VOLUME 6

SEPTEMBER 2024

ACTIVATE®
INDUSTRY REPORT

SHAPING THE INDUSTRY

THERE'S A REASON IT'S CALLED FAST MOVING CONSUMER GOODS

THE STATE OF THE AUSTRALIAN CONSUMER
Sibat Mosadeq
NIQ

FMCG UNDER SPOTLIGHT IN 2024
AFCG

USAGE OF DATA FOR FIELD ACTIVITY
Luke Johnson
CROSSMARK

RETAIL MEDIA: A SUPPLIERS PERSPECTIVE
Olivia Grey
SUNRICE GLOBAL

CONTENTS

Time to taste the Best Coke® Ever?

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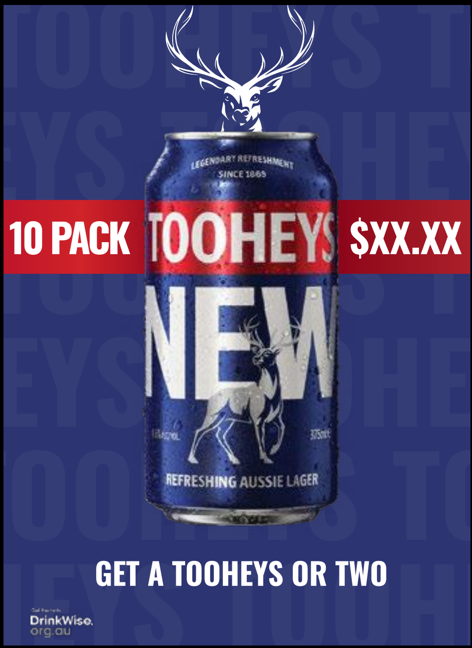
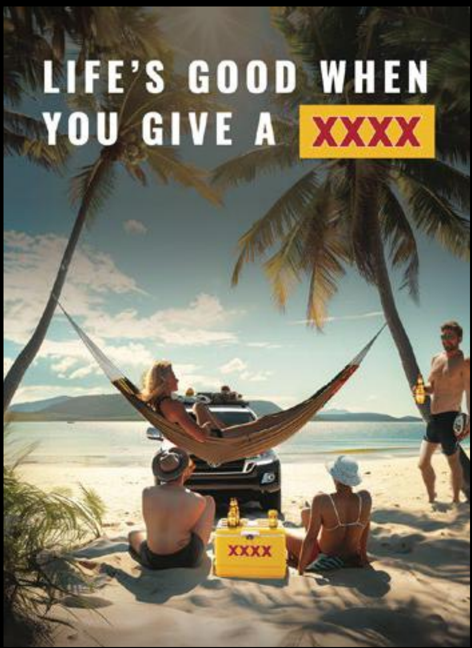
Coca-Cola®
Real Magic™

CONTENTS





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A NOTE FROM THE Editor

Bianca Velez
Editor-In-Chief, Activate Industry Report
Director, Activate Group Australia

As I reflect on the dynamic nature of the FMCG industry, I am reminded of how fortunate we are to be part of a sector that is not only constantly evolving but thriving in the face of rapid change. The pace of innovation is exhilarating, with new trends in sustainability and technology reshaping the landscape daily. This constant evolution is what makes our industry so resilient and full of opportunities.

More importantly, it fills me with immense pride to sit on the board of Activate Group Australia, the organisation behind this publication, the prestigious Joe Berry Award, and the upcoming Activate Round Table. These initiatives embody our commitment to fostering excellence and innovation within the FMCG community. Together, we are not just observers of change but active participants in shaping the future of consumer goods.

In this issue, we proudly feature Olivia Grey, the 2024 Activate Joe Berry Award winner, alongside insightful interviews with past winners. As a passionate advocate for this prestigious award, I strongly encourage you to explore the Activate Joe Berry Award and discover how you or your organization can get involved in recognising and supporting the next generation of talented young executives.

We also dive into the shifting dynamics of the FMCG industry, driven by economic pressures and evolving consumer behaviours. The latest NielsenIQ report reveals that while most Australians are still grappling with significant cost-of-living pressures, a resilient labour market and shifting consumer values are creating new opportunities for brands and retailers. The analysis of this report provides critical insights into how businesses can adapt and thrive despite these economic challenges.

We also explore the AFGC's insights on the retail landscape to strategic trade terms and promotional strategies, offering vital perspectives for navigating these changes. Reflections on the Joe Berry Award highlight the value of industry engagement and personal growth.

We hope this issue provides you with valuable insights and inspiration as you navigate the ever-evolving FMCG landscape.

Thank you for your continued support.

Shaping the Industry

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Finally, one body that recognises all retail field teams.

Activate Group has strategic plans in place to shape the retail industry. Working with members and major employers, Activate will address the issues of casual employees while working to expand the recognition of talent in the workplace.

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enquiries@activateaus.com.au

LETTER FROM THE CEO

When Activate Group Australia decided on the tagline "Shaping Australian Retail" it was proposed, carried and adopted with the genuine intent of showing how that genuine reshaping can happen.

Looking at the industry of today, the changing levels of technology, the rebranding of various and important roles and the focus on consumer trends, there are obvious needs in industry shaping. Where does Activate fit in the shaping role? Just about everywhere!

Communication was Activate's immediate considerations. There are several quality publishers that mainly report on current news trends and today's issues within each retail sector. This left room for a publication that moves beyond that currency and provides valuable views from those who hold, or will hold, influence in the industry. The result is the Activate Industry Report that allows the areas needing shaping to be exposed, perused, considered and acted upon.

The second shaping angle comes from the development of talent for the industry. Finding and keeping talent has been in discussion for a long time and often this development focus is outside the industry. Activate works firstly in shaping from the inside, through the prestigious Joe Berry Award, now in its 39th year. But, as you will read, there is lots of room for collaborative action to entice new talent into the industry. An opportunity that Activate Group is keen to lead and to bring reshaping to the fore.

The third shaping will come from real-time activity in shaping the minds of leaders and effectively the industry. There is a great need for exposure of the essential work performed by field teams. Regardless of who employs them, field teams are the guarantee that brand activation is completed in line with the needs of all parties, on time and with quality outcomes. We have in motion a series of Activate Round Table (ART) discussions that will allow all parties to recognize their value, therefore shaping this critical industry element. The first, in early November will discuss the issue of legislation and industry imposition on the field teams, lead by leading legal experts and legislative experts. You are welcome to join in the discussion.

As you read this issue, the 6th in our series, you will find that there is a real new shape to the industry. A program and collaboration that will benefit the Feel free to join in.

Keith Quigg
Director/CEO
Activate Group Australia

NAVIGATING CHALLENGES & OPPORTUNITIES IN THE FMCG LANDSCAPE

By Max Lawday
Head of Asia Pacific
Acumen

A 2024 PERSPECTIVE

The year 2023 was undeniably challenging for the FMCG industry. A combination of inflation, soaring energy costs, and rising mortgage rates plunged many consumers into a cost-of-living crisis, prompting them to adopt a more rational approach to manage their expenses. Consequently shoppers reduced their purchases, actively sought discounts, and became skilled 'deal hunters', comparing prices across retailers.

The rise of omni-channel retail and increased price transparency have intensified competition and squeezed profit margins. With the cost of goods (COGS) and logistics on the rise – further strained by global geopolitical tensions and pandemic-related supply chain disruptions – maintaining profitability has become increasingly challenging.

In 2024, suppliers are focused on recovering from brand switching and demand drops experienced in the previous year. Their primary objective is clear: to boost volumes and regain lost market share. However, as the economy stabilises, brands must explore how to effectively utilise Revenue Growth Management (RGM) levers beyond merely increasing prices to support this recovery. As we navigate pricing pressures throughout 2024 and into 2025, particularly in Australia, where the ACCC pricing inquiry is active-it will be crucial for the FMCG industry to prioritise RGM levers that address shoppers' needs, as a top-of-mind focus. While the industry has long discussed a "Shopper First" approach, it's time to translate these discussions into actionable strategies.

PROMOTIONS – A DOUBLE-EDGED SWORD

In response to rising in-store prices, suppliers have intensified promotional efforts to reclaim lost sales, leading to a promotional price war. Brands are competing fiercely to attract shoppers and increase market share through discounts.

Many products have shifted to an Everyday Low Price (EDLP) strategy, moving away from previously higher recommended retail prices (RRPs). The shift is evident in the increased frequency of promotions across omni-channel platforms, creating a marketplace flooded with opportunities for shoppers to buy on discount. To navigate this cycle effectively, suppliers must understand the driving factors behind effective promotions.

HERE ARE THREE KEY AREAS TO FOCUS ON:

1. **The Triple Win:** Suppliers align their promotional strategies with the needs of shoppers, retailers, and their organisation's objective when building promotional strategies. This holistic approach allows suppliers to make effective prioritisation decisions and ensures that they are investing behind value-adding promotions.

2. **Data-Driven Decisions:** Leverage data to guide your promotional plans. Analysing the performance of past promotions helps to determine the optimal mechanics, depth, and frequency of your promotions. This process is essential in identifying and eliminating ineffective promotions while supporting those that are successful. Additionally, conducting post-promotion evaluation is essential for continuously refining your approach in collaboration with retail partners.

3. **Create a Compelling Category Story:** With intense competition for off-shelf display space, understanding promotional efficiency is vital. By optimising display locations and crafting a compelling narrative around their products, brands can enhance visibility and drive sales.

Success in 2024 will favour those who can execute efficient promotions that minimise subsidisation of base sales, while maximising incremental volume. Suppliers that effectively navigate the promotional landscape and adapt their strategies to meet changing shopper behaviours will be best positioned to thrive.

STRATEGIC TRADE TERMS – BEYOND CONTRACTS

In an increasingly competitive landscape, relying on legacy agreements with unconditional investments and loose conditions can lead to a loss of control, undermining long-term sustainable growth. Suppliers must adopt a more strategic approach to trade terms that align with brand and channel driven objectives. This transformation turns trade terms from mere contractual details into valuable drivers that unlock substantial benefits.

Trade terms should be designed to foster a win-win scenario for both suppliers and retailers, focusing on three key principles:

1. **Drives Growth:** Foster a pay-for-performance mindset, supported by clear trade term criteria and execution standards that align to your brand and channel strategy, encouraging mutual success.

