

“Marry The Algorithm”

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Have you ever used Google Maps to get directions?

The image shows a screenshot of the Google Maps interface. On the left, a sidebar displays search results for 'Restaurants'. The top of the sidebar includes a search bar with 'Restaurants' entered, a location pin icon, and a close icon. Below this are filters for 'Price' (ranging from \$ to \$\$\$\$) and 'Rating at least' (set to 'Any rating'). A 'MORE FILTERS' button is visible. The restaurant list includes:

- Oriole**: 4.9 ★★★★★ (227) - \$\$\$\$ - Fine Dining - 661 W Walnut St - New American tasting menu restaurant - Opens at 5:30 PM
- The Publican**: 4.5 ★★★★★ (1,750) - \$\$\$ - American - 837 W Fulton Market - Beer-focused eatery - Opens at 11:30 AM
- Tanta Chicago**: 4.6 ★★★★★ (1,265) - \$\$\$ - Peruvian - 118 W Grand Ave - Peruvian food in a contemporary setting - Opens at 11:00 AM
- Topolobampo**: 4.5 ★★★★★ (461) - \$\$\$\$ - Mexican - 445 N Clark St - Gourmet Mexican fare from Rick Bayless - Opens at 11:30 AM
- Entente**: 4.5 ★★★★★ (173) - \$\$ - New American - 700 N Sedgwick St - Creative New American eatery & bar - Opens at 4:00 PM
- Quartino Ristorante**: 4.5 ★★★★★ (3,489) - \$\$ - Italian - 626 N State St - Italian eatery with big & small plates - Opens at 11:30 AM


The main map area shows a street view of downtown Chicago, with a yellow route highlighted. A search bar at the top right of the map says 'Search this area'. A 'Show route preview' button is also visible. The map includes various landmarks, parks, and businesses, with a '700 W Chicago Ave, Chicago, IL 60654' location marked with a blue pin.

Ever rolled a dice just by clicking in an online game?




Ever searched for a music video on YouTube?


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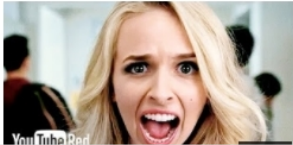



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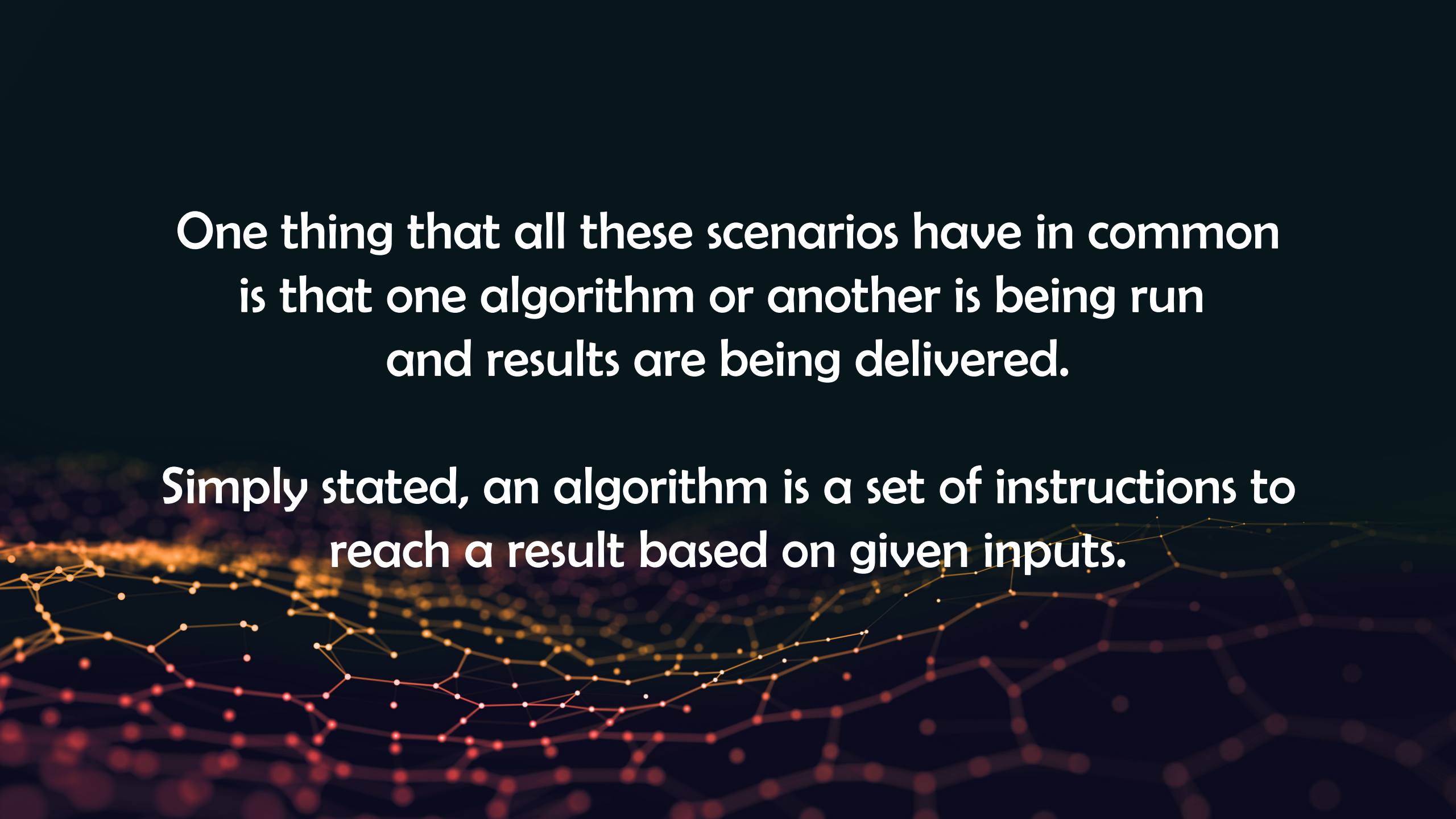








