CONSUMER ENGAGEMENT PRINCIPLES

My Companion Handbook

THE ORIGINS AND NEXT STEPS

Version 1.0 - June 2015

The Consumer Goods FORUM

The Global Network Serving Shopper & Consumer Needs

About The Consumer Goods Forum

The Consumer Goods Forum (the CGF) is a global, parity-based industry network that is driven by its members to encourage the global adoption of practices and standards that serves the consumer goods industry worldwide. It brings together the CEOs and senior management of some 400 retailers, manufacturers, service providers, and other stakeholders across 70 countries, and it reflects the diversity of the industry in geography, size, product category and format. Its member companies have combined sales of EUR 2.5 trillion and directly employ nearly 10 million people, with a further 90 million related jobs estimated along the value chain. It is governed by its Board of Directors, which comprises 50 manufacturer and retailer CEOs.

For more information, please visit:
www.theconsumergoodsforum.com

About Capgemini

With more than 140,000 people in over 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2013 global revenues of EUR 10.1 billion. Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want. A deeply multicultural organisation, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

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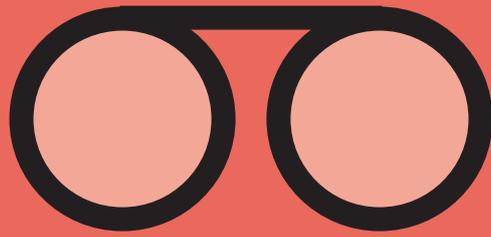
This document summarises necessary information about the underlying CGF CEP Project to support future implementation work.

1 Why?
The Key Question: The Motive

**This CGF Workstream set out
to answer the following key question:**

How to guide and manage **interaction** with or among **stakeholders** across all **digital channels** in order to build **trust** and enhance the industry's **reputation**, now and in the future?

A Platform to Promote Data Privacy and Build Consumer Trust

In order to help build trust with consumers and shape the way companies, retailers and manufacturers use consumer information that is collected digitally, the Board of Directors of The Consumer Goods Forum agreed on a new set of 'Consumer Engagement Principles' (the "Principles") on the 26th February, 2015. The industry-wide Principles act as a framework for how companies engage with their consumers, and are designed to promote an environment of trust and pro-active consumer communication. The Principles will benefit all stakeholders as the industry looks to safeguard consumers' data and nurture greater consumer trust. By helping to guide and manage interaction with and among stakeholders across all digital channels, the Principles are designed to enhance the industry's reputation now and in the future. Capgemini supported the process throughout and provided necessary industry insights as part of the development process.

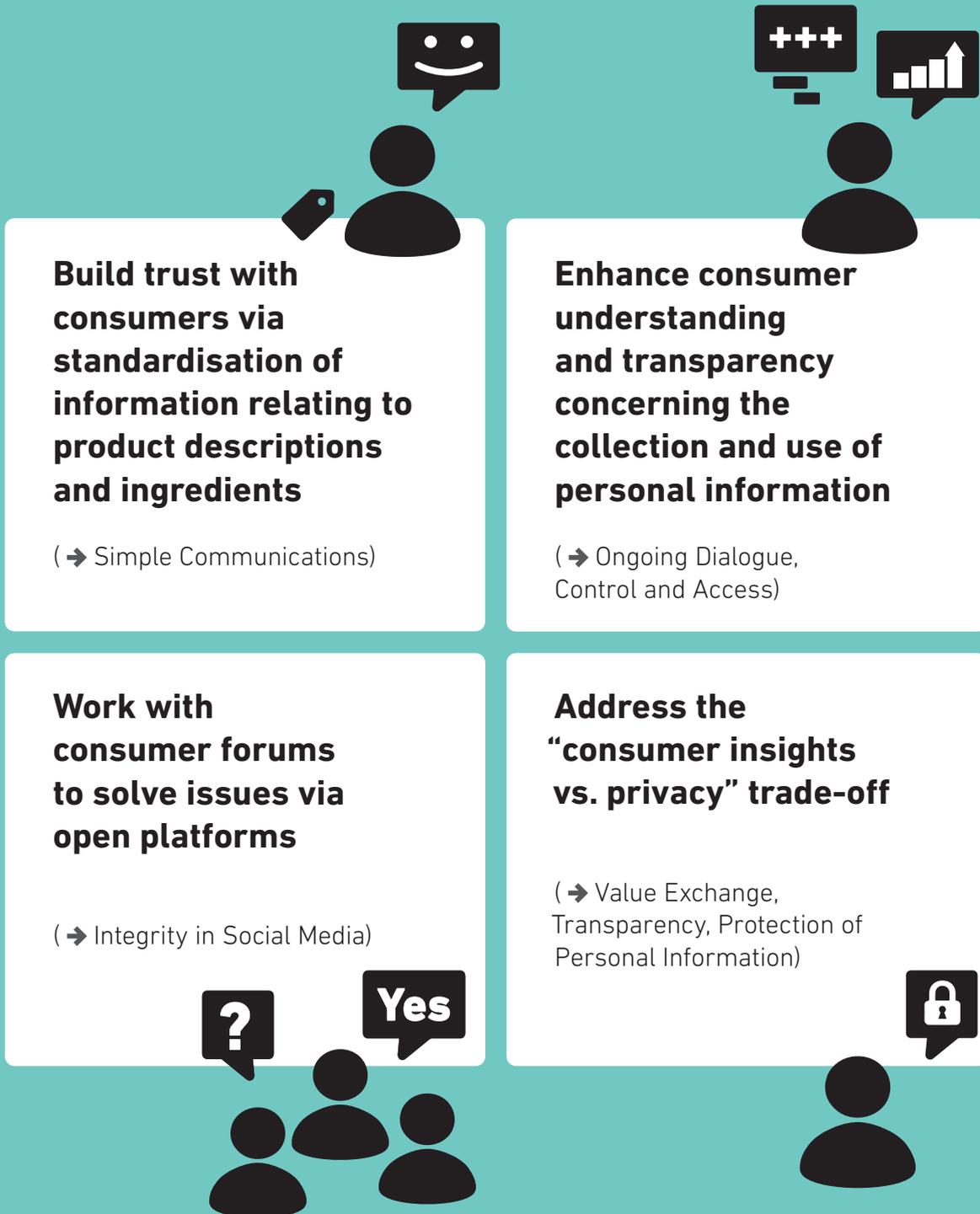The launch of the Consumer Engagement Principles builds on the great work some companies have already done individually. However, with increased sharing, collection and use of personal data, the Principles are designed to enable constant and consistent communications with consumers across digital platforms globally.

