



# Are you thinking big enough

about the purpose of your brands?





**Brand purpose is not what many consumer packaged goods (CPG) companies think it is.** It is not just about sustainability, and it is not a mission statement or marketing slogan. It encompasses the end-to-end business, from product design to operations. It also represents the full suite of attributes people choose from when considering a brand— is it fun, is it inclusive, is it environmentally sensitive? Increasingly, people pick brands that embody their values. Sustainability-marketed products grew 7.1x faster than products not marketed as sustainable.<sup>1</sup> In fact, 40% of consumers strongly consider values-driven attributes in their decision making.<sup>2</sup>

When purpose is infused at the brand level, it represents a unified and compelling commitment that powers the end-to-end brand experience.

Most CPGs aren't getting purpose right across their portfolios. Some are falling short on promises to consumers. Some are communicating a weak or unclear purpose. And a narrow view of purpose as a marketing play has led to poor execution across the consumer experience. Businesses must think bigger about purpose or lose relevance.



## From novelty to nationwide—with purpose

While it started as a Mexican favorite, Topo Chico has transcended its status as an “ethnic novelty” to “nationwide staple” in the US. The brand’s storied history, iconic branding and strategic alliances with unconventional partners have helped it outperform the market and rank #1 for most-searched US sparkling water company of 2021.\* The brand is now looking to replicate its model for success in the hard seltzer category. And it’s working. In just the first week of hitting the shelves in 2021, the brand captured a 3.1% share of the US hard seltzer market—from sales in just nine states.

\*<https://www.goodbeerhunting.com/sightlines/2021/4/22/topo-chico-hard-seltzer-shows-theres-room-for-more-seltzer>

# What consumers value most may surprise you

**Brands have spent years focusing on the wrong attributes.** Price, taste and quality are important, but they are table stakes, not differentiators. In fact, 1 in 5 consumers now deprioritize these factors when choosing a CPG brand.<sup>3</sup>

People across age, income and location segments buy based on their values; in fact, they are willing to pay 12% more for brands that demonstrate values-driven attributes.<sup>4</sup> These attributes center on what people care about—sustainability and ethical impact, brand experience, health and wellness, fun. When brands misunderstand or fail to deliver on an individual’s values, the brand experience suffers, and competitors will step in.

CPGs must shift their focus to align with what consumers care about. However, this isn’t as easy as it seems as people often define their values in counterintuitive ways (see chart).

Consumers are willing to pay **12%** more for brands that embody their values.

**Figure 1: Counterintuitive consumer preferences<sup>5,6,7,8</sup>**

Myth	Fact	Evidence
Health is all about nutrition and dieting	People (85%) consider small indulgences as the most important health and wellness factor	Target recently launched a brand dedicated to small indulgences which features more than 700 items that are celebratory and indulgent
Sustainable = plastic free	Consumers (81%) prioritize no harmful or artificial ingredients	Arm and Hammer’s laundry detergent portfolio has enjoyed strong share gains largely due to the success of its “100%” SkinSAFE™ sub-brands, which are currently among top sellers on Amazon
Promoting positive societal impact is giving back to the community	People (66%) consider animal ethics as the most important societal factor	Tom’s of Maine recently launched a new “Save the Animals” children’s toothpaste line which is currently the #1 best-selling product in the children’s dental care category on Amazon
Personalized products provide the best brand experiences	People (54%) consider brand nostalgia as the most important experience factor	Topo Chico’s Hispanic origins combined with its nostalgic branding and packaging have helped the brand more than double its share in sparkling seltzer since 2017

While it may seem obvious that consumers are prioritizing health, the surprising fact is that individuals define this as small indulgences. Target heeded this shift with its Favorite Day line, which features more than 700 items ranging from bakery goods to ice cream to beverage mixers that

are celebratory and indulgent.<sup>9</sup> Chobani recognized that consumers want to eat well without compromising texture or taste, so it launched Chobani Zero—a first-of-its-kind dairy product that contains zero sugar (including lactose).<sup>10</sup>

## Industry value is moving to purposeful brands

Purposeful brands that are defined by human desires—entertainment, indulgence, health or other—are disrupting entire CPG categories. Venture capital investment towards purpose-led brands has more than doubled since 2016, suggesting opportunities for disruption.<sup>11</sup> Brands that advocate for health and wellness saw the highest total investment versus other purpose-led attribute areas, receiving \$12.7B in funding between 2016–2020.

In addition, brands that advocate for sustainable and ethical impact saw 4x investment growth between 2016 and 2020, the most among all purpose-led categories.<sup>12</sup>

Consumers are also showing greater interest in new and exciting experiences, giving rise to new business models. Accenture research indicates that likely adoption of new business models has increased by up to 75% globally.<sup>13</sup>

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Startup brands are achieving standout success. Alternative brand BODYARMOR has done exceptionally well in creating meaningful relationships with consumers by using digital channels to communicate its values. For example, the brand promotes health and wellness benefits and athletic partnerships through its e-commerce pages on Amazon to convert new consumers and build advocacy with existing ones. In the past three years, the brand has increased its share by 8%, the highest in the sports drink category.<sup>14</sup> Coca-Cola has purchased full control of the brand for \$5.6 billion.

