The Consumerization of the Enterprise

CHRISTIAN HUTTER, Senior Vice President, Food & Beverage, Junction Solutions

By CHRISTIAN HUTTER, Senior Vice President, Food & Beverage, Junction Solutions

Advances in mobile technology and the growing adoption of smartphone use have fueled the convergence of consumer technologies with enterprise technologies, a trend broadly referred to as the “consumerization of the enterprise.” Already, retailers and many consumer packaged goods companies, early adopters in this movement, are enabling their customers to view detailed product and marketing information, pricing and delivery schedules once confined to an enterprise software system.

The food industry is now moving toward the consumerization of enterprise information, with its first step focused on traceability. Companies are leveraging mobile technology with their enterprise data to track and trace the full supply chain path of their food product. The main driver for this is largely due to the ever growing stringent traceability requirements mandated by a food enterprise’s large retail and distribution customers, industry initiatives like the Produce Traceability Initiative and new government regulation like the Food Safety Modernization Act.

Now, with the latest advances in mobile technology and enterprise resource planning (ERP) functionality, food enterprises can communicate product information directly to the consumer at the point of sale. Specifically, new mobile traceability applications allow consumers to use their smartphones to access timely product and food safety information that not only empowers them to take control of the safety of their food, but also gives them more confidence in the food industry. However, the bottom line implications of what this means for a food enterprise’s business go far beyond mitigating risk in a widespread foodborne illness outbreak or the potentially costly damage to the brand. This new technology also helps create

new revenue opportunities through better target marketing and promotion, improved brand loyalty, and stronger customer engagement.

Technology Enablers

Today's enterprise software systems, with advanced lot-tracing capabilities, allow a food enterprise to trace back to the source of all ingredients and trace forward to the disposition of all food products made and sold, all within just a few minutes, if not seconds. This technology helps enterprises comply with the growing list of government-imposed regulations, and facilitates compliance with any brand-protection measures established by their retail and distribution customers.

New government legislation and industry initiatives are also driving food enterprises to go even further and deliver field-to-fork traceability. However, food enterprises should ask this question: Why not integrate their enterprise software systems with mobile applications where they not only code, track and trace product items at the field level, processing facility or packing plant, but also connect directly with consumers to build consumer confidence, product loyalty and increased business?

The latest mobile traceability software offerings let food enterprises apply unique, coded labels to cases or individual items, with product information linked to a specific grower, manufacturer or processing facility. This allows them to extend access of detailed food information — from origin of product, expiration dates, packaging information, allergen facts, food recall information and marketing promotions — directly to the consumer. For the first time, these mobile traceability applications, integrated with an enterprise software system, allow food enterprises to engage directly with consumers at the point of sale.

The mobile traceability application works when a shopper scans a barcode, QR code or metatag of a food product with his smart phone to determine if it has been recalled, contains any allergens, or he can program the application to receive an alert via email when a recall has occurred. Then, from that single scan, the food enterprise can also push targeted coupons and promotions, suggestions on other brand products, and recipe information to encourage more upsell, cross-sell and volume sale opportunities. The application then captures consumer feedback data for storage in the ERP database to help with future messaging and campaign branding that will encourage repeat purchases and address any changes in consumer behavior.

Future of Consumerization

As consumer technology, specifically mobile communications, becomes the primary driver of IT innovation in the future, consumerization of enterprise data not only will become more pervasive, but will also create many new revenue generating opportunities than what is currently envisioned. Bringing recall and other food safety information to the consumer's smartphone allows food companies to minimize the potential for a widespread outbreak of foodborne illnesses from food contamination.

In the end, that timeliness of communication and proactive recall and safety notifications to the consumer will help build consumer confidence in the safety of his food and promote brand loyalty, and this in turn, benefits everyone in the food industry. Yet the benefits are even more far reaching than food safety and directly impact the bottom line by giving a company a powerful tool to generate new revenue through direct customer engagement at the point of sale.

The market potential for consumerization of the enterprise appears limitless and largely will be driven by consumers, who frequently interact through online and mobile websites, social media or call centers, and whose expectations for service and communication have never been higher. As mobile technology and its convergence with enterprise data become more common in the Food industry, consumers will expect even more than just the ability to see where a product has come from or a recall alert. Consumers will expect more information personalized to their preferences, and, in exchange, will offer their loyalty and their dollars.

What's your take? Please feel free to comment below!

Source URL (retrieved on *04/19/2014 - 10:53pm*):
http://www.chem.info/blogs/2012/11/consumerization-enterprise?qt-most_popular=0