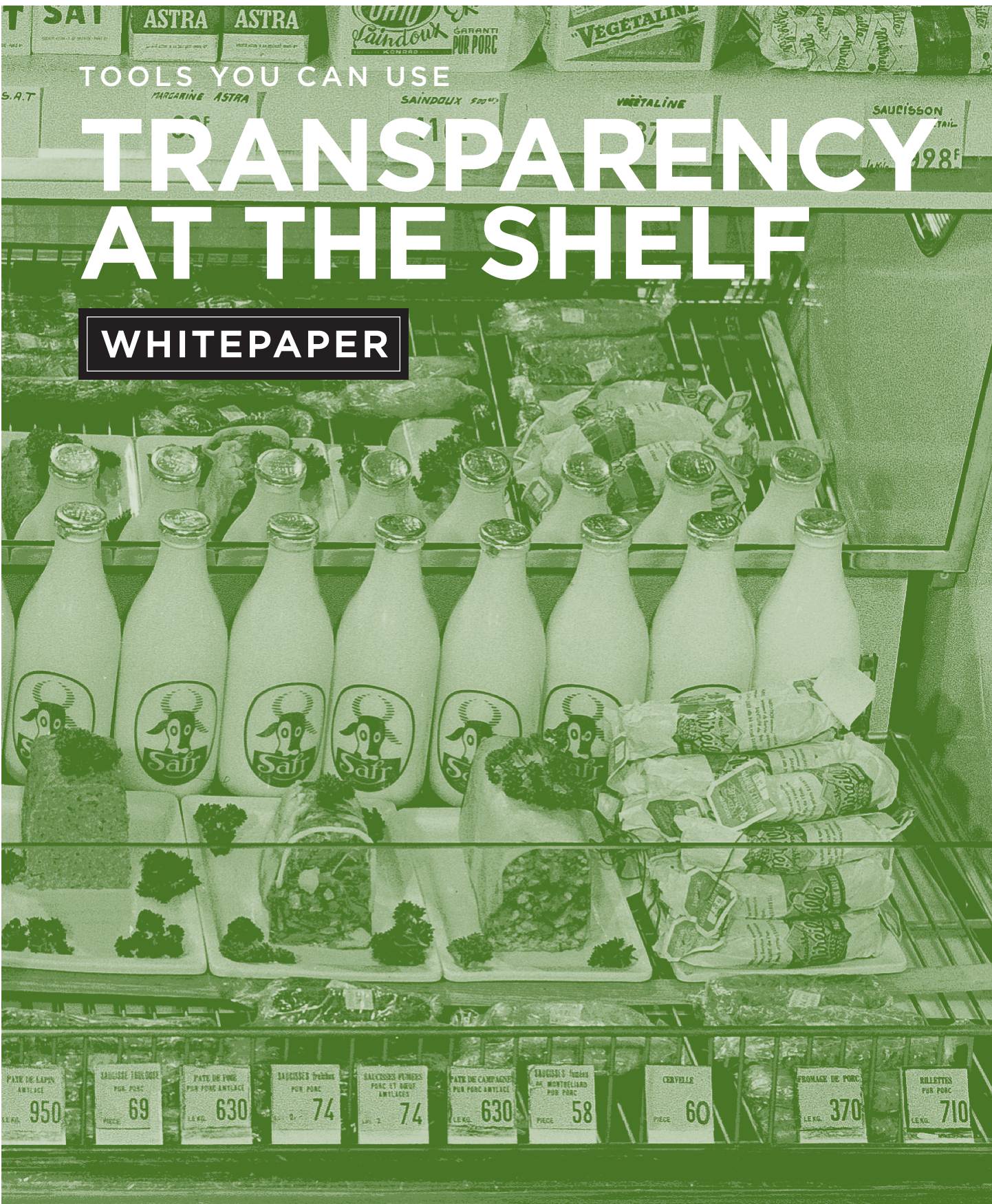


TOOLS YOU CAN USE

TRANSPARENCY AT THE SHELF

WHITEPAPER



WATER STREET
Marketing for Manufacturers

TRANSPARENCY AT THE SHELF

BRAND TRANSPARENCY KEY TO SHOPPER SUCCESS

Transparency at the shelf is more than just green statements and traceable ingredient lists. Modern shoppers are looking for a brand's position on a host of issues extending from ethics, fair treatment of employees, humane treatment of animals all the way to examining the businesses in the supply chain.

