LASER-FOCUSED CPG MARKETING

How to meet consumers where they are and take them to where they want to be
2020 has been a watershed year for consumer goods companies. Proving themselves to be more vital than ever, they helped improve lives by providing consumer essentials during the COVID-19 crisis. From packaged food to hand sanitizer, consumer goods leaders have met consumers where they are to help keep not only individual households running, but also the global economy.

Many consumers, for the first time, bought online directly from consumer goods companies during the pandemic. And they expect to continue their digital purchasing, according to Accenture’s latest consumer research. For consumer goods companies, a new dialogue with their consumers has begun.

That dialogue brings new opportunities to reinvent the consumer experience, making it more personalized and frictionless. However, many consumer goods companies are constrained by their current digital, technology and data capabilities, as well as their operating model. Only 33 percent of CMOs strongly agree their company’s processes and operations are flexible enough to allow them to apply data-driven insights in real time. COVID-19 exposed and amplified these constraints, showing that a step change is needed, not optional.
eCommerce is on the rise

156% is the expected increase in consumers’ digital purchase frequency in the future¹

“I think we’ve seen a permanent shift in the percentage of business that’s going to be done in eCommerce.”²

JON MOELLER
Vice chairman, COO and CFO of P&G

No single integrated view of the consumer

Just 35% of consumer goods CMOs say they have a single integrated view of the consumer

CMOs need team members (human+machine) with new skills

But only approx. 33% say they have employees with the right skills currently to get the full value from advanced technologies, platforms and data accessibility/sharing across the organization

Today’s marketing landscape
Investments in technologies haven’t delivered full value

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<th>Advanced technologies</th>
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CMOs are taking action

Our research shows CMOs are rewiring their approaches in 3 main ways:

- Building a better consumer experience
- Innovating and experimenting
- Upskilling and designing the ecosystem
The rise in eCommerce must give rise to a new consumer experience

Proportion of purchases made online by infrequent eCommerce users
Frequency of online purchases for consumers who used online channels for less than 25 percent of purchases prior to the outbreak

Source: Accenture COVID-19 Consumer Research, conducted 20th–25th May.

Laser-focused CPG marketing: How to meet consumers where they are and take them to where they want to be
Sharing one view of the consumer across the business

One data-driven, secure view of consumers across all channels—from search engines, to in-store, to social—is a consumer goods company’s ticket to growth. It provides the basis for a personalized, seamless, contextual consumer experience because it shifts the focus on consumers from reactive to proactive. For example, some global marketing leaders have combined the CMO and Chief Digital Officer (CDO) role, largely because the CMO needs to own a single view of the consumer to be truly impactful. Other companies have added Chief Experience Officers.

The good news: consumer goods companies strongly agree they have developed robust processes to ensure data traceability, trustworthiness, transparency and security. They have laid the groundwork for the secure sharing of data in a collaborative platform model. The next step, though, is to ensure that customer data and insights are easily accessible and able to be shared across the broader organization. That shareability is essential because designing a consumer’s entire path to purchase should be insight-driven.

41% of consumer goods companies strongly agree they have developed robust processes to ensure data traceability, trustworthiness, transparency and security.

16% of CMOs said their platform objectives have been exceeded for having consumer data and insights easily accessible and shareable across the broader organization.
Data integration: knowing the many faces of each consumer

From the digital realm, where a consumer might be browsing products and can be exposed to programmatic ads, to the moment a consumer begins online shopping in earnest, to an in-store experience where a perfectly timed offer meets its mark—consumer goods companies have the opportunity to target with pinpoint precision.

But they can only do so when armed with the right data per consumer. Jane Doe purchasing for her family might be a very different consumer from Jane Doe on an extended business trip. Maya Gupta may be frugal online but an impulse buyer when wandering actual retail aisles. Until marketing, sales, digital and other areas integrate and standardize their data, consumer goods companies won’t know these buyer nuances. Knowing them means beginning to chip away at missed opportunities to deepen or broaden a relationship. CMOs need to be the impetus for that.
The new consumer experience in action

Using consumer conversations to improve their experience

Unilever® credits its shift to a more data-driven marketing approach as a big contributor to improved marketing effectiveness and ROI. The company has 24 digital hubs responsible for more than 600 data-driven marketing campaigns and 1.5 billion consumer connections.

CEO Alan Jope pointed to its deodorant brand Axe (Lynx in the UK), as an example of a brand that data is helping via a new approach. He mentioned in a recent call with analysts that the brand “interrupts less and converses more” with its target audience of young consumers.