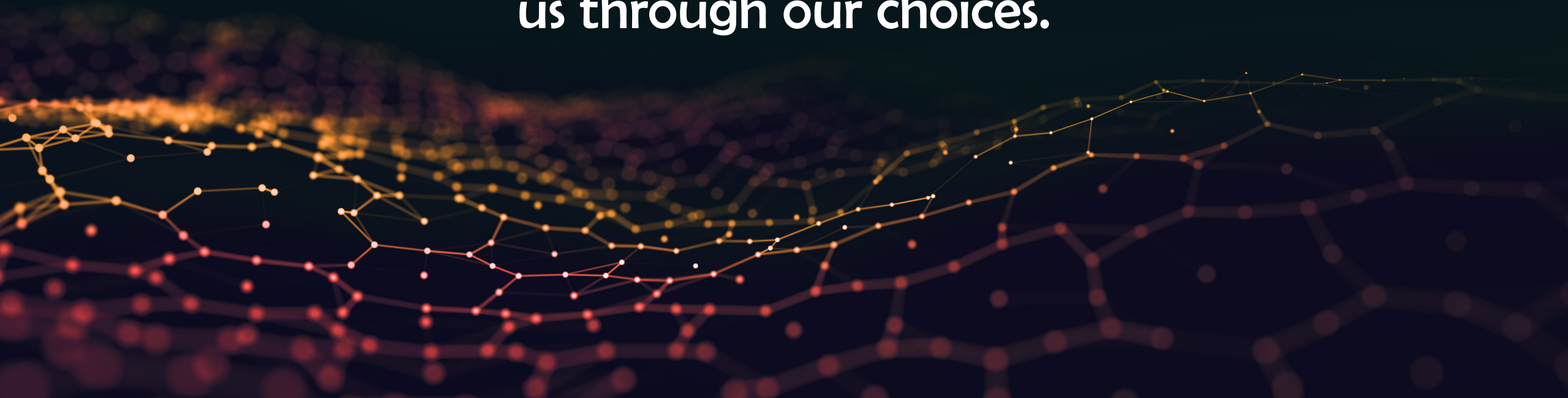
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One thing that all these scenarios have in common is that one algorithm or another is being run and results are being delivered.

