in Bristol in the UK. The company is well known for its cigarette and cigar brands, such as Davidoff, Gauloises, Montecristo, and Rizla. It also invests in so-called Next Generation Products, such as vapour smoking, or e-cigarettes.

### About the interviewee

Armando Frassinetti has 30-year career in the tobacco industry. He started out his career in various commercial and trade functions at Philip Morris international, afterwards moving into marketing and multi-channel experience at British American Tobacco. In 2012 he started working for Imperial Tobacco. As a country manager, he is responsible for the Italian market of Imperial Tobacco.



## SOME STATEMENTS ABOUT ...

“I believe that the way forward is to create a fine blend of digital and physical customer services. The end goal is to create an omnichannel approach. However, this comes with high costs and a high workload for internal development. Nevertheless, the potential of these investments is immense. Today, only 50% of Romanians use the Internet. In 2017, 2.4 million people made an online purchase, of which half were food products.”

*Romanian hypermarket*

## ... Digital & Data in the Near Future

“If we come up with a true digital strategy on a multi-platform scale, then its value will be tremendous. Some parts of this expected value are still unknown, though. Data will allow us to optimize our profit margin through better segmentation and better knowledge of consumer habits. In order to do so, we should not only be investing in our front-office, but also in our back-office systems.”

*French retailing company*

“The perception of the value of data will increase, whilst the costs of implementing and maintaining systems will decrease due to the availability of new technologies. Data is, and will be, pivotal in creating personalised and targeted communication. The key to success is the relevance of such offers, in order to avoid disturbing the customer.”

*Romanian hypermarket*

# INTERVIEW WITH SYLVIE COLLOMBET MANUTAN



By Cécile Michel & Savinien Jalbert

Manutan is the European leader in B2B and distant selling of industrial and office equipment: its product range varies from pencils to forklifts. The French family business has “All you need, with love”, as its tagline. How does Manutan apply this strategy when it comes to data and digitalization? We ask Sylvie Collombet, the Director Customer Marketing at Manutan France about her views and experiences with tuning in with the digital world.

## **How important are data and digitalization to Manutan?**

“It is essential to understand who our clients are and to provide access to information to those who are in contact with our clients. There are 13 points of contact with our clients; therefore, providing the right information is vital in serving our clients. When a customer contact agent receives an incoming call, he or she needs relevant client information to provide answers and reach sales objectives. When a marketing employee wants to provide clients with spot-on content via the right channels (print, digital, email), he or she needs relevant client information. For this purpose, a client database manager at group level has been appointed.”

## **How would you rate Manutan’s current performance in dealing with data and digitalization?**

“We do have some great assets. Manutan has its own digital lab that works with data to understand our clients and to improve processes. This, in the end, will improve the satisfaction of clients, employees, and providers. Also, we make use of virtual reality via an app that visualises a large object in a room, for example a cupboard or a desk.”

## **What would you consider to be today’s challenges?**

“Of course, there are areas in which we can develop ourselves. We are currently working on the digitalization of order flows; today 40% occurs via web shops or e-procurement systems. Also, we will have to reconsider our paper catalogue: our website contains over 80.000 products, while our printed catalogue contains only 30.000. Where would paper fit in our omnichannel transformation? Next to that, we are to implement CRM and a loyalty program, which both don’t exist today.”

## **What role will data play in the future of Manutan?**

“Being data-driven without forgetting the human aspect has been Manutan’s strength since the beginning. We want to tie together transactional and behavioral data, for instance also learning about clients’ use of language. Those are new sorts of data, for which a classical database is no longer sufficient.”

### **About Manutan**

Manutan is the European leader in B2B and distant selling of industrial and office equipment: its product range varies from pencils to forklifts. This French family business counts very small business as well as big corporations amongst its clientele. It operates in 17 European countries via 25 subsidiaries with around 2.200 employees

### **About the interviewee**

Sylvie Collombet started in 2017 as Customer Marketing Director of Manutan France. She started out her career at Colgate Palmolive and moved to the entertainment industry, where she worked for Dreamworks and Paramount in various marketing and commercial positions. She graduated in Marketing from EM Strasbourg Business School.

#### **How do these developments impact the marketing function?**

“Such changes go beyond data and digital: we are making an omnichannel transformation. A reorganization is required to integrate data at each stage of the client life cycle. In addition to this, we will need new competencies: technical know-how in handling new technologies, strategic capacity in order to take a step back from data, as well as the capacity to translate data analysis into action plans.”

#### **What will be the influence of the marketing director in five years?**

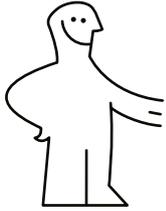
“The marketing director will be complementary to the Chief Digital Officer, who needs to ensure the global transformation of the firm. Data will play a central role in the marketing director’s life: it acts as lever for client satisfaction and for getting closer to the final client (editor’s note: the user of the products). Data helps determine our offer and identify the right angle for approaching clients.”

**“We have to reconsider our paper catalogue: where does it fit in our omnichannel transformation?”**

# THE STÄTE OF DIGITAL

Chief Marketing Officers across Europe about data & digitalisation

## 1 Chief Marketing Archetypes



A. THE CONFIDENT  
high value today & tomorrow  
high capabilities



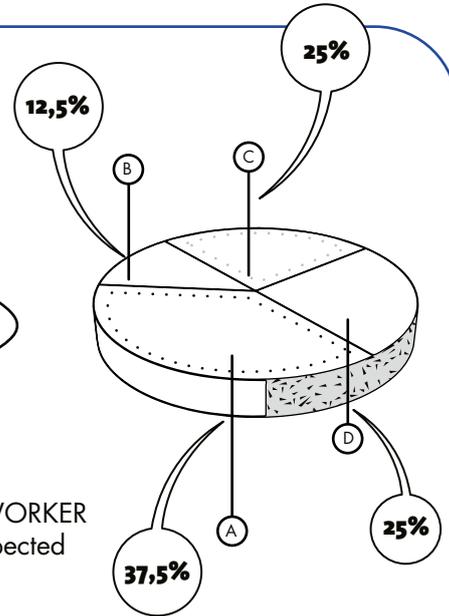
B. THE MODEST  
slowly increase  
expected average capabilities



