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BRICK & MORTAR vs. CLICK & MORTAR:
Strategic Supply Chain Decisions for Consumer Packaged Goods Companies

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ABSTRACT

With the inception and rapid growth of e-commerce, brick-and-mortar retailers have been having a difficult time deciphering which retail channel would now be the most advantageous to sell their products. For decades, brick-and-mortar stores had been the only place where customers could purchase the necessary items they wanted; however, now consumers can purchase a plethora of goods with just a few clicks of a mouse from the comfort of their own home.

Consumer packaged goods (CPG) companies such as Unilever, Kimberly-Clark, and P&G have been supplying their products to the shelves of brick-and-mortar retailers since the time when they were founded. Products such as shampoo, soap, and toothpaste have always been available for purchase at local or large grocery stores, convenience stores, and even at large retail “box” stores and pharmacy chains, locations where CPG companies have historically sold their products. More recently, CPG companies seem to be shifting their strategy, now offering their products to online retailers such as Amazon and Walmart.

However, it is important to note that certainly not all consumers shop both in-stores as well as online channels, especially older generations. Thus, it is highly unlikely that the online retail channel will completely takeover in-store commerce and make it obsolete. Given the rapid pace of growth in online e-commerce, it is imperative for CPG companies to develop unique ways to advertise purchasing online items in order to expand consumer knowledge and comfort with this channel, and help customers gain more awareness of their repertoire of products. Through literature review of current consumer purchasing and analysis of cutting edge marketing trends, this thesis intends to deliver timely recommendations to retailers with brick and mortar

stores as well as CPG companies as to how they can best position their companies to thrive and grow in an ever expanding e-commerce world.

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Chapter 1

Introduction

With the rapid rise of the Internet, consumer shopping, once solely performed at physical stores (referred to as brick-and-mortar retailers), has now greatly expanded to e-commerce and the virtual world of Internet shopping. The Internet online shopping experience has given brick-and-mortar stores significant competition and has usurped many of their sales. Sources explain that the reason behind this shift most likely is the result of the ease of Internet access not only on computers, but also on mobile devices such as phones, tablets, and even watches, in conjunction with the millennial generation's preference for online shopping (Smith, 2015).

Throughout the past decade, the popularity of Internet shopping has increasingly impacted both consumers as well as retailers. One area of concern, which this thesis intends to research further, is the effect of Internet shopping and e-commerce on the purchase of Consumer Packaged Goods (CPG). Several companies that produce these goods, such as Unilever, Proctor & Gamble, and Kimberly-Clark, have altered their prior market strategy in order to appeal more to the "on the go" and Internet savvy consumer.

Looking more closely at this area, CPG companies seem to be most concerned about satisfying the consumer as well as keeping up with or staying ahead on the competition on the e-commerce "curve". They seem to be willing to risk altering their historical business practices as they venture into a novel way of doing business, viewing e-commerce as a future strategic goal. With this approach, consumers are now able to purchase individual goods on the Internet instead of buying them in a pack or a bundle. It remains to be seen, however, if this strategy of allowing the consumer to purchase one bottle of shampoo is really feasible for the company. Have the costs of packaging and shipping single items been adequately accounted for with this approach? Is such a practice sustainable for the future from a profitability standpoint? These questions are important for CPG companies to answer from a strategic position as they rapidly evolve in the e-commerce market. Even though this direction portends to satisfy to the consumer, is it the best market position for the company to pursue?

Recent studies have shown that various Consumer Packaged Goods companies seem to be willing to send consumers the exact quantity that they are looking for, which may be too expensive for the company to offer for the future (Baskin, 2016). For example, when searching Amazon Prime, a relatively new and novel online e-commerce site, consumers can buy one shampoo bottle for only three dollars without shipping costs. However, this cost may leave very little if any margin for profit. Such price-cutting to attain market share may precipitate a "race to the bottom" for pricing by competitors, where all CPG companies lose (Alldredge, Newaskar, Ungerman, 2016).

This thesis intends to explore the current status and position of brick-and-mortar stores as well as CPG companies in the milieu of a rapidly evolving and transforming e-commerce world. It will also review how a specific CPG company currently functions as it competes for market share and sells its goods to consumers. This analysis will suggest ways in which CPG companies can best expose and advertise their products to consumers with an "omni-channel" approach to future success (Bogaisky, 2014). This thesis will next continue with the methodology. From there, it will discuss the rise of the online retailing industry and explain how it specifically disrupted brick-and-mortar commerce. Further, it will discuss the major players in online and storefront retailing. This will conclude with a discussion about how CPG companies should transform their sales practices and focus their strategy to embrace the brick-and-mortar as well as the online consumer.

