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EMPOWERING FMCG COMPANIES: UNRAVELLING THE ADVANTAGES OF DIGITALIZATION

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In the fast-paced world of consumer goods, where consumer preferences keep evolving amid fierce competition, FMCG companies must constantly evolve to stay relevant. They need to stay agile and adapt to evolving market trends while constantly innovating to meet the dynamic demands of their customers. In this context, digitalization has emerged as a game-changing force, offering a plethora of advantages that empower FMCG companies to thrive in an increasingly competitive landscape.

Digital tools and platforms enable FMCG companies to collect and analyze vast amounts of consumer data, which indicates the significant role of digital channels in reaching out to consumers and allows companies to make data-driven

decisions related to product development, marketing, and supply chain management. This confluence of factors highlights the importance of embracing digitalization in the FMCG sector.

REVOLUTIONIZING CONSUMER

In the past, understanding consumer preferences and behavior was akin to navigating uncharted waters. Today, digitalization provides us with a treasure trove of data that unveils consumer insights with unprecedented clarity. It helps consumers make decisions wisely and in no-time and enables companies to help customers and tailor product offerings to meet their exact needs and expectations. According to a PwC Report, approximately 75 percent of customers have purchased Fast-Moving Consumer Goods (FMCG)

products online in 2023, with millennial and Gen Z consumers at the forefront of this trend.

Digitalization transforms consumer-business connections by improving accessibility through websites, mobile applications, and social media, allowing customers to participate conveniently. Improved communication through email, social media, chat, and instant messaging promotes real-time and quick replies to enquiries. At the same time, digital platforms encourage transparency through easily accessible product information and evaluations, which builds trust. Real-time support, enabled by chatbots and live chat features, provides users with rapid assistance, thereby improving their experience.

Digitalization also enables feedback collection through

online surveys and social media interactions, creating a valuable feedback loop that informs business improvements. Furthermore, it breaks down geographical barriers, providing a global reach for businesses and enabling consumers to connect anywhere.

ENHANCING DATA AND INSIGHTS

Through data-driven strategies, FMCG companies are transforming various aspects of their operations, thereby becoming more efficient, responsive, and environmentally responsible. By leveraging data, companies can identify inefficiencies in their supply chain processes and make informed decisions to improve performance, reduce costs, and increase customer satisfaction. This not only improves the bottom line but also



enhances overall customer satisfaction through timely and reliable deliveries.

Demand forecasting powered by data analytics is reshaping how FMCG companies plan and manage their inventory. Predicting demand with greater accuracy allows for reduced inventory carrying costs while ensuring products are readily available when consumers want them.

Moreover, data and insights are invaluable tools in FMCG companies' efforts to promote sustainability. By optimizing processes, reducing waste, and minimizing the environmental impact of their operations, FMCG companies can align with sustainability goals and demonstrate environmentally responsible practices. This not only helps improve brand reputation but also caters to the growing consumer

demand for eco-friendly and socially responsible products.

AI STRATEGIC EMPOWERMENT

Artificial Intelligence technology has become pivotal in comprehending consumer responses to various stimuli. According to a study by Accenture, "By 2024, the percentage of organizations investing more than 30 percent of their tech budgets in AI will increase to 49 percent."

Artificial Intelligence (AI) technology has become pivotal in comprehending consumer responses to various stimuli. According to a survey conducted by IBM and Momentive.ai in May 2023, 67 percent of

Chief Marketing Officers expressed their intention to adopt generative AI within the next 12 months, while 86 percent have plans to implement it within the next 24 months.

These data-driven technologies, such as AI, ML, and deep learning, empower companies to meticulously analyze vast datasets, offering invaluable insights into the intricate world of consumer behavior, preferences, and emerging trends. It has elevated consumer engagement to a level one could only dream of in the past. The availability of fast and seamless interactions and feedback channels has fostered deeper connections

with the customer base. The rapid pace of data collection and analysis has not only kept companies ahead of the curve but has also given the all-important competitive edge. In an era characterized by fast-paced changes, the ability to make informed decisions swiftly is a game-changer. AI could assist by implementing planograms, which are visual representations or diagrams used in retail businesses to plan and organize the placement of items on shelves or display places. Planograms allow businesses to identify the exact position for each product, create suitable supply levels, and define ideal pricing strategies to maximize profits. This technique makes use of AI to optimize product placement and promote business growth.

AI can optimize shelf space allocation by taking into account product attractiveness, sales velocity, and other pertinent criteria. 