C. THE NERVOUS  
low capabilities,  
huge expected value

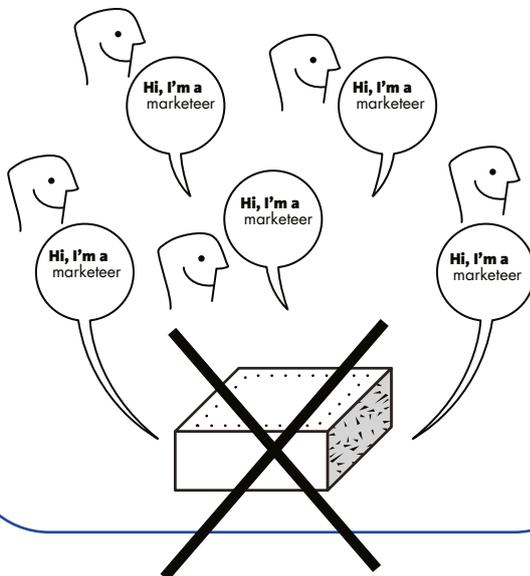


D. THE WORKER  
high expected value  
average capabilities

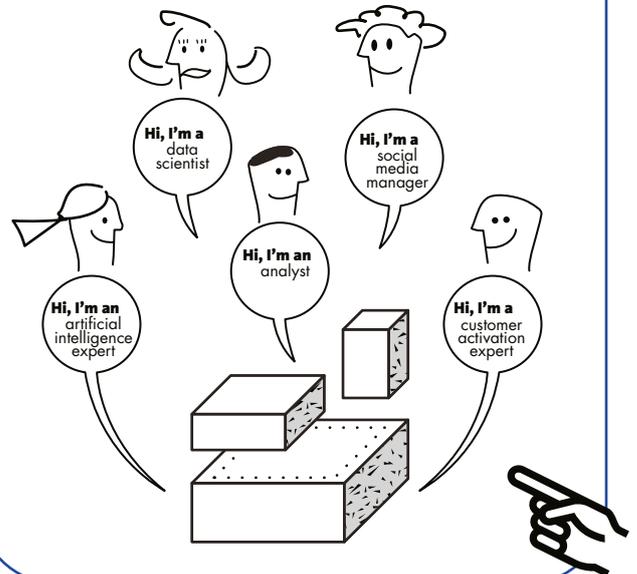


## 4 Their marketing organisation FROM TEAMS OF GENERALISTS TO TEAMS OF SPECIALISTS

### GENERÄLISTS



### SPECIÄLISTS





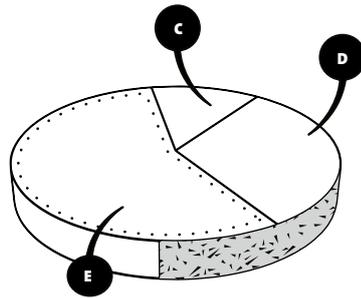
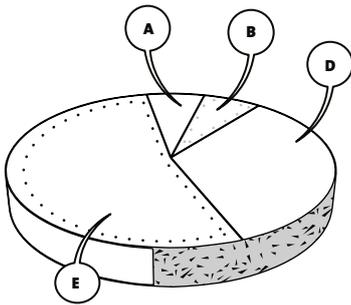
## 2 The Value of data & digital FOR THEIR COMPANIES

TODAY

- 7% A. not valuable
- 7% B. barely valuable
- 0% C. somewhat valuable
- 33% D. very valuable
- 53% E. essential

NEAR FUTURE

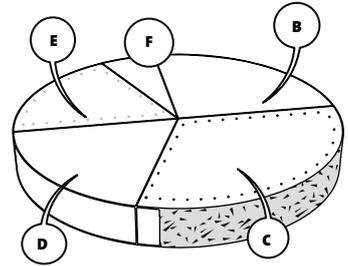
- 0% A. decreased value
- 0% B. unchanged value
- 13% C. slowly increased value
- 31% D. doubled value
- 56% E. tripled value



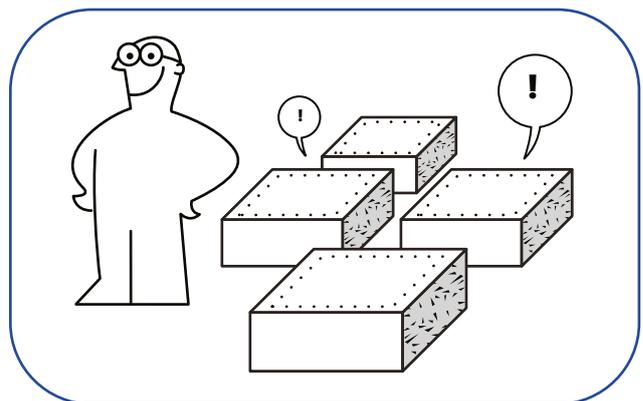
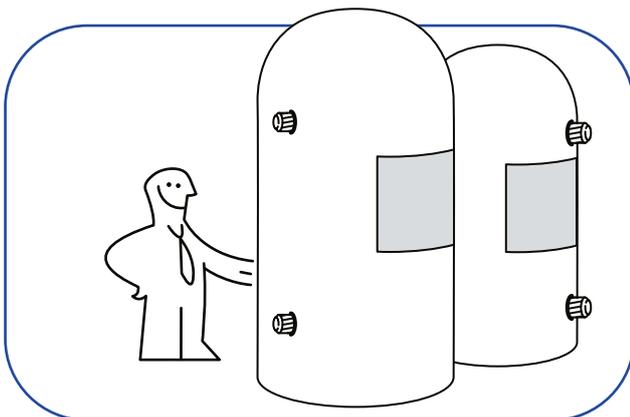
## 3 Their Current capabilities

IN DEALING WITH DATA & DIGITAL

- 0% A. very low
- 25% B. low
- 31% C. acceptable
- 19% D. good
- 19% E. very good
- 6% F. excellent



## 5 Their own role FROM BOSS IN SILO TO VOICE-OF-CUSTOMER FOR ENTIRE ORGANISATION WITH NERD-APPEAL



# INTERVIEW WITH VICTOR MANUEL MARTINS NESCAFÉ



By Pierre Debourdeau

Nescafé is Nestlé's biggest brand and the world's largest coffee brand. We spoke with Business Executive Officer Victor Manuel Martins, who is responsible for Nestlé's coffee business in Portugal. A business that includes multiple international brands like Nescafé and Nescafé Dolce Gusto, as well as local coffee brands acquired by Nestlé Portugal such as Buondi, Sical and Mokambo.