2. **Efficient:** Reward retailers for behaviours that enhance collaboration and operational practices.

3. **Defensible:** Establish a criteria-driven trade framework that enables suppliers to justify the rationale behind the investments retailers receive.

A well-crafted trade investment strategy is crucial for optimising all other RGM levers. When trade terms reflect current market conditions and consumer trends, they effectively support growth initiatives and help suppliers maintain competitiveness.

Trade terms are no longer just an administrative detail; they play a pivotal role in shaping business strategies and achieving lasting success. By embracing strategic adjustments and collaborating with retail partners, stakeholders can position themselves to seize opportunities in an ever-evolving environment. Trade investment strategy is integral RGM strategy, it is more than just a supporting pillar.

PACK PRICE ARCHITECTURE (PPA) – MEETING DIVERSE CONSUMER NEEDS

With ongoing cost-of-living pressures, suppliers face critical questions about how to tailor their portfolios to meet diverse needs of different consumer segments and occasions. Striking a balance between offering premium products for financially stable consumers and providing affordable alternatives for budget-conscious shoppers is essential.

As inflation continues to ease, the high cost-of-living remains a significant concern. After a year of broad price increases, suppliers must reassess their PPA strategies to drive growth with their retail partners in a competitive landscape, where retailers are working to match discounter pricing.

The key is for suppliers to analyse their data effectively, understand their brand positioning and identifying key value indicators among their products. Recognising these value indicators allows for a more flexible approach with certain brands, focusing on products that enhance overall value, especially for items with easily comparable prices.

In 2024, success will favour those who look beyond the EDLP battle. Prioritising brand equity and innovation is essential, especially considering that these elements were somewhat neglected in recent years. By fostering a strong brand narrative and innovative product offerings, suppliers can justify their premium price positions, and appeal to both value-seeking consumers and those willing to pay more for quality.

As suppliers refine their PPA strategies, they must consider the varying needs of their target segments. This thoughtful approach will not only help them navigate the challenges of the current economic landscape but also set the stage for sustained growth and resilience in the ever-evolving FMCG market.

CONCLUSION

As the FMCG industry navigates a challenging landscape in 2024, collaboration between retailers and suppliers will be crucial. Embracing strategic RGM levers is essential for suppliers aiming to reclaim market share and drive sustainable growth. By focusing on effective promotions, aligning trade terms with brand and channel objectives and thoughtfully curating product portfolios, suppliers can position themselves for success.

By Sibat Mosadeq
Pacific Retail Customer Success Lead
NIQ Pacific

THE STATE OF THE AUSTRALIAN CONSUMER 2024

CONSUMERS STILL FEEL PRESSURED, BUT GREEN SHOOTS ARE APPEARING

THE LATEST NIQ REPORT SHOWS MOST AUSTRALIANS CONTINUE TO BE SIGNIFICANTLY IMPACTED BY COST-OF-LIVING PRESSURES BUT A RESILIENT LABOUR MARKET AND SHIFT IN CONSUMER VALUES MEAN THAT THERE ARE STILL OPPORTUNITIES FOR BRANDS AND RETAILERS

The end of the pandemic triggered a wave of inflationary pressures and rising interest rates. The RBA has been steadily increasing interest rates since mid-2022, bringing the official cash rate to 4.35% at the time of writing. Despite this, unemployment rates have remained at historic lows.

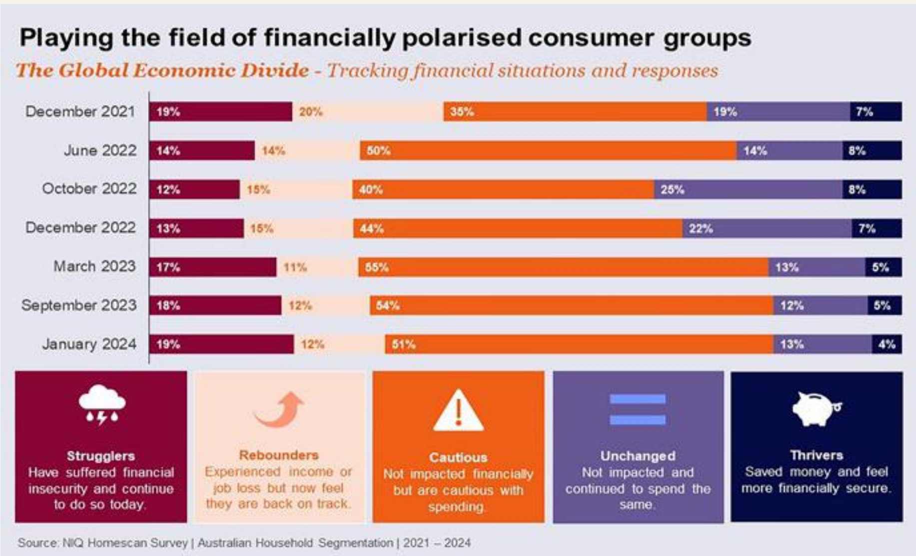
Given this unusual mix of factors, the latest consumer data from NIQ can be categorised into two broad categories. As Pacific NIQ Managing Director Pete Sheridan notes, “The data falls into two broad categories, the expected and the encouraging. Predictably enough, eight in 10 Australian households are continuing to monitor their spending. However, the more encouraging and perhaps surprising news is that Australian consumers are, broadly speaking, alert but not alarmed. The latest data suggests that consumers are becoming more optimistic. It’s also the case that changing consumer behaviours always creates opportunities for agile brands and retailers.

AROUND 7 IN 10 AUSTRALIAN HOUSEHOLDS ARE DOING OK

While the figures have fluctuated slightly, consumer confidence among Australian households has remained relatively stable throughout the post-pandemic period.
In both December 2021 and January 2024, 19% of households reported they were “struggling”. Over the same period, the percentage of households classed as “thriving” dropped from 7% to 4%. Nonetheless, Australians are most likely to regard themselves as “cautious”. That is, 1 in 2 Australian households is “not impacted financially but are cautious with spending”.

The top 4 concerns amongst Australians remain consistent, with the primary worries being the rising cost of food prices(#1), increasing cost of utilities (#2), increased housing costs (#3) and rising interest rates (#4). Concern over fuel and transportation costs increasing, has risen to rank #5 from #6, while anxiety over global conflict has moved up to #8 from #12.

The ongoing economic strain and the lingering effects of COVID-19 have led Australians to adopt more frugal, health-conscious, and eco-friendly habits. Currently, 51% want to spend more time at home, 50% want to buy only what they’ll use, 48% prepare a shopping list before going to the store and 41% state that building, maintaining or improving health and wellness is important.



Source: NIQ 2024 Consumer Outlook - Australia, Sentiment ranking of Choice Drivers among consumers

THE HEADLINES DON'T CAPTURE THE NUANCES

Despite the media's focus on the 'cost of living crisis', only around one in five Australian households are categorised as strugglers. These households usually can't afford more than the basics, and their most common strategy for managing expenses is to stop buying certain products.

Conversely, around four in five Australian households are in a better position, either rebounding from a period of hardship, unimpacted by hardship but cautious about their spending or spending as much as ever. Amid inflation deceleration, shoppers are continuing to buy more frequently with volume size in recovery. (Over the last 24 months there has been a 2.5% increase in volume growth).

As Australian households anticipate higher expenses on utilities, rent/ mortgage and transport over the coming 12 months, they are indulging themselves less with restaurant meals and leisure activities. Businesses such as restaurants, cafes, cinemas, clothes shops and hair salons will continue to struggle as Australians trim discretionary spending. With Tech & Durables spending down by -2.9% in the 12 months to May 2024, it seems there has also been a reduction on semi-durable goods.

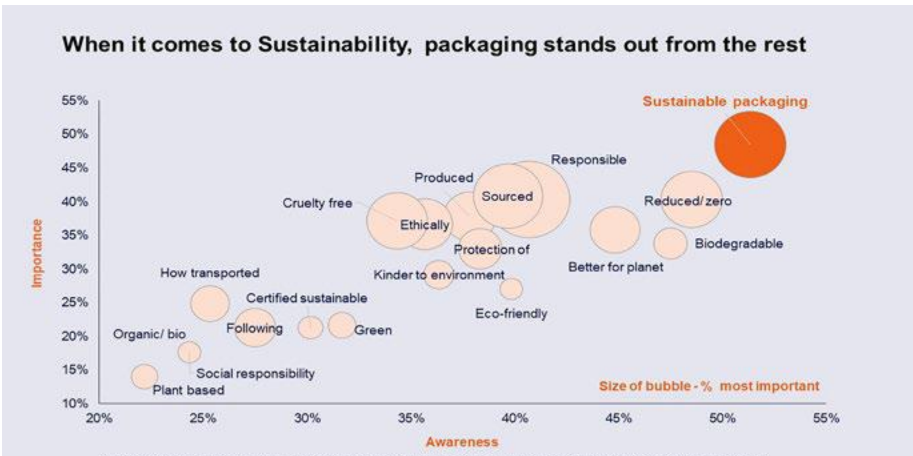
Australian households also expect to spend more on groceries in the coming year, with a significant interest in purchasing more fresh produce, dairy and dry/canned/frozen foods and less alcohol, confectionery and prepared meals.