Chapter 2

Methodology

This thesis was developed with the use of secondary information along with an interview with a current CPG company staff member. Various articles from business and logistics magazines as well as other online resources relating to current practices of CPG companies and the problems they are facing in the current e-commerce were researched and reviewed for this paper. An interview with a representative from a current CPG Company was very helpful in formulating this thesis. It was beneficial to learn about this company's current methodologies from an inside confidential source and the thought process involved regarding the approach to marketing a few of its products.

Chapter 3

The Rise of E-Commerce

According to an article published in Money Magazine, one of the first documented purchases on the Internet was a Sting CD in 1994 (Tuttle, 2014). Until the advent of the Internet, consumers were used to simply traveling to and purchasing all goods in brick-and-mortar stores because the online technology had not been developed to complete e-commerce transactions.

When online shopping first began in the 1990s, it was a completely new concept. It was initially met with mixed feelings from consumers, which included confusion and skepticism of this new innovation in purchasing (Tuttle, 2014). At the time, many Americans did not even own a computer, let alone know how to use the Internet and search for and purchase goods online. Consumers were also apprehensive, and rightfully so, with the idea of revealing their personal information as well as credit card information to an online site, most with lackluster security protection, due to the risks of fraud (Tuttle, 2014).

From the beginning of online shopping in 1994 up until today in 2017, the rise of consumer purchasing through websites has grown exponentially. This was due to the inception of both Amazon.com and eBay in 1994 and 1995, respectively. Throughout the 1990s, Amazon and eBay were still a very new way of shopping for, selling, and purchasing consumer goods. Today, both of these e-commerce sites now have hundreds of millions of users. According to Figure 1 from Business Wire and eMarketer data, U.S. e-commerce sales are projected to reach over $440 billion in 2017, a twelve percent increase in sales from 2016 (Zimmerman, 2017). According to the data, e-commerce sales are only expected to continue to grow in the future.

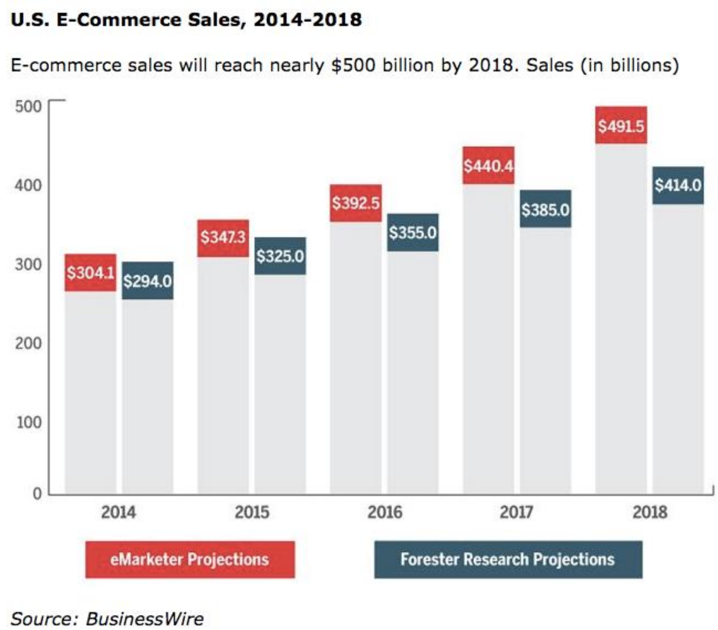


Figure 1. U.S. E-Commerce Sales, 2014-2018

The Ease of E-commerce

When online shopping started, it was initially viewed as a trendy new form of purchasing for the consumer. However, over the past thirty years, online purchasing is not only trendy now, but also has matured into a lifestyle for many individuals. According to a study completed in 2016, approximately eighty percent of American consumers shop online, which is an increase of about fifty-eight percent from 2000 (Kitonyi, 2017). More importantly, according to Figure 2, over half of American consumers now use their mobile device to purchase items online. Moreover, forecasters estimate that the global middle class will explode by 2030. Spending among middle class consumers in emerging markets will almost triple by this time period, in conjunction with the estimate that more than 75% of the world's population will own a mobile phone by 2030 (Benson-Armer, Noble, Theil, 2015).