The goal is to have consumers view the industry as a responsible user and steward of consumer data and insights – thus forming the common foundation from which the digitally enabled value exchange can be optimised by individual companies. This is especially crucial to address consumers' growing concerns about data usage and privacy, especially in an increasingly complex, data and technology driven business context.

The Principles are designed to enhance understanding between consumers and business and provide more comprehensive information concerning the value and options available to business, consumers and society, at large.

Driving
Positive Change

The key areas of positive change addressed by the Principles are:

Build trust with consumers via standardisation of information relating to product descriptions and ingredients

(➜ Simple Communications)

Enhance consumer understanding and transparency concerning the collection and use of personal information

(➜ Ongoing Dialogue, Control and Access)

Work with consumer forums to solve issues via open platforms

(➜ Integrity in Social Media)

Address the "consumer insights vs. privacy" trade-off

(➜ Value Exchange, Transparency, Protection of Personal Information)

In order to design the first set of principles now available, the collaborative team established the following frame of reference to guide their work:
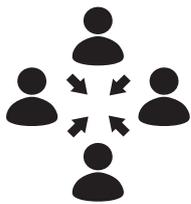
1 Include a set of multiple stakeholders from the start

2 Apply a process of collaborative co-creation, with the consumer at the hub

3 Ensure plain language and simple messaging, easily understandable to all

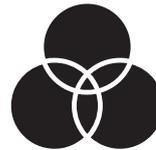**4** Produce voluntary guidelines, not mandatory rules or regulations

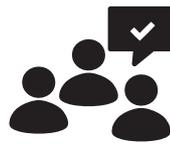**5** Build in a commitment for transparent value exchange

6 Produce only one set of principles, not many
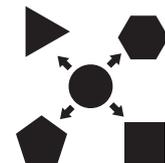
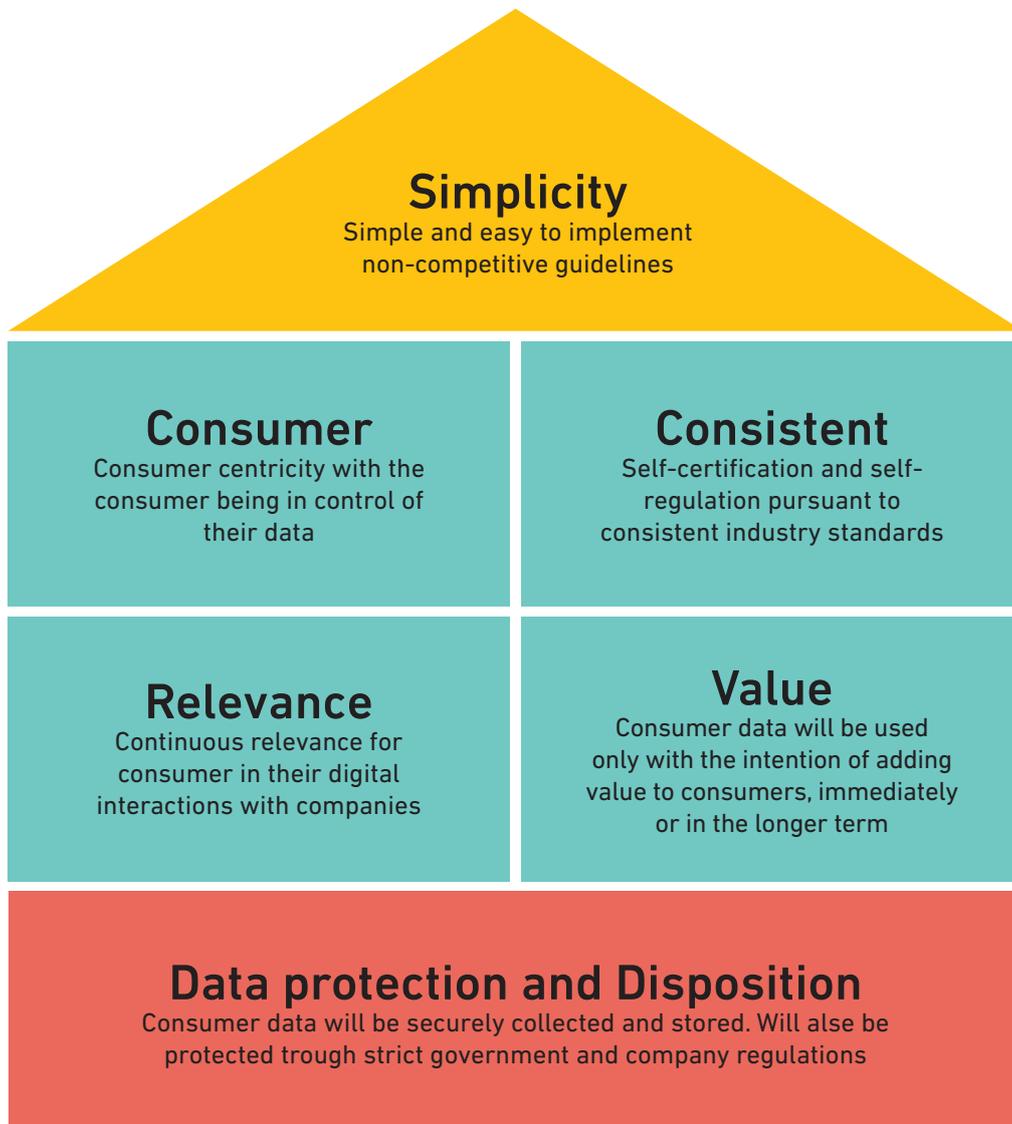**7** Create an ongoing plan and group to maintain and update the work