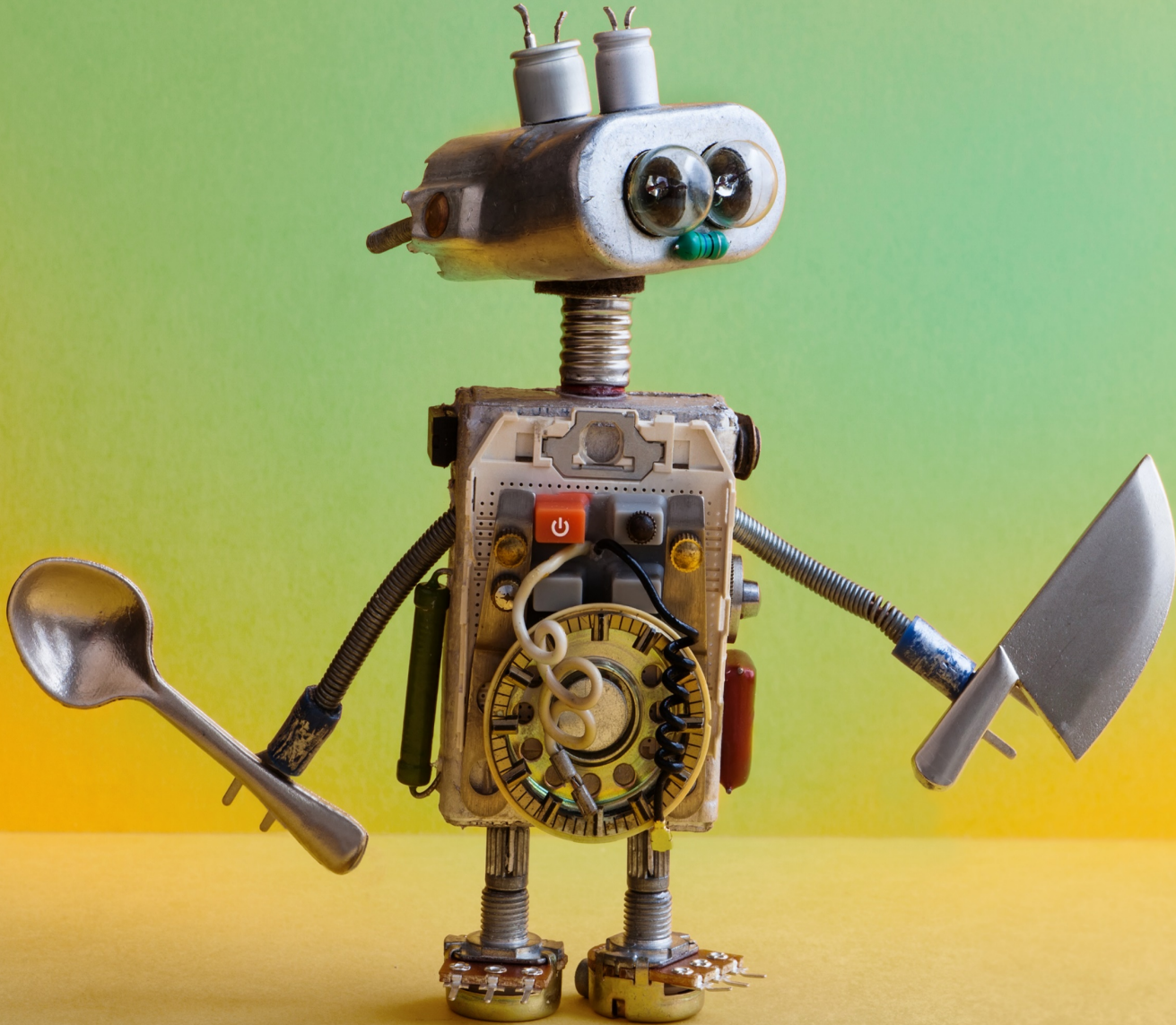
Simply stated, an algorithm is a set of instructions to reach a result based on given inputs.

Algorithms are replacing the role of brands in conveying trust and guiding us through our choices.





