



TECH ON TREND

Five tech ideas set to take off in the FMCG sector this year.



BY GIHAN PERERA

Ever since the early days of the consumer internet, at the turn of the century, optimistic forecasters have been talking about “the internet fridge”: a smart refrigerator that keeps track of its contents and can automatically re-order products when stocks are low.

Two decades later, we still don't have this internet fridge but the dream lives on, because consumers want even more convenience, more efficiency and less friction with their shopping, especially for FMCG products.

Here are five key technology trends that will shake up the FMCG sector in 2020 and beyond.

AR-ENABLED PACKAGING

Advances in augmented reality (AR) mean technology can recognise packages and provide valuable information to both businesses and consumers (in the same way barcodes help businesses and QR codes help customers).

AR-enabled packaging allows brands and retailers to build stories into their products: A shopper holds up their smartphone to a product, and they are redirected to an online experience tailored for that product – such as the brand story, the product's environmental impact, and even content customised for that particular consumer.

For the business back-end, AR-enabled packaging allows better supply

chain management: cameras track warehouse inventory, monitor volume on instore shelves, and even recognise the products in a customer's shopping trolley to facilitate checkout-free payments.

DIGITAL ASSISTANTS

About half a billion people use voice assistants on their phone (Siri on iPhone and Google Assistant on Android), and Juniper Research expects that number to treble by 2023. That means FMCG businesses need to shift their focus from text search to voice search, and can use a service like Voysis to add an AI voice database front-end to customers.

BRINGING THE STORE TO THE CUSTOMER

In 2011, UK retail giant Tesco built virtual stores in subway stations in Seoul, South Korea. Customers waiting for their train scanned QR codes of products on large posters, paid online, and had those products delivered to their homes that evening. Tesco recognised that the busy lifestyles of typical shoppers didn't allow them to shop instore, so they took the store to the customer.

Almost a decade later, customers are even busier and value convenience and efficiency even more as part of their

FMCG shopping experience. That's driving the growth in online shopping, free shipping and home delivery. Start-up company Robomart even wants to take the next step, bringing a mini-shop directly to customers on demand.

INTEGRATED OFFLINE AND ONLINE EXPERIENCES

An early feature of omnichannel retail (integrating offline and online channels) was the click-and-collect service for customers to buy online and collect instore. That was revolutionary for its time, but simply connected two independent channels at a single point.

Customers now expect a far more integrated approach to the omnichannel experience – such as QR codes on packaging, instore navigation based on a shopping list, real-time promotions and loyalty offers, and checkout-less stores (such as Amazon Go).

INFLUENCER MARKETING

The stereotypical online influencer – such as an Instagram lifestyle blogger posting carefully-photoshopped snapshots of her life to millions of adoring fans – is often ridiculed, but

there's no doubt they influence the buying decisions of their followers.

McKinsey reports that Generation Y, or millennials – which are a significant part of the consumer market, and often follow these online influencers – don't like buying from “the big food companies”, resist traditional marketing and don't like shopping in mass-market channels. On the other hand, they are also more willing to share personal information in return for tailored experiences.

Marketers can leverage online influencers, but only if they are willing to let go of traditional marketing methods and use digital-first marketing strategies.

Which of these trends can you leverage?

If you're not already aware of these FMCG trends, it's not too late. If you adapt your business to take advantage of them, they offer an opportunity for higher revenue, greater profit margins and a compelling competitive advantage. ■

GIHAN PERERA is a business futurist, speaker and author.

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