

Episode 27: The Future of Food Tech

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Andrew Pearl: Hello. Welcome to another episode of the Profitero Podcast. I'm Andrew Pearl. I'm director of strategy and insights for Profitero. Today I'm really delighted to have Viv Craske with us. Now Viv joins us with a fantastic career as a digital strategist, head of innovation and digital at some digital agencies and even now describing himself as a food tech evangelist. With that wide career base, we can have a fascinating conversation. Now if you've been enjoying our podcast series, please do tell your friends and also we'd be delighted if you could leave a review on iTunes or wherever you found this podcast.

We so love to hear from you. If you have any feedback or if you've got any topics you'd like us to cover, please do email us at insights@profitero.com. Anything you have in terms of questions or any other future topics, we'd be delighted to hear from you. Without further ado, let's get on. Viv, thanks very much for joining us today.

Viv Craske: Thank you.

Andrew Pearl: I gave a very brief explanation of what you've been doing so far. Could you just give us a little bit more detail on your background and what you're up to at the moment?

Viv Craske: Yes. I have an interesting colorful CV. I started out as a music journalist working on the world's biggest music magazine, Mixmag. I did that for about 10 years and then started getting into digital marketing. I built my own boutique social media agency working with clients from entrepreneurs, startups, all the way up to the campus group, the big food delivery service. In my most recent job I am an innovation consultant and digital strategist and author of a book called "Surviving Digital

Disruption." As you said, my real passion is in the areas of food tech which is a bit casual term.

It covers everything from eCommerce and food delivery, all the way over to biotech and interesting things such as lab grown meat. It's this fusion of technology and food that really interest me. I'm really excited to find out what we shall be talking about today.

Andrew Pearl: Excellent. Yes, I forgot to mention as well, Viv is widely published across many areas. If you Google him, you will find many articles. The book you mentioned is really fascinating. I think one of the things that really stuck out for me is you talked about jailbreaking eCommerce free from its desktop shape box which sounds a little bit ominous. Could you just tell us a little bit what you mean by that?

Viv Craske: You can tell I used to be a journalist, can't you? Always making things sound a little bit tougher. My point of view is that I think sometimes in the marketing industry you have to be really clear about what's not working. I think working in a creative agency, my former role, what I noticed is that you create some designs for an eCommerce site or a shop-in-shop on a grocer and you would look at them on a large screen on a desktop. It was very rare that someone would actually say, "What does that look like on a mobile?" While we know that there's still a large proportion eCommerce that happens on desktops, increasingly it's moving over to mobile devices, iPads, as well as the smaller screens.

I think that the future of eCommerce is to have that mobile first approach which means not thinking that mobiles are everything, but designing with mobiles first in mind and then adding extra features and functionalities if you scale it screen size. I think jailbreaking eCommerce free from the desktop is two things. One, it's a mindset about making sure that we're thinking about mobile first and the other one is thinking about how consumers are using it. Every single digital touchpoint has got the potential to become a point of sale whereas at that moment it's not. If you were to see a post on Facebook, why can't that have "add to cart" functionality and drive people directly to add something to their cart and perhaps make an impulse purchase?

If you're browsing your website and you see a great web banner, why can't that within that web banner have "add to cart" functionality so you could browse a range, add something to your cart within the banner without even leaving the website you're browsing. What I think is going to happen is that eCommerce will break free from specific platforms and just become ubiquitous. The end point of that is things like Amazon Dash. Now at the moment we're in the methodologies of typing and touching screens. Soon we're going to be in the world where we're just talking to our house and buy things. The Amazon Dash Buttons where you press to reorder a toilet roll, I think that's a red herring.

Where we're actually moving is AI driven, voice driven eCommerce. This concept of ambient computing where we just talk and eCommerce happens. What I want you to

instill in the book is we're not there yet, but we need to get out of desktop thinking for sure and think about how do we innovate to break eCommerce free from a very old fashioned format that's now over 20 ...

