Brand Relevance Rules in Consumer Goods and Services
No matter what happens in the world of consumer goods and services, relevance continues to rule.

Everything in the consumer packaged goods (CPG) industry has changed in the wake of the global pandemic, but one thing remains constant: relevance matters.

Those companies that adapt to the shifts in consumer and channel preferences and remain relevant have the potential to rebound quickly and outmaneuver the uncertainty that lies ahead.
Choices amid change

Chief marketing officers (CMOs) recognize the need to sharpen relevance. The pandemic simply accelerated the need. Consumer preferences are changing quickly. They are buying different products today and through channels they may not have pursued before. CPG leaders can take advantage of this unique moment in time to make important decisions that will fuel relevance and spark future success.
Relevance is the key to capturing consumer interest and it is essential to driving growth. In BrandZ’s analysis of the top 100 most valuable global brands, relevance was the most differentiating feature from a value perspective. Relevant brands grew 5% more than their counterparts.2

Consumers
New preferences, behaviors and habits are emerging. People are shopping more consciously and spending more on essentials and less on luxury items. CPG companies must heed these shifts and find new ways to deliver what consumers want and need when they need it. Those brands that have the flexibility (and data) to adapt to emerging consumer segments will be relevant in their hearts and minds.

Channels
The ways in which consumers buy and the ways in which companies must market to them are changing. For instance, demand has greatly shifted to online. During the COVID-19 outbreak, new ecommerce users increased their usage of the channel by 156%, and plan to continue similarly after the outbreak, according to Accenture consumer research.1 Shoppers are buying through text messaging and social media platforms. Brands are selling direct to consumers. It’s a multi-faceted omnichannel world and those who have an integrated brand presence across channels will be the winners.

Commitments
Brands must deliver on a purpose and prove to consumers that they say what they do and do what they say. Having iconic power brands is not enough to command consumer loyalty or drive growth. As we look forward, brand relevance can help strengthen relationships (as trust is in short supply) and lead to differentiation in a crowded market. It’s time to explore this opportunity, dynamically adapting and making sure you have the right portfolio of brands to be enduringly relevant to consumers and customers—and thrive in the new era.
4 steps to drive brand relevance

CPG companies are at a pivotal point, and the moves leaders make now will strengthen relationships and relevance to drive the growth needed to thrive in the future.
Explore these four proven steps to improve relevance across your brand portfolio:

**STEP 1** | Get granular about segmentation

**STEP 2** | Connect with consumers in relevant ways

**STEP 3** | Power your purpose

**STEP 4** | Reimagine the portfolio
STEP 1
Get granular about segmentation

The first step in becoming more relevant is understanding segments—how they buy, what they buy and how they are evolving. However, recent Accenture research shows 35% of consumer goods CMOs say they have a single integrated view of the consumer. That’s lower than the average across the 14 industries Accenture surveyed.³
Segments are always evolving.

Capturing rich data from retailers and other parts of the ecosystem will be key to identifying the current and future needs of segments and meeting those needs before competitors do.

As companies learn more about consumers and their attributes, they can run greater analytics that yield deeper insights. By using consumer data to be more predictive, CPG companies can tailor the value proposition to each segment, explore new innovation opportunities and expand into the ecosystem.

Data also helps to reveal where to invest for growth. Identify and prioritize the value that each consumer segment represents. Where are the high-growth areas? What is the current and future profitability potential? From there, the business can figure out where to focus spend.

Subscription-based skincare brand Atolla, launched by three MIT graduates, is segmenting at the skin level. Consumer complexions change just as fast as their preferences. Atolla delivers a new skin serum each month based on the changes it tracks in a customer’s skin. An at-home test measures oil and pH levels. Users click a pic of the levels, upload them to the app, answer a few questions and they soon receive a bottle of serum customized for their exact needs.4
STEP 2
Connect with consumers in relevant ways

Being relevant calls for understanding consumer needs and paths to purchase from a consumer—not product—perspective. The tricky part is these paths to purchase and channel preferences are changing every day.
Opportunity to connect.

For instance, when the pandemic closed stores, consumer demand shifted to online. When this is the primary opportunity to connect—it had better be relevant. Companies need a channel strategy to unify the digital brand experience online so that it resonates with consumers. The content a brand puts out must be compelling and relevant to drive engagement and foster credibility. Creative storytelling can inject more brand experiences onto the digital shelf.