8 Make it technology agnostic

The development of the Principles was also guided by consideration of factors like simplicity, consumer centricity, relevancy, consistency, value, and data protection and disposition (see accompanying graphic below):

Simplicity
Simple and easy to implement non-competitive guidelines

Consumer
Consumer centricity with the consumer being in control of their data

Consistent
Self-certification and self-regulation pursuant to consistent industry standards

Relevance
Continuous relevance for consumer in their digital interactions with companies

Value
Consumer data will be used only with the intention of adding value to consumers, immediately or in the longer term

Data protection and Disposition
Consumer data will be securely collected and stored. Will alse be protected trough strict government and company regulations

2 Who?
Stakeholders
Sitemap

1 The CGF Board of Director Companies

2 CGF Secretariat

3 CGF Member Companies

4 Non-CGF Member Companies

5 The Consumer
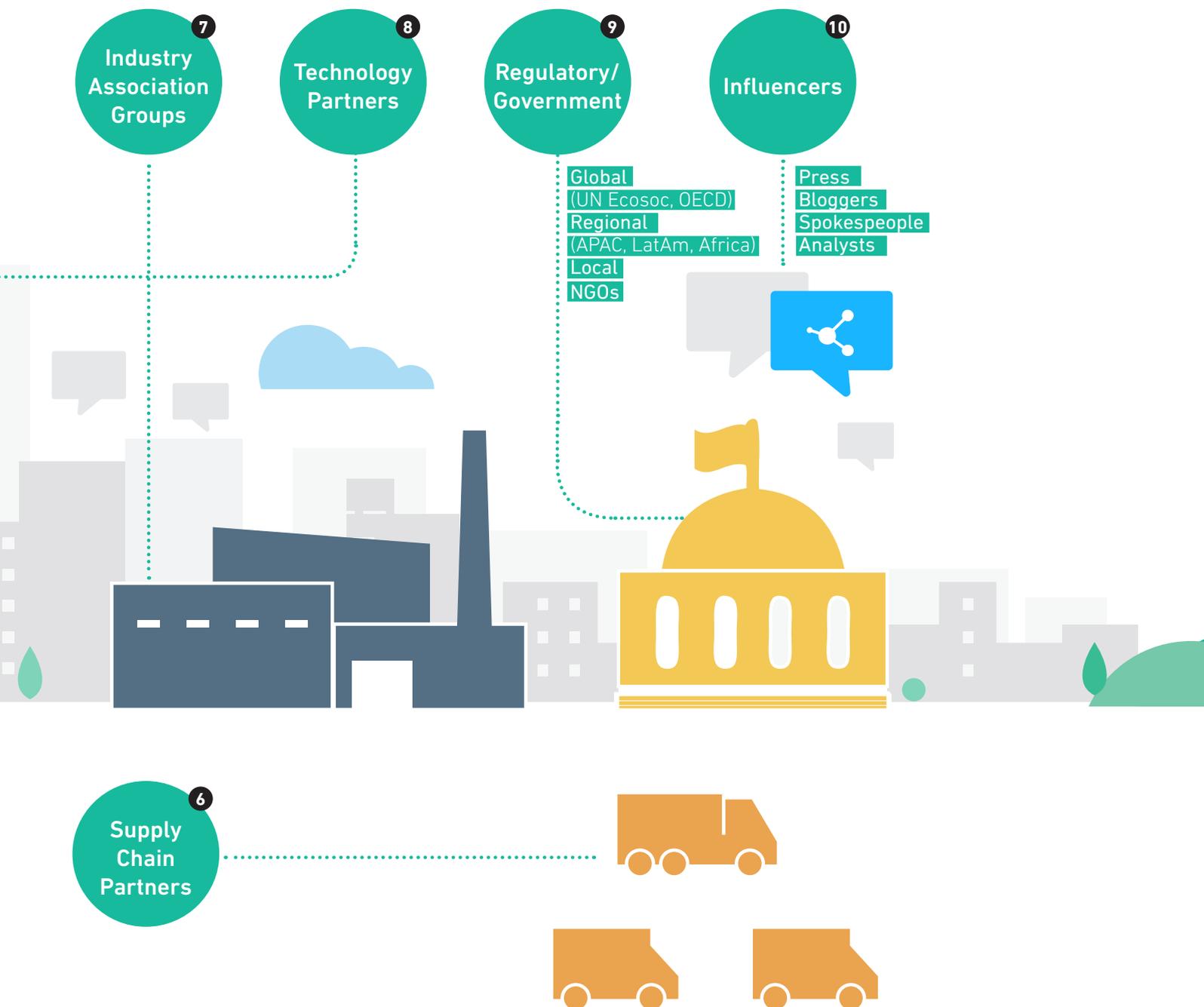
The Principles are the result of a number of ongoing, collaborative initiatives over the past year and a half. It's a process that has involved a large group of global, industry experts from the retail, manufacturing and online sectors, as well as other strategic, value chain partners.
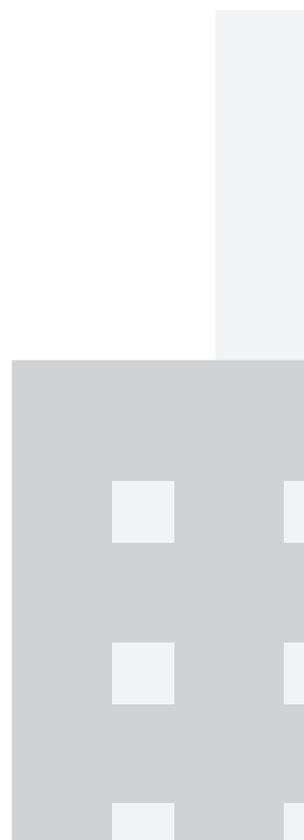
7 Industry Association Groups