Andrew Pearl:

That's a fascinating topic in itself that leads us into so many areas. I know talking with a lot of the people in this country, the excitement of getting their Echo speaker and trying it out for the first time really is on that starting point of like you say, the AI driven technology. Obviously, we got a bit of a wait go until that real purchase process works. We're interesting also seeing how Amazon particularly is starting to use some of this knowledge itself in terms of making shopper's decision for them. We see the rise of Amazon Choice in the US where they're actually starting to use a lot of their understanding to make decisions for shoppers.

Now at the moment it's been unclear exactly how they do make those decisions, but it's certainly something that will become more and more important for brands. I think we have a lot of brands who perhaps listen to this and think, "Well, maybe that's a long way in the future." If you're out on the starting point to this new technology, what would be some of the key ways of entrance into working out whether this new technology is relevant for a brand and what should brands be doing?

Viv Craske:

That's a really good question because I think what it comes down to is the brand's limited resources. Even if you're one of the world's biggest brand especially in the UK or European market, we've got a limited set of people. Maybe we've got 30, 40 million households in the UK to talk to. You don't want to be disrupting your eCommerce just for the sake of it. The way I like to think about it is using a classic marketing model that was originally created by Leo Burnett agency and it's the 70:20:10 model of innovation. You think 70% of what you do is mass market communication in existing channels that you know works and you know has got a good ROI.

20% of your resources and time is around developing ideas that you've already tried and getting great proficiency with them and 10% of your resources, time, money, people is around ringfencing those resources to try new things. For example, if you overlay that process to eCommerce, then 70% of what you would do if you were a brand would be to focus on say in the UK, I don't know, Tesco and Ocado. 20% of your time you might focus on things like my supermarket to learn. You would certainly be investing in platforms like yours. Then 10% of your time you might be going, "Well, what about Domino's one button pizza delivery system? What about Carlsberg's one button beer fridge ordering system?"

What about the idea of anytime, anyway eCommerce? What's right for our brand?" That's the real challenge of the real cutting edge of innovation. First off, most brands don't ring fence 10%. They don't ring fence any percent of their resources to do the cutting edge. Secondly, innovation happens through random occurrence depending on how interesting the people are at the brand and what they want to do for their own careers. Thirdly, there's no real process in place in many organizations to drive

innovation. Some places like Unilever are really, really strong on innovation and creating startup hubs, labs to encourage innovation.

Many brands haven't got their first ... Gotten yet because it's quite alien. I think the simple way is to start introducing a 70:20:10 model and getting that idea signed off at the senior level. Then once that concept's signed off, then that allows you to test any new kind of innovation you come across against the model and say, "Well, is this one of the things that could be within our 10% area of innovation?" I don't know what your thoughts are, Andrew. Is that something you come across or a similar version of that?

Andrew Pearl:

We do an awful lot. Yeah. We see various different levels obviously of expertise within eCommerce. There are certain group of companies who would have many people within their core eCommerce teams. Perhaps four or five to focus on particular accounts within one of their focus countries. Yet when it comes down to some of their smaller countries, you may have one person who has half a role which is developed to eCommerce and half to sales. Somehow if they could find another half, they also have to look after marketing as well. It does vary very much. I think we certainly understand that the future of eCommerce and developing a real successful business is about understanding and being able to analyze your performance well.

Really understanding what are the key things that you can influence with retailers and on eCommerce that do genuinely drive an impact be that product content, be that search placement, things like that. Those are the things that all brands I think understand. At the moment the challenge is exactly as you say, a, having the right structure in place and then b, having this kind of ring fences investment to do that. I guess one question I have that we get asked a lot is if you talk about the 70% and this ROI, digital marketing particularly is very, very hard to develop any meaningful ROI. Many of us have been involved in capturing management in-store and the traditional brick and mortar stores is relatively simple to do.

From a digital point of view, it's not so easy. There's very little data involved. Are there any again key tips or good pieces of advice that you've developed with your customers over time for what they should do when they're really thinking a proper ROI model for digital marketing?