The CPG company’s channel strategy must also incorporate new channels and methods of commerce, such as conversation commerce (text) and social commerce (e.g. TikTok, SnapChat and Instagram). Digitally native brands have mastered these new avenues to connect with consumers, but many legacy brands have some catching up to do.

Cadbury launched a campaign in Australia that matched a Dairy Milk flavor based on a user’s Facebook information such as age, interests and location. A video was generated using this content. The campaign had a 65% click-through rate and a 33.6% conversation rate.5
STEP 3
Power your purpose

To be authentic and relevant, the business must have a clearly defined and differentiated brand purpose that solves for a particular consumer need and gives the brand meaning. Purpose isn’t just being socially responsible. The essence is about putting a stake in the ground about the impact the brand wants to make in the lives of consumers and how it intends to deliver value.
Fulfilling the purpose.

Such a stake is more important than ever as consumers are shopping more consciously. Accenture research found that amid the pandemic, 61% of consumers are making more environmentally friendly, sustainable or ethical purchases.⁶

Purpose can be about fulfilling a functional, emotional or social consumer need. For instance, being convenient and available, delighting and surprising consumers, or helping consumers to feel like they belong, or that they can make a difference – see Figure 1.

Consumers say they are likely to do business with companies that provide great convenience and are easy to do business with (71%), have strong ethical values (60%) and inspire them or connect them to something bigger (38%).⁸

KIND® Healthy Snacks has become one of the largest snack bar makers in the world with gluten-free, non-GMO snacks. The company’s commitment to improving public health with nutritious snack foods and a new level of transparency for ingredient sourcing has resonated with health-conscious consumers. KIND® has even challenged other food companies to be more transparent about the health claims of their products.⁷
Understand the role each of your brands plays in supporting the company’s purpose. Even companies that have a defined purpose have room to sharpen it, commit to it and live by it.
STEP 4

Reimagine the portfolio

After identifying the segments you want to reach, exploring new methods of connecting with consumers and shaping a clear and meaningful purpose, you then have to see how your portfolio aligns. Does it address the needs of your segments? Does it engage consumers across channels? Does it reflect your purpose? Reshaping the portfolio may include disposing of, acquiring or launching new brands that borrow equity from an existing brand.
Re-evaluating brand roles.

Different brands will play different roles in the portfolio. It’s not about size or billion-dollar brands. The days of power brands dominating the market are over. In fact, share of leading brands dropped by 2.2% since 2009. Brands of all sizes can come out ahead.

Re-evaluating the role of each brand is not a one-time exercise. The portfolio must be dynamically adjusted to ensure ongoing relevance as consumer needs and preferences change. You have to be fast to exploit new opportunities to capture new segments—these chances may present themselves overnight.

"There is no “one-size fits all” solution anymore...one or two big brands cannot satisfy people’s complex needs. In the world as it is today, we can only command growth if we play a portfolio game."

- MARCEL MARCONDES, AB InBev US Chief Marketing Officer
After Danone relaunched its Activia brand, the company soon realized it needed to reposition the product to greater tap into consumer interest in fermented products in formats best suited to the local market. They re-introduced Activia as cereals in Europe, as shots in the US and Brazil, as probiotic yogurt with a touch of herbal tea in France and Germany, and fermented vegetable juices in Mexico (where they don’t consume much dairy).  

Re-evaluating brand roles.

Experiment with new products, businesses and services—using innovation to uncover bigger, bolder solutions and accelerate them to market.

The portfolio will ultimately encompass different brand types—some in positions of strength, others a product of legacy—but they should all be relevant to the segments the business is targeting.
Brands must work harder than ever to remain relevant in a world where consumers are highly concerned about health and safety. Your business must ask: How will we earn consumer trust? How can we deliver value? How can we meet new imperatives for sustainability?

Being relevant to consumers was challenging before and now it’s even more challenging with the instability of the market situation. Brands have long been cognizant of the need to provide what consumers need when they need it. But the stakes today are higher to deliver growth. To navigate new norms, portfolios are likely to become more complex, but at the same time more dynamic and adaptable.

How will you sharpen your brand relevance in a world where the drivers of choice are constantly evolving? It’s a challenging time, but it’s also one of promise. Your brand can be the one to fulfil a functional, emotional or social need for consumers. It can have a clear and meaningful purpose and deliver on it every day. Your business can become more relevant to be stronger and more profitable than ever. **Seize this moment.**

**Relevance restored**

These steps are all important—and one should inform the next. But we also must recognize that these are unprecedented times.
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