VALUE IS RELATIVE, NOT RATIONAL

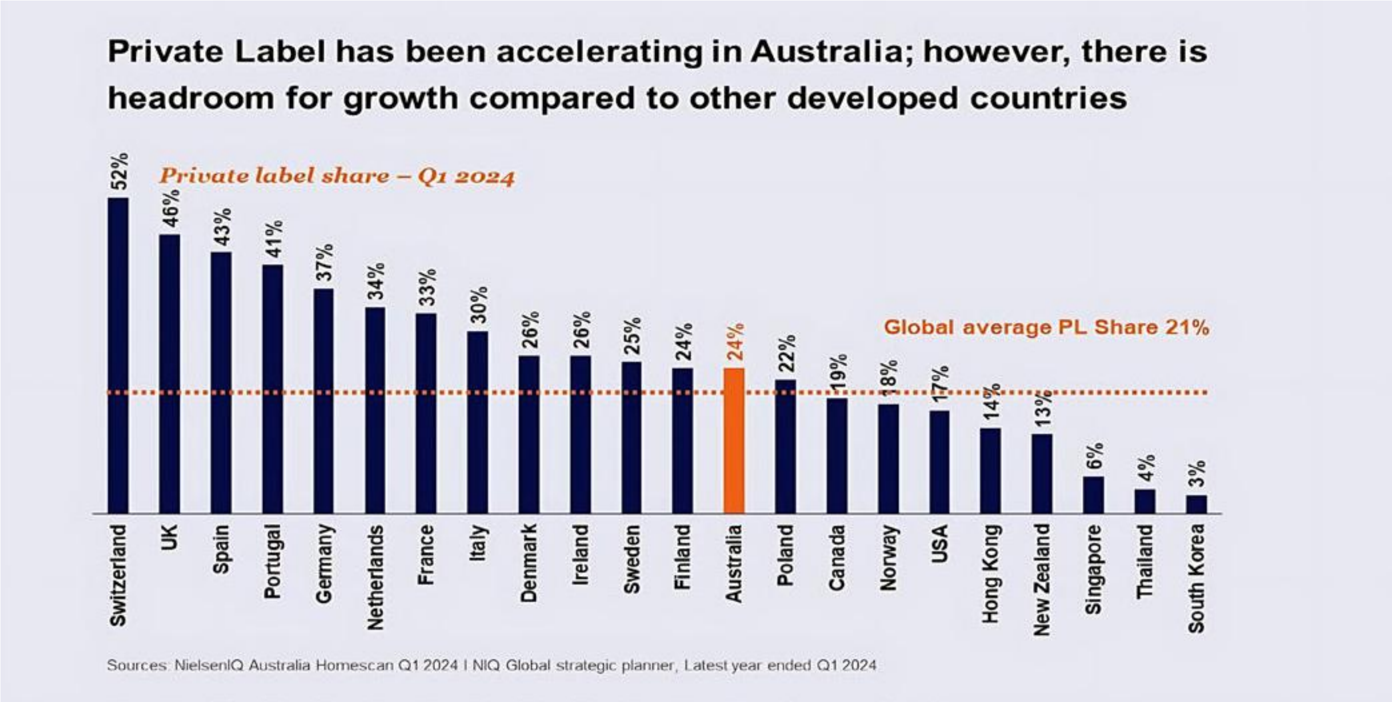
With most Australians feeling a little nervous but cautiously optimistic, it's no surprise that value for money is a top priority. While price is even more critical than usual to consumers at present, it isn't the only factor of concern.

For most Australians, except Gen Y, the go-to strategy for keeping the grocery bill under control is, "Switch to a lower-priced option". For Gen Y, the primary approach is to "buy whatever brand is on promotion," with switching to lower-priced options being their second choice. Australians of all ages are becoming more health conscious, or at least better educated about the impact of things such as a poor diet, excessive sun exposure and alcohol consumption. Albeit presumably for financial reasons, Australians have collectively cut back on alcohol spending. However, the data suggests that 46% of Australian consumers say that alcohol moderation is one of many ways they are striving to be healthier. The sentiment is stronger amongst Gen Y (54%) and Gen Z (51%) who are more likely to opt for low or no alcohol options at social events and at home.

When presented with two similarly priced products, many Australians will opt for the one that seems more sustainable. Moreover, they are overwhelmingly likely to assume a product with sustainable packaging is 'greener', even if that is not the case.



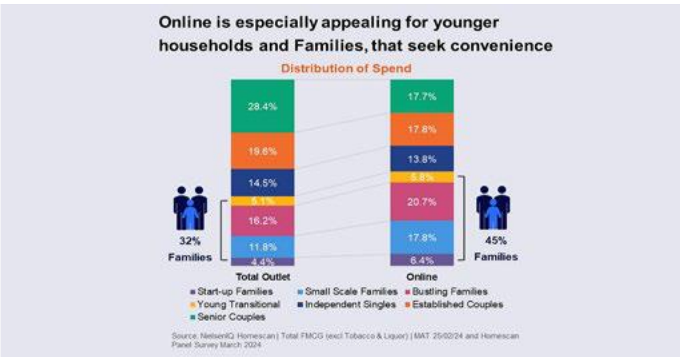
Source: NIQ 2023 Sustainability Report - Q: Coming back to grocery brands, which of these claims do you believe make a brand "sustainable"?



THE PRIVATE LABEL OPPORTUNITY

Australia's private label share does not exceed the global average, indicating there is head room for growth which would boost retailer profits, albeit at the cost of brands' profits.

Private Label (PL) brands continue to gain popularity and respect across various age demographics. Most Australians are turning to cheaper store brands, and high-income Australians have an even higher positive PL perception than average, with 54% agreeing that PL quality is comparable to most brands.



THERE'S STILL SOME GOLD IN THE E-COMMERCE HILLS

E-commerce saw significant growth during the pandemic, prompting much speculation about future bricks-and-mortar retail post-lockdowns. Australians appreciate the convenience of online shopping and are slowly increasing their spending on that channel. Over the year to June 2024, there was a $110 million reallocation of grocery spend from the bricks and mortar channel to online.

Given that most Australian households (56%) continue to cross-shop in both physical and online retailers, the online growth boom might slow or plateau. That noted, the data indicates that younger, more digitally native consumers are more inclined to shop online than their elders and that consumer spending will continue slowly shifting to that channel.

THE THREE KEY TAKEAWAYS FOR RETAILERS

While some Australian households are struggling and others are not, most are simply cost-conscious. Rising prices have prompted many consumers to reconsider whether they are getting value for money. This shift presents opportunities for brands and retailers that can adapt to the changing preferences of Australian consumers.

Our latest surveys reveal that while Australian consumers are overwhelmingly focused on getting value for money, value is relative, not rational. Given that, Australian brands and retailers should let data lead the way while keeping the following in mind:

1. Achieving incremental growth requires more than just meeting consumer demands.

2. Retailers and brands can unlock true growth by understanding what consumers are subconsciously seeking and understanding key product attributes inside and outside their categories

3. True growth occurs when retailers and brands provide the multiple attributes that consumers explicitly request, as well as those they subconsciously seek, all within the right context.

NIQ

NielsenIQ (NIQ) is the world's leading consumer intelligence company, delivering the most complete understanding of consumer buying behavior and revealing new pathways to growth. NIQ combined with GfK in 2023, bringing together the two industry leaders with unparalleled global reach. Today NIQ has operations in more than 95 countries covering 97% of GDP. With a holistic retail read and the most comprehensive consumer insights—delivered with advanced analytics through state-of-the-art platforms—NIQ delivers the Full View™.

FMGC UNDER SPOTLIGHT IN 2024

AUSTRALIAN FOOD & GROCERY COUNCIL

RISING COSTS AND INFLATION SHAPE THE SECTOR'S FUTURE

Not since the era of dollar milk has the Australian FMCG sector attracted such a high level of public attention as it did in the first half of 2024. The intervening years have been challenging ones for suppliers. As the Australian Food and Grocery Council's (AFGC) report, *Sustaining Australia: Food and Grocery Manufacturing 2030* shows, the entry of discount retailers Aldi and Costco triggered a significant competitive response from Coles and Woolworths.[1] While this competition benefitted consumers, it led to a decade of significant challenges for suppliers, as Coles and Woolworths delivered competitive prices to consumers through more stringently managing their purchasing costs from suppliers. As a result, supplier profitability fell from $8bn to $5bn between 2010 and 2019, manufacturing capital investment stagnated and offshoring of manufacturing jobs increased.

The pre-COVID decade, during which suppliers struggled to gain retailer approval for price increases, provides crucial context for the recent surge in consumer inflation. Suppliers stripped significant costs from their operations during 2009-2019. Consequently, when input costs surged in recent years due to COVID and inflationary pressures, suppliers had limited capacity to absorb these increases and were compelled to pass on some, though not all, of the rising costs through higher wholesale prices to sustain viable Australian manufacturing operations and jobs.

These increased cost pressures resulted in an average annual consumer inflation rate for food of 4.4 per cent from 2020-2023, compared to only 1.6 per cent during the pre-COVID decade 2009–2019. The AFGC argues that the artificial suppression of prices during the pre-COVID years not only caused strain on suppliers but was only of benefit for consumers in the short term. One might wonder if there had been less pressure on suppliers in the preceding decade, there would have been more ability to absorb costs now.

Since inflation began to rise, the cost of living has surged to the top of Australian voters' priorities, with large majorities nominating it as the most pressing issue.[2] In this environment, supermarket prices serve as a highly-visible proxy for the cost of living. Consequently, governments have responded to a

clear message from voters through a great flurry of activity. Within a few weeks, multiple government inquiries were announced across state and federal parliaments, as well as federal departments and agencies.

In such a target rich environment, the AFGC prioritised responding to the most significant inquiries: the Senate inquiry into supermarket prices, the Food and Grocery Code of Conduct review, and the ACCC supermarkets inquiry. Our aim was to ensure that industry views were represented, and to give fast moving consumer goods (FMCG) companies a seat at the table as the various inquiries unfolded.

However, the increased level of public attention on the sector also introduced political pressure. Unfortunately, some interests muddied the waters by suggesting that the various government inquiries could serve as 'solutions' for rising consumer prices.

Nowhere was this trend more apparent than in the Senate inquiry. While it was well-publicised, especially some of the more tense exchanges in public hearings, it was ultimately defined by a low signal-to-noise ratio. In this environment, the voice of reason was overshadowed by attention-grabbing controversies that made for exciting headlines but resulted in little substantive change. The Select Committee's final report was centred around big proposals, including forced divestiture of supermarkets, amending the Competition and Consumer Act to prohibit 'price gouging', and establishing a new commission to 'monitor and investigate supermarket prices and price-setting practices. These options were immediately dismissed by the government. However, in more recent months, the Coalition has adopted a softened stance on divestiture, incorporating it into its own policy. The shift of this idea into policy discourse is likely to be the most significant legacy of the Senate inquiry.

The Food and Grocery Code of Conduct, had been scheduled for review since its last full review in 2018, coincided with rising concerns about the cost of living. Consequently, As a result, the review took place in a more politicised atmosphere than in 2018, and was primarily focused on governance structures, rather than the Code's obligations. As is well-known, the Code will be made mandatory for all retailers with turnover above $5 billion, and steep penalties (equivalent to 10 per cent of annual turnover) for breaches. While some recommended changes are to be celebrated, such as, the incorporation of additional protections for suppliers against retribution, the changes are concentrated on the Code's surrounding governance framework. Very few changes to the content of the Code itself have been recommended, which represents a considerable missed opportunity given their importance to suppliers.