Viv Craske:

It's really hard. My former agency, Live and Breathe, we developed an ROI model which in many ways return on relationship does sound a bit of a cup out when people about ROI. What our ROI model did is it included ROR and it could work across physical retail or online and eCommerce. What we did is worked out for a brand what's important for them off a checklist. Which elements of ROI are important? Which elements on building relationship are important? For example, are you buying a shop-in-shop with a retailer in order to increase your sales or it's a test and learn or to increase your relationship with that dot com retailer or even the physical parts of the retailer?

What's important for you? If you needed it, the reason you're buying a shop-in-shop is part of a more larger commercial play to submit your relationship as a category leader, then you don't need to worry so much about whether you'll get an ROI. I think it's just about knowing what the company objectives are at the next level up from eCommerce. What is the eCommerce role within the marketing mix? I don't know. Just saying that, I'm thinking that might sound a little bit challenging to some of your listeners. What's your view, Andrew?

Andrew Pearl:

No, I would agree. I think from my experience at Profitero working for brands is that you can set aside your 10% of your budget. I think that the danger is sometimes you get attracted to this new shiny technology that's out there. Previously it was digital coupons. That's obviously advanced significantly. Beacon Technology. AI. There's so many potential new areas you could invest in. The danger is you do that. You come up with very little results to show to your business and certainly no ROI or certainly not a positive ROI and then getting that same budget for next year to try something new is difficult. I would totally agree. I think the key thing is about setting the objectives. What is it you want to achieve?

If it just 10% of your budget that you're just going to go out and try new things, fantastic, but being very clear with your brand is absolutely true. If there is one thing that we consistently see is that too often that shiny technology can overtake and actually there isn't a focus on just fixing the basics. Really about again how do I understand what will drive my conversion in-store? Now if you don't fix that, developing a shop-in-shop or buy buttons or I think you're kind of really missing the point. Getting best in class product content, understanding search placement, what's the wording that your shopper's using, how do you react to that is absolutely vital.

Even some of the most brands, they're still focusing on that. It's focusing on the basics. Of course, I think we'll come in to talk about some really good examples where actually there's some best in class exciting development going on in the digital and eCommerce space. Actually, 70% of the time I would say just concentrate on fixing your basics. Does that resonate with you?

Viv Craske:

Yeah. Funny enough in the world of eCommerce, getting the brilliant basics right is a fairly new concept. Collecting together what that scorcher is, what I love about the Profitero software is that it allows you to do that and see what's your share of shelf for example. What I think is relatively new is even checking what your front of pack images look like. Is that the right images with the right descriptions for your product and in the right stores. Many people work in eCommerce struggle to do that in sales or using just something like Brandbank. They require extra platforms to help them understand whether or not they have got the right images and the right descriptions available. Things like that.

Just making sure that there's a brilliant basic checklist and the tools and technologies available to check. That's a new thing and it takes a little bit of thought. I remember one client of ours, a very famous and large food group. They brought me a deck that was ... It's about two years old now, but they still share it because it's pretty funny. It

showed the Tesco store and it showed some own brand products in the Tesco store. They were there. You could buy them. They had all the right descriptions, but the images were missing. I'm sure you know what the outcome of that. If the images aren't there, people assume because we're such visual beings. People assume the product doesn't exist.

The retailer with their own brand products, on their own platform, didn't have the brilliant basics in place and that was only two years ago. I think there's still a long way to make sure we have the brilliant basics right before we start getting caught up in the shiny new technology. If a brand doesn't have a way producing a brilliant basic score card or isn't clear what should be in that brilliant basic checklist, that's the first thing to do before we even consider any innovation or increasing and expanding in any channel. Would you agree?

Andrew Pearl:

Definitely. I think it's what we always talk about. Focus on that first and then you can move on to the other thing. I think one area that I'm really interested in as well is you got a lot of experience about creating additional strategies. One thing we do see a lot is kind of the silo mentality within certain companies. It is because eCommerce is still relatively new, it's how you get the eCommerce team talking at the right time with marketing and sales and supply chain and getting everyone involved. Has this improved a lot or is that still a big issue that is perhaps holding some companies back from having a real clear, precise digital strategy?

