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# Client Reporting for Third Party Merchandising

# The Future of Merchandising

Technology holds modern organizations to greater standards of transparency and accountability. Too often, however, transparency has been associated with B2C contexts, which is evident by heavy B2C investments in PR, social media, and other tools for reputation control.

Nevertheless, with further developments in cloud and mobile technology, transparency is no longer exclusive to just B2C consumers. B2B clients are increasingly becoming aware and knowledgeable of the technologies that are available, and now it is their turn to demand transparency.

With this in mind, Third Party Merchandising organizations must take heed to the growing demand to remain competitive. Clients will no longer blindly rely on contracts to hold merchandisers accountable. They want more. They want to see the work being performed, and performed well, through data sharing. In fact, data collection and sharing technologies will become industry standards as it becomes more ubiquitous.

But the challenge with transparency is apparent. As Third Party Merchandisers, what data should you share with your clients and how much of it should be shared? And how should you share it? What is the boundary between sharing too much and too little? This Best Practice Guide will lead merchandising professionals through a discussion of data sharing expectations and explore the options for data-collection tools.



# The Age of Data Transparency

[B2B customer churn](#) is caused by lack of value. According to Christie Crandell's research from end-customer interviews, value consists of three dimensions: outcome, trust, and relevance.

Outcome is the more obvious definition of value. If your ROI fails to match expectations, your organization does not offer enough value. Crandell mentions that B2B clients purchase not to solve a problem, but rather to achieve an outcome. And lack of outcomes or even the perception of lack of outcomes will sever the buyer relationship.

Trust is the second dimension of value. As Third Party Merchandisers, you need to establish human-to-human relationships with your clients based on transparency and honesty. Your client needs to know 'you have their back.' If your rep repeatedly misses visits or forgets to take audits, in a B2B setting, the damage trickles down to your customer. Crandell mentions it is common for ex-clients to express betrayal, confusion, and lost confidence because the mistake of another person puts their own jobs at risk.

Lastly, value also includes providing your clients with relevant, proactive advice that is tailored to the customer's environment. For Third Party Merchandising, especially, customers look for businesses that have proven expertise and deep understanding in the industry. And this comes with time and experience.

So how does transparency come into play? Transparency aided by data collection and sharing will articulate the value you provide to your customers. It will nurture trust because your clients know that the work they are paying for is being done. Furthermore, measuring data in the field will help your organization provide insightful, data-driven advice to your clients to improve performance. While neo-Luddism would claim transparency as a disruption to the merchandising industry, transparency will actually be the key differentiator between businesses that learn to harness it quickly from those who reject it.



# What's 'not enough?'

If a Third Party Merchandiser sets up an in-store display and the client isn't there to see it, does the display exist? The discrepancy between actual value and perceived value is enormous. If you are not communicating the work that you are doing to your customer, your efforts may go unnoticed.

Many Third Party Merchandisers already report to their clients. But the quality of those reports is no longer sufficient. If your organization is only reporting the final scoreboard, for instance the total number of goods moved, total number of new goods ordered, etc., you are only providing them with information they already know. Whereas, in fact, your customers want to know the process, for the same reason your math teacher in school would ask you to 'show the work.'

Avoid providing unverifiable anecdotes and estimations. Instead of reporting to your clients 'One of my reps in the Boston area saw that other brands around you had significantly better displays,' provide your clients with geo-tagged photographs of competing displays. 'Joy Dishwashing Soap has its own separate free-standing display towards the front of the Target at Downtown Crossing.'

A critical way for merchandising firms to overcome B2B churn is to perform operations with a software tool that can easily collect and share data. That way, all the hard work the firm does to produce the client's outcomes can be presented in a factual and tangible way.



# What's 'too much?'

The data that is important to your clients may not be of interest to you and vice versa. Due to the diversion of interests, it is difficult to conclude what consists of the perfect amount of data sharing.

Primarily, clients want to see two types of data: authentication and feedback. Authentication data confirms to the client that your company completed its service. Rep activities, such as the time, location, and photograph of the visit, will provide your clients the assurance they need. Some clients may also want to see the [quarterly results of merchandising audits](#), or may want to see an individual audit.