The ACCC inquiry, which began in February and is expected to deliver its final report in February 2025, is the most likely to lead to substantive reform. Many changes have taken place within the sector since the ACCC's last review in 2008. However, in part because of the scope of change in the intervening years, the final direction and priorities of the

inquiry remains unclear at the time of writing. Nevertheless, the wide-ranging issues paper and extensive information requests from the ACCC suggest a thorough review of competition dynamics within the sector.

Despite the extensive attention and publicity, there is no escaping the fact that meaningful change to pricing dynamics within the Australian FMCG sector is unlikely in the absence of a more competitive retail market. Australia is known to have one of the most concentrated retail markets in the developed world.. Although competitors like Aldi and Costco are steadily gaining market share, Coles and Woolworths continue to hold a disproportionately high proportion of the retail market, with a combined 65 per cent market share. Ultimately, the single biggest change that would benefit Australian consumers would be an increased level of competition within the retail market.

Finally, although we continue to wait to see the ultimate regulatory impact of government inquiries, one change is already evident: an increased supermarket retailer focus on price. In recent months, major retailers have become increasingly more aware of consumer difficulties with the rise in cost of living. This shift is placing additional pressure on suppliers by again increasing the challenge of taking price, despite the rising tide of input costs. In this environment, both suppliers and retailers must work together to develop compelling value propositions for consumers.

[1] https://www.afgc.org.au/industry-resources/sustaining-australia-food-and-grocery-manufacturing-2030

[2] See, for example: https://www.afr.com/politics/federal/what-voters-really-mean-when-they-say-the-cost-of-living-is-hurting-20240310-p5fb6w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USAGE OF DATA FOR FIELD ACTIVITY

IT HAS BEEN ALMOST 20 YEARS SINCE BRITISH MATHEMATICIAN CLIVE HUMBY COINED THE PHRASE DATA IS THE NEW OIL.

However, many people assumed it meant that data was going to become a highly valued commodity and the companies that could manage much of the data would be the superpowers of the future. What he actually meant was, that if the data is unrefined, it cannot really be used. The companies that are able to refine, analyse and manage the data are the equivalent of the oil companies of yesteryear.

Many companies are well on their way in the journey moving up from the Knowledge Pyramid from data to information as we structure and manage our data to provide the information we need about our business. But the real power comes from translating that information into actionable insights.

In the world of field marketing, labour is far and away the largest cost component so ensuring that labour is deployed in the most effective way possible is critical to maximising ROI. Use of data and insights is essential to driving that efficiency and so data driven deployment is playing a crucial role in many FMCG businesses field execution strategy. With all the data available for FMCG companies, how much of this do you use to develop a field execution strategy and share insights into field performance?

Imagine the power of completing 5,000+ visits each week across different categories in different retailers. During these visits over 50,000 structured data points are captured describing the results of the visit. Now extrapolate that out over 12 months and you have the start of a large dataset that you can begin to refine. Refining that data allows you to start asking questions about stores and how likely they are to behave in a certain way. Take for example the building of Gondola Ends. How likely is a particular store to build their gondola ends on time, how well so they keep ends replenished up to the end of the promotion? What's the stores likelihood of accepting additional off locations?

By understanding the predicted performance of a store you can align visitation based on past trends or avoid visiting stores altogether and invest more resource in more productive stores. The aim is to ensure finite resource is used in the most productive way and visits create the maximum sales impact.

When you overlay sales data on executional data it's possible to test and quantify the results of activity and understand it's impact on sales performance. Does replenishing later in the promotion cycle generate more sales? Is there a difference between in category and out of category displays? How do visited vs non visited stores compare? All this info is fed back into the data sets and helps further refine the future approach continuously driving improvement. A client recently conducted pre-calls to improve promotion compliance and managed to convert 90% of the stores that traditionally accepted promotions 30-60% of the time. These stores yielded a sales uplift of 112% compared to their baseline sales highlighting the importance of data driven visitation strategies.

Now any discussion of data inevitably leads to the topic of Artificial Intelligence. Will it be the cause of the downfall of humanity or the solution to every single problem we face?

The foundation to any AI model is, and always will be, the data that it is fed. We saw with the initial launch of Google's Gemini that very minor tweaks to the algorithm, even with the intention of improving results can lead the AI tool to provide vastly varied responses. While we are still a while away from AI replacing people going into store to execute promotions or complete a sales call, it can do an excellent job of refining data to identify trends or patterns in the data.

Rather than doing the analysis previously mentioned, AI can trawl the whole data set and provide these actionable insights into the performance of the store and make recommendations as to how this store should be visited. The other area where AI has made significant progress is in the realm of image recognition. We are seeing some high productivity improvements in the capture of data in field by using AI to "read" images freeing up time for Sales Reps and merchandisers to spend on sales generating activity. Additionally, the complexity of the data it can capture (share of shelf, facing count etc) means there are significant improvements in data accuracy and speed of collection driving efficiency.

AI may not yet be able to replace a good data analyst it can provide much of the metadata and categorisation that is important in the refining process. This allows focus to turn to 'what-if' scenario planning or deeper review of the results of the activity, which again is a more sales generating activity. Importantly, 'what if' your competitors are using actionable insights to optimise field spend?

Using data to drive actionable insights is not a new phenomenon and FMCG companies have always been keen advocates of data analysis and insights as they constantly review product performance, competitor share and various other growth metrics. This mindset can be continued and applied across the Field marketing spend and by being smarter with data and the ability to provide tailored visit strategies you can always ensue there is a return for every dollar spent on field activity.

By Luke Johnson
Director of Operations
Crossmark

By Bronwyn Heys
Chief Executive Officer

MARKETING

Marketing is experiencing a major transformation driven by technological advancements, shifting consumer behaviours, and a dynamic economic landscape. Bronwyn Heys, CEO of the Australian Marketing Institute, provides valuable insights into the evolving state of the marketing profession, highlighting how it is changing, what marketers need to focus on now, plus the emerging competencies and skills required to thrive in this new environment.

HOW MARKETING IS CHANGING IN 2024

1. **Digital Transformation**
    - The shift towards digital channels has accelerated, with an increasing emphasis on online marketing, social media, e-commerce and AI.
2. **Data-Driven Decision Making**
    - Marketing strategies are increasingly guided by data analytics.
3. **Personalisation- a focus on customer centricity**
    - Consumers now expect personalised experiences. Brands must create tailored content and interactions based on consumer data. This approach not only enhances customer engagement and loyalty by making consumers feel valued and understood but most importantly builds enduring strong relationships with consumers.

EVOLVING CONSUMER BEHAVIOUR

1. **Demand for Transparency**
    - Consumers are increasingly informed and demand transparency from brands. They seek authentic brands that are open about their practices, values, and products.
2. **Sustainability and Social Responsibility**
    - There is a rising preference for brands that are committed to social responsibility and sustainability.
3. **Convenience and Speed**
    - In today's fast-paced world, convenience and speed are crucial. Consumers expect quick responses, fast deliveries, and hassle-free experiences.

Let's delve deeper into what marketers need to focus on and what they must deliver to succeed in the evolving landscape. Marketers must continuously upskill and ensure their competencies align with current trends and demands.

KEY FOCUS AREAS FOR MARKETERS

1. **Customer-Centric Approach**
    - **Understanding Customer Needs:** Marketers should invest time and resources in understanding their customers' needs, preferences, and pain points.
    - **Customer Journey Mapping:** By mapping out the customer journey, marketers can identify key touchpoints and opportunities to enhance the overall customer experience.
2. **Integrated Marketing Strategy**
    - **Consistency Across Channels**: Maintaining a consistent brand message across all channels is crucial. This involves coordinating marketing efforts across digital, social, email, and traditional media to create a unified brand experience.
    - **Cross-Functional Collaboration:** Marketers must collaborate closely with departments such as sales, customer service, and product development to ensure alignment and coherence in the overall strategy.
3. **Data-Driven Marketing**
    - **Analytics and Insights:** Leveraging advanced analytics to track and measure campaign performance helps marketers make informed decisions. Key Performance Indicators (KPIs) should be clear to evaluate success and optimise future efforts.

DELIVERABLES MARKETERS NEED TO ENSURE

1. **Engaging and Relevant Content**
    - **Content that Resonates:** Content must be engaging, relevant, shareable and tailored to the audience's interests. Storytelling is a valuable tool for conveying the brand story and connecting with audiences.
    - **Micro-influencers and Nano-influencers:** Micro Influencers (1,000 to 100,000 followers) and nano-

influencers (less than 1,000 followers) are gaining traction due to their high engagement rates and strong communities. Brands are increasingly using these influencers for more authentic and targeted marketing campaigns.

- **Consistency in Posting:** Regular and consistent posting across various platforms is key to maintaining audience engagement and brand visibility. Content should also be tailored to each specific platform.
- **SEO and Content Strategy:** Optimising content for search engines (SEO) ensures visibility and drives organic traffic.
- **A/B Testing and Experimentation:** Implementing A/B testing allows marketers to experiment with different approaches and identify what resonates best with their audience.

2. **Personalisation and Customisation**

- **Tailored Content:** Creating highly customised content based on customer data and individual preferences enhances engagement.
- **Dynamic Content Delivery:** Utilising AI and machine learning to deliver dynamic content that adapts to the individual user's preferences and actions in real-time.

3. **Seamless Customer Experience**

- **Ease of Interaction:** Ensure that every customer interaction, whether online or offline, is seamless and intuitive.
- **Omnichannel Support:** Providing consistent and responsive support across all channels ensures that customers can receive help whenever and wherever they need it.

4. **Transparent Communication**

- **Honesty and Transparency:** Consumers value transparency. Marketers should communicate openly about product features, pricing, and company values to build trust and credibility.
- **Crisis Management:** Being prepared with a crisis management plan in place allows for swift and transparent handling of issues in turn mitigates negative impacts on brand reputation.

5. **ROI focus**

- **Data-Driven Decision Making:** Use analytics to measure campaign performance. Regular reporting and analysis of marketing activities help determine results.
- **Attribution Modelling:** Understanding the customer journey and touchpoints through market mix modelling.
- **ROI Optimisation:** Allocating resources to high-performing marketing channels.

