Establishing trust through traceability
Protect and empower your brand for today’s “Omni Consumer”

The purchasing behavior of today’s “Omni Consumer” is influenced by factors relating not only to the product, but also to its broader impact on society. To guide their purchasing decisions, these consumers leverage trusted sources of information, which traditionally included Consumer Products (CP) companies. However, product contaminations, recalls and confusion over marketing claims have eroded trust in CP manufacturers. To rebuild consumer confidence and re-establish brand relevance, CP companies should encourage transparency by delivering credible information about innovative products. We believe this is best accomplished through Full Value Traceability.

Several factors have converged to heighten the need for increased supply chain transparency: consumer concerns over the safety of products have grown in the wake of contaminations and recalls, consumers are increasingly confused by contradictory research on product health and wellness claims, and the complexity of the food supply chain has grown as companies further outsource operations and leverage global sourcing.

Coupled with these factors is the emergence of what we call the “Omni Consumer.” This new generation of consumer is both enlightened and empowered – and has a new set of drivers that influence its purchasing decisions.

To date CP company investments have delivered systems that focus on isolating affected products after a contamination occurs. We believe there is a larger opportunity — what we call Full Value Traceability – that allows innovative CP companies to support the creation of integrated solutions that can both safeguard the food supply and enable the trust and transparency necessary to instill consumer confidence. This, in turn, allows CP companies to more effectively position new products and brands, and successfully compete with private-label offerings.

A new recipe for trust
The factors influencing consumer purchasing behavior are changing. Today’s Omni Consumer wants products that deliver more, such as functional foods that provide incremental health and wellness benefits, and cares more about the impact of these products on society and the environment. This consumer is less concerned with brand name alone – if quality, functionality and responsibility levels are comparable – and is becoming more concerned about the accountability of each segment of the supply chain, including manufacturers (CP companies), retailers and suppliers. The Omni Consumer also wants trusted information about the source and contents of the products they buy and consume.

Ingredients for change
The increasingly dynamic nature of the consumer products landscape, evidence of which is found in the record number of product introductions over the past two years, represents a major challenge for many CP companies.¹ We have identified five primary ingredients for change impacting consumer purchasing behavior and driving the need for transparency:

- Concerned and empowered consumers
- Credence-driven innovation
- Complex supply chains
- Critical data and information
- Expanded regulatory agenda.
Imperatives for CP firms

To maintain relevance with the Omni Consumer and operate effectively in today’s dynamic environment, we believe CP companies need to deliver transparency – as well as quality products. Full Value Traceability, which creates visibility and can build trust, has the capability to deliver transparency and, in turn, protect and empower the brand. It differs from most current approaches in two ways (see Figure 1):

1. While food safety is critically important, Full Value Traceability adopts a more strategic view of transparency and leverages the availability of information to empower products and brands to more credibly market functionality and responsibility claims.

2. It requires a more integrated approach to transparency that addresses the dynamics of today’s complex physical and informational supply chains.

Full Value Traceability should be viewed as a journey and not a destination. However, CP companies can begin realizing its benefits by initiating action against each of four imperatives:

- Leverage traceability to protect and empower the brand
- Define the vision and create a roadmap
- Integrate the physical and informational supply chains
- Proactively engage with stakeholders.

Ultimately, food product safety issues, regulations and mandates have driven CP companies to create limited traceability systems. By expanding beyond the bare essentials and creating Full Value Traceability, CP companies can better protect their brands against contaminations, recalls and private label competition. At the same time, they can accomplish the broader objective of restoring consumer confidence and aggressively entering new, high-value markets.

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Reference