Feedback data, on the other hand, provides the customers with supplementary information that will allow them to improve their business strategies like packaging, merchandising, and marketing. Customers want to know what [drives sales](#) (pricing strategies, product placement, customer surveys, POP displays, etc.)

## Information of Interest to Clients

### Rep Activity

When and where did the reps visit?

### Display View

What do the displays look like? Where is it in relations to other brands?

What the shelves and the environment of the store looks like?

### Competitive Activity

What do competing brands look like? How are they priced?

### Inventory Management

Where do we have too much or too little stock?

When and where are audits being conducted?



However, as a Third Party Merchandising company, there is a host of internal information that must be collected but should not be shared with your clients. For example, if your business conducts merchandising for a portfolio of brands that are in the same industry, leaking to your customer that you are also working for their competition puts both parties at an awkward situation. Another example is the compliance of retail partners with your rep. Some clients hire merchandising firms because they think that the firm is experienced with negotiating with retail stores. In this case, notes about retail compliance should remain confidential.

The only appropriate situation to share issues of compliance with your client is if the retail store is a continuous hassle to deal with or fails to adhere to the contract. Then data may be needed to support the claim, so that the client can take appropriate actions.

It is critical that Third Party Merchandising firms distinguish data that is relevant to their operations from data that is relevant to their clients. Sharing internal data with clients will overwhelm them and make it difficult for them to find that core data that needs to be analyzed.

## The Perfect Balance

Finding the line between “not enough” and “too little” with data sharing can be a challenge, and the different motivations behind clients’ outsourced merchandising means expectations of data sharing will differ from account to account. The insights mentioned above are guidelines for overall data sharing, and merchandising firms should remember that healthy communication with clients is the only way to truly understand their expectations, on data sharing and all other aspects of the business relationship. Make data sharing a topic of deliberation during the initial meetings with prospective clients. Changes can be made after the fact, but it is easier and more efficient for all parties involved if each knows the expectations and abilities of data sharing before the work begins.



# The Tools for Data Capture & Sharing

## Field Activity Management Software

A growing number of merchandising teams use Field Activity Management software to gather and share data. This is a software solution that caters to the specific needs of [“field-based organizations”](#) or organizations that perform the majority of their duties away from a central office location. It is a mobile solution that enables field reps to collect all manner of data including customer surveys, updated client notes, and even photos of merchandised product.

A picture is worth a thousand words, and this is especially true for customers of Third Party Merchandisers who want to visualize the work that is being done. Field Activity Management software provides the option of taking photos through mobile phones, which is the ultimate proof of service.

All field data is saved [in the cloud](#), making it easy for managers to access audits, sales history, survey results, and other data from the field real time. This allows back office users to analyze data as they are being collected in the field. Managers can also easily pick and choose data they want to share and export it through URL, PDF, or Excel formats.

Field Activity Management software solutions enable Third Party Merchandising reps to collect insightful field data and allow managers to share it with their clients in a variety of forms, heightening the level of accountability and professionalism of the entire firm.

## Why not Manual Data Entry?

Field Data analysis offers insights into [pricing strategies, product placements, promotion success](#), and other invaluable information. Since data-collecting technology like Field Activity Management software is available to merchandising firms, clients are not only expecting data presentations, they expect those presentations to be accurate and available in real time. For those two key reasons, merchandising firms that continue to



use manually data entry processes will fall behind their competitors in the industry. Not only does manual data re-entry cause long time gaps between collection and presentation, it is often plagued by [high rates of human error](#). Field Activity Management software allows merchandising reps to collect data on their mobile phones or tablets, eliminating the need for re-entry. Additionally, the data reps collect are kept in the Cloud, allowing for real-time sharing with managers and clients.

## Achieving Data Transparency

Data sharing is a great value proposition to your prospective clients. While it is simply an emerging marketing technique for some organizations at the moment, it will soon be the industry standard that all merchandisers are expected to follow. Furthermore, sophisticated data collection and sharing services, such as Field Activity Management software, will become the hallmark of trust and professionalism that will produce loyal customers and evangelists to your organization.







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