6. **Adaptability and Agility**

- **Staying Current:** Keeping up with industry trends, technological advancements, and changing consumer behaviours allows marketers to adapt their strategies effectively.
- **Flexibility:** Being agile and ready to pivot strategies in response to market changes ensures that marketing efforts remain effective and relevant.

THE RISE OF AI AND AUTOMATION

The rise of Generative AI has significantly transformed marketing by automating routine tasks and freeing up resources for more strategic endeavours. AI enhances content creation, personalises experiences, and streamlines marketing processes. Leveraging AI for data analytics, to gain deeper insights into consumer behaviour and preferences. Here are some essential ways to automate marketing activities, making them more effective and efficient:

- **Campaign Management:** Tools like HubSpot and Salesforce automate campaign planning, execution, and tracking.
- **Lead Nurturing:** Automation helps in managing leads through the sales funnel, providing timely and relevant content.
- **Email Marketing:** Automated systems personalize and segment audiences, schedule emails, and improve open and conversion rates.
- **Social Media Management:** Platforms can automate content scheduling, posting, and analytics.

The marketing profession is evolving rapidly, driven by technological advancements, and changing consumer expectations. To stay competitive, Marketers must remain agile, continuously upskill, and embrace new tools and strategies. In summary, marketers must adopt a customer-centric approach, leverage data-driven insights, and focus on delivering high-quality, personalised content. Ensuring a seamless and transparent customer experience, setting measurable goals, and maintaining adaptability are key to thriving in the ever-changing marketing landscape. By focusing on these areas, marketers can not only meet but exceed customer expectations, driving sustained growth and success for their brands.

To learn more about the skills and competencies needed to succeed in marketing, download a free AMI Marketers Competency Framework worksheet and join us as a member to access the full Framework and accelerate your marketing career.. The Marketing Competency Framework Will Accelerate Your Marketing Career Path - AMI

[The Marketing Competency Framework Will Accelerate Your Marketing Career Path]

By Celeste Moroney
Marketing & Brand Strategist
Run Partners

NEVER SAY DIE!

EMAIL MARKETING

When Facebook, Instagram, Youtube and LinkedIn entered our lives, some might have thought email marketing was on its way out. However, email marketing has not only survived but thrived, maintaining its strong performance and relevance.

In fact, 90% of customers choose newsletters over social media when it comes to receiving company updates.

DON'T EXPECT EMAILS TO FALL OFF A CLIFF ANYTIME SOON

In recent years emails have evolved significantly. Content is now richer, creativity has improved and functionality is more purposeful. The combination is impacting reader anticipation and excitement and consequently brand relationships.

Email is a win-win. For brands, it offers a chance to build awareness, engagement and loyalty with a new and/or existing audience without the middle-person (e.g. LinkedIn) in the way they choose. They have a direct connection with a captive audience. For the audience, email provides updates, opinions, new products and recommendations that genuinely interest them. Plus, they have control –they can unsubscribe at any time. Which means brands must keep their content engaging to retain their audience. In other words, "keep me interested or I am moving on"!!

Email also fits seamlessly into our mobile lives. 60% of all emails are now opened on mobile devices. We can access email anytime and anywhere. With four in ten Australians working from home at least once per week in 2023 (Australian Bureau of Statistics), email checking is no longer restricted to business hours. In fact, we have become a society of 'email checkers'. According to a Robert Walters Study, four in ten employees across Australia are checking their work emails while on annual leave.

Automation and integration technologies have elevated email marketing success to new heights. Campaign Monitor has evidence to suggest automated emails generate 320% more revenue than non-automated emails. To respond to specific customer behaviours (e.g. browsing & purchase history, engagement, etc) in real time increases the opportunity for dialogue. Which increases conversion opportunities.

Improvements in email security, such as permission-based protocols, have also contributed to its continued use and preference. However, security remains a challenge, with increasing sophistication in hacking and scamming. In a 2024 study (Atomic.io) reveals older generations still prefer emails versus under 55 year olds where the majority (61%) lean towards in-app messaging for its effectiveness in detecting and preventing spam.

FACT: EMAIL MARKETING DELIVERS ON ROI

"Now that I trust you and hear from you regularly, I am more attentive to everything you say." This makes me more receptive to offers, new products, discounts, advice, referrals, etc.

Email marketing is constantly being proven as an effective means of delivering ROI. For every dollar spent, the average return on investment (ROI) is $38. Here's how it stacks up against other marketing channels, according to studies by HubSpot and Influencer Marketing:

Email Marketing	$36.00 for every $1 spent
SEO	$22.00 for every $1 spent
Influencer Marketing	$5.78 for every $1 spent
Video Marketing	$5.60 for every $1 spent
Social Media	$5.20 for every $1 spent
Tradeshows & Events	$5.20 for every $1 spent
SMS Marketing	$5.00 to $7.00 for every $1 spent
Content Marketing (Blogs)	$4.20 for every $1 spent
TV	$4.20 for every $1 spent
Direct Mail	$4.00 for every $1 spent
Print Advertising	$3.60 for every $1 spent
Digital Audio and Podcasts	$3.20 for every $1 spent
Radio	$2.80 for every $1 spent
Outdoor Advertising	$2.80 for every $1 spent

(Note: Please don't rush to your marketing team and ask them to redirect all the marketing budget to email marketing. Long term business objectives, industry & customer trends and budget and resource allocation should be looked at on a case-by-case. Therefore, it's best to use this data as a guide only).

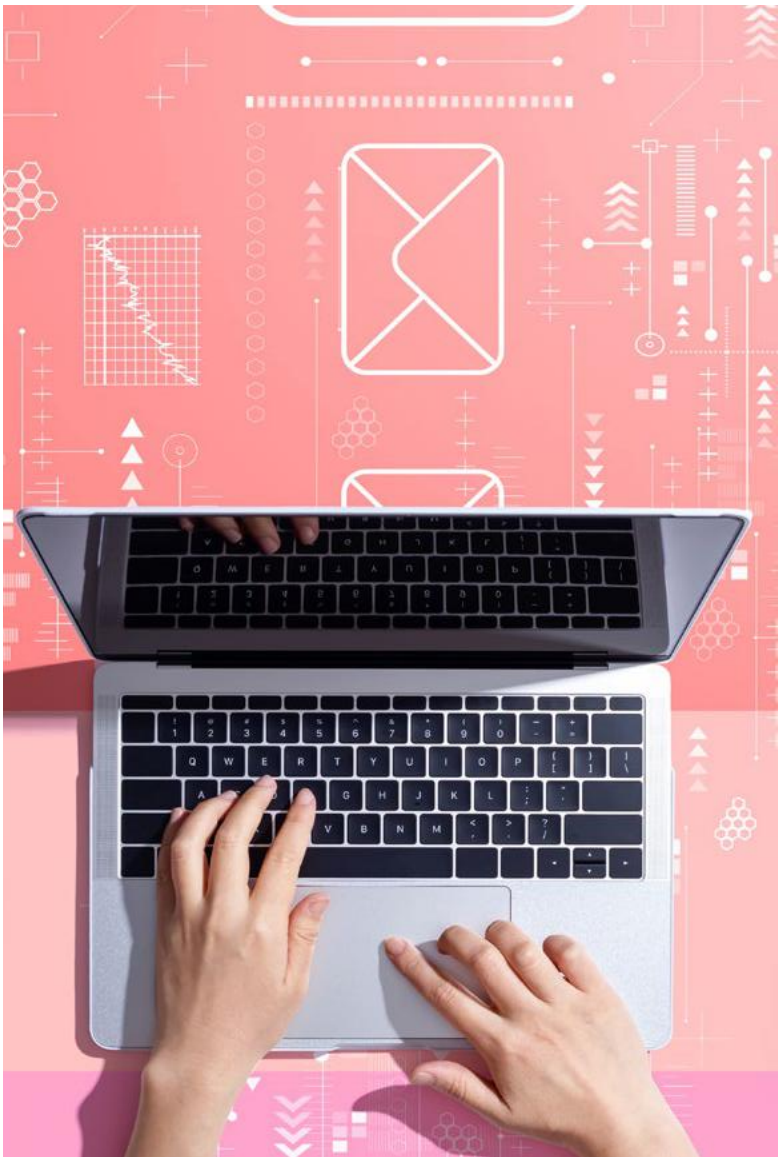
THE BIG HITTERS

Amazon Is a prime example of effective email marketing. They use personalised recommendations based on browsing history, past purchases, and customer preferences. If you've made a purchase through amazon, you'll likely notice that the order confirmation and shipping email updates are clear, informative and seamless. The email automation is timely when it comes to abandoned cart reminders, product suggestions and after service feedback surveys.

It's no surprise that 80% of consumers are more likely to engage with a company that offers personalised experiences.

Sephora, in comparison, leverages email to enhance their loyalty program, driving engagement with personalised offers and reward updates. They also target product recommendations in their email marketing. You will find their emails are beautifully designed with high quality images, and clear communication.

Even LinkedIn recognises the value of email marketing. To keep you engaged with their platform, LinkedIn sends connection notifications, job alerts, content recommendations, event invitations and reminders, engagement updates, and newsletter subscriptions. Personally, I've found their emails a bit overwhelming and have unsubscribed, raising the question: how much is too much? (but that's a topic for another article!).



THE RISE OF SPONSORED NEWSLETTERS

Sponsored newsletters (The terms "email" and "newsletter" are often used interchangeably,) are not new, simply more prevalent. A notable example is 'Morning Brew', a highly successful and popular newsletter, launched in 2015. The significant surge in their popularity, happened during the COVID-19 pandemic, a period that saw digital technology capabilities transform overnight.

Over the past decade, we have seen not only a substantial uptake in sponsored newsletters, but in investment. With high engagement rates comes (brand and business) investors. More investors and more publishers, supporting more sponsorships.

Key attractions of sponsored newsletters include:

1. **A shift from Social Media** - newsletters are a more controlled means of reaching audiences directly.

2. **Consumer Trust and Privacy** - respecting preferences and providing personalisation.

3. **Diverse Consumer Content Offerings** - allowing a sponsor to narrowly target in on their customer, reducing marketing wastage.

While brand sponsorships are not new, newsletter platforms have elevated this approach to a more engaged and direct level. Emails with interactive content can increase click-to-open rates by 73%.