8 Technology Partners

9 Regulatory/ Government

Global
(UN Ecosoc, OECD)
Regional
(APAC, LatAm, Africa)
Local
NGOs

10 Influencers

Press
Bloggers
Spokespeople
Analysts

6 Supply Chain Partners

3 What?
Responsibilities
Assigned to Stakeholders

CGF Secretariat

CGF Member Companies

The CGF Board of Director Companies

Develop and Maintain CEP Documentation

Website Badge ("Trust Mark")

Communication to:
CGF Member Companies
Non-CGF Member Companies
Industry Association Groups
Technology Partners
Regulators
Influencers

Once CEP is fully operational:
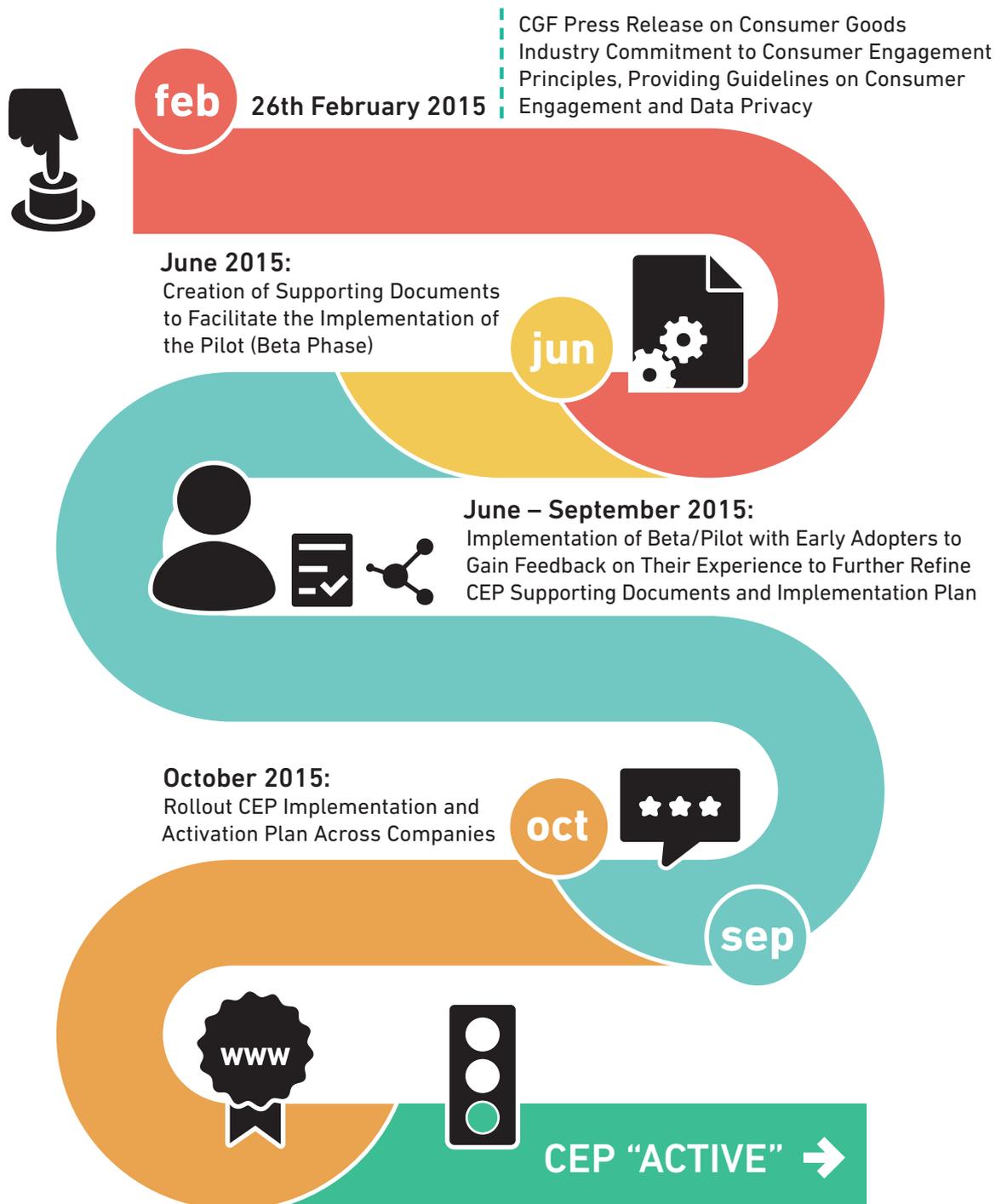**Communication to**
Consumers