## **How do data and digital transformation affect the organization of Nestlé Portugal's coffee business?**

"Today, we are a multichannel business with many thousands of customers in both the retail and out-of-home channels. We use several brands and products to respond to consumers looking for quality coffee beverages that satisfy varied coffee preferences during all consumption moments. Data are of the utmost importance to help us understand and target our customers in a better way. It also allows for faster identification of market trends and how they are impacting taste profiles, consumption preferences, and preferred communication touchpoints of our target populations. Data allows us to get a deeper understanding of our target populations, ensuring that we continue to engage and delight them beyond their expectations with great brands and excellent products."

## **What does this mean for the skills required in your teams?**

"It means we need to accept this new environment and accelerate the cultural change and adaptation of our teams. This will have a snowball effect, both internally and on the labor market, enabling us to attract the best candidates."

## **How do you perceive the role of top management in this change?**

"It's a team game. Management has to create the conditions to nurture and facilitate the transformation in this fast-paced environment. We need to turn this change into something that will be accepted with open arms. Something that works to our advantage, increasing our competitiveness and something that helps us differentiate ourselves towards our customers and consumers."

### What are the main areas of investment?

“The starting point was our people: setting up the right teams, training them and providing them with tools. All in order to facilitate the acceptance of change turning it into shared learning process. After that, we provided them with knowledge of the changing consumer and how they access information. We took it upon us to communicate in non-traditional ways, such as via social networks. The same counts for investments. Today, investing is no longer something we do by ourselves, but more and more via partnerships.”

### What risks do you see for your investments?

“I think that is not a matter of risks, but more a matter of choosing our priorities. It is important to choose our Must-Win-Battles very well, so that we start and progress on this journey in such a way that every step of the journey will become easier, and eventually, becomes normal.”

### About Nestlé

Nestlé is the world’s largest food and beverage company. It is present in 189 countries around the world, and its 323.000 employees are committed to Nestlé’s purpose of enhancing quality of life and contributing to a healthier future. Nestlé offers a wide portfolio of products and services for people and their pets throughout their lives. Its more than 2.000 brands range from global icons like Nescafé and Nespresso to local favorites like Buondi, Sical, Mokambo and Pensal.

### About the interviewee

Victor Manuel Martins has been running several different business organizations for Nestlé Portugal since 2004, starting first with the Nestlé Waters business, followed by running several different coffee organizations. Today, he has the responsibility of managing the new integrated multichannel coffee business for Nestlé Portugal.

**“We must choose our  
Must-Win-Battles very well.”**



# INTERVIEW WITH PIERRE DELPIERRE AUCHAN RETAIL



By Pierre Debourdeau

Retailer Auchan is a familiar brand across Southern Europe. Originating as a French retailer, it has by now expanded into 17 countries. How does the company fare in the digital age, and in Portugal specifically? We ask Performance Director and Head of E-commerce of Auchan Portugal, Pierre Delpierre.

## **What is Auchan Portugal's strategy when it comes to digital?**

"We are investing heavily in digital commerce. Not just selling online, but also enhancing our physical stores. We invest in two main areas of interest. The first is the use of data for optimizing our offers. The second is growing our e-commerce channel."

## **What will you be investing in the coming five years?**

"We will be investing more than we did in the past ten years. We are creating in-store digital point-of-sale information. Our employees will also be able to check the inventory status with a back office application. In parallel, we are creating a customer app, which provides promotional information to clients while shopping. In addition, we are developing a delivery app, in which the shop detects that a customer has arrived and the order is ready."

## **What does this all mean on the data side?**

"It means we have to invest in data management as well, to better define our offers and to strengthen contact with customers. We can for instance use data from payment cards in stores to create a profile of consumers, and adapt offers accordingly. Also, we are looking into selling this data to suppliers and advertising networks."

## **What do you consider to be the risks of those investments?**

"We are obliged to exit our paradigm. We don't know how much we will gain by these investments, but we do know we need to act faster than we did in the past. Next to these investment risks, there are data protection risks. We will need to know exactly how to conform to the new European data protection legislation."



### **About Auchan Retail**

Auchan Retail, originally a French family company, has grown into an international retailer that operates in 17 countries with 3,778 points of sale in all forms of retailing. Auchan Portugal opened its first store in 1996 and has 56 stores today, mainly operating under the Jumbo brand.

### **About the interviewee**

Pierre Olivier Delpierre is the Performance Director of Auchan Retail Portugal since 2016 and member of the Executive board since 2011. In addition, he is the Head of the E-commerce Division of Auchan Portugal.

### **How have these developments affected the marketing organization?**

“The context in which our marketing team has to perform, has changed. Therefore we require new skills. We are currently recruiting people for those skills.”

**“We are obliged to exit our paradigm.”**

# ABOUT THE INTERVIEWERS



**Pierre DEBOURDEAU** Managing Partner of Eurogroup Consulting Portugal, is trusted advisor on top management, governance, organizational models and mobilisation. He interviewed several of Portugal's top managers about their strategic challenges when it comes to digital and data.



**Alain-Bernard DUVIC** associate director at Eurogroup Consulting France, has a solid background in supply chain management and logistics. He interviewed several French retailing companies about their hopes and fears in the digital era.



**Cécile GOUESSE** partner at Eurogroup Consulting France, is a respected advisor who helps bring the retail sector into the data age. She interviewed Simon Ilardi from Fnac Darty. What are the company's plans after the merger of Fnac and Darty in 2016?



**Axel GROOTHUIS** partner at Magnus Red, is an experienced advisor who implements omnichannel strategies for the retail and consumer products industries. He interviewed Dennis van den Hoek from Akzo Nobel Decorative Coatings. How will consumers choose and buy paint in the future?



**Robert MAXIM** founding partner of Ensign Management Consulting, interviewed several Romanian retailing companies about their challenges in creating a truly seamless omnichannel experience.