HEAD OVER HEELS WITH SUBSTACK

Substack, a subscription-based newsletter platform launched in 2017, is gaining popularity for its user-friendly approach. What makes substack unique is the opportunity for writers and content creators to easily (no techie hoops to jump through) connect and grow their audience, own their audience, and get paid for it. Their tagline is "a new economic engine for culture".

Top performers on substack can earn $500K or more annually. The unique proposition of substack is the quality and niche of content - two crucial factors that build a dedicated and deeply connected audience. Inturn building trust, the fabric of long term (customer) relationships.

Other notable newsletter platforms include Beehiiv, convertKit, mailchimp, Ghost, Revue, ConvertKit, Medium, Campaign Monitor, Button-down, Patreon, and Tiny Letter. Each offers unique features, so it's important to assess your needs in terms of ease of use, customisation, monetisation, analytics, and integrations before choosing a platform.

THE REAL JUICE - PERSONALISATION AT SCALE

If you want to send targeted messages to thousands or even millions of people, whilst achieving a strong return on investment (ROI), email marketing can deliver. (Provided it aligns to your broader marketing strategy and your content and email plan.)

By intergrating real-time tracking and analytical capabilities with AI, you create a powerful optimisation tool. Enhanced personalization at scale represents a significant advancement, enabling brands to:

1. **Access and analyse** large datasets to deliver highly personalised recommendations that evolve with user behavior.
2. **Deliver content** tailored to emotional cues from user interactions.
3. **Provide content** based on contextual factors such as location, weather, or recent interactions, making emails more relevant and engaging.

Everything from travel packages to restaurant choices will be based on past preferences, environmental conditions (e.g. weather), upcoming plans, behavioral data and social trends.

The first email marketing campaign was in 1978. Nearly 50 years later, email remains one of the most effective ways to reach and engage with (both B2C and B2B) customers.

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MADE WITH AI: MIDJOURNEY + PHOTOSHOP GENERATIVE FILL

AS A CREATIVE AGENCY **WE EMBRACE THE USE OF AI.**

AI IS NOT GOING TO REPLACE YOU. AI AMPLIFIES AND ACCELERATES OUR CREATIVE OUTPUT. AI WILL REPLACE THOSE WHO IGNORE IT.

Forget everything you've heard about AI. It's not here to replace you—it's here to supercharge you. AI will be the greatest creative sidekick you've ever had, and if you know how to use it, it will take your brand from ordinary to extraordinary.

What was once impossible will be at your fingertips. Here's how.

CREATIVITY UNCHAINED

For years, creativity has been boxed in by time, resources, and human limitations. Not anymore. AI is the ultimate tool that will tear down those walls and unleash a new era of limitless creativity.

Think of AI as your creative partner—one that never tires, never runs out of ideas, and constantly pushes the boundaries of what's possible. Want to experiment with a dozen different versions of your campaign visuals? AI can generate them in seconds. Need to craft a mind-blowing ad that perfectly resonates with your audience? AI helps you get there faster, better, and with unprecedented precision.

The only thing limiting your creativity will be your imagination.

SPEED MEETS BRILLIANCE

Imagine having a team of creative geniuses working 24/7, generating, testing, and perfecting your campaigns at lightning speed. That's what AI brings to the table. It's like having a Ferrari for your ideas—fast, powerful, and always ready to go.

The best part? AI doesn't just speed things up—it makes them better. Need to fine-tune a visual for a new audience? AI will instantly adapt it, ensuring that every piece of content is precisely on-brand and perfectly targeted.

No more agonizing over minor changes or missing out on trends because of long production times. With AI, you're always ahead of the curve—moving faster, thinking smarter.

PERSONALISATION LIKE NEVER BEFORE

If you've ever dreamed of connecting with every single customer on a personal level, AI is your ticket. AI already makes personalisation not just a possibility but a reality at scale.

Picture this: You send out an email campaign, and every single person on your list receives a version tailored exactly to their tastes, behavior, and preferences—without you lifting a finger. Your fashion ads? They'll show real-time clothing suggestions based on the customer's previous purchases. Your travel videos? They'll feature custom itineraries that look like they were made just for that viewer.

AI gives you the power to make each customer feel like they're your only customer.

AMPLIFYING YOUR CREATIVE VOICE

AI doesn't just automate tasks—it helps you find new, bold ways to express your brand. Whether you're an indie artist, a global powerhouse, or a startup with a vision, AI becomes your amplifier, taking your unique voice and projecting it further than ever before.

Let's be clear: AI isn't here to steal your thunder. It's here to make your creative voice stronger, sharper, and more impactful. It doesn't replace your ideas; it elevates them. It doesn't make things easier because they need to be—it does so because you deserve more time to focus on what truly matters: your vision.

A NEW KIND OF COLLABORATION

Imagine the perfect teammate. One that listens to you, understands your goals, and works tirelessly to make them a reality. That's AI —a collaborator that will amplify your creativity, not diminish it.

Picture this: You sketch out a rough idea for a campaign. AI takes that concept, runs with it, and returns with refined visuals, compelling copy, and a dozen creative suggestions that would've taken weeks to develop. It's not doing the work for you—it's enhancing your brilliance and letting you focus on the big ideas.

This isn't automation for automation's sake—it's creative collaboration on a whole new level.

CREATIVE FREEDOM WITHOUT LIMITS

Here's the thing: AI won't box you in. It will give you the tools to break out of every box you've ever known. Think about all the ideas you've had that never saw the light of day because of cost, time, or logistics. Now, with AI, there are no more limits.

Want to create a surreal, mind-bending ad campaign with stunning visuals? AI's got you covered. Want to push the boundaries of what's possible with your brand's look, feel, and identity? AI is here to make it happen—quickly, affordably, and without limitations.

2025 is the year you'll finally have the freedom to create without boundaries.

THE POWER TO INNOVATE, NOT JUST AUTOMATE

Here's what they're not telling you: AI is more than automation. It's innovation. It's your new sandbox for

MADE WITH AI: MIDJOURNEY + PHOTOSHOP GENERATIVE FILL

AI will give you the edge to out-innovate your competition. With AI's help, you'll be able to test wild ideas, iterate quickly, and execute at a level that was previously unimaginable. Creativity becomes a playground where anything is possible—where you can experiment without fear, without budget constraints, and without limits.

THE BOTTOM LINE: CREATIVITY REBORN

This isn't the year AI replaces creativity. It's the year creativity gets reborn. With AI as your trusty sidekick, your creative potential will be amplified, expanded, and redefined. It's not here to take over—it's here to make you unstoppable.

So ask yourself: Are you ready to embrace this new era? Because AI is ready to help you create work that will leave the world speechless.

MADE WITH AI: MIDJOURNEY + PHOTOSHOP GENERATIVE FILL

WHAT HAS THE JOE BERRY AWARDS MEANT FOR YOUR DEVELOPMENT?

As you will see below, winning has a significant impact on the careers of The Joe Berry Award Alumni. But it is not just the winners who achieve great benefit from entering the program. Almost all of our Award finalists, following their somewhat daunting hour in front of a panel of judges, receive career promotion.

For those who spend the hours needed to prepare and submit a quality essay entry, a guarantee of exposure for the effort and recognition by leaders as a talent within. In any organization, having an award program that elicits for you a new picture of the talent that you already employ, is a huge bonus.

The Activate Joe Berry Award is a unique opportunity for professional development. Connecting as a supporter, or sponsor, will allow us to show you how this development can happen. There is no other option, globally, like the Joe Berry Award.
To understand how important it can be, some of our Alumni have penned a few words.

Esra Ozege
Joe Berry Award Winner 2018

"Participating in the Joe Berry Awards was a truly transformative experience and has had the most profound impact on both my personal and professional growth. It's challenging to articulate, but the Joe Berry process helped me to discover my voice. It forced me to consider the big issues facing Australian Retail – and gave me the unique opportunity to form my own considered opinions on where I stood on them. Having the opportunity to speak in front of industry leaders so early in my career journey was invaluable. It helped me overcome any public speaking trepidation and normalized the experience of sharing my ideas. I am incredibly grateful for all the experiences unlocked by the Joe Berry including, but not limited to the professional development, the personal growth, the large professional network and new friendships, the new insights gained and the confidence to share them. Looking ahead, I am excited to continue to build on this foundation and to contribute positive change to the Australian retail landscape."

2018

Ben Jacobs
Joe Berry Award Winner 2022

"The Joe Berry Award helped develop my lateral thinking and public speaking, enabling me to be more effective and confident in the workplace."

2022

2019

Alec Renehan
Joe Berry Award Winner 2019

"Joe Berry gave me a great head start in my career. Many senior leaders in the business offered their insights and expertise and the topics stretched me to think outside my day-to-day. "

2015

Sarah Hughes
Joe Berry Award Winner 2015

Joe Berry opened up lots of doors for me! I met people I otherwise would not have met, I had opportunities to learn from those a few steps further along their career journey. Best thing I've ever done (aside from my family!).

2021

Thea Dickinson
Joe Berry Award Winner 2021

"Joe Berry gave me a valuable confidence boost early on in my career along with the self-belief that I can reach my career goals. It provides an opportunity to learn about industry pertinent topics and meet talented industry experts. "

2011

Steven Bean
Joe Berry Award Winner 2011

Steven Bean, Joe Berry Award Winner 2011: "Participating in the Joe Berry Award helped me understand the many benefits of learning from and contributing to interactions across the wider industry. My Career has been consistently accelerated (and more enjoyable) through leveraging that learning over the years since the Award. "

Clementine Churchill
Joe Berry Award Winner 2016

“Participating in the Joe Berry Award is one of the highlights of my career. By entering the award, I was able to push myself outside my comfort zone, challenge myself intellectually and build a presence within the business I was in at the time. As a result of my entering, I was promoted but more importantly I built my confidence and have met an amazing group of like-minded people and continue to use the skills I learnt participating in the Award to this day. “

2016

Tony Klatt
Joe Berry Award Winner 1995

“I had just started working for Woolworths when I entered the Award and thought at the time, I am a really small fish in a very large pond. The Joe Berry provided a platform to push myself and write something I was incredible proud of and along the way the people at Woolworths demonstrated a thirst to support my undertaking. That generosity and interest in my pursuit to enter was the greatest development gift at the time. One of the finalists was from Coles so it was pretty cool beating them too!”