This paper provides manufacturers with a clear path to creating a transparent communication platform that addresses issues that shoppers care about when selecting a brand.

We'll be covering the following topics:

- **WHY MANUFACTURERS SHOULD CARE ABOUT BRAND TRANSPARENCY** Most of the US market is comprised of Millennial and Gen-Z shoppers. Unlike the generations before them, they care more about how a brand behaves, and not how a brand makes them feel about themselves.
- **CONDUCTING A BRAND AUDIT AS A FOUNDATION FOR BRAND TRANSPARENCY** Take a close look at your mission and message before running down the trail of package design and marketing tactics.
- **TELL A TRANSPARENT BRAND STORY** More than just a company history; a transparent brand story communicates the inspiration and motivation behind the business.
- **LEVERAGING RELATIONSHIPS WITH YOUR RESOURCES** In an age of fast media, it is important to understand how your business partners conduct business.
- **TRANSPARENT PACKAGE DESIGN** Update your brand story and add traceable ingredient codes and in one packaging re-vamp.
- **BUILDING A SOCIAL PRESENCE** Cultivate an audience that is receptive to your brand story. Your legion of fans will help spread your news and grow new followers.

Authenticity and transparency are essential communication strategies for trusted brands. Start your brand audit now, and your brand truths will shine through at that crucial decision point: on the shelf.



TRANSPARENCY AT THE SHELF

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The term “transparency at the shelf” is popping up more and more in business journals. Online, there are a lot of quick hits that reference database management and other tools that allow shoppers to trace ingredients back to their source. Logistical solutions are great for managing supply chain issues, and product recalls, but data alone is not enough to provide a transparent experience for the consumer.

Being a transparent brand means more to shoppers than truth in labeling. Brand transparency requires being present for your shopper in a way that allows them to make choices based upon your brand’s principles or business practices. Today’s shoppers look for a brand’s complete story by researching how decisions transpire at the corporate level regarding ethics and fair treatment of employees, the use of recyclable packaging, the humane treatment of animals, sustainable harvesting, even the actual lifecycle of the product itself.

WHY MANUFACTURERS SHOULD CARE

While transparency may be the buzzword du jour, marketers should be taking a hard look at their brand story with an eye to answering, “Could the average shopper find out everything they want to know about our brand and our philosophy?” Millennial shoppers started the trend of researching the story behind the brand. 80 million people strong, with a purchasing power of \$600 billion annually, Millennials were raised during the time of “truth” campaigns from the nicotine industry and were present for news reports about worker abuse in the clothing industry. Right behind them is Generation-Z, headed to be the largest shopping demographic in 2020. Second, only to shopping by price, Generation-Z is even more distrustful of large brands than older generations.

More and more, shopper research is taking place while in the store, or in another search window right before clicking “add to cart.” Shoppers share recommendations with peers, and in this age of Twitter, information moves quickly — hot topics will easily trend virally. If you think your products aren’t designed for the under-thirty group and the trend in transparency doesn’t apply to your brand, think again. While younger generations are the first to adapt to technology, the widespread use of mobile, particularly with voice-activated search, is creeping upward across all ages.

Polishing your brand story until it is crystal clear isn’t just for the end consumer, it will benefit your retail relationships as well. Recent shopper research [need link] demonstrates that consumers consider the weight of transparency to be split equally between retailer and manufacturer. Retailers are increasingly being held accountable for whom they choose as business partners. You can help secure your retail relationships by becoming a trusted brand. Manufacturers can address shopper’s growing desire for transparency by taking the following steps.

CONDUCT A BRAND AUDIT

Before you start executing tactics, make sure you know where you’re headed by auditing your brand. An effective audit goes beyond the nuts and bolts of logo usage and brand guidelines, and includes these four essential items:

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- **Mission Statement:** Do you have a mission that explains why you are in business? It's not enough to use bland statements, like "It is our mission to customize scalable real-time transactions to reach new levels of customer service;" your mission statement needs to serve as a simple guide for all employees that clearly explains to them, and to your customers, why you exist. [Quick test: If you can substitute Toyota in place of your brand name in your mission statement, and it still makes some sense, then you don't have a mission statement. You have a string of jargon.]
- **Corporate Values:** Value statements serve as a guide for all your decisions and help your team frame how to make choices. Having a written document helps fill in the gray areas, given a challenging decision; a quick glance at the values helps answer the question, "What would Brand X do?"
- **Company Vision:** Do you have your vision statement? Or a document that explains where the company is headed? If you do, does your brand team understand how this vision impacts your quarterly goals?
- **Brand Platform:** Once the business goals are set, do you have strong pillars that guide your brand decisions? How do you choose partners? How do you choose vendors?