Hershey's recently bought alternative candy brand Lily's. Lily's has seen success by providing better-for-you sweets that

adhere to the highest health and social standards such as gluten-free, non-GMO and fair trade. Before being purchased by Hershey's, the brand posted a 55% YoY increase in sales and more than a third of consumers said that the brand was exceeding expectations in health and wellness benefits: the most among all assessed chocolate brands.<sup>15</sup>

Over a third of consumers say that alternative brands outperformed their expectations on the attributes that matter—and in fact exceeded expectations 1.4x more than conventional brands.<sup>16</sup> This held true both in values-based characteristics and in functional benefits.

## Investing in purpose

Prominently funded brands include:

**Impossible Foods** (sustainable meat brand raising \$2B)

**Zevia** (healthy soft drink brand raising \$247M)

**Oatly** (dairy-free milk brand raising \$252M)

# We asked consumers what they care about when buying a brand



## What we expected

- **Brand Experience** is more important in Beer and Spirits than other categories
- **Sustainable and Ethical Impact** is valued at over 2x the average in Meat Alternatives
- **Taste** is more valued by consumers in Salty Snacks and Chocolate than in other categories



## What was surprising?

- **Brand Trust/Quality** was more important in Pet Food than in any other category (even vs. food that respondents and their families eat)
- While we expected **Convenience** to be more important in Snack Bars vs. other food, respondents disagreed
- **Health and Wellness** and **Sustainable and Ethical Impact** is valued at 3x the rates for Energy Drinks vs. Carbonated Soft Drinks



## Open opportunities

- Consumers say they value **Sustainable and Ethical Impact** in Paper Products more than in most other categories, but few brands have really stood out on this dimension
- In four categories, consumers over-indexed on **Health and Wellness** and under-indexed on **Price**—implying increased willingness to pay: **Meat Alternatives, Pet Food, Skin Care and Oral Care**

Success will require CPGs to adopt a category-by-category approach to determine which consumer needs should be addressed in each category to help differentiate their brands.

# Think bigger, do better

The call to action for CPG brands is clear: Commit to a clear and compelling purpose, align every brand experience to that purpose and then evolve the brand portfolio strategy to play strongly on purpose attributes.

**These are some ways to begin the journey:**





## Commit to purpose from the inside out

Winning brands understand the values that matter to consumers and commit to an authentic purpose that supports these values. This commitment is more than a statement of intention; instead, it requires the brand to align the entire offering and operating model around that purpose from products to production to the people who work on the brand.

Household cleaning products company Method is among the alternative brands that are growing significant share of sales as the business has wholeheartedly committed to its purpose. Method is transparent about its ingredients, even touting that it does not use “dirty ingredients,” only nontoxic and biodegradable materials. Information about ingredients and operations is openly shared through its website, social media and e-commerce product pages. The company even keeps an [internal scorecard](#) to track sustainability levels across the portfolio.<sup>17</sup> Nearly half of consumers say that the company exceeds expectations for sustainable and ethical impact, which is 2.3x higher than conventional brands, and over one-third say Method exceeds brand experience expectations.<sup>18</sup> The brand grew share steadily in the past three years in the household cleaner category, dramatically surpassing incumbents.

Alternative brand Halo Top fast became a runaway success and the leading ice cream brand in the US. Beyond its health-oriented benefits, the brand embraced a fun and social identity, designing “shareable” traits into traditionally functional features like the product seal and even selecting a more expensive marketing agency based on the partner’s “fun” personality.





## Deliver end-to-end brand experiences that drive relevance

Brand experiences are not one-size-fits all—so why do so many of them feel the same? Alternative brands have been successful because they often focused on engagements that conventional brands ignored—for example, providing a personal touch. Personalized product recommendations account for 26% of e-commerce conversion.<sup>19</sup>

Winning brands increasingly engage consumers directly in carrying their message and brand purpose to market. Instead of traditional trade terms, such as slotting fees, Aspire Drinks focuses on in-store sampling, sending brand ambassadors (including their Chief Marketing & Strategy Officer) to connect directly with consumers, creating excitement around the brand while also collecting invaluable input to precisely target the value proposition. The intent is not mass marketing, but instead to convert women to become energy drink buyers by engaging 1:1 about the Aspire benefits of natural caffeine and vitamins as a healthy energy choice. These high-quality impressions help turn consumers themselves into brand advocates. Individual fans have been known to approach local retailers and independently sell-in the product.