1995

Brett Griffiths
Joe Berry Award Winner 2009

“The Joe Berry experience, right from the beginning gave me the opportunity to broaden my thinking and challenge my daily approach to my professional life. From the outset, it opened doors and taught me valuable lessons in being upfront, vulnerable and willing to embrace a vast spectrum of opinions when tackling complex issues. Learnings I still to this day employ as I continue on my journey. “

2009

Adam Beegling
Joe Berry Award Winner 2001

“Building a career is competitive, and differentiating yourself is key. The Joe Berry Award helped me stand out, opening doors both as a finalist and as a Winner the following year. While everyone has a university degree and works hard, committing to my own development outside my role at Woolies allowed me to grow and showcase my skills to a broader community of retail leaders. This ultimately influenced my career progression almost immediately. Entering Joe Berry was challenging, but it was a crucial step in achieving my goals. It was an investment in my future that truly paid off.”

2001


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JOE BERRY AWARD REFLECTION

By Olivia Grey
Senior Brand Manager
Sunrice Global

Hindsight is 20/20, and so I'd like to take this opportunity to reflect on my journey and what contributed to my success, and to provide some advice for future Joe Berry entrants.

LEVERAGE THE ESSAY TO GET OUT OF YOUR COMFORT ZONE AND EXPAND YOUR NETWORK

For those who attended the 2024 Gala, I mentioned during my interview that my decision to enter was inspired by my experience at the 2023 Gala, where I saw the fantastic opportunities and visibility that the program provides to finalists.

When the topics were released in November 2023, I registered my intent to enter. However, the Christmas chaos quickly took over, and by January, I found myself busy and questioning whether this was the right time to participate. After all, at age thirty-two, I still had a few years left to enter, right?

I realised my hesitation stemmed from the fact that the essay pushed me out of my comfort zone, requiring me to research a new topic and write in a style I hadn't used in over ten years since university. I was so accustomed to the daily routine of meetings and emails that the task felt like a chore.

As a leader within SunRice, I wanted to inspire my team and others around me to take advantage of these types of opportunities. There are few chances in Australian retail to gain industry knowledge and visibility like the Joe Berry program. So, in February, I told my colleagues about my decision to enter, and that pressure helped me to stay accountable and focused. I ended up enjoying the writing process, because it was a break from my daily routine and an investment to my personal development.

I relied on desktop research along with my own knowledge and experience in retail media. In hindsight, I wish I had used the opportunity to engage my wider network and enhance my profile. Fortunately, I reached out when I made it into the final six. I found that everyone I spoke with was impressed that I had entered, and were all willing to give up their time to help and provide their perspective on retail media.

CHOOSE A TOPIC YOU ARE GENUINELY INTERESTED IN

When selecting an essay topic, I encountered the misconception that choosing a topic related to revenue

management or operations would be favoured by the judges. However, when it came to researching these, I found the subject matter to be somewhat tedious.

Joe Berry requires entrants to invest time outside of work, including evenings and weekends, for the essay and the final presentation. Therefore, its crucial to choose a topic they are passionate about.

I chose the topic of retail media because it was the subject of internal debate at SunRice, specifically whether it should be should be managed and funded by marketing or sales. After some initial research, it appeared that this was a common debate among other suppliers. I also discovered a wealth of information on the subject, both locally and globally. This was effective because a topic with new, relevant viewpoints and areas of controversy can lead to an engaging essay and presentation.

It's crucial to choose a topic that allows you to leverage real-world examples, whether from your own experience or from your network. I was fortunate to have connections with media agencies, retailers and other suppliers I could lean into, and their insights were invaluable in developing my presentation.

BACK YOURSELF

When I heard the final presentation would involve answering five random questions, I was nervous. In fact, nervous is an understatement. After receiving some advice from Karolina, the 2023 winner, I prepared by memorising facts about various current events. While I anticipated three of the questions, the one I hadn't prepared for ended up returning some of the best feedback, so I do feel like the hard work paid off. I underestimated my ability to think on my feet because I was catastrophising.

Having come through the experience successfully, I now realise that I should trust in my ability and experience. Undoubtedly, one of the top benefits of Joe Berry has been building my confidence, and I feel ready to embrace the new opportunities that now lie before me, including writing this piece.

I wouldn't have reached this point without the support and encouragement from my leaders and colleagues at SunRice, my extended network, former Joe Berry finalists, and the Activate team, especially the coaching and mentoring from Keith Quigg. And, of course, my partner, who can still recite parts of my presentation!

Ultimately, the Joe Berry Award would not be possible without its sponsors and judges. It provides young professionals like me with a transformative development opportunity. I hope to use this platform to inspire others to apply. For anyone considering entering, feel free to reach out to me or any past finalists, and don't hesitate to take the plunge.

RETAIL MEDIA: A SUPPLIERS PERSPECTIVE

In Australia's concentrated retail market, retail media provides suppliers an opportunity to reach many category buyers in brand safe, relevant environments across omnichannel touchpoints. Spending on Retail Media Networks (RMN's) in Australia is projected to reach $2.1 billion by 2026, with a compound annual growth rate (CAGR) of 20% over the next five years. Over in the US, spending is expected to hit $100 billion. Growth is coming from more advertisers, spending more money. A recent Interactive Advertising Bureau (IAB) Australia survey of advertising stakeholders revealed that 81% of respondents had used retail media, while an additional11% had plans to use it. 31% of investment was planned to come from new budgets, and 69% was being shifted from existing budgets, including from traditional media.

Demand for Retail Media Networks (RMNs) is growing as suppliers seek to capitalize on several benefits:

1. **Access to First Party Data:** With Apple and Google shifting to a cookie-less world, advertisers must adapt their strategy by leveraging first-party data. RMN's use first-party data to measure campaign performance through closed-loop attribution, which involves matching ad exposure data to purchase data. Through the ability to create bespoke customer segmentation and analyse buying behaviour, RMNs can deliver highly targeted audiences with personalized offers. This approach helps strengthen brand relationships, drive store visits, and increase spending per order.

2. **Build mental availability:** Retailer media helps increases prominence at the physical and digital shelf, and can drive presence when coupled with in-store displays. Retailers looking to attract incremental marketing dollars are building out their in-store screen network, as well as off-network advertising capabilities, such as YouTube advertising, to move up the funnel to drive awareness.

3. **Improve retailer relationships:** According to Epsilon, 80% of retailers and brands believe that RMNs are crucial for enhancing collaboration. Interestingly, at the time of writing, one US retailer is offering suppliers $5,000.00 in advertising credit for their Online platform. This type of initiative demonstrates a retailer's confidence in their media offer and can encourage suppliers to invest more confidently.

And yet, according to the IAB, only six in ten respondents rated their experience with RMNs as good or very good. Amongst the key barriers were cost, added complexity in retailer relationships and a lack of reporting capabilities and standardised metrics.

With proper execution, retail media could prompt marketers to shift investment from traditional media. However, if they really want a larger share of traditional ad budgets, retailers need to stop acting like retailers and operating more like media agencies.

Retailers that succeed will recognize that RMNs change the dynamic, making the supplier the customer. RMN's will need to work closely with suppliers to understand marketing and media objectives and KPI's, and as the industry evolves, RMN's should work collaboratively with industry bodies and suppliers to agree on standard reporting metrics and embrace third-party verification. With estimates of profit margins at 70-90% for on-network advertising, such as POS, and 20-40% for off-network, a winning RMN can help offset profitability pressure of the core grocery business.

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A new view of care

RETAIL MEDIA: THE FUTURE EFFECTS ON THE INDUSTRY

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We all remember our favourite jingle. That earworm that reminded you to pick up your Vegemite or to take that Kit-Kat break. While a sense of nostalgia still plays through our media today, talking to the right shoppers at the right time, is more complex.

A NEW AGE OF MEDIA

From couch to checkout, retail media is any media that utilises first-party data to deliver content targeted at an individual level. This can be media on retailer-owned assets (e.g., in-store POS, screens), or ads on external platforms, that leverage retailer data in audience targeting (e.g., YouTube ads).

The power of retail media lies in loyalty data, which provides unique insights to help acquire shoppers and win loyalty through targeted, personalised content.

The grocery shop is at the heart of every Aussie's routine. It is the ideal setting to connect with shoppers on the path to purchase. So, it is no surprise that Australian Retail Media is already worth $1B. Morgan Stanley predicts that by 2027, Retail Media houses will win a further $1.1B of media spend from traditional channels Now, what if I told you that in 2023, $3.9B of Australia's total media spend failed to deliver on it's intended objectives? There is a lot left on the table.

Marketing spend may be finite, but in 2023 81% of suppliers have used retail media networks, and a further 11% intend to. If retailers can share a clear strategic vision for their offering, retail media will dominate marketing spend in the next five years by connecting suppliers with shoppers more impactfully than ever before.

The average person sees up to 10,000 ads per day, compared to just 500 in the 1970s. We've relied on browser cookies to make assumptions about shoppers, but what if a computer is shared? We assume everyone in a household saw the TV ad, but what if I was scrolling through my phone?

First-party data allows greater audience segmentation to cut through diluted attention. As shoppers opt out of third-party cookies, loyalty data is integral to delivering the personalised content consumers expect.

Let's look at an example: I love Vegemite. My sister loves Marmite. I want to know when to pick up Vegemite on sale, but serving my sister the same ad would prove ineffective.

Without channel attribution, suppliers risk their ad spend, without the promise of return. A new strategic approach is necessary to maximise profits and future-proof retail media.

Retail media growth is being fuelled by the understanding of the value of first-party data and asset proximity. Never have we been able to intimately understand shopper behaviour and connect our messaging to them, so close to the point of purchase. I know as a shopper I appreciate seeing relevant, engaging content.

In other words, retail media is a win-win-win.

However, suppliers must consider how they will navigate challenges in today's landscape when formulating a future-proofed strategy.

Media income is an avenue to improve profit mix, with some channels delivering up to 80% margin, but a lack of automation in reporting and operations is limiting growth.

Suppliers understand the value of first-party data, but as Goodman Fielder CMO Christine Fung shares, the biggest barrier is a lack of confidence. Without robust reporting and attribution, incremental investment will be difficult to justify.

How retailers use first-party data to access engaged audiences and improve return on investment (ROI) will ensure sustainable growth. Enabling an enhanced shopper experience will make suppliers internal advocates for the power of retail media.