The advent of social media also plays a significant role with the use of celebrities and popular bloggers showing the products that they use, which helps to influence consumers when purchasing goods (Perez, 2016).

Demographic of Online Shoppers

For companies competing in the world of e-commerce, it is imperative to evaluate the demographics of current online shoppers so companies can tailor their strategies to the correct customer base. According to Figure 3 from Business Insider in 2013, millennial shoppers, also known as Generation Y, have been the largest group of consumers to shop for goods on the Internet (Smith, 2015). This generation grew up becoming very savvy users of computers and, more recently, mobile devices, as Internet use became an integral part of daily life at a young age for this group of consumers.

However, as noted in the chart, Generation X and Older Boomers are currently not far behind Generation Y in the amount of purchases on the Internet (Smith, 2015). For instance, consider a city-dwelling businesswoman from Generation X, middle-aged, and mother of two. After a tiring ten-hour work day and picking up her children from day-care, she no longer has to rush to the grocery store to pick up necessary items for dinner, stand in a long check-out line and return home. She can now simply and quickly search online for what she needs and purchase with one click of the mouse. These items can potentially be delivered in one hour to her door ~ quick, easy, and a lot less stressful (Botelho, n.d.).

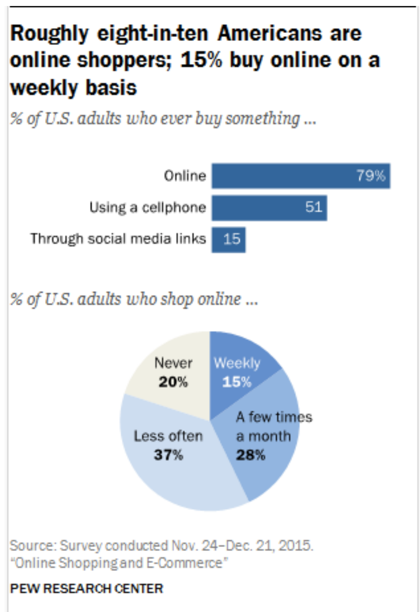
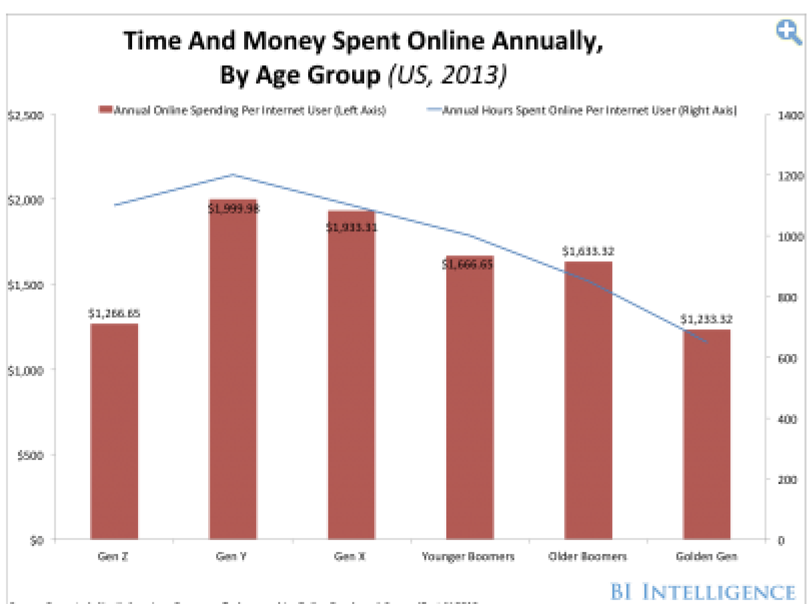


Figure 2. Online Shopper Statistics



BI Intelligence

Figure 3. Time And Money Spent Online Annually, By Age Group, 2013

The Playmakers

Two sites that have shaped the world of shopping are the e-commerce site Amazon.com, and the brick-and-mortar retailer, Walmart. Both of these retailers allow customers to purchase all of the necessary products that they could want or need on a daily basis.

