

CSCMP hottopics

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Improving Digital Identity: Three Opportunities for Supply Chain Collaboration

By Melanie Nuce, Senior Vice President, Corporate Development, GSI US



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If you have a voice assistant, it's likely you've stumbled upon the more entertaining uses of the device. For instance, ask Alexa "what's the value of pi?" and you will get a seemingly endless string of numbers. You can even challenge your device to a game of rock, paper, scissors.

Digital assistants, while useful and sometimes playful, still have progress to make before they can perform like humans. When that day comes, global commerce will change forever, but only if shoppers can trust the information being provided by the device. Consumers will need to know that such a highly automated process with fewer human interventions will in fact, lead to the delivery of the right product to the right place at the right time.

As technology assimilates into more aspects of consumers' everyday lives, companies need to collaborate with supply chain partners to improve product digital identities to engender such levels of trust. A digital identity is information about an entity (person, place or thing) used by computer systems to represent its physical equivalent. In the supply chain world, this can be a combination of a product's Global Trade Item Number (GTIN), combined with associated attributes, authorized and provided by the brand.

Aligning on a trusted identity that maps the physical to the digital will be necessary for the evolution of global commerce. Here are three opportunities where unique identification standards can streamline the development of a collective digital identity and help new technology scale in a supply chain setting.

OPPORTUNITY #1: REDUCING FRICTION FOR THE CONSUMER

Digital transformation takes resources and time. According to research from Gravity Supply Chain Solutions, 85 percent of U.S. retailers haven't completed the digitization processes (using a cloud-based platform with real time visibility and automation capabilities) required to give them full control of their supply chains. Cost was perceived to be the biggest factor in slowing down progress.

Yet, change is inevitable and necessary to stay relevant. In a business climate where so much new territory is being charted, it's good to know the proverbial wheel does not have to be reinvented when it comes to data standards. GSI Standards have been engrained in the retail supply chain for more than 45 years, ever since initial adoption of the barcode. Even today, they are being leveraged in new ways by the developer community who have discovered their applicability to scaling new technology solutions.

However, some proprietary, closed ecosystems for digital identity are still emerging. When companies decide to pioneer their own methods for identification and force other players to adopt them, this creates vendor lock-in, high switching costs, and a friction-filled experience for the consumer. For example, consumers will surely feel frustrated when using voice assistants that only offer the products being made by the company who made the voice assistant. Not only can these closed

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ecosystems result in this type of potentially biased data, they could become too disparate to interoperate with other partners.

A cohesive, well-developed approach to digital identity across industries is critical for leaders of organizations to understand and support each other in the adoption of global digital identity efforts. By implementing standards, companies are demonstrating a consumer-first approach to data that ultimately leads to more win-win scenarios. By offering transparency, visibility and verification of information about any product, party or place, companies gain loyalty by removing perceived and real roadblocks to the information that consumers demand.

OPPORTUNITY #2: CREATING A MORE DIGITALLY-VISIBLE SUPPLY CHAIN

Digital identity allows anyone to follow a product from manufacture to use, resulting in complete visibility—which could not be more important given the amount of real-time information the consumer demands today. According to a recent study by ProShip, a whopping 97% of customers expect the ability to track their purchases throughout the shipment process. And yet, only six percent of supply chain professionals surveyed by Geodis said they have full end-to-end visibility of their supply chains.

Digital identity can play a critical role in enhancing supply chain visibility by facilitating item level serialization. Serialization offers the possibility of issuing a unique identity for every individual item in the production line and unifying it with corresponding digital data. This holds particular promise for the scale and development of the Internet of Things (IoT), when everything that can be connected, will be connected in the near future.

Imagine more seamless integration of what consumers want, such as certifications to prove fair trade, organic non-GMO, cruelty free, and other claims. This data can accompany an item on its journey, therefore contributing to greater information transparency and trust. According to Food Marketing Institute research, nearly 93% of consumers are more likely to be loyal to a brand when it commits to full transparency.

OPPORTUNITY #3: MAKING USE OF GOOD DATA

Over the past few years, a lot of noise has been made about big data. Many companies are finding that investing in big data is the easy part, but actually using it in a meaningful way is the challenge. This is where conversations about “big data” really need to be focused on personalization strategies, as there is a major opportunity to strategically secure loyalty. Consumers are warming up to the idea of data being used to target them if there is perceived value or added convenience. RedPoint Global survey revealed that 63 percent of consumers expect personalization as a standard of service and believe they are recognized as an individual when sent special offers.

As data insights become even more closely linked with sales, supply chain partners need to collaborate on the quality, format and frequency in which they receive data from each other. Digital identity based on standards is foundational for this progress. For example, inventory data and product details that feed into a retail app’s algorithm to produce more personalized results for the consumer will rely on the common global format that standards provide. They are also critical to reduce returns, as consumers will be able to digitally experience a product that matches with its actual appearance.

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Ultimately, standards allow scalability across industries—a crucial connection in the supply chain world as industries and channels blur more than ever before. Given today's critical dependence on structured data, standardization and business process consistency are imperative to help new technology function as intended.

With the supply chain on the edge of such groundbreaking evolution, it has become clear that creating a foundation for digital identity based on standards leads to consistent experiences for the supply chain and the informed, empowered consumers they serve.



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