In the following, I outline strategic considerations to win suppliers and shoppers with technology and partnerships that already exist. Exponential growth is possible if retailers focus on three priorities:

THE ENABLER: STRATEGIC PARTNERSHIPS

Retailers cannot do this alone. Leaders must nurture industry partnerships to enhance their media offering. Suppliers like Mars and Bega have introduced associates to lead their retail media strategy. We have identified the importance of supplier advocacy, so test-and-learn partnerships should be a priority to incentivise higher allocations of trade spend.

Businesses such as The Trade Desk have built industry-leading attribution capabilities which are 12 times more effective at reaching the intended audience. Partnerships such as this would enable media houses to bolster analytics capabilities, capturing impact from reach through to loyalty.

Furthermore, learnings from global partners and subject-matter experts can inform technology investments, and drive efficiencies in decision-making.

THE VALUE: ROBUST, INSIGHT-LED REPORTING

Insightful reporting allows suppliers to understand whether something occurred by action or by chance. Suppliers are passionately seeking return on investment (ROI) to improve spend-efficiency, and justify future investments.
Media houses should provide reporting that addresses all stages of the shopper journey, using benchmarking and attribution. Retailers and suppliers must agree on metrics and delivery timelines to extract the full value of retail media.

THE IMPACT: A FUTURE-PROOFED MEDIA OFFERING

Partnerships and reporting will increase the credibility of RM offering, enabling investments into emerging technologies.
French retailer Carrefour uses ad-tech Criteo, allowing suppliers to optimise campaigns and messaging in real-time. Automation and self-service capabilities make retail media accessible to suppliers of all sizes and minimise risk by enabling real-time updates.

One approach is an industry solution that predicts shopper engagement and behaviour and enables operational stability through automation.

Retail and partner inputs are leveraged to create a fully integrated platform that transforms existing data into predictive outputs using AI. With each campaign, the platform learns more about shopper behaviour, converting data into actionable knowledge, via a continuous feedback loop. Machine learning will enable scenario-modelling, allowing suppliers to predict what a campaign will deliver, based on specific attributes.

Partnerships with platforms such as Criteo, would enable suppliers to make updates in real-time, maximising return on investment (ROI) and providing the technology to automate reporting.

Retailers can minimise data privacy concerns by allowing shopper-research inputs (e.g., eye-tracking, hand-held scanners) and opt-in loyalty data.

On its current trajectory, retail media is forecast to be worth $3B by 2027. I believe it could be worth $8.4B if major retailers embed thoughtful retail media strategy, capturing spend from traditional channels and wastage. In the UK in 2023, 30% of retailer revenue came from their retail media houses. $8.4B is just 10% of Australia's major retailer revenue. If retailers can give suppliers the ammunition to be internal advocates for retail media, this is absolutely achievable.

100 years from now, our kids, or their kids will remember their favourite jingle, because some things never change. Retail media

is not one of those things. It's evolving all around us. The strategies we implement today will determine how we win the advocacy and spend of suppliers and, most importantly, the hearts and minds of shoppers.

It was a privilege to be awarded the AFGC Future Leaders Scholarship for 2024. In my case, it's true what they say – third times the charm. There was a time when I would have felt embarrassed to admit that, but I hope that in sharing, there are others like me who are brave enough to fail and try again. The Joe Berry experience is not about winning; it's about the connections you make and allowing the immense talent in our industry to challenge you to be the best version of yourself.

All sources referenced in this article are listed below;

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ALL FOR ONE – AND ONE FOR RETAIL

For many school and university students who are considering their pending graduation or simply “leaving school”, the path to a fulfilling career can be anything but clear. For those however, with an obvious career perception, pathways such as education or trades or law or medical hold higher esteem and they are more easily chosen.

Others have work experience in casual jobs with little esteem to keep their pockets fluid. But even then, they may have little comprehension of how that role is impacted and what industry impact that role can have. A retail store assistant, a service station cashier, a café waiter or a meal delivery person are just an income - not careers, right! Or are they?

Why aren’t a greater number of people actively pursuing a career in the retail industry? In our view, it boils down to lack of information, leading to misperception. Reality is that people just don’t know what the “retail industry” means.

When we as authors, discussed our own entry into this industry both had a similar path. Sam, as a Uni-student, had a checkout-chick casual role and Keith, still at school, worked in a newsagency one-day per week. When it came time to consider a career neither had no clear idea of a career path but both were influenced by that limited retail experience. Each had no depth of understanding on what retail could really deliver as a career. So far it was a shop front, shelves that needed attention and customers who varied greatly in their demeanour. The availability of information on retail’s depth just wasn’t in sight.

Even today, there is no industry-collaborative program of activating talent from a young age. In many ways, that can be seen as a dereliction of duty by our industry leaders and HR experts. There are thousands of people employed in the retail industry but how they got there, in many cases, is by accident. “I need a job – I’ll take it!” The lack of understanding is not limited just to potential employees, others equally have little concept of the retail industry.

Let’s take the socially inescapable “what do you do?’ question as an example.

It’s a question to fumble your way through at summer BBQs, all the while envying recognizable professions like doctors or teachers. When explaining a job in retail, you learn that many people have no idea what happens beyond the shop floor. For Sam, explaining her first job at Coles would go a bit like this. Q - “So, what do you do?” A - “I work in buying for Coles.” Q - “Oh cool! What store are you employed in?” A - “Well, all stores. I work at their national support center”. Blank faces.

After explaining how thousands of employees work in Head Offices across multiple functions to support the running of retail stores, the penny can finally drop. People suddenly come to understand what a beast retail is, adding closing remarks along the lines of “Wow, I never really thought of how products got to store’ or ‘that’s actually a really cool job.’

Since then, the ubiquitous ‘BBQ pitch’ has significantly improved. Unfortunately, people’s perception of the vast expanse retail job opportunities has not. This is where our industry ‘talent’ focus needs to be!

So, how are people getting a career in retail? During a lunchtime chat with colleagues a common theme occurred - “I stumbled upon it.” Only one person at the table actively pursued a retail career, a Category Manager, originally from Pakistan. We learned, after some digging, that the retail industry in Pakistan is very good at educating people on retail beyond the shopfloor. In Pakistan retailers and suppliers are attending schools and universities armed with presentations showcasing different functions involved. For my Category Manager colleague this program helped him ‘see beyond the brand’ and understand the vast potential of retail as a career.

Interestingly, it’s this vast potential that makes the retail industry well-suited for Gen Z. Gen Z, the “job hopping” generation can expect to have up to 17 jobs and as many as seven careers throughout their lives. While this may seem fickle, their job-hopping is driven by a desire to diversify skills and gain new experiences. Retail, with its broad range of roles and opportunities, aligns perfectly with this mindset. The challenge is that many young people don't fully grasp that retail can offer a plethora of career options.

Recently, Retail NZ recognizing this challenge, responded by partnering with TikTok to launch a recruitment initiative aimed at attracting young talent to the retail sector. The campaign, titled "7 Jobs in 7 Days," showcased various career paths within the sector, showcasing progression from entry-level roles to positions like international buyers and management.

While it's great to see our Kiwi friends leading the way, what is Australia doing to spotlight retail? We need similar initiatives to dismantle misconceptions and highlight retail's vast career opportunities in a fun, engaging way that resonates beyond university graduates.
In an industry that has some of the highest advertising budgets in Australia it's absurd that we aren't investing more on education on retail as a career. Why aren't we doing an industry wide promotional program like those of the Australian Defence Force, The Advertising Industry or even the Mining Industry?

Granted some companies are doing better than others in self-promotion but one-off, self-focused company promotion is not sufficient. Yes, it provides the needed staff for that company but it does not support the big-picture evidence that is much needed. There needs to be an industry-wide approach!

Consider these facts;

- Globally, Retail is one of the largest, if not the largest of employers.
- Major industry companies can have employee numbers that reach into the 100's of thousands.
- Retail is not an industry that demands graduate education levels, in fact many of the numbers needed are those who can develop excellence from on-the-job experience.
- Retail provides international opportunities like no other.
- No-one seems to know just how many roles that retail provides but one thing is clear – more than any other industry!

We asked major retailers and leading suppliers to detail what their process is for finding the talent they need for their businesses. While there are some similarities in role description and interview procedures, the actual 'finding' of talent is not templated. Nor is it conducive to the 'whole-of-industry' approach.

Retailers have a different view when employment is considered. They employ large numbers of people in a large number of roles and look at themselves as "the industry". This may seem insular but it is in some ways reality. They have the largest number of jobs on offer and can provide the transfer of careers like no other. This does not however, disqualify them from participation in an industry wide promotion.

As employers, manufacture and supplier companies are looking at different processes. While some are maintaining their recruiter company ties, others are moving towards in-house recruitment, finding Seek and LinkedIn and other options better for purpose. These processes, however, do not include any industry outlook. With both role specifics and P&L constraints, the recruitment focus is mainly within the industry and relies upon head-hunting, poaching and upgrading to find the right candidate.

While we cannot dispute their right-of-process, we can question the value to the industry as a whole. Recruiting an experienced person from another company does not build talent. It simply transfers it from one location to another. The losing company can only poach from others and the system free-wheels without adding to the talent pool. The result is a declining talent pool and lots of long-term vacancies!

What we learn from some basic 'inside' research is this. Few young people understand what "industry" means when talking retail, E.g., Q - What industry does Nestle operate in? A - Food. Q - What industry does Apple operate in? A - Electronics. Both answers are correct but there is no link, as such, to retail.

Why? Because we have not told them that the industry is both encompassing and expansive!

So, let's make this an industry priority. The timing is right with the end of an education year a few months away, we can let loose on the talent pool and find a collaborative way to make this industry a 'must-be-considered' option!
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Activate Group invites you to take a closer look at the industry, give back a little and let the world of young talent see inside the vibrancy of Australian Retail. Add a small line to your budget each year and support a program that has its entire focus on making retail the career path of choice.

Join us in October for a 'We Are One - We are Many' Gondola End Discussion on Talent. On how we should make this a regular part of the industry's social responsibility.

"Retail is In for School Leavers Promotion"

"Join us for a 'We Are One - We are Many' Gondola End Discussion on Talent. If you wish to join us, express your interest by contacting us at enquiries@activateaus.com.au

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