With the development of Amazon.com in the mid-1990s, online shopping had commenced and continues to mature and expand its horizons even today (D'Onfro, 2014). Although the Amazon website started out with mainly selling books, it has expanded into an online metropolis, selling everything from ice cream and shampoo to personal golf putting greens and lingerie. It is fair to say that a consumer can now find anything and everything that they want or need with a simple click of a mouse. Today, Amazon has become the largest online retailer with millions of users and revenues surpassing $130 billion (Gilmore, 2017). Amazon continues to enhance its offerings with the introduction of AmazonPrime, a paid membership site that allows Amazon customers to receive goods faster (Isidore, 2016). Built into AmazonPrime are other perks, such as Amazon Pantry, an online portal for foods, and the Dash Button, which allows for quick reorders (Alldredge, Newaskar, Ungerman, 2015). Also, Amazon is even trying a new delivery method to customers with the use of drones called "floating warehouses" (McFarland, 2016).

On the other hand, Walmart is the largest brick-and-mortar retailer in the world (Gilmore, 2017). No matter what time of day a consumer goes to Walmart, it is always filled with consumers shopping for the goods they need. Some say that with its strategy of "everyday low pricing" the prices are cheaper than local grocery stores, which explains the volume and variety of goods moved through its stores and its popularity (AP, 2012).

Analyzing a recent study that compared these two retail giants reveals a surprising finding. Amazon seems to be surpassing Walmart in terms of overall sales. Sales for Amazon are still soaring as sales recorded last year were approximately $365 million, which is double the amount from 2002 (Gilmore, 2017). However, according to Figure 4, Walmart's growth in terms of U.S. sales seems to be slowing down dramatically compared to the early 2000s (Gilmore, 2017). Despite its sales volume success, Amazon seems to be having issues with turning profits. In 2016 alone, Amazon recorded approximately $7.1 billion dollars in shipping costs alone, an extremely large amount (Gilmore, 2017).

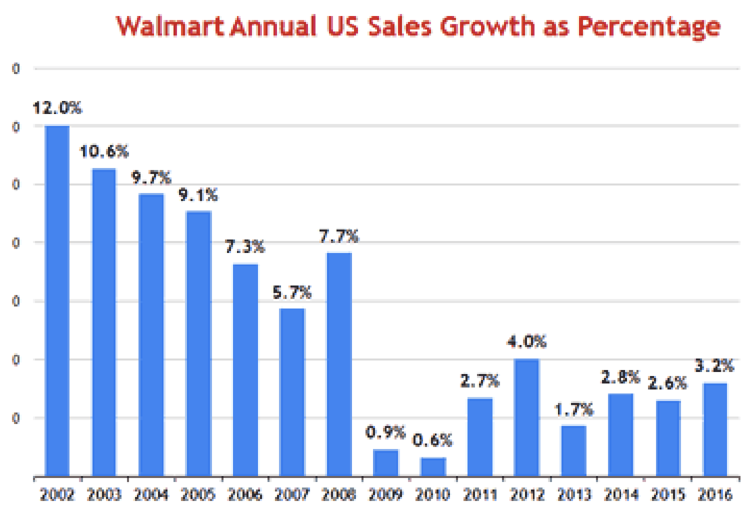


Figure 4. Walmart Annual US Sales Growth as Percentage

Amazon's New Twist

In order to appeal to all consumers, rather than just consumers that are tech-savvy and shop the Internet, Amazon has embarked on an additional twist to their e-commerce empire by announcing that it is venturing into the touch and feel retail world by opening physical venues to attract more business (Bensinger, Morris, 2014). Initially, Amazon opened up pop-up shops, or kiosks, in malls and other retail venues in order for customers to interact with such products produced by Amazon like the Kindle or Echo speaker (Kim, 2016). Amazon is also taking this new approach one step further. In addition to opening up pop-up shops, in 2015, Amazon announced it is opening up brick-and-mortar retail storefronts, and opened up its first retail bookstore in Seattle, Washington (Greene, 2015). Since Amazon.com started out as a retailer selling only books, it wanted to test out an actual store in its home city where the company was founded (Greene, 2015). Moving forward, Amazon is now looking into opening more stores offering a variety of other products they currently sell online such as foods and consumer packaged goods. In a new approach that was released in early 2016, Amazon is looking to open up a new, innovative grocery store that may aggressively compete with the common grocery store or supermarket, called Amazon Go (Fiegerman, 2016). In this grocery store, shoppers would scan items using their phone through an Amazon Go mobile app (Fiegerman, 2016). The app would then track the goods that the shopper places in their cart, and bill their account accordingly. This would save the customer from having to stand in a checkout line (Cao, 2016). Such Amazon stores are set to open sometime in 2017 (Fiegerman, 2016).