Non-CGF Member Companies

4 Next?
Main Project Phases: Overview

The main phases for the current CEP project
implementation are summarised below:

feb 26th February 2015

CGF Press Release on Consumer Goods
Industry Commitment to Consumer Engagement
Principles, Providing Guidelines on Consumer
Engagement and Data Privacy

June 2015:
Creation of Supporting Documents
to Facilitate the Implementation of
the Pilot (Beta Phase)

jun

June – September 2015:
Implementation of Beta/Pilot with Early Adopters to
Gain Feedback on Their Experience to Further Refine
CEP Supporting Documents and Implementation Plan

October 2015:
Rollout CEP Implementation and
Activation Plan Across Companies

oct

sep

www

CEP "ACTIVE" ➡

5 How to Implement?

Key Outputs: Overview

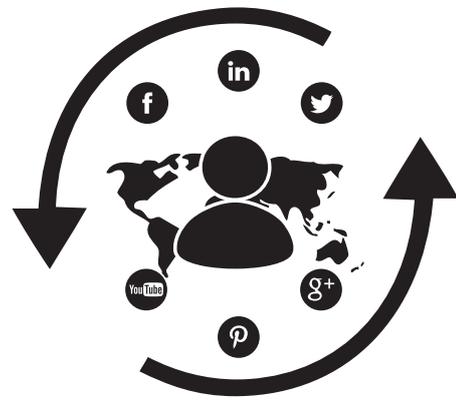The following supporting documents will be made available to companies during their implementation of CEP.

Press Release

Social amplification

Key member influencers promote and amplify principles to business community

1

Document Support

Companion Handbook

2

Web Content

- Upload Q&A document online
- Video (animated)
- LinkedIn group to create and maintain community for best practice sharing
- Assessment Scan/Checklist (scan to be digitised)
- Webinar

3

Badging
(to add to own site) in support of CEP

(*once CEP is in "post-beta" phase and operational)

4

6 Why Participate?
Rationale for Change

1 The World is Changing

2 Addressing an Increasing 'Trust Gap'

3 Mutual Value Creation Key to Improved Digital Engagement

There is a common industry need to protect the ability to create mutual value in order to meet consumer demands and prevent unnecessary government intervention by focusing on self-regulation, especially in the face of the factors below which increasingly have a business impact:

Consumers today are more global and generate more content through social media and connected Internet of Things devices (wearables) than ever before. In this environment, consumers are becoming more aware of the value of their personal data and of issues related to data privacy and security. Consumer awareness and concern about data privacy and security has been heightened by a number of developments. For example, the growing number of reported data breaches create consumer concern not only about individual companies but also about entire industry sectors, including consumer goods and retail. An additional factor is the increasing pace of technology developments related to data usage and digitally enabled engagement, including wearable devices, observation tracking and big data insights. For businesses to develop consumer trust and ensure a mutual value exchange, a consumer centric approach centered around a common vision and shared expectation of what the data and value exchange looks like is required.

Individual countries and regions may look to meet such changes with local guidelines and regulations. A set of global principles (like the CEP) helps to avoid such local differences and create uniformity. A uniform approach also has the potential to lower complex technical hurdles caused by fast changing digital developments.
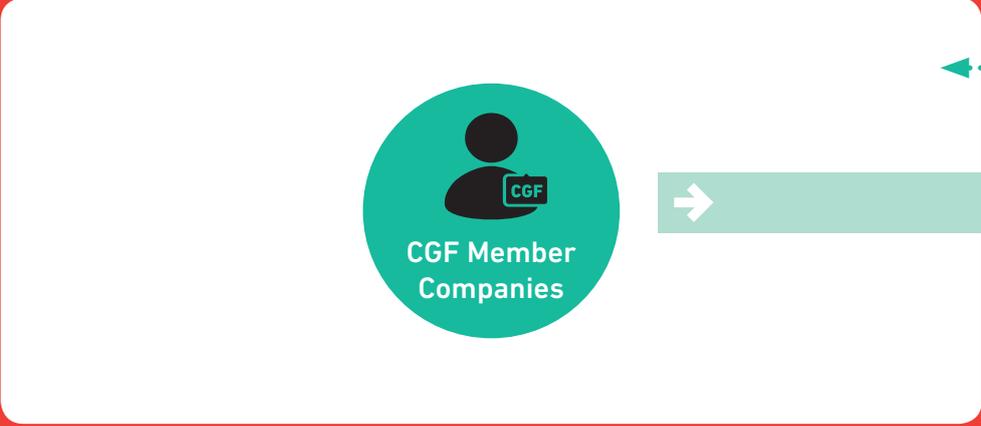
The business impact of consumer privacy concerns is considerable. The 2014 TRUSTe Privacy Index found that 89% of US Internet users say they avoid companies that do not protect their privacy. This trust gap has particular implications in today's digital world, as it hinders companies, looking to use technology-driven opportunities to better understand consumers and connect with them more effectively and more often, from using newly available consumer data sources and data streams.