If a brand team can readily get its hands on these documents, then there is an excellent foundation for all the work to come in building a transparent brand story. If not, each of the missing items should address before publishing your brand story.

PAYOFF: Your mission and values are written down and can be shared, not just with employees, but also with your partners and customers.

TELL YOUR BRAND STORY

Writing down your brand story is an integral part of providing transparency to shoppers. You'd be surprised how many brands are operating under some common assumptions about their brand. If a written brand story is not already part of your company culture, take a quick poll of a few employees and ask them to describe your brand. Like the childhood game of telephone, you might get a range of answers that sound kind of close, but are way off the mark.

To be clear, a brand story is NOT an origin story. While much attention is given to the start of Microsoft, Apple, and Facebook, there are very few origin stories that are compelling. Most companies start with a family member in a kitchen, a guy in a garage, or two friends brainstorming over coffee or a beer. Yes, there is a place for company history and do share it on your site, but until your brand has crossed some incredible milestones, 100 years or \$100 billion burgers, how your company started is not as dynamic to your shoppers as it is to the founding owners.

Your brand story is really about your shopper. It's about why they should connect with your brand. Review your mission and values and vision, and then think about how the things that give your work meaning give your brand meaning to the shopper. If "innovation" is something that is central to your company, that may translate as "surprising flavors" to your consumers. Perhaps "families" are the focus of your product line; your brand story might emphasize comfort, caring, and the heart of the home in your brand story.

Once you've solidified your brand story, include it in brand guides and other official company communication. It should live on the "About" section of your website, where customers can easily find it. Your brand story should

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become an active part of your business practices, included in proposals to retailers and used in agreements with suppliers, too.

PAYOFF: Clear communication through all channels adds value to your retail partners. They are being held responsible by their shoppers. Having a solid brand story and evidence of business practices helps strengthen THEIR brand, too. Plus, a strong brand story helps all team members play from the same playbook, influencing not just the sales staff, but how all employees approach their work.

KNOW YOUR SOURCES

When it comes to sourcing, the logistics of ingredient tracing is a valuable tool for packaged goods; and if you're able to add dynamic source codes to your packaging, that's a great tool. But understanding how your vendors operate is another level of brand transparency that inspires trust in your brand from shoppers. If you can communicate your values to your business partners, it helps set expectations for how both parties can prosper. Your vendors need to know how you desire to be represented.

For example, one food producer we know was surprised to have some product stopped by a border inspection as it was importing to Japan. The reason? A spice supplier had changed an ingredient without notifying the buyer, so the food no longer matched the ingredient list. This lack of communication was a costly mistake. The manufacturer has since rewritten the terms of their contracts to set proper expectations and now includes periodic audits and reviews of all their suppliers to keep everyone on track. The result is a more reliable product, with improved taste and quality.

It's easy for an emphasis on lower production costs to cloud the issue of smart, ethical business practices from your vendors. However, bad press is like wildfire, and supplier mishaps can quickly travel to your brand. For a brand to succeed in the long haul, it's not enough to turn a blind eye and take the lowest bidder.

PAYOFF: Ethical vendors who act as real partners will add value to your brand. Demonstrating how you choose partners can also support your price point: a brand that seeks the best partners won't be locked into the lowest price point on the shelf.

UPDATE PACKAGING

Now it's time to address package design, which indeed is the moment on the shelf when a shopper responds to your brand, your ethics, and your sourcing. Not only will a new design need to communicate your brand story and values, but the hierarchy of information should be organized to address different levels of a shopper's engagement:

- **Streakers:** Someone who is quickly scanning the shelf who needs the following critical information as they grab and go: brand, color/flavor, serving size/use rate.
- **Strollers:** Shoppers that are moving a bit more slowly, or making a comparison between two products, who should be able to get the next level of content: brand values, standards, list of ingredients.
- **Studiers:** Those who require more detailed product information, sourcing, and business practices.

Shoppers move in and out of these three stages of absorbing content throughout the buying cycle, and sometimes within the same shopping event. They might be filling up a cart with staple and standby items, but

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switch to doing more in-depth research (studiers) when they encounter a new product or brand. Your package design should be ready to serve all three.