Viv Craske:

Yeah. I think in marketing in general businesses are siloed both within brands, within retailers and within agencies that are retained by the brands and retailers. It's even more acute when it comes to eCommerce because what's becoming increasingly apparent is that winning in eCommerce is about the right marketing, the right logistics and the right finance in place. Often you can't consider marketing without logistics to get eCommerce right as a whole. I think that's driving things. Even if you look at things on the very simply level, if we pull back and look at eCommerce as part of digital, let's say there is a marketing campaign for say, I don't know, fish fingers just to give a random example, the brand team would create the TV ad and the radio ad and the print ads.

They've worked with agency A. Then some of the budget goes to the shopper team and the shopper team were taught to activate off the TV ad. They talked to agency B to create the shopper marketing. Now at some point, there's a digital agency that's rusted and they're making their suggestions that might relate to what agency A is doing or agency B or something entirely different and it may join up. Now internally, there's an eCommerce team and there's an eCRM team and they may not talk or join up at all. There might even be a separate nebulous digital team. If you think of all the potential areas where digital would have been recommended, agency A could have recommended digital, so could have agency B, so could have the rusted digital agency.

The internal eCommerce team, the eCRM team, they could have all have suggestions. When any of those people suggest a bit of innovation like "add to cart," how is it

integrated? How does it join up and how does it become meaningful? Because if we use "add to cart" as an example, we know that if you do "add to cart" to test and learn, it's probably not going to drive you significant sales. If your business is siloed and a digital agency suggest "add to cart," someone else might turn around and say, "Well, that won't make me money." If you knew what the value of "add to cart" was across the whole business, you could say, "Well, actually, when people view our range on a YouTube ad with an 'add to cart' overlay, the metric that we should measure is increased length of engagement of the YouTube ad."

Because if you add "add to cart" content to YouTube video, people watch it for longer. Usually up to about 30 seconds longer. Then the metric to go for is to talk to agency A and the above the line team and say, "If we do 'add to cart' trial, we're not going to make loads of more sales, but we will increase the awareness and the engagement of the product," and agency A and the above the line brand team can measure that. It's about bringing the value of eCommerce out from the silo and into the larger marketing mix, but very few people do that. That's why technologies that are new like "add to cart" often gets thought of as an interesting test in method again because we're measuring the wrong thing until it becomes a technology of scale. Does that make sense? Did I explain that correctly?

Andrew Pearl:

It does. No, absolutely. I think if we're talking a summary out of this about what brand should be doing it, it's always the same thing. It's about being absolutely clear on what you're trying to measure. Also being sometimes clear on what you're going to not going to achieve. It maybe that it's not going to be a sales driver as you've mentioned and that's fine and that's okay to do that as long as it maybe something else about driving ... Reach for your brand. Being very clear on what you want to measure right at the very beginning and then setting expectations. Because if you don't do that at the beginning, that's when you get people back reviewing a project going, "Well, what's the point? Why do it again?" Then it does become difficult to justify future investments.

I would absolutely agree with that. I think this whole area, this future of this distributed eCommerce is fascinating. We've had a past podcast, episode 22, for those of our keen listeners on direct consumer eCommerce. We talked a lot about that. You've mentioned already about the "add to cart" content, the one button accessibility. I think it's one I've struggled with in the past is this shop-in-shop. You mentioned it. Now I know from working for brands in the past, talking with retailers, there's not an insignificant investment in some of these shop-in-shops. You think they look great, they look fantastic. If you get shoppers there, brilliant. You're going to engage them. I say, "Do you engage them? Do you even get people to there?"

Are there any key learnings from your development with your various different customers about what does work with shop-in-shops and whether it is even something that the brand should be considering at all?

Viv Craske:

Yeah. First off, the reason why people buy shop-in-shops is because it's a ready made media platform. If you got access to X million people shopping from a certain retailer,

then the argument goes if we have a very small part of that online retailer, people will find it. Of course, that's flawed if search doesn't work. The other reason people buy them is part of a larger relationship building exercise because buying ads on grocery.com retailers is not getting significant cost either. I think you have to consider the reasons why people buy it and then, as you pointed out, is work out what they're good at doing. It might be that people buy in large packs from your shop-in-shop so you optimize your shelves for larger packs.