To develop trust and level the digital playing field requires developing better understanding concerning the value potential for consumers in sharing their personal information. To that end, the Principles undertake to balance the needs and interests of the 3 main stakeholders (Consumer, Society and Business), with a goal of ensuring mutual va-lue. The consumer can realise value in the form of rewards, better deals and more relevant offers. Value to society comes from improved efficiency and greater corporate social responsibility and businesses gain value from improved insights, greater efficiency and more profitable growth.

The Principles support our businesses in achieving this trust balance in a collaborative way among all stakeholders.
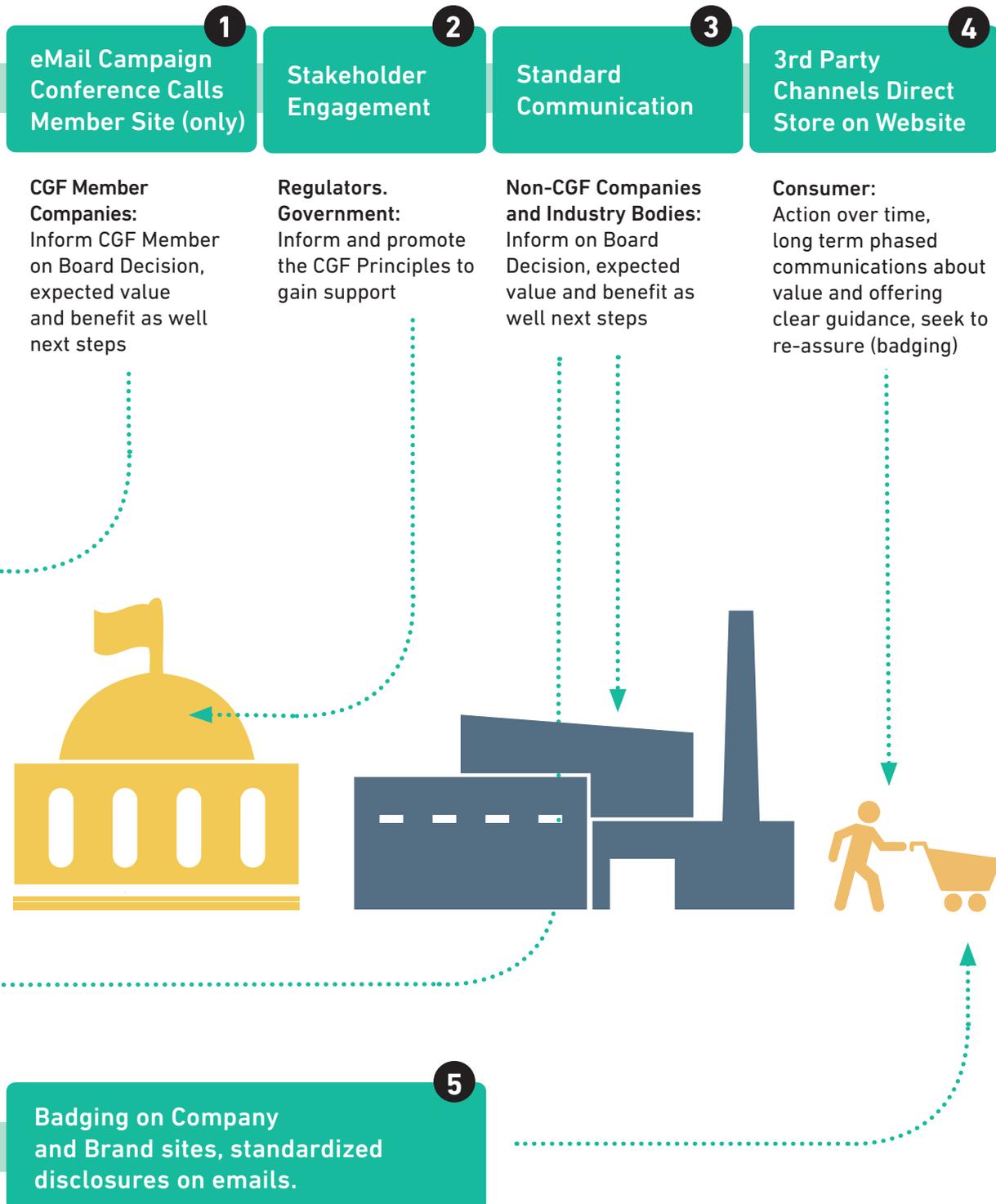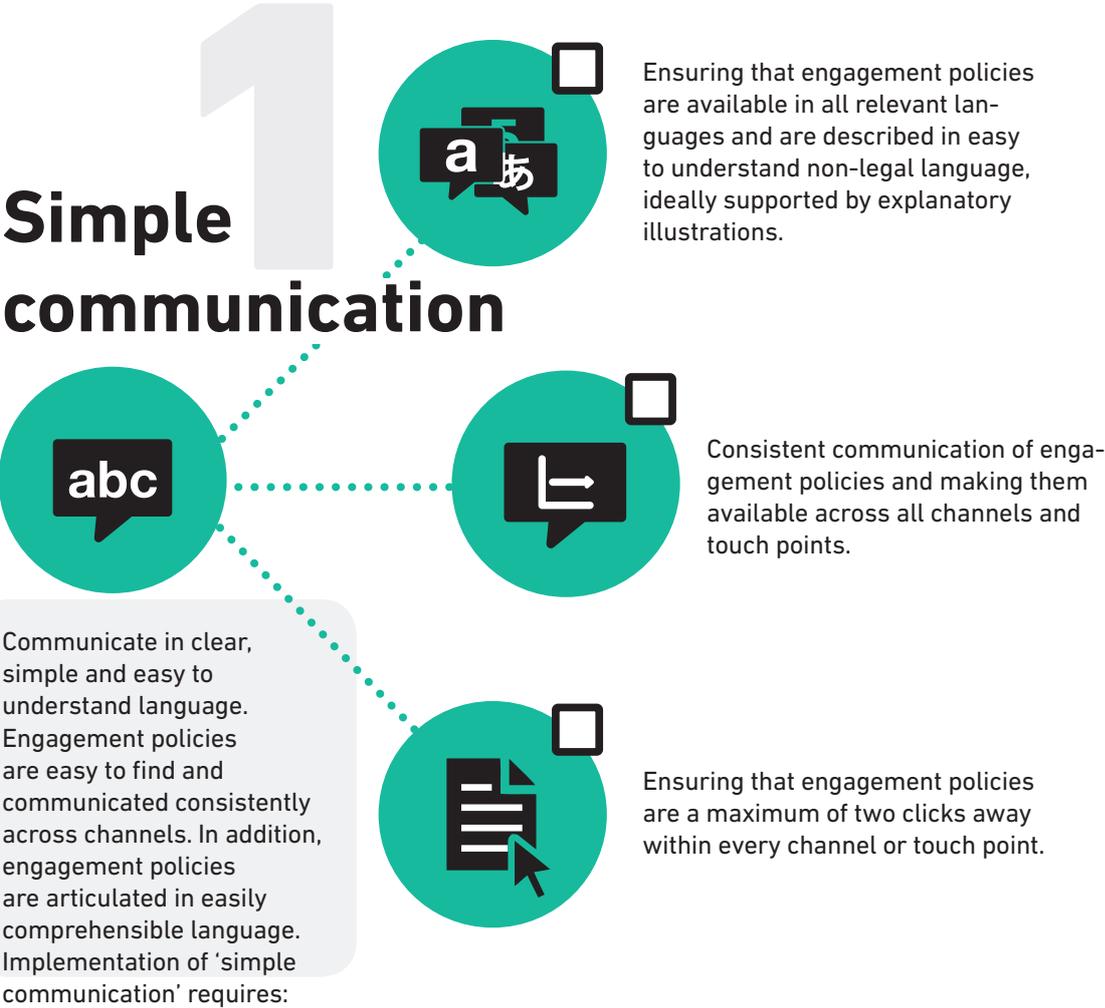
The CGF Board
of Director
Companies