Most times, businesses start by opening a brick-and-mortar and then move to e-commerce. But why is Amazon, the e-commerce giant, moving in the opposite direction? It's because Amazon realizes there will always be customers that need to see and touch the product before making a decision to purchase it. Because Amazon started with an e-commerce site, this did not allow for customers to be able to actually touch the product before purchasing (Greene, 2015). Now with actual stores they can appeal to more than just the tech-savvy consumers that purchase online.

Chapter 4

Brick-And-Mortar Survival

Recently the news has featured many stories about iconic retailers who have been closing storefronts due to bankruptcy or lost sales. Macy's, JCPenney's, and Sears are just a few of the companies that have been closing a multitude of their stores around the United States (Cox, 2016). The explosion of e-commerce business and the inability of these companies to aggressively compete in this sphere seem to be the root cause of their decline. Brick-and-mortar retail stores need to have an intensely focused retail approach in order to survive in an online shopping world, which many have failed to do (Cook, 2015). According to an article published in The Huffington Post, the future of brick-and-mortars needs to utilize Big Data, learn the customer, and perfect the customer experience (Sabio, 2016). Today, Big Data is helping companies understand customer patterns and behaviors which can then be translated to tailor the interaction between the company, its employees, and customers on the store floor. Such data analysis could help stores change their layouts in order to appeal to the customer more by understanding their purchasing patterns. It is also crucial for companies to understand the customer fully in order to predict exactly what they want. Utilizing in-store technologies and making the shopping experience as efficient as possible is extremely important to today's shopper, which will entice them to keep returning to the store (Sabio, 2016). Finally, companies need to perfect the customer experience to help cement customer loyalty. It is important for stores to “customize” to their shopper and offer a multitude of services such as home deliveries (Sabio, 2016).

Chapter 5

CPG Companies

Given the preceding facts and statistics, it is quite apparent that consumers are turning to online shopping more than ever before. Since this is happening so quickly, CPG companies need to be able to take a proactive approach to the way retailing is changing rather than a reactive approach. With more and more consumer purchases made online, it would not be unrealistic if grocery shopping at a local supermarket becomes a thing of the past. According to a study researching U.S. online grocery shopping, online sales are projected to more than double by 2020 and reach $18 billion/year as compared to $7 billion in 2015 (Statistics Portal, n.d.).

Current Practices

Today, companies may not have a standard process when deciding which goods are best sold on an Internet store versus in a brick-and-mortar store. In order to gain more knowledge and insight about the current practices of a CPG company, an interview was conducted with a large CPG company representative, referred to as Company A. This interview provided valuable insight on the company's present marketing strategy and approach to online sales.

Contrary to popular belief, it seems as though companies do not really dictate which goods are sold on the Internet versus in stores. When speaking with Company A, the representative stated that they currently do not sell any products online that are not sold in stores (Interview, 2017). Online is not used as a testing center for new products, but rather functions as just another channel where consumers can find the goods that are familiar to them. Moreover, Company A emphasized that they do not technically have a standard procedure to delineate which products will be sold online versus in a brick-and-mortar storefront. Company A explained that products currently sold online are generally the most popular products that customers seem to have brand loyalty towards. These products seem to withhold higher profit margins and are favorites of consumers that are known to them and they have used in the past. As stated by Company A's representative, "We try to take a customer approach when offering products online" (Interview, 2017). She explained that customers buying their products online are more so buying them because they can get these products in bulk or because there is a slight discount. For example, she stated that she personally purchases granola bars online because she finds they are cheaper when buying them in a larger quantity rather than buying a smaller pack in the grocery store.

Company A also discussed that they do not sell generic products online. Rather, the products available for purchasing on e-commerce sites are premium brands. For example, when selling shampoo, they mainly send their top brand rather than every single brand that they package. They have found that products purchased by customers online are also their major sellers in stores, items which have significant brand loyalty (Interview, 2017).

Issues with Selling Goods Online

When selling goods on e-commerce sites, there are added quality checks in order to confirm that the travel time during shipping will not alter the product. For example, when discussing certain products with Company A, personal care products such as lotions, shampoos, and shower gels, need to go through more thorough packaging and quality checks as the pumps on these products could leak or malfunction during the shipping process when sold as single items (Interview, 2017). These items are shipped in less protected packing than when the products are shipped in bulk. As stated by the representative, it is crucial that the company checks to make sure that these products have no risk for leaking or damage while in transit to the customer.