**Cécile MICHEL** partner at Eurogroup Consulting France, helps transform client relations in the distribution and energy sector. She interviewed Sylvie Collombet, of B2B retailer Manutan. Where does the company's famous paper catalogue fit into its omnichannel strategy?



**Angelo CENTRONE** country manager of Eurogroup Consulting Italy, is experienced in large transformation projects in various sectors. He interviewed several Italian-based consumer products manufacturers about their digital challenges.

**Marina D'ARTIBALE** joined Eurogroup Consulting Italy in 2015 after an impressive career, serving as General Manager at Johnson & Johnson Consumer. She interviewed several managers of well-known consumer brands about their companies' transition into the digital era.



**Antonio FOIS** joined Eurogroup Consulting in 2015 after working as entrepreneur and consultant in the digital sector. He interviewed Armando Frassinetti from Imperial Tobacco about the digital transformation the company is about to embark on.

## SOME STATEMENTS ABOUT ...

“Digital will follow a new organizational model. Recently, a Head of Digital was appointed at group level. But making this a ‘project’, something outside the core business, is not the way to adapt new working methods required in the digital world.”

*French retailing company*

“I believe that digital and online departments should be independent entities governing themselves, considering the key role they are going to play. Sooner than later online will start bringing in more than offline.”

*Romanian retailing company*

## ... The Position of Digital in the Organization

**Savinien JALBERT** manager at Eurogroup Consulting France, specialises in change management and transformation in the distribution and transportation sectors. He interviewed French retailing companies about their omnichannel transformations.

**Marileen KAN** is Marketing Manager of Magnus Red with a background as a consultant in the media industry. She interviewed Simon van der Wiel of Sanoma: which marketing strategies does the media company pursue to increase the readers' loyalty?

**Jean-Michel MOUTOT** is professor at the Audencia Business School in Nantes, specialising in marketing, sales and CRM. He interviewed Romee Lamielle of Lagardere Travel Retail. How do you catch, surprise, and engage consumers who are in a hurry?

**Magiel TAK** senior manager at Magnus Red, has a solid track record in helping companies improve client relations. He interviewed Wijnand Jongen, chairman of E-commerce Europe. Which changes are required to compete with China- and US-based competition, such as Amazon and Alibaba?



# INTERVIEW WITH ROBERTO QUADRELLI MELLIN



By Marina D'Artibale

Mellin is a respected Italian brand of baby and toddler food products, part of the multinational Danone. We talk to Roberto Quadrelli, who is Head of Digital at Mellin. What are his views on and experience of marketing in the digital age?

## **What impact does digitalization have on your marketing team?**

“A high impact. As of late 2017 we accelerated the use of data and data analytics tools. Our aim is to develop messages for small segments in a data-driven approach, based on information from social media and Google. These data give information we couldn't imagine before, changing our creative process. We no longer create one copy of our message; there are several copies for several consumer segments. Also, the new content is very short (6-10 sec.) compared to traditional content.”

## **How has it changed the way you work?**

“The marketing manager, who knows the desired brand positioning, works together with the digital marketing officer to optimize content and messages for multiple profiles. We use a 'fail-fast approach', because we can monitor results immediately.”

## **What needs to change in the coming years?**

“We have to be very quick and simplify our processes in order to be more flexible. Today, we are still too slow in approving the content that is created. If we want to create twenty content variations, instead of one, we need to change our approval process. Key success factors will be: speed, agility and resources. Today, we have outsourced our creativity to external agencies. In the future, we could possibly develop an internal 'creativity farm', which continuously creates, evaluates and adapts copies. In our experience, some of the big agencies and networks don't seem to fit our new needs. Small agencies founded by 'digital natives' are more agile and flexible.”

## **What marketing skills will be required in the future?**

“As I said, it will be important to develop different copies, more diverse and shorter. Data reporting and understanding will also be essential, since web and Google analytics are different to and more complex than mere market share reports. One also requires knowledge about new ways to buy advertising, such as programmatic buying and Google ads and analytics. All these topics should be in the DNA of the new marketing manager.”

### Where will investment be targeted in the near future?

“I expect new investment in the area of precision marketing and data-driven marketing tools, as well as e-commerce tools and capabilities. It will be important to become a valid partner for new e-commerce players, be it generalist pure players such as Amazon, specialised pure players, or bricks-and-clicks. Managing these key customers successfully can create a competitive advantage. A major risk for investments in technology is not having the right resources to manage the new technology. People are always the key resource when it comes to maximising investments.”

**“Some of the big agencies and networks don’t seem to fit our new needs. Small agencies founded by ‘digital natives’ are more agile and flexible.”**

#### About Mellin

Mellin is a respected Italian brand of baby and toddler food products in Italy. It is part of multinational Danone Nutricia, as one of its brands in the Early Life Nutrition division.

#### About the interviewee

Roberto Quadrelli graduated in marketing and began his career as a consultant. He worked in two large retail companies, where he developed customer, communication and digital projects. Roberto also developed and launched an innovative CRM project for the worldwide fan base of renowned football club AC Milan. Currently, he is Head of Digital, Media, and E-commerce at Danone Nutricia’s Early Life Nutrition division.

# INTERVIEW WITH GUILLAUME PORTIER SES-IMAGOTAG



By Jean-Michel Moutot

SES Imagotag is a specialist in digital solutions for physical commerce and the global leader in electronic labeling systems. We talk to Guillaume Portier, Vice President Marketing of SES-imagotag. What digital marketing challenges are SES-imagotag and its clients facing?

## **How do you cope with the marketing challenges of the digital age?**

“Our main challenge at SES-imagotag is to ensure team effectiveness and performance dealing with constantly changing world and market environments. They require new competencies: dealing with digital technologies, such as social media, new email-marketing tools and real-time surveys. A good marketer must be able to identify innovative needs and solutions, quickly understand them, and find the means to implement them. This requires new core competencies, such as creativity, cognitive strength and networking skills.”