Unilever has found that audience segments identified by its digital teams are relevant across multiple categories and brands, helping to improve efficiency.
Crafting premium analytics, tapping new growth

With beer sales declining, brewers are under exceptional pressure to find new growth. Accenture helped one global brewer find a solution by tapping into new intelligence for their organization. With a leading-edge end-to-end analytics capability and the latest machine learning techniques scaled to 100+ global datasets, they’ve acquired next-generation ability to get actionable data-driven insights in front of their key business decision makers—in everything from commercial intelligence to sales and marketing—at unprecedented speed and scale. The result: a return of four times the investment, in the first year alone.
In consumer goods companies, traditionally marketing has focused on the consumer and sales has focused on the customer—retail outlets. But the increase in eCommerce (see figure 1) that had already begun to blur the boundaries between the two areas is now accelerated. Online purchases have increased in essential product categories due to COVID-19.

With this blurring, it’s more important than ever that CMOs and CSOs work together on their growth strategy, then drive one view of the consumer and customer. Using that information, they can help drive overall growth. Our recent CSO research and client experience tell us that sales executives, under pressure to meet targets, are experimenting with new ways to identify and access growth opportunities. But, these efforts are still isolated and fragmented; they don’t result in the wholesale gains and change truly needed.
Innovation is not just an inside job

Equipped with the right data insights based on one view of the consumer, consumer goods companies can better innovate and experiment.

A majority of consumer goods cross-functional executives (81 percent) believe that the stakes for innovation have never been higher—getting it right will require new ways of innovating with ecosystem partners and third-party organizations. And those executives acknowledge collaboration between humans and machines will be critical to future innovation.4

When asked to rank technologies based on their potential usefulness to the company’s future growth strategy, CMOs’ top three most frequent responses are:

- **Internet of Things**, e.g., to innovate new ways that products can deliver on customer relevance
- **Robotic Process Automation**, e.g., to augment the workforce and free human capacity
- **Predictive analytics**, e.g., to predict the efficacy of any particular interaction.

By harnessing technology and giving their teams the license to take risks to create bold new experiences, consumer goods CMOs open the door for innovation. From new delivery models to pop-up shops, hyper-personalized products to sustainable reclamation of packaging, CMOs can use applied intelligence insights to introduce consumers to new ways their brands deliver personalized value.

82% of consumer goods cross-functional executives acknowledge collaboration between humans and machines will be critical to future innovation.
CMOs need skill maps not only for their teams, but across the front office. Working with the Chief Sales Officer (CSO), CDO and, if applicable, Chief Experience Officer, they should identify skills needed across functions to deliver on consumer experiences that create growth.

Many CMOs feel their teams already have the skills necessary, or can be upskilled, to address advanced technologies, consumer data accessibility and platform needs. To address skill needs to utilize platforms and advanced technologies, and to ensure consumer data is accessible and shared across the organization, CMOs are optimistic that their current employees either have or can acquire the skills.

Beyond sharing talent, CMOs need to build upon their existing ecosystem design to foster growth capabilities—not just sharing talent, but really partnering for the innovation that leads to new growth.

30% are upskilling/reskilling current employees

35% say current employees already have the needed skills

22% are relying on outsourcing and ecosystem partners

11% are hiring new talent with needed skills
Brewing an ecosystem

When Nestlé® was preparing to go mainstream with Nespresso, its single-use Nespresso® capsule, it knew that users would need a machine specifically designed to work with the pod. So the company cultivated a network of manufacturers. Because the capsule and its interface were patented, other manufacturers could not make Nespresso-compatible machines without permission. Nespresso was creating—designing—an ecosystem: an orchestrated network spanning multiple sectors. The firms involved work to shared standards, sometimes on a shared platform, to make their products and services compatible.5

The new ecosystem in action
How to get started

The recent pandemic reinforced how critical digital, advanced technology and analytics capabilities are. CMOs need to get the basics in place before they can improve the consumer experience at scale and in real-time. These steps can help CMOs on their journey:

BECOME A DATA-DRIVEN CMO
Many companies are still forming strategies based on discrete consumer sentiment versus using integrated data to reinvent the consumer experience. Instead, all strategy and action should flow from one, consistent, continually updated view of the consumer. This view should stem not just from internal data, but also tap into external and ecosystem insights and be shared across the entire organization.

PARTNER WITH THE CIO/CTO
Technology is the lynchpin for speed, scale, relevance—and data. To gain consumer insights and then utilize those insights to create a relevant customer experience quickly and at scale, CPG companies need foundational technology. From the cloud to robotic process automation and predictive analytics, technology unlocks value that would otherwise be trapped in old ways of doing things.

MAP AND ACQUIRE FUTURE SKILLS—NOW.
Leading companies create future workforce skills maps, which gives them more adaptability and agility. These maps allow them to tap into talent, regardless of functional role, to form the most innovative teams. In conjunction with the CSO and CDO, the CMO should do skills mapping that allows a view into critical gaps, i.e., advanced analytics and digital skills. CMOs should then decide whether to hire, contract or share critical talent with ecosystem partners.
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About the Research

The data in this report is based on online survey responses from 80 CMOs from consumer packaged goods companies during November, 2019-January, 2020. These participants were part of a larger Accenture survey of 857 CMOs (or the equivalent) in 14 countries and primarily in companies with revenues between $1-20 billion.

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