It might be that there's other reasons that people are buying your packs. For example, you might be able to go big with offers and have incentivized purchase when you get people through to your shop-in-shop. There are certain key things that many people aren't doing that would drive increase in sales and help with that ROI from the media space you bought. For example, getting products above the fold. What tends to happen with the shop-in-shop is that they tend to be quite brand focused and you'll have a large header with some sort of brand focus creative. Then the products get pushed usually below the fold let's say back at 13 inch computer screen. The people in the shopping mindset to even to arrive at a shop-in-shop, they've broken their flow of shopping.

Why don't we make it as easy as possible once they have arrived at your shop to buy? Why don't we make sure the products are above the fold and you have a very thin header? For example, you can now buy Uber banners where you have a thin header and you click in the corner and it is expands down and it can show you more branded content. Instead of having a deep header, why not say, "Well, let's focus on the shopper mindset. Let's make shopping as easy as possible and show them all our correct SKUs for this kind of mentality. Allow them to click it quickly." If people have arrived at the shop-in-shop to learn more about the brand, those people will spend an extra second or two to figure out how to do that learning and click on another tab of say recipes or competitions or the prevalence or history of the brand.

The truth is, let's say it's between five and 10% of people who click those extra pages on the shop-in-shop in most cases. Most people are not wanting to learn of other brand, but what happens is when you buy the shop-in-shop as a brand, you say, "Well, we spent X thousands of pounds or dollars on the shop-in-shop for the year. Therefore we need to use that as our space to talk about the brand," that's not what the consumer's thinking. The consumer's in their shopping mindset they just want to buy. I think it's not stuffing the shop-in-shops for the brand content that gets in the way of the shopper journey. It's about thinking what do those other pages do.

If someone does click on a page about the brand, what tends to happen is that those smaller number of people will read the content and then they're incentivized to buy whereas they might not done before. What you'll tend to find is they'll buy a larger range of SKUs. Now that's really interesting because you can expand the repertoire of those people who are most into your brand. Then you start to think, "What is the shop-in-shop for?" It's for maybe making sales easier based on brand equity from those who come there. Then for those who want to find out more about the brand, it's developing a closer relationship, that's the time of percentage. Then it's about

increasing their range of SKUs for some kind of inspiration content, but in a very small way based on smaller screens and the shortness of time of people there.

It is not a branded website. You are not focused on the brand. You're focused on the shopper mentality.

Andrew Pearl:

I can hear those difficult conversations happening. The grinding of teeth from marketing directors. It's a really interesting perspective because I've seen many examples where it is just that. It's a branded exercise to shout about the brand, spend a bit of the marketing budget and really justify its existence. I think what you said about having the shopper in mind is absolutely right. Too many times they do seem to be just a bit of a flight of fancy for a particular marketing director to show wonderful the brand is without necessarily thinking how can I drive more sales. That's a really interesting one. I think one point I really liked as well is almost this element of basic capturing management, really understanding from using almost as a channel in itself.

Understanding what are they going for? What are they looking for? Not necessarily the mission, but what in terms of packaging, what types of products they want and is it the multi packs? Is it singles? Things like that. Applying some basic capturing management principles to that to really again not ... Don't just put your full range on there. Perhaps focus on particular areas or allow those to be easier to discover for the shoppers is certainly a key one.

Viv Craske:

What's your thoughts, Andrew, about also using a media channel for in-store sales because I think especially in grocery, online shopping is such a small percentage. What about seeing this as a RowPro environment that people are going to research online? Maybe they are buying something. If they see a new SKU, maybe they buy that in-store later. Maybe it's not all about eCommerce.

Andrew Pearl:

Absolutely. I've had experience of that working for a herbs and spice company. The RowPro, there's a lot of talk about that and it is becoming increasingly important. Obviously, shoppers now are better connected and able to analyze prices and availability and promotions. Even choose specific stores based on what coupons might be available for those stores. Actually sometimes it is just the simple understanding what's due. There is still an element of what am I going to have for the meal tonight? We saw a lot of that times that getting inspiration for a particular products ... If you're talking about herbs and spices, it might not be an alley you go down every time, but you might need something for a particular recipe.