## **In your line of business, you have a good sense of what is going on in the retailing industry. What observations have you made?**

“We are moving from ‘marketing automation’ into artificial intelligence. We try to make predictive analyses from a large set of basic data, thus increasing the adequacy of marketing actions. From the consumer’s perspective, we’ve observed that the decision to make a purchase is increasingly made at home. As a consequence, hardware is becoming a key lever of performance. Think of the emergence of the Internet of Things (IoT), GAFA (editor’s note: Google, Apple, Facebook, Alibaba) and Baidu, Tencent, Xiaomi. Smart hardware is also becoming essential in shops because it enables retailers to create new offers and approaches. In the past, paradoxically, we did not know who was in the store and what to specifically offer him or her. We are moving away from that phase with the use of connected devices, such as IoT.”

## **How about changes from the retailer’s perspective?**

“Trade is undergoing a revolution. For instance, Alibaba has created HEMA Fresh, a 14,000 sq.m retail space, to sell ‘ultra-fresh’ products with a delivery scope of just a few kilometers. They sell online and deliver 30 minutes later at home 7,000 baskets a day. Another example is Amazon, which is opening its first checkout-free stores in Seattle.”

### What will your own job entail in five years' time?

"I think we will have become networkers/influencers/visionaries. Because technology will become too widespread and too complex, it will be more and more necessary to be open to new influences from travelling and to be on-trend. I invest in knowledge of the global market and in detecting trends, by travelling and by having access to expertise. The Chinese market has become the cradle of innovation in the retail industry, so understanding the Chinese market is essential."

**“We are moving from ‘marketing automation’ into artificial intelligence.”**

#### About SES-imagotag

SES-imagotag is a France-based specialist in electronic shelf labelling systems. The company also offers a software platform, Jeegy S to manage all of its electronic labels and a multi-frequency radion infrastructure. SES Imagotag has offices throughout the globe, and can be considered a world leader in its field. For 25 years, SES-imagotag has been the trusted partner for retailers for in-store digital technology. This makes SES-imagotag a world-wide leader in smart digital labels and pricing automation.

#### About the interviewee

Guillaume Portier serves as a Senior Executive Vice President of Marketing & Communications at SES-imagotag. He began his career as a research manager and a data mining specialist at BNP Paribas in Madrid. Later on, he worked for several companies specialized in security systems, covering positions in the marketing domain.



## SOME STATEMENTS ABOUT ...

“We’ve expanded our online marketing team over the years. We already have CRM specialists in house to exploit our data in order to increase customer loyalty from personalised offers and provide more services together with external partners. We are now recruiting specialists to benefit from their know-how and to develop our online platform.”

*Romanian retailing company*

“We will need to attract outside experience in order to create a separate internal organizational entity, a pressure cooker, to speed up the changes required.”

*Portuguese consumer goods manufacturer*

## ... the Impact of Digital on the Marketing

“All marketing processes need to become customer-centric, because customers will have different needs depending on their location and where they are in their day or even their life. Our consumer service will be impacted: how can we provide a good, targeted, personalised service when the customer is not in a shop, but behind a screen? How should we signal unsatisfactory experiences? How should we give the customer the opportunity to express his or her feelings? Do we use a call centre, an app, or a chatbot even? Also, the field of assortment and customer experience needs to be reconsidered: how should we manage several formats, both on- and offline? How should we use social media: should we only track the buzz or use it in a proactive manner, perhaps using Facebook as a sales channel?”

*French retailing company*

“Nowadays, marketing tends to focus on what people see, forgetting about other areas where digitalization can be applied. Many marketing employees fail to understand that digital doesn’t equal e-commerce. In the future, the IT department will be included in the Marketing department, and will be an essential function.”

*Romanian retailing company*

“Because of digitalization, we are working with less local sales teams and less local marketing efforts. Digitalization also requires us to build marketing skills at a central level. If we are using online display advertising, we must be able to analyse and assess its performance. We are investing in this sort of expertise at a central level.”

*Portuguese consumer goods manufacturer*

## Organization

“The recruiting differs according to the roles we require. If we need, for instance, a specialist in e-commerce, we recruit externally. In most cases, current employees do not possess the know-how we’re looking for. For middle management, though, we try recruiting internally.”

*Romanian hypermarket*

“The most important aspect I look for in a marketing employee is curiosity. In this fast-paced environment, you will never be an expert – within six months your knowledge has expired. I am looking for people who want to understand what’s new and who are willing to constantly develop themselves. Maybe we need to recruit people who are World of Warcraft guild masters, because they can work in networks and are able to influence others. A lot of people are curious, but their jobs do not allow them to be. I encourage creativity and this is how I try to attract people.”

*Romanian retailing company*

# INTERVIEW WITH WIJNAND JONGEN E-COMMERCE FOUNDATION



By Axel Groothuis & Magiel Tak

Wijnand Jongen is an internationally renowned author and speaker on the future of the retailing industry. As the chair of industry association E-commerce Europe, he represents more than 75,000 companies selling goods and services to European consumers. An excellent position from which to judge both the current reality and the future of retailing; what are Wijnand's views on retailing and marketing in the digital age?

## **How would you describe the time we are living through today?**

"These are exciting times, because we are about to enter a new era. We are at a tipping point, quite similar to the industrial age. We are heading for the fourth industrial revolution, which will transform the economy, and thus the retailing industry. The speed with which this transformation is taking place is unparalleled."

## **What defines this fourth industrial revolution?**

"In the first three industrial revolutions, technological breakthroughs set off a revolution. This transformation is different; it's the consumer who is driving the revolution. Consumers want technologies that already exist – but which are not yet implemented on a large scale – to be applied. Today's consumers are ready for a 5G network, but it is not available yet. Today's consumers are ready for contactless payments, but it's not widely available yet."

## **This time, consumers are pushing the industry forward?**

"Yes, for the first time in history, retailers are not able to meet consumer demands. This applies to both online and offline retailers. A few years back it would have been unthinkable for consumers to buy shoes online, but they do – and on a massive scale. With today's 3D-printing technologies, one would expect shoes to be made-to-measure and delivered at home. Consumers know it can be done, why is it not available yet? The same goes for using facial recognition for payments. Being recognised and billed in-store would save a lot of time queuing. Why is this not available yet on a global scale?"