CGF
Secretariat

CGF Member
Companies

Non-CGF
Member
Companies

CGF

CGF

OTHER

7 When to Start?
Mobilisation - First Steps

The next steps to jump-start the Movement and create momentum are captured in the diagram below

1 eMail Campaign Conference Calls Member Site (only)

2 Stakeholder Engagement

3 Standard Communication

4 3rd Party Channels Direct Store on Website

CGF Member Companies:
Inform CGF Member on Board Decision, expected value and benefit as well next steps

Regulators. Government:
Inform and promote the CGF Principles to gain support

Non-CGF Companies and Industry Bodies:
Inform on Board Decision, expected value and benefit as well next steps

Consumer:
Action over time, long term phased communications about value and offering clear guidance, seek to re-assure (badging)

5 Badging on Company and Brand sites, standardized disclosures on emails.

Implementation Checklist Per Principle

(check all that apply for your specific company)

1 Simple communication

Ensuring that engagement policies are available in all relevant languages and are described in easy to understand non-legal language, ideally supported by explanatory illustrations.

Consistent communication of engagement policies and making them available across all channels and touch points.

Communicate in clear, simple and easy to understand language. Engagement policies are easy to find and communicated consistently across channels. In addition, engagement policies are articulated in easily comprehensible language. Implementation of 'simple communication' requires:

Ensuring that engagement policies are a maximum of two clicks away within every channel or touch point.

2

Value exchange

Ensuring that consumer benefits and business motives are always clearly communicated.

Measuring the delivery of value for the consumer and the business.

Inform consumers about the benefits and value that the use of their personal information provides to both businesses and consumers. Disclose how personal data is used to provide benefits for consumers and what the business purpose is for using this information. The company should deliver on the promise of providing value to the consumer. Delivery on this 'value exchange' requires:

The value for the consumer needs to be clearly expressed.