Another drawback of online goods sales is the need to devise different packaging for some products. Each product sold online needs to have suitable packaging that fits the product well. However, this change in packaging for a product can become very expensive for the company. For instance, if a company only has three types of boxes and they don't fit a product well, they can potentially waste money on inappropriate packaging. If a customer orders a container of toothpaste and the smallest box is the size of a shoebox, there is a lot of wasted space (Interview, 2017). CPG companies need to make sure that the products they are selling online have proper packaging so that these costs are not driving down profits.

Issues with Shipping Goods

David Campisi, chief executive of Big Lots Inc. recently stated, 'When do you suddenly wake up and say we can't do this? We're going to have to start charging shipping' (Baskin, 2016). Retail companies are realizing that shipping charges and the common mantra 'free shipping' is more of a myth than anything else. Shipping is never really free, and although it may be advertised as such to the consumer, somewhere along the line shipping charges are being paid for either through the base price of the product that the customer is purchasing or more troubling, absorbed by the company.

Shipping as well as packaging costs could well be the major obstacle for CPG companies attempting to sell their goods online. Today, companies are trying to incentivize customers to purchase more goods online by having a minimum free shipping fee (Baskin, 2016). However, this practice can, in some instances, become a counter-intuitive approach to lowering costs. In a recent article published in The Wall Street Journal, the author attempted to purchase goods online through Jet.com, an online site that has recently been acquired by Walmart (Baskin, 2016). In order to reach the $35 free shipping minimum set in place by Jet.com, he ordered a single yogurt to reach this threshold. Since all of his other goods were dry goods, the yogurt needed to be packaged separately in order to be temperature controlled. It arrived not only in a special disposable cooler with ice packs, but the box was large and filled with bubble wrap to prevent the product from moving in transit. Needless to say, the shipping and packaging costs exceeded the retail cost of the yogurt, confirmed by a Jet.com representative. (Baskin, 2016).

CPG companies need to realize that sending one item that needs to be packaged separately is not going to be an effective and feasible business approach. As stated in this article, "free shipping is a dangerous game for retailers" (Baskin, 2016). Many retailers try to use only a few box sizes and fill excess space with ice packs, bubble wrap, or air. This is a waste of space and only adds additional shipping costs.

On the other hand, the potential add-on costs for shipping are very important to the online shopper when calculating the total cost for their purchase. According to the article, "75% of shoppers said that a delivery fee greatly impacts their decision to buy a product online" (Baskin, 2016). Thus, CPG companies will need to be able to satisfy consumers' demands while continuously seeking ways to minimize the costs associated with packaging and shipping. If shipping individual items such as shampoo and even refrigerated goods is to be a part of CPG companies' business strategy for the future, there needs to be a more cost-conscious approach to packaging, such as utilizing the minimum required box size and packaging filler of a respective product, as well as innovative processes to move the product to the customer in a timely and efficient fashion. Such processes may include consideration of in-house shipping instead of outsourcing to major vendors such as UPS or FedEx, a practice now in its infancy at Amazon (Reuters, 2017).