### **For the average Dutch consumer, this sounds quite futuristic. Why do you consider consumer demands to be the driving force?**

“Just make a visit to China or South Korea and you’ll see what I mean. Consumer Behavior is much more advanced there. Consumers use all-in-one apps like WeChat, which is a communication, social, news, and buying source in one. The use of Augmented and Virtual Reality is widespread. Another place to watch is Africa, since this is a continent where innovation stages are simply skipped. You may remember that this continent skipped landlines and started with mobile phones directly. In Africa, there are no traditional retailing companies: supermarkets offer holidays and airlines offer software – anyone can do anything.”

### **Where does that leave Europe? Are we the old continent in terms of retail?**

“Did you know that, of the 250 largest worldwide retailing platforms, 125 originate from the US, 50 are from China, and the rest are from Europe or another part of the world? In Europe we seem to lack a uniform consumer market that makes it easy for new entrants to scale up quickly. There should be more cross-border cooperation if we want Europe to become the forefront of innovation.”

### **Talking about worldwide platforms, how should European retailers relate to platforms such as Alibaba and Amazon?**

“These platforms are a force to be reckoned with; a few strong platforms will end up dominating the market. If you are a retailer, you obviously face a prisoner’s dilemma. Using these big platforms erodes your own brand, but if you don’t use them you miss out on an important source of income. European retailers should choose their own strategy: start with a vision, strategy and ambition and the role your company wants to play. Do you want to operate on a global or regional scale or do you want to be a local niche player?”

### **Is there still a place in the world for mid-sized retailers?**

“Sure there’s a space for them in the value chain, but only if they add value. Take the travel industry, where this process started slightly earlier. There is still room for smaller players who specialise in combining and selling unique, niche travel packages.”

**“Retailers: start using new technologies to better serve customers.”**

### **How important are data for retailers in the fourth industrial revolution?**

“Data are the bread-and-butter of a retailer; it has become an integral part of the value chain. Being the owner of data gives you an advantage – and this advantage is about to become bigger. Data will be collected at all levels, offline and online. Every step in the value chain will be based on data. The better you are at combining the data you collect, the more effective you are as a retailer.”

### **How data-savvy do you consider retailers right now?**

“Frankly, I think your local grocery shop in the 1950s knew more about you than today’s traditional retailers. Of course, there are loyalty cards and newsletters, but retailers really need to up their game to better serve their customers. It wouldn’t require much technology to use data to your customer’s advantage.”

### **Could you give us a positive example?**

“I like the concept of online stylists, which is being used by Zalando, Levi’s and Wehkamp. An online stylist helps consumers choose products in an intelligent manner. It uses machine or deep learning to learn from consumer behavior. ‘You seem to be buying blue jackets a lot, but take a look at these alternatives.’ Based on the consumer’s response, the stylist can learn and incorporate this into its suggestions. Now that’s what I call using data and technology to serve your customers!”

### **How about security and privacy concerns with these kinds of technologies?**

“Well, that’s always the issue with new developments. Of course there are numerous reasons for not doing things. But consumers are looking for comfort, for ease and that often prevails over security concerns. The consumer benefits simply outweigh the negatives.”

### **What changes do you foresee on the marketing side for retailing companies?**

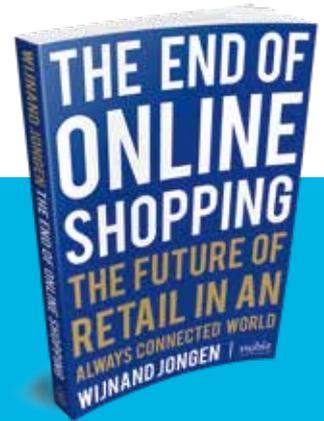
“The traditional generalist marketer will soon disappear. The next generation of marketers requires a T-shaped profile: being both a specialist and able to communicate with other disciplines. The problem is that today’s education system is not aligned with these developments. We are still educating people for jobs that will disappear shortly. Also, the current workforce needs to be re-educated to gain new skills. There’s a lot of work to be done in this area.”

### **In 2014, you started ShoppingTomorrow, a research and action program for the Dutch retailing industry. What do you think of the predictions that were made then?**

“What surprised me is the speed with which artificial intelligence has developed. And consumer acceptance of smart home devices is really growing in momentum; they feel comfortable using these devices. For consumers, it is a small step to do their groceries via these devices, as we can see in the US (editor’s note: similar to Amazon’s Echo home shopping device or Apple’s HomePod). Just call out “I need more peanut butter” and the supermarket will deliver it at a time that you are actually at home.”

## How do you see the future of e-commerce in Europe?

“I would love to inspire and educate people in the retailing industry to help European companies transform themselves. If employees are empowered, companies are better equipped to deal with changing circumstances. I also hope that in the next few years the online and offline worlds will come together. In many countries, they are worlds apart. Consumers, however, want the different channels to be seamlessly integrated.”



## About E-commerce Europe

E-commerce Europe is an association representing more than 75,000 companies selling goods and/or services online to consumers in Europe. Founded by leading national e-commerce organizations, E-commerce Europe is the voice of the e-commerce sector in Europe.

## About the interviewee

Wijnand Jongen is one of the world's leading authors, speaker and futurists in retail and e-commerce. His book 'The end of online shopping' has been well-received around the globe. Wijnand owned the first Dutch online price and shop comparison website in the late 1990s. After selling his company, he founded the Dutch industry organization for online retailers, Thuiswinkel.org. In 2012, Wijnand co-founded the European industry association for the retailing industry: E-commerce Europe.



## SOME STATEMENTS ABOUT ...

“Data and digitalization will have a huge impact, for which we need to bring about a major cultural change. It’s a team game. As a CMO, maintaining the HR component is, and will be, very important.”

*Portuguese food producer*

“I believe that in the role of CMO you act as a representative of the customer in the organization. You should be the moderator between customer needs and business objectives. In the past, the responsibilities of the CMO have changed drastically. Five years ago, 95% of our time was spent on offline marketing tasks. Nowadays, CRM and digitalization are increasingly complex and have become priorities, especially for those operating in retail.”

*Romanian hypermarket*

## ... the Changing Role of the CMO

“Even if all the axes of the CMO function remain the same, the processes inside must be reconsidered. The CMO has to develop much more clever and complex marketing plans and roadmaps.”

