

# PRODUCT DATA LEAPFROG INITIATIVE

November 2018

Version 1.0

*Summary of pilots, workshops and Steering Committee discussions, prepared for the Leapfrog Pilots Steering Committee.*

*This document will serve as a basis for preparing the way to communicate to the CGF Board and to broader stakeholder groups.*

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# 1. PRODUCT DATA: STATE OF DEPARTURE AND CASE FOR ACTION

## 1.1. Recap on the need for ‘Data Leapfrog’

The Consumer Goods Forum (CGF) Board confirmed, during the meeting in Singapore in June 2018, that product data accuracy and completeness present fundamental and urgent challenges to the success of both retailers and manufacturers in an omni-channel world. The need to move urgently and at scale beyond current industry and organisational paradigms makes it a CEO issue – one that can no longer be delegated to CIOs and CTOs.

In today’s digital environment, products will go unsold unless they are associated with accurate, timely information that enables consumers to make purchasing decisions. That information amounts to hundreds or even thousands of attributes - from photos to package sizes and ingredients to sustainability profiles. And the list of possible product attributes continues to grow, as shoppers demand more information. Yet the way this information is captured, stored, and shared dates back 50 years. It is incapable of supporting how the industry works and how customers shop today. For example, 30 percent of online customers abandon their shopping carts because of poor product descriptions, and counterfeit goods cost brands \$460 billion of lost sales p.a. The industry’s efforts to address the problem in the short term – e.g. paying third party contractors or hiring more staff internally – are costly and not sustainable.

It was agreed in June that we should try a different approach to solving the problem, as unencumbered as possible by legacy thinking or technologies. Five ‘Leapfrog pilots’ were approved, each of which brings together coalitions of willing companies to design and test ways in which new technology could help

solve the product data problem. And it was asked to come back to the Board at the November meeting with a practical demonstration and next steps.

During the September Board calls, it was also specifically requested to address the issues relating to GS1 governance.

## 1.2. CGF board actions: from ‘Seven Principles for More Customer Transparency’ to ‘Data Leapfrog’

At the June 2017 meeting the Board passed a Resolution to support the rollout of digital consumer transparency solutions, an extract of which reads:

We therefore, as individual member companies, commit to support the following principles in all our countries of operation:

1. Individual countries are encouraged to adopt a nation-wide, industry-wide consumer solutions providing consumers with digital access to product information, defined and organised in a single consistent way.
2. Individual country solutions should provide consumers with a globally required minimum set of data attributes while also defining additional required and optional data attributes that take account of local law and reflect local consumer insight.
3. All data attributes – globally required, locally required and locally optional – should use Global Data Dictionary data definitions.

4. To ensure that consumers have access to accurate information no matter how they choose to find it, brands should simultaneously publish the transparency attributes via the Global Data Synchronization Network (GDSN) so that retailers and other e-commerce sites have access to those same, accurate data.
5. Individual country solutions are encouraged to provide multiple access routes, such as mobile scanning, web search, and click-through links to and from brand sites, in order to make them as easy as possible for consumers to use.
6. Individual country solutions should comply with a common data standard.
7. Individual countries are encouraged to promote locally to build a minimum level of consumer awareness of the consumer transparency solutions to encourage usage.

While the seven principles are still valid and must be deployed, the CGF Board raised the urgency of Product Data exchange and decided at the Board Meeting in November 2017 to try a different approach in solving the product data problems. This new approach aims to be as unencumbered as possible by legacy thinking and is built on testing and applying new technologies. Following this, five 'Leapfrog pilots' were defined and initiated - each of which brings together manufacturers and retailers into a "coalition of the willing" to design and test different ways in which new technology could help solve a defined part the overall product data problem.

The five Pilots have been asked to come back to the Board at the November 2018 meeting with a practical demonstration of their solution, learnings and next steps as well as an outlook on what would be required for industrialisation and roll-out of the approach (see *exhibit from June 2018 Board meeting*):

## Key Messages

- Prioritise Data as business issue and assume leadership at CEO-level
- All five Pilots acknowledged as valid and worth testing until November meeting
  - Show it can be done / demo
  - Cover business impact
- Prepare active decision readiness on November 8
  - Name "data owner" / connect to End-to-End Value Chain
  - Personal update to CEOs in September

The CGF is very grateful that several retail and manufacturing member companies have committed significant leadership and resources over the past months to establish and drive the pilots.

Additionally, service providers (from the largest to recent start-ups) as well as GS1, the industry's data standards organisation, have participated in the development and testing.

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