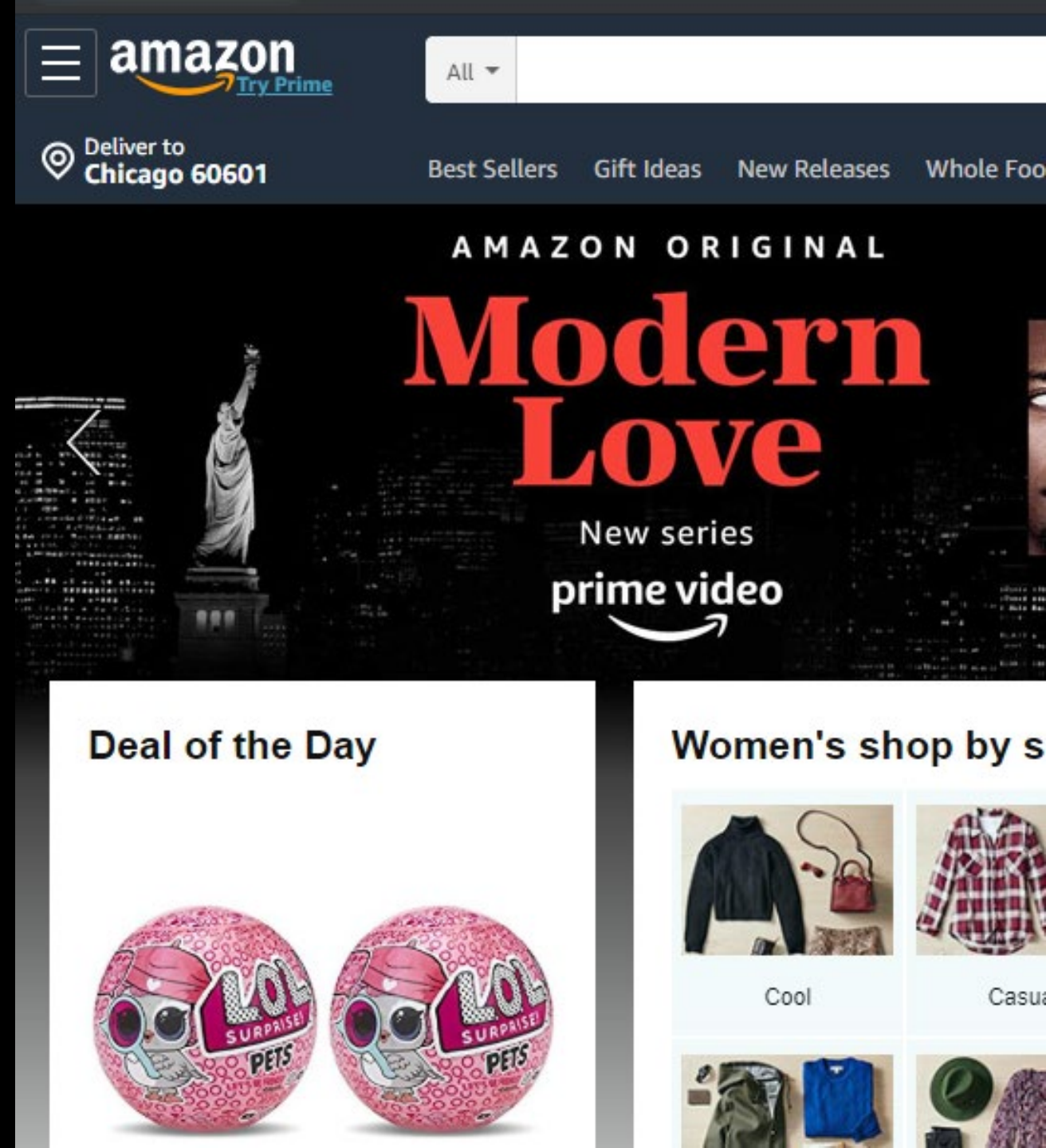
That's why the modern test for a brand's strength is its **resistance** to the algorithm.



“You **can't** take an algorithm out to dinner.”