*French retailing company*

“We want to remain a speed boat, we don’t want to become an oil tanker. That’s why we don’t integrate our brands. None of the 19 companies we purchased were integrated. We should be talking about becoming less integrated, not more.”

*Portuguese consumer goods manufacturer*

“One of the biggest challenges in retail is to create synergy between marketing and buying departments. Marketing can offer further information concerning consumer habits and needs. This is useful information in discussions with suppliers. In an ideal situation, we would be able to promote the most popular supplier because they will have the products that our customers are most likely to buy. We could both direct our budgets that way and create added value for customers in the meantime.”

*Romanian hypermarket*

“I believe retailers should keep investing in offline experience as well. As long as there are brick-and-mortar stores, we require a fast checkout, nice furniture, and, of course, friendly staff. This is also important in creating a bond with a retailer. But in order to have a future at all, we must also invest in digitalization and CRM.”

*Romanian hypermarket*

## ... the Areas of Investment

“Before fully committing to a project, we collect feedback, and validate the proof-of-concept by clients. We always test and experiment before fully committing. The main risks are the fast depreciation of the systems and the risk of overloading them. Constant renewal and improvement is required.”

*Romanian retailing company*

“The current areas of interest for us are IT, supply, people, website, marketing and data. Investments are needed in all areas to avoid imbalance in the organization.”

*Romanian retailing company*

# INTERVIEW WITH SIMON ILARDI FNAC DARTY



By Cécile Gouesse & Savinien Jalbert

In 2016, two retailing companies, Fnac and Darty, two household names since 1950s in France decided to merge. Thus a leading European omnichannel retailer in household appliances, electronics, and entertainment products was created. We talk to Simon Ilardi, Fnac Darty's Client Marketing Director. What have been the effects of the merger? And what are his views the impact of big data and digitalization in this 60-year old organization?

## How valuable is data for Fnac Darty?

"Data has always been in the DNA of Fnac Darty. The company was built around retail and services for a regular client base, which still represents two-thirds of the sales revenues. The data – consisting of transaction data, online browsing data et cetera – enable us to understand who our clients are and how they behave, in order to personalize interaction. Four years ago, we finalized single customer identification for both online and physical shoppers. Currently, we are working on consolidating the client bases of Fnac and Darty, which amounts to around 36 million clients. We want to make the most out of these bases, which theoretically have less than 25% of its clients in common. For me, data and digital are simply enablers for implementing a strategy, not the other way round."

## What strategy is Fnac Darty pursuing, then?

"Our strategy is to be a Retail As A Service player, which is part of our differentiation strategy. We will not be able to compete on product and price alone; therefore, service will be a key element for our positioning in the market. Data acts as an enabler for this strategy. Data allows us to improve our CRM, for instance using Tinyclues (an AI marketing solution, ed.). Data also helps us to develop our offers and search for the right (advertising) partnerships. Our objective is to set up a virtuous cycle of data, using data to support three pillars: enhancing efficiency of the company's processes, facilitating our operational staff, and creating value for clients"

### How about digitalization, where does Fnac Darty stand today?

“Today, we are an established player in the e-commerce industry. We have been working on capturing the cross-channel behavior of our clients. We observe that one out of two clients look for products in our web shops and buy it either directly online or go to our store and buy it. We offer click-and-collect to tap into this behavior. For example, at Darty, 50% of the online sales are collected from a physical store. We also offer loyalty programs that combine physical and digital channels. Here too, the merger of Fnac and Darty is still work in progress. The sum of the two loyalty programs represents around 7 million clients. Our objective is that 100% of Fnac clients become Darty clients and that more Darty clients become Fnac clients. For this purpose, we are building a common database, a datalake and common tools and devices, such as Neolane (a conversational commerce solution, ed.), Earlybird (a personalisation platform, ed.), and Tynyclus.”

### Where will Fnac Darty be in, say, five years?

“Data will still play a pivotal role for Fnac Darty. As said, we will need to find other means to differentiate from our competitors, since product and price are no longer differentiating factors. Being able to exploit data helps us differentiate. Using data, we can create an audience, we can offer a complete experience, and we can build a close relationship based on trust between client and brand. Another aspect of exploiting data, is that it enables us to consider new business models using this data. For instance, by creating solid partnerships with the 50 exclusive brands who participate in our loyalty program. Or creating partnerships on the advertising side.”

**“Our indicators will shift to a Customer Effort Score, which assesses the level of intimacy with the client.”**



### **How do these developments affect the way Fnac Darty is organized?**

“I see many similarities with five years ago, when the online channel started to gain importance quickly. At the beginning, dedicated teams of web specialists were created, operating in start-up mode, separated from the rest of the organization. After a while, those teams merged in the “classical” organization. This time, there are some specific challenges. When it comes to data, there is a conflict of interest. On the one hand, we want to integrate profiles at the heart of our marketing, CRM, and commercial teams. On the other hand, we need to be careful with data due to security and administrative reasons. Therefore, we need to implement solid in-house governance that should be dealt with using a cross-company and central approach, one that deals with data ownership issues too.”

### **If we look at the marketing function specifically, how does this affect the marketing team?**

“We require new marketing profiles, predominantly in three main areas of expertise. Firstly, we require data scientists and analysts, who can help steer decision-making based on client knowledge; people who can work on algorithms with external partners, such as Tinyclues. Secondly, we require people who can manage our service providers for customer activation, with a more business-minded profile. Finally, we require people who can work in project teams; people who can define and implement the data roadmap.”

### **From that perspective, how does this change the role of CMO?**

“The indicators the CMO uses will shift: from client satisfaction, measured by NPS to a Customer Effort Score, which assesses the level of intimacy with the client. Are we in the daily routine of our client? Can we add value to his or her daily life? Also, with all the new tools and all the new touch points across the organization, the CMO has to reach out to the entire organization. Being a ‘trainer in marketing’ who facilitates the whole organization.”

## **About Fnac Darty**

Fnac Darty, is a leading European omnichannel retailer in household appliances, electronics, and entertainment products. Fnac and Darty were two respected retailing companies who merged in 2016 originated from the 1950s in France. The ambition of the merger was to take a stance against the rise of online pure players, by offering a complete retail experience from its approximately 700 stores, webshops, and services.