If you can use that shop-in-shop to perhaps explain it a bit more, use a bit of inspiration, they might not necessarily buy at that time, but the next time they go and visit the aisle, they'll say, "Oh, yeah. I remember seeing that," and use that as another purchase occasion. I think it is increasingly important and will be more so as not only stores and shoppers increasingly use their connectability to compare prices, but also with stores as well as increased technology in-stores allow you to connect with mobile and check your offers or you can push suggestions. It could be used more and more. It's a very interesting area. I would say at the moment again though just this

slight caveat that make sure it is something that you look at once you've complete the basics.

Again if people are doing that and then they're looking to buy and going to your website maybe at a subsequent visit and then you don't have best quality images or best quality ... Well, they can't even find your products, then you've lost out and you've wasted a lot of their investment in the shop in itself. The risk of sounding a bit like a broken record is I would focus on that. It's a fascinating area. I think with some of the things you said there's some really good tips actually to make it more relevant so that it isn't just a huge investment. Actually it can become a good not only driver of sales, but also driver of interest in the brand as well. Looking at the final area, I think the best description I've seen for you as I mentioned right in the beginning is you said you are a food tech evangelist.

We talked a lot about future technology. What would you like to see say in 10, 15 years time? Where would you like to see food tech have evolved too? What's your hope for the future?

Viv Craske:

Wow. That's a big question. I think the most important thing that we can do in the intersect of food and technology doesn't have anything to do with eCommerce at all actually. It's more to do with biotech. This summer I went and spent some time at a conference about lab grown meat. The people like to call it cultured meat or cellular agriculture. The idea is is that you can take a cell of say a cow and grow it up with some growth medium in the lab to create a burger. There are also very interesting ethical arguments about that. If you were a vegetarian, would you then eat a burger that have been grown in the lab, cruelty free? I think if we look 10, 20 years into the future, the significance of that kind of biotechnology is related to something Bill Gates said.

Bill Gates said that in order to solve starvation globally, we need to give people chickens because chickens are the most eaten meat. They grow quickly. They're quite cheap. Now combine that with the ability to grow chickens in the lab. Let's say that the lab in 10, 20 years time can be something that you can take anywhere. What if you had a need of a population that was hungry or starving somewhere and you could deliver a piece of kit that given the right start up cell or the right grown medium, can grow chicken meat. What if that chicken meat is at the same price or less cost than the cost of growing a real chicken with all the cost and logistics that that comes with?

What if you could provide food to anyone who needs it whenever they want it? The UN has 22 sustainable food goals for 2030. One of them is food security. One of the most interesting aspects of food security is not whether or not people have food, but where the food is in the world. There's enough food to feed the world. It's just in the wrong places. If you could grow food wherever you want it, then you solve the biggest problem of food security and that way you solve starvation. My thinking was that would be how do we make sure that everyone has food using technology combined with food.

Andrew Pearl: I think, Viv, that's a topic for a whole nother podcast in itself. If I'm being totally honest, I think there's a little bit of a selling job to do for a lab grown burger restaurant, but I think you might need to persuade people on that one. In terms of solving the much wider issues of starvation and hunger in the world, well, that's a fascinating topic. Viv, thank you so much for joining us today. There's so many other areas we could talk about and hopefully perhaps we will at some time in the future. If there's anyone who'd like to get in touch with you, what's the best way that they could reach you?

Viv Craske: You can find me on LinkedIn or visit my website at VivCraske.com or you can always look for my book in any of the Amazon stores which is "Surviving Digital Disruption."

Andrew Pearl: Fantastic. Thank you so much. Thank you all also for listening. It's been another rare Profitero Podcast. Again, if you do have any feedback, we would love to hear from you. Do please tell your friends as well. If there's anything you'd like to tell us, please email us at insights@profitero.com. Thanks very much and we look forward to talking to you soon.