Information on collection and use of personal data types, and on data sources and collection mechanisms, to be made publicly available.

3

Transparency

Openly inform consumers about what their personal information is used for. Clearly communicate what type of personal data is collected and disclose how, when and who is collecting the personal data. Also, provide information on how personal data is processed and shared with third parties. Implementation of 'transparency' requires:
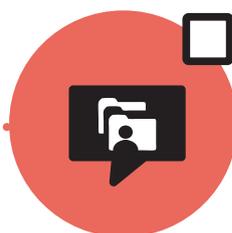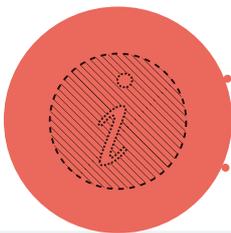
Clear communication on how personal data is processed and disclosure concerning the parties with whom personal information is shared.

why when how

Active communication on when, how and why personal data is shared with third parties.

4

Control and access

The consumer has the ability to obtain access to their personal information and to request changes, where appropriate, to their personal data.
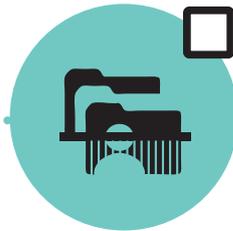
If the law permits or requires, the consumer will be afforded the ability to remove their personal data from computer systems or impose restrictions on its future use

Enable consumers to easily choose whether and how their personal information is used; and to have access to information on how their personal information is used and the ability to correct it or have it removed. This entails the extent to which consumers have the ability to exercise control over their personal data and choose whether and how their personal data is used. Implementation of 'control and access' requires:

The consumer has the ability to communicate preferences concerning the dynamics, frequency and type of communication per digital touch point or channel.

Ensuring that consumer feedback is seen and interpreted.

5

Ongoing dialogue
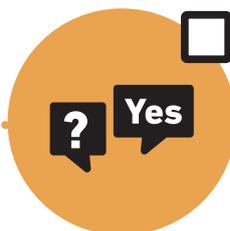
Processes for timely and effective response to consumer feedback are in place.

Listening and responding to your consumers' feedback about the use of their personal data. Remain in ongoing dialogue by monitoring, listening and responding to consumers. In addition, adapt your consumer engagement strategy based on the accumulated feedback of consumers. Implementation of 'ongoing dialogue' requires:

Mechanisms for ongoing monitoring and accumulation of insights are in place and this feedback is used as input to adapt the overall strategy, as needed.

6
Protection
of personal information

Having a privacy strategy that is guaranteed to be compliant to legislation.

Implement measures for the protection and security of personal information.

Protect the integrity, reliability and accuracy of consumers' personal information and be open about the status of their personal information. This involves sufficiently protecting, securing and maintaining the personal data of consumers and being compliant with privacy legislation. Implementation of 'protection of personal information' requires:
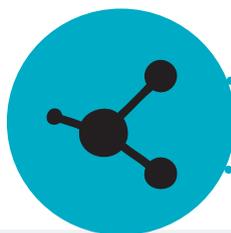
Safeguarding integrity & accuracy through maintenance of personal data quality.

7
Integrity in
social media

Safeguarding integrity through appropriate handling of social media practices (e.g. reviews, re-tweets, endorsements etc.).
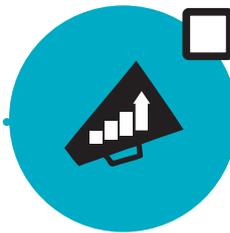
Proper disclosure of commercial interests.

Preserve integrity through proper dis-closure of commercial interests in social media practices such as ratings & reviews, recommendations, endorsements and work with regulatory agencies on alignment of prac-tices and guidelines. Provide clear communica-tion on why and how social media information is used and provide the opportunity to reject the usage of social media information. In addi-tion, the use of social media should be aligned with applicable legislation. Implementation of 'integrity in social media' requires:

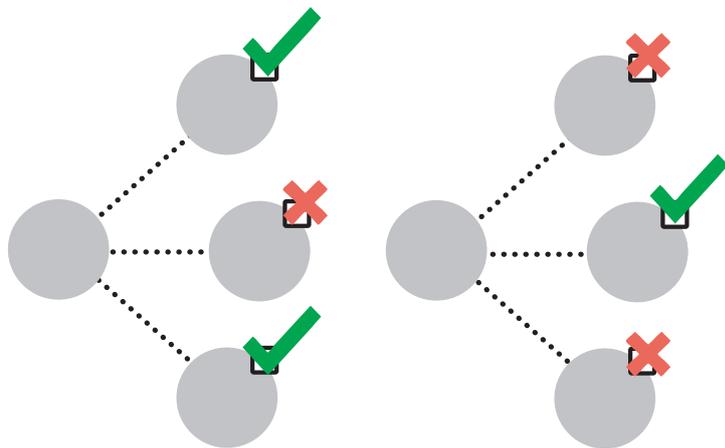Compliance with governmental guidelines and protocols.

Ok, what now?

The guidelines for implementation
are also available as an online assessment scan at:

ConsumerEngagementPrinciples.com

LinkedIn group to create a platform for a best practices sharing community and maintain momentum

Go to the CGF's website:
TheConsumerGoodsForum.com