## **About the interviewee**

Simon Ilardi is Client Marketing Director for Fnac Darty, He has been with the company for three years, after working for Bouygues Telecom in several product management and marketing positions. His expertise lies in customer loyalty, client management, and performing internal and external studies. He graduated from Ecole Supérieure de Commerce de Bretagne.

# MARKETING FROM MATURE PROFESSION TO PERMANENT EXPERIMENTATION



By Jean-Michel Moutot

Marketing steadily developed over the course of the 20th century, reaching its peak from the 1950s and 1960s onwards. It began to be more formalised by the end of the last century, with the rapid development and stabilisation of the retailing and distribution model, and the golden years of the major pre-internet media (television, billboards, press, and so on). The rules of the game then stabilised for a few decades, giving the false impression that marketing was now a mature discipline. The 'major' marketing professions then emerged – such as product managers (more upstream) and trade marketers (more distribution relations) – at the same time as the purchasing function was professionalised in retail purchasing groups.

In both cases, the science of marketing consisted in closely studying markets, whether it was the final consumer or the point of sale. The study of the final consumer quickly led apprentice marketers to segment the profiles to better meet their needs in terms of products, the way in which they communicate (content and form), and the way products are sold to them once in store. As the power of retailing grew, brands defended their territory by investing massively in advertising – a major marketing icon. Over the last three decades, marketing was less changed than honed... until the emergence of digital technology.

## **Crumbling foundations**

The main pillars of marketing are crumbling one after the other; the rules of the game are changing in an abrupt and radical fashion. The arrival of hard discount provoked a very aggressive response on the part of traditional retailers, with explicit threats of war against the major brands if they gave in. This is nothing compared to what is happening with digital technology; once Amazon entered the fresh food market... the threats returned. And yet, compared with the groundswell of change, this is purely incidental. All the players we met in this study are convinced that marketing has entered a period of revolution or even an era of permanent revolution. Although its basic function – matching offerings with customers – remains unchanged, the way it is done has totally changed! The two long-standing points of customer contact – the store and traditional media – have become largely obsolete. Most young consumers now get their information from digital media and its countless facets.

On the media side, Google is achieving a level of digital media concentration that has never existed before. Most marketing studies – for a long time the cornerstone of the sector – are being replaced by the processing of the almost infinite data that digital technology can capture with a level of entryism into the life of the consumer that no one would have imagined 20 years ago.

### **Changing purchasing habits**

Communication and sales channels are becoming more hybrid every day; offering communication separated from purchase by a simple click! The mobile phone has now become the best sales weapon, to better target prospects, better promote its offerings, generate physical traffic in stores or learn about purchasing behavior. A study by Deloitte estimated the influence of mobile on sales in stores at about a trillion dollars in 2017... compared with 160 million four years earlier.

This influence is exerted at any given time in the customer journey. An omnichannel approach has therefore become a short-term survival issue whereas multi-channel was the panacea 10 years ago. Retail patterns are changing, although slowly in Europe where the golden years of retail marketing have probably created a conservative culture where CMOs most often prefer(red) to opt for tried and tested solutions rather than take the risk of truly innovating.

Change has been much more radical in China, where the world is being built on new foundations every day. New purchasing behaviors are emerging rapidly around pillars like Alibaba, Weibo and Wechat. The hybridisation of the various levers is happening at a fast pace, including between customer experience in physical stores, online promotions, online ordering, instore digital technology, traffic generation via social media, IOT, Google and Amazon increasing home purchases, and so on. In short, it's increasingly complex.

### **Embrace innovations**

Marketing must adapt by strengthening its technical know-how, and by managing major challenges such as data overload; this requires new skills and new profiles. They will be more easily able to digest technical developments, and some will be more open because they are necessarily capable of handling greater complexity and rapid innovation. Others will be hyper-specialists in a given technology with a risk of ever greater obsolescence of skills.

Why? Because the digitalization of customer processes is generally accompanied by a faster obsolescence of these same processes; a study by the ESSEC Chair of Change Management estimated that the lifetime of a process before digitalization is on average five times longer than that of the same digitalized process! Retail marketing is on the cusp of an era of permanent revolution.

**“The digitalization of customer processes is generally accompanied by a faster obsolescence of these same processes.”**



**“We are also investing in data analytics and robotics.”**

### **About Bel Portugal**

Bel is a multinational family group of French origin that has transformed the traditional cheese product into an innovative and distinctive concept. Well-known examples are La Vache Qui Rit and Babybel. In Portugal, Bel acquired several Portuguese companies and merged them into Bel Portugal.

### **About the interviewee**

Ana Cláudia Sá is Bel Portugal's General Manager. Starting her career in 1992 at Proctor & Gamble, she later moved to Unilever, where she was responsible for several customer-related departments. In 2009 she stepped into the world of Bel Portugal and became General Manager. Since 2014 she's also a member of Bel's European Committee



# INTERVIEW WITH ANA CLÁUDIA SÁ BEL PORTUGAL



By Pierre Debourdeau

As one of Portugal's well-known food manufacturing companies, Bel Portugal, takes pride in being a people-oriented company and has received several awards for this. How does the company fare in the data age? We spoke with Bel Portugal's General Manager, Ana Cláudia Sá, to find out the company's dealings with digital transformation.

## **How satisfied are you about Bel Portugal's current digital performance?**

"I'm happy with our current communication and e-E-commerce performance. Our e-commerce operation is recognized as best practice in the country. We understand the customer strategy very well and try to leverage this. Also, we are studying CRM and e-commerce partnerships."

## **What changes do you expect for your marketing efforts in the near future?**

"Watching the traditional TV will become a habit primarily for senior people. In order to reach urban youth, we need to focus on digital media. It's already very difficult for us to reach them. We currently invest 30% of our marketing budget in digital channels."

## **How do you perceive your own role in the digital transformation?**

"The General Manager must boost business development. He or she should be the 'engine' to move the company in a new direction. Digital is not restricted to one part of the organization; it affects the company in every direction. Therefore, we are not only investing in communication or e-commerce, but also in other areas, such as data analytics and robotics in our factories."

## **What is the position of digital in the organization?**

"Since digital encompasses all directions, we have a central digital team and an expertise centre to support the entire organization."

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