Ways that CPG's Can Succeed

In order to keep up with the changing marketplace, CPG companies need to be creative, innovative, and ever vigilant of the competition and online landscape when it comes to selling products online. Because consumers are continually purchasing more and more goods online and comparing retailers and suppliers in real-time, it is crucial that CPG companies continue to hone their operations to compete. According to a study completed by McKinsey and Co., there are three spheres where CPG companies need to excel in order to be a competitive force within the e-commerce business (Alldredge, Newaskar, Ungerman, 2015). These spheres include key account management, e-commerce management, and a high digital quotient. Primarily, key account management focuses on putting in place specialized teams who are charged with a focused business area with major players. Such teams spearhead lines of business and are constantly surveying and monitoring online consumer shopping patterns. For example, one way that companies are increasing efficiencies is by moving such account teams to the home office locations of their big box customers, such as Amazon or Walmart. This allows such account teams to be better able to form business relationships with counterparts in Amazon or Walmart, and utilize Big Data collected by these companies in real time. Such strategic planning development allows CPG companies to distribute their products more quickly when needed and decreases stock-outs of products (Alldredge, Newaskar, Ungerman, 2015). Secondly, with the constant evolution of e-commerce on the Internet, it seems vital for a company to display a variety of products online. It is important for CPG companies to focus their efforts on four key areas within e-commerce management. These include marketing, merchandising, pricing, and promotions. According to the McKinsey and Co. article, companies should be utilizing social media platforms in order to gain information on customer preferences. All attempts should be made to obtain premium “shelf space” on the website on which they are selling their goods (Alldredge, Newaskar, Ungerman, 2015). This practice should increase product exposure to the consumer, increase profit margins on the “long tail” products, and create product promotions that are in synchrony across all channels**.** Research conducted by McKinsey stresses that companies should be offering products that may not necessarily be available in stores in order to have a difference between the two channels (Alldredge, Newaskar, Ungerman, 2015). As stated in the article, “CPG companies can strengthen relationships with key channel partners by providing online items that cannot be found elsewhere. We found that winners were twice as likely as others to offer new and exclusive stock-keeping units and pack sizes to their key online accounts” (Alldredge, Newaskar, Ungerman, 2015). Third, CPG companies need to focus on their DQ, or Digital Quotient. According to a study done by McKinsey and Co. The digital quotient measures the “digital maturity” of a company and is calculated from a mix of eighteen activities that measure “digital capabilities, culture, and strategy” (Catlin, Scanlan, Willmott, 2015). According to McKinsey, “Companies with the highest DQ scores, in fact, achieved a five-year annual total return to shareholders of forty-two percent, while those at the low end of the spectrum were at just sixteen percent” (Alldredge, Newaskar, Ungerman, 2015). These key areas could potentially help CPG companies remain competitive and ambitious as the digital world expands throughout the future. The digital quotient needs to be developed and utilized throughout the entire organization. Companies need dedicated employees that constantly push the organization’s digital footprint throughout the entire organization. It cannot just be a goal that once achieved is forgotten; it needs to be a crucial and ongoing platform of the company strategy.

Chapter 6

Conclusion

From this research through literature review and interview, it is apparent that brick-and-mortar retail stores are indeed going to survive. Although it is very common nowadays to see famous brick-and-mortars closing their doors, they will never completely fade away all together. There will always be some customers that need to touch and feel the product before purchasing (Cook, 2015). Although ordering items off of the Internet is quite convenient and more efficient than shopping in aisles at a store, it still does not allow for consumers to have physical contact with the product nor interaction with employees who know and understand the product well. There are some consumers who will always need to see the product and touch the product in order to be completely sure of the purchase. However, although data suggests brick-and-mortars will be able to survive for quite some time, they need to alter their strategy and approach in novel ways in order to continue to attract customers to the store. Although abhorred in the past, the practice of ‘showrooming’, where customers visit a store in order to examine, evaluate, and discuss a product with a knowledgeable sales person, then leave the store without purchasing to find the best price online, could potentially be to a company’s benefit in the future (Alldredge, Newaskar, Ungerman, 2015). Brick-and-mortar stores could embrace this ‘showroom’ concept, offering best online price matching to customers right in the store, while offering limited inventory to those who immediately want to walk away with the purchase. Such an approach could result in the storage of fewer inventories, allowing the merchant to be able to place a larger variety of sample merchandise on the shelves. Excess inventory costs money, and decreasing it could help lessen costs.

If online shopping is going to continue to grow and become the dominant form of shopping, replacing many brick-and-mortars, it is crucial that this channel continuously updates its usual practices. Online shopping needs to become more of an experience; perhaps replicating the experience of walking down an aisle in a store or walking down the main concourse in a mall. It would be fascinating if a customer could be able to have a 360 degree look around the actual brick-and-mortar store online, a "virtual store", in order to visually appeal to the customer and actually see the merchandise they are purchasing from all angles. This could include video images of human models wearing items in all sizes, inspecting items from all directions, or persons using tools or utilizing mechanical items. This could make the online experience much more real and attract more consumers to the online world of shopping. Those unfamiliar with or reluctant to use the online world to shop need to be introduced first to marketing mechanisms online that are familiar to them in real life in order to reach a comfort zone.

CPG companies also need to constantly be aware of the changing business world and continuously update and alter their strategy in order to appeal to all customers. From speaking with the CPG representative and learning that this company does not have a specific, tailored strategy when selling goods online, it seems imperative that it devises a focused plan quickly, or risk losing their customer base to other retailers with better account management teams and digital quotient.