Packaging is a place to shine a light on ethical sourcing and vendor partnerships. Developments in blockchain technology offer manufacturers new ways to provide transparent source codes to shoppers with data tied to package graphics. Mobile shoppers scan a graphic to immediately load product pages that contain granular details regarding sourcing and ingredients.

PAYOFF: Shoppers doing mobile research at the point of sale will have more information at their fingertips. Easy access to a complete brand story puts your (trusted) brand at an advantage of lower priced, poorer quality products.

HAVE A SOCIAL PRESENCE

You need a social presence. At this point, not using some level of social posting is like not having a telephone. The trick for manufacturers is picking the right stream. If you know your target audience and you've resolved your brand story, then it should be easy to determine where to focus your core social stream. This is a golden opportunity to tell your story and become an accessible, transparent brand that fosters trust with shoppers.

Here's a quick reference for how to use the more popular tools:



When you plan your content, make sure it is not all “me, me, me” or “buy, buy, buy.” Sales will rise when a shopper can see themselves reflected in a brand. If your social media is only talking about your brand, there is no room for the shopper experience. Suggest uses for your products, and offer useful information about your product category, or about the things shoppers might experience around the tipping point that incites them to purchase your products. A specialty food brand might also share information about family traditions, or special

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holidays, or even table settings or glassware. Also, don't forget to tell your partner stories so shoppers can see with whom you care about doing business.

PAYOFF: Social posting boosts SEO for shopper research, social sharing brings more brand fans, and an engaged audience is more responsive to product announcements.

MONITOR YOUR SOCIAL STREAMS

Monitoring your content seems like a no-brainer, but brands forget to watch their audience. Automating your social posting with no brand ombudsman behind the posts is like publishing a phone number and never picking up the phone. Now is the time to take social seriously; you are already being talked about, so join the conversation.

PAYOFF: Someone is there to head off issues in an emergency. Remember the early internet concept of crowdsourcing? Social streams are that in the basic form: you gain insight from watching and participating in conversations with shoppers.

HAVE A SOCIAL POLICY

You should also have published guidelines covering how staff should use company information online. Not many brands do this, but it is essential. We've watched sales reps who embraced Twitter without guidelines. You wouldn't leave writing press releases in the hands of a sales rep, but cutting them loose on Twitter is making them a spokesperson for your brand with no rules attached.

PAYOFF: You'll have fewer unintended consequences and will maintain tighter reputation control.

HAVE A CRISIS PLAN IN PLACE

Things will go wrong. Don't waste valuable time during a real crisis tracking down a lawyer for help in crafting the correct response; outline all the possible problems your brand might encounter in advance of an emergency.

I'm a partner in two businesses. Before we formed the formal documents, we played the game, "what if so-and-so dies?" We also have a plan for if the building catches on fire and what to do if we run out of money. While it is uncomfortable to think about, it is necessary to get solid plans outlined up front before a crisis arises. We have all seen news stories about big brands vilified in the media because of their slow response. Bad press can have an exponential impact on a smaller brand.

PAYOFF: Having a checklist to turn to in the event of an emergency can help reduce stress and reduces the chance of confusing statements unleashed into the Twittersphere.

Being a transparent brand is like providing a window into your company. We are living in an age when all the information is available all the time, and this means brands need to be open to careful inspection. Now is a great time to get the housekeeping done, so all aspects of your company are prepared to be reviewed and assessed by the shopping public. Start with a brand audit, then work your way through the process so you can direct the conversation before it directs you.

Water Street Design is uniquely positioned to serve the marketing needs of manufacturers.

We specialize in creating product launch campaigns for B2B2C brands.

A strong identity and an effective tagline are great to have in the marketing toolbox, but we know it takes more than just good design to sell products. It takes clear, consistent messaging that confidently communicates your brand story, and its value proposition, all the way through the sales channel.

Consumer-facing content is not enough. Before a customer can stand in the store reaching for your product, you have to win that space on the shelf.

We understand the challenges facing a sales team that is more often than not selling your products to another seller. We help sales teams pitch their product, package, price, and program to retail merchants. We also develop sales programs for distributors who represent your brand and training tools for store associates who are on the front line of consumer interaction.

In the end, what we bring to the table are thoughtful solutions, inventive designs, and the tools you need to be successful.

We've done it before, and we can do it for you.

**Retail, Distribution & Sales Team Tools
Digital Marketing Campaigns
Package Design • Point-of-Sale
Catalogs • Events**