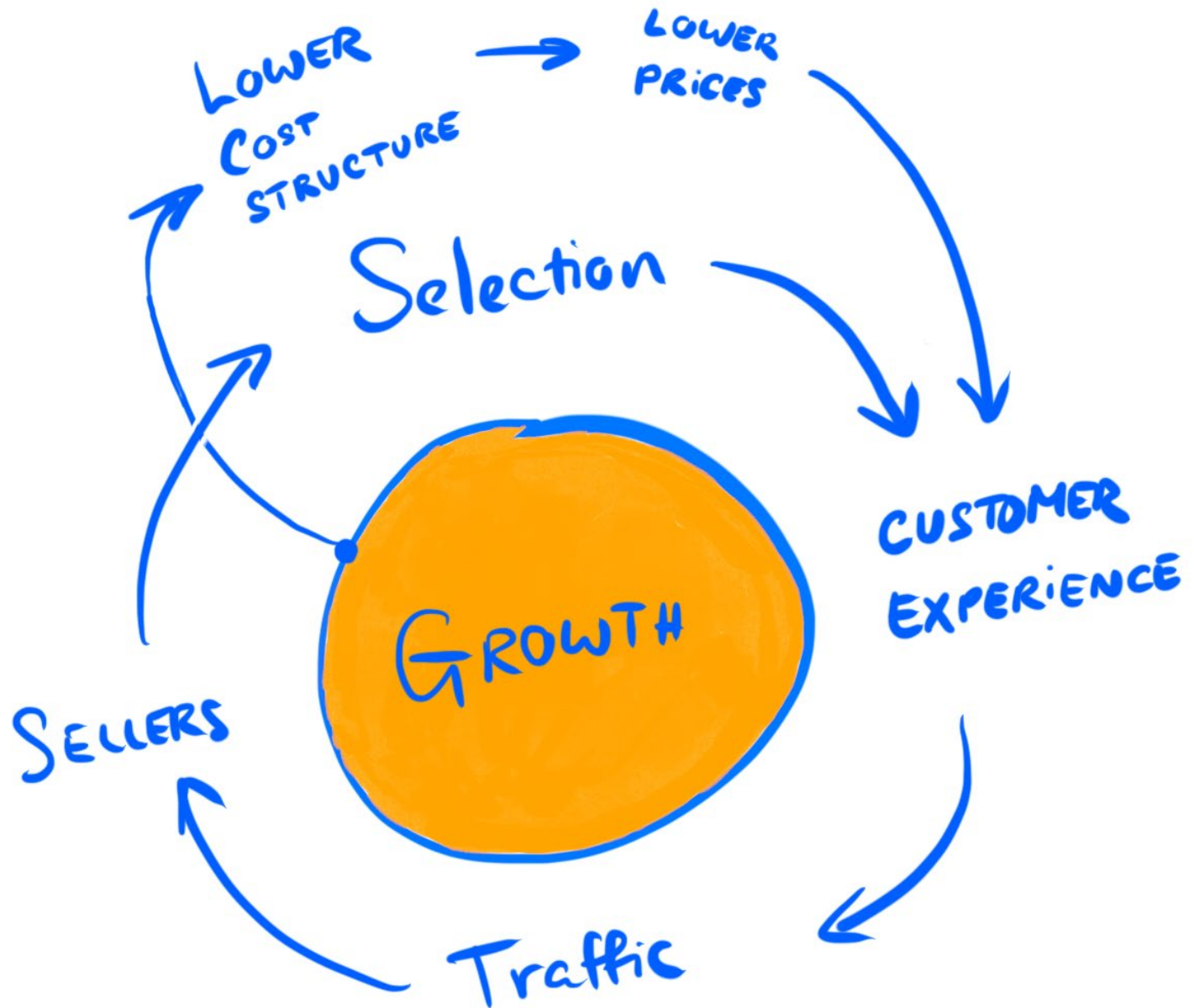
This is a challenge in organizations used to using relationships to drive business decisions.

To illustrate this, let's dig into an example algorithm that you might be familiar with—the search function on Amazon.com.