From this literature review, an idea for the company whose representative was interviewed would be to "bundle" ordered products together with the company's new product samples when consumers purchase online. This would allow CPG companies to send samples of its less familiar or “long tail” items which it manufactures or distributes along with the actual familiar goods that the customer ordered. Such exposure of these products via free sampling could potentially lead to consumers buying more of these “long tail” products in-store or online. Bundling should also result in negligible shipping costs for these samples too, since they are packaged with ordered items. Since this practice would only impact online consumers, CPG companies need to be cognizant of the traditional offline shopper as well. One idea to consider is to advertise and market newer or novel items only available via online purchase once the customer has purchased the company’s item in store. For example, if a consumer buys a bar of soap in the grocery store, a CPG company could possibly advertise that since they bought that product, they could order the same item free online and also receive a new sample product such as a new deodorant for free online. This could possibly attract consumers who do not typically shop online to become more comfortable with online shopping as well as expose them to a new product, without any financial risk.

Regardless of the type of consumer, CPG companies need to continuously develop novel and innovative products and advertising in order to attract consumers to their brand, while exposing the consumer to their products through all channels of sale, an “omni-channel” approach (Bogaisky, 2014). With the possibilities of sample offerings or bundles, CPGs could possibly attract more customers to their products online which could help reduce retailer distribution, personnel, and inventory costs. However, it seems that efficient and expedient packaging and shipping costs will be the main determinant to whether CPG companies can succeed and thrive in the e-commerce environment for the future, as such costs may be the limiting step to success. CPG companies which can balance efficient packing and expedient shipping costs will be the online landscape winners in the years to come.

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EDUCATION

The Pennsylvania State University, *Schreyer Honors College* — **Graduation: May 2017**
Smeal College of Business
Bachelor of Science in *Supply Chain and Information Systems* — Dean's List: 7/7
Minor in *Information Systems Management*
Related Area in *Marketing*

RELATED EXPERIENCE

TJX Companies-Planning and Allocation Intern, Boston, Massachusetts — **5/2016-8/2016**

- Worked in the Activewear/Swimwear Department in the TJ Maxx Fashion Division
- Managed the sports bras for TJ Maxx and strategized the shipping process for this category
- Developed a presentation for new customer opportunities for the company

AT&T-Sales Intern, Bedminster, New Jersey — **6/2015- 8/2015**

- Worked in the Systems Integrators Department on the CSC account
- Created process maps and executive escalation for the CSC department to help ease the sales process
- Produced a sales plan to effectively convince the client to purchase the services offered
- Collaborated with Sales Operations to reestablish the cadence and tracking mechanism for the business sales results

Dwellings - Sales Associate, State College, PA — **3/2014- 5/2015**

- 1 of 5 employees responsible for customer transactions
- Responsible for managing and organizing merchandise
- Managed in store operations on a daily basis; assisted approximately 300 customers per day

FNB Bank - Bank Teller**,** Danville, PA — **8/2011-7/2014**

- Responsible for accurately completing financial transactions for customers
- Completed and handled transactions up to $10,000 in value
- Enhanced my interpersonal skills when dealing with challenging bank customers and employees

LEADERSHIP EXPERIENCE

President
Schreyer Honors College Student Council — **2015-2016**

- Lead the SHC Student Council and the executive board in meetings, events and other organizational programs
- Serve as the liaison between the students and faculty of the Schreyer Honors College

Schreyer Honors College Orientation — **2014-2015, 2015-2016, 2016-2017**
Student Mentor

- Mentored first year business scholars and helped them adjust and become comfortable with the university and college life during their first three days at Penn State

Penn State Homecoming 2015 — **2015-2016**
Royalty Committee Member

- Help prepare and coordinate events for the Homecoming festivities

Treasurer
Schreyer Honors College Student Council — **2014-2015**

- Managed the account for SHC Student Council as well as organize and order SHC merchandise

UPUA Director of Programming/Homecoming Chair — **2014- 2015**
University Park Undergraduate Association (Student Government)

- Planned and executed UPUA fundraisers, bus trips, and involvement opportunities for students at University Park

UPUA YOUSRV Program — **2013-2014**
A member of the YOUSRV (Year One Undergraduate Supporting Representative Voice) Program

- Learned about the function, impact, and influence that student government has at Penn State
- Proposed ideas with my fellow team members for the first year class and the university

DISTINCTIONS

- Recipient of The President's Freshman Award for The Pennsylvania State University
- Member of The National Society of Collegiate Scholars
- Member of Phi Eta Sigma National Honor Society
- Member of Sigma Alpha Pi: The National Society of Leadership and Success
- Marketing Class Certificate from University of Pennsylvania Wharton School of Business
- Accounting Class Certificate from University of Pennsylvania Wharton School of Business