A SCANTRUST CASE STUDY

ScanTrust Nips Counterfeit Seeds in the Bud with a Customer Loyalty Program That Increases Sales and Creates Customer Engagement

By adding an authentication layer to products and activating a rewards loyalty program, client sales increased by no less than 30%

BIOTECH AGRICULTURE

SNAPSHOT

A Fortune Global 500 company and major developer of patented seed products needed to address imitation seeds sold in their home market. A different regional team in the same company was already working with ScanTrust, so a request for proposal was fast-tracked and issued to our team.

ScanTrust was ultimately chosen to implement a solution: serialized, secure QR codes were applied to the client's seed packages as a countermeasure against imitations. The codes further enabled a loyalty program that incentivized direct purchase of seeds by farmers.

An increase in end-of-season sales was an important, winning result. There was an impressive 30% increase in sales, compared to the previous season, while loyalty program interaction levels confirmed the power of incentives to motivate participation.

Data generated from farmer participation allowed the client to gain customer insights on purchasing patterns and engagement rates, while also benefiting future program efforts to continue the return on investment.
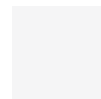
INTRODUCTION

As a leading agriculture company and steward for biodiversity with the mission to ensure we can feed the world's population, our client is committed to engaging with farmers and never forgetting they are critical members of society. This approach to their business, combined with their role as a leader in agricultural science, have culminated in commercial success. Maintaining and building on that success is paramount as this allows them to continue pursuing their mission and role in feeding the world's population. ScanTrust stepped in to help support their business by providing a strategy and solution addressing counterfeits, setting up packaging for directly engaging last mile resellers, and honing in on new revenue opportunities beginning with the products themselves.

A CHALLENGE AND AN OPPORTUNITY

Our client invests heavily in agrochemical and seed research and development. Their intellectual property around plant innovation and seeds is a unique advantage, setting them apart from competitors. Naturally, that means their IP is high on the list of things critical to their business, something that must be protected.

In early 2018, sales of unbranded imitations of one of their patented seed varieties became a problem that couldn't be ignored any longer. While more flagrant patent infringement was also occurring, an assessment determined that dedicating time and triggering resource-consuming legal action against the infringing parties would not be cost effective or reduce the problem significantly. The growing season was fast-approaching and the scale of the issue also compounded the need for decisive action. Although urgency was obviously top of mind, an opportunity to capitalize on a parallel effort was also on the table – a scheme focused on farmer and reseller loyalty. As the project plan came together, the client was determined to simultaneously take steps toward promoting their own brand and seed products and reinforcing their position as the best value seeds in the market.

ScanTrust came into their cooperation with the client having already provided Active Brand Protection services in an earlier project with a different regional team. The goal of that earlier project was also to mitigate similar challenges with counterfeit seed products. That helped project implementation go more smoothly, despite differences like culture and geography between the two projects.

We have experience and staff in several regions with teams and key players around Asia and major cities in Europe. It's a win for us when we have the chance to work with more than one region in the same company. We can't overstate how helpful it is to have already completed a project with the same company in another region. Time to market and familiarity with pricing and protocols gained by working with the same brand are among the results we see as a bonus. That was the case here.
— Nathan J Anderson, CEO, ScanTrust

Already in the planning stages, confidence was high for the project. The decision to upgrade to a custom-tailored consumer engagement scheme was taken for access to a tool that would help convince on-the-fence buyers that purchase of genuine seeds was a better value decision than imitation or counterfeit seeds from lower priced competitors with an offer of varying and questionable quality.

While the responsibility for technical integration fell primarily on the ScanTrust team, we worked jointly with the client team to design a loyalty program built around incentivizing farmers to purchase seeds directly. Part of the joint planning was concerned with establishing the campaign rules governing how farmers would claim rewards from scanning a predetermined number of secure QR codes. We then applied the unique, secure QR codes working with Reynders, a Belgian printer that collaborates frequently with us. The codes were printed using HP Indigo Digital Presses and integrated onto each individual seed package.

Once everything was in place and the project was live, the client was able to track progress and activity in real time with their access to the ScanTrust Business Intelligence dashboard, a real time tool for managing and analyzing data generated into the system by scans. Details related to all packaging scans and farmer participation in the loyalty program was accesible through the intuitive monitoring dashboard.

The loyalty program was announced at an event with farmers in attendance with registration and participation beginning on the spot.

ScanTrust secure QR codes are cost effective tools to cope with counterfeit and gray market challenges
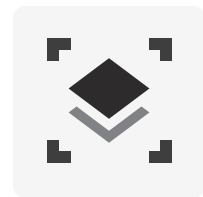
RESULTS

The launch of the program coincided with the main growing season and there was an immediate effect. Sales showed a significant jump with at least a 30% increase when compared with the same period for the previous growing season.

Farmers quickly adapted and embraced the new loyalty program, showing their interest with participation rates beyond expectations. Without quoting specific interaction rates, we found that most of all packages printed with the secure QR codes recorded a scanning interaction – this was an exceptional level of participation.

Additional layer of security

Visibility on distribution

Biotech agriculture is competitive, even despite unique selling propositions. Integrating the ScanTrust solution coincided with an impressive **30% increase** on the previous season's sales for our client.

By implementing the ScanTrust solution suite, our client quickly took action against imitations and counterfeits that cost them revenue from their patented seeds. An increase in sales demonstrated both that Active Brand Protection worked well for them and more generally that incentives are still a strong motivator for their customers, encouraging positive participation and building a base of loyal farmers that are very responsive.

It's always great to see good participation rates in campaigns using secure QR codes: participation confirms that we're doing something right. When a notable uptick in sales is recorded though, well, it goes without saying that's especially reaffirming.
— Alex Shulgin, Data Analytics Manager, ScanTrust

Data generated from each scan of ScanTrust's serialized codes recorded detailed customer insights including granular summaries showing when and where products were scanned. Understanding purchase patterns and how incentives influence purchasing are powerful insights for any industry. That's certainly proven to be the case in the agricultural and seed industry and for our client who was very happy with the return on their investment into ScanTrust solutions. Data and experience from this campaign, ranging from anti-counterfeiting measures to consumer engagement efforts, will continue to support marketing and sales in future growing seasons.

ABOUT SCANTRUST

ScanTrust is a connected goods platform helping companies that depend on selling physical products in a connected world. Active brand protection, supply chain awareness, and direct consumer engagement benefits are enabled by securely binding physical goods with online identities. ScanTrust solutions help recover lost income and tap unlocked growth from your company and the goods your company sells.

For more information, get in touch with us at: https://www.scantrust.com/contact-us

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