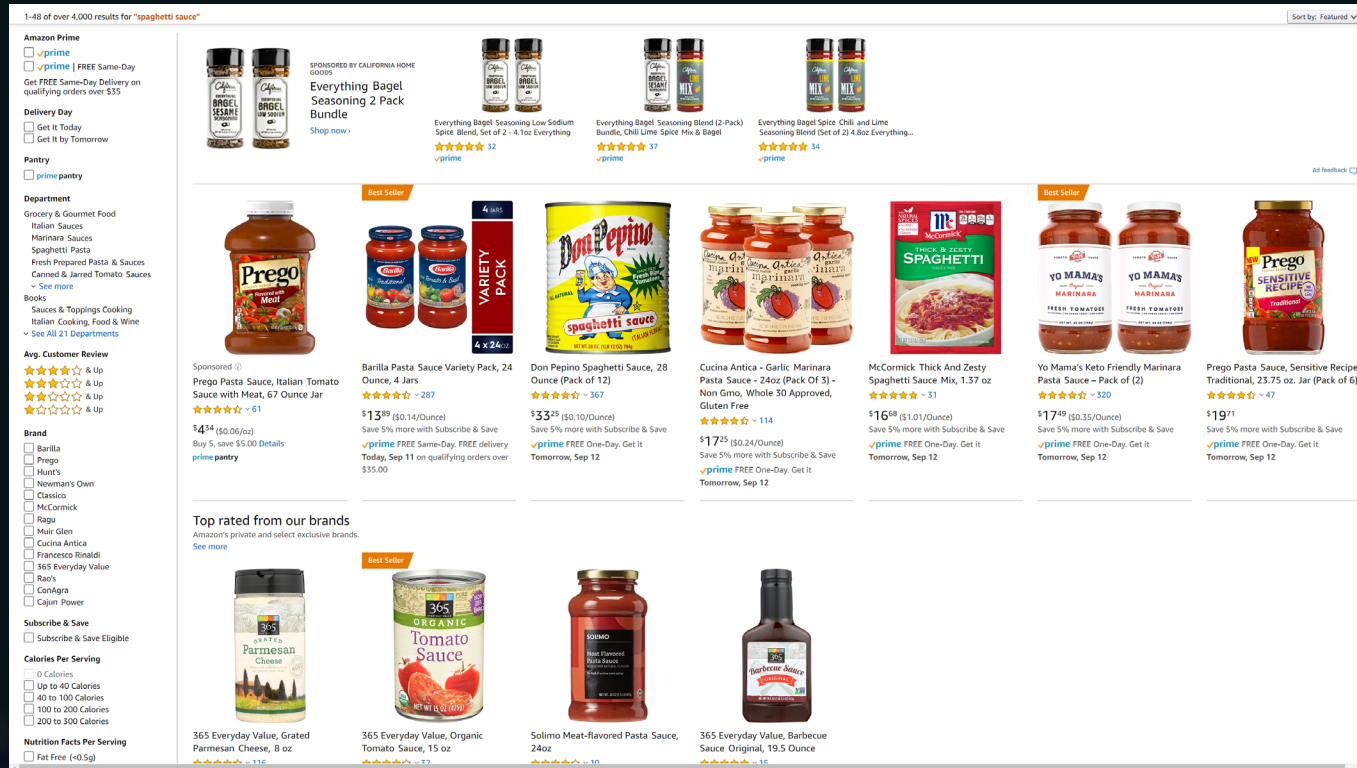


This is Amazon's "virtuous cycle" which fuels its algorithm.

On Amazon, every part of the equation is interrelated (which is different than traditional siloed retail)



Here are the elements that affect the algorithm today:



Sales Performance History

How well has the product sold?

Text Match Relevancy

Starting with the product title, this extends to the description and product copy.

Price

If your pricing is much higher compared to competitors, your competitor might take the cake.

Availability of Stock

If you've run out of stock, the listing ranking may decrease or disappear. Always plan accordingly.

Indirect Factors

Fulfillment method, reviews, images, premium content (A+, EBC), advertising, and promotions.

To predict what will affect algorithms
in the near future for CPG brands,
we should look outside of the US.



Drive, a click-and-collect grocery model in France, has been adopted by 25% of the country's households.



Hema Fresh, the grocery store invented by Alibaba, embodies Jack Ma's vision of "new retail," combining online and offline businesses.



Staff will fulfill the orders from the store which also serves as the warehouse and deliver it in as fast as half an hour.




**honestbee,
Asia's leading on-
demand marketplace
that delivers groceries
and meals in more than
8
markets, launched habi-
tat by honestbee
in 2018.**



Orders can be processed
end-to-end in under 5
minutes via robocollect.





Winning **today** is the single biggest determinant
of who is best positioned for the future,
for 3 critical reasons.



#1.
**The future's sales platforms – like
voice - will automatically recommend
the #1 top-selling product**



#2.

Sales velocity is the single biggest determinant of success within Amazon's virtuous cycle (and increasingly, all marketplaces)



#3.

**Winning today means your organization
has made the critical internal shifts
necessary to win in the future**



4

The brands that win today are the brands that understand:

- One size doesn't fit all
- Traffic matters AND browsers need to be buyers
- Critical importance of online supply chain / availability
- Organizational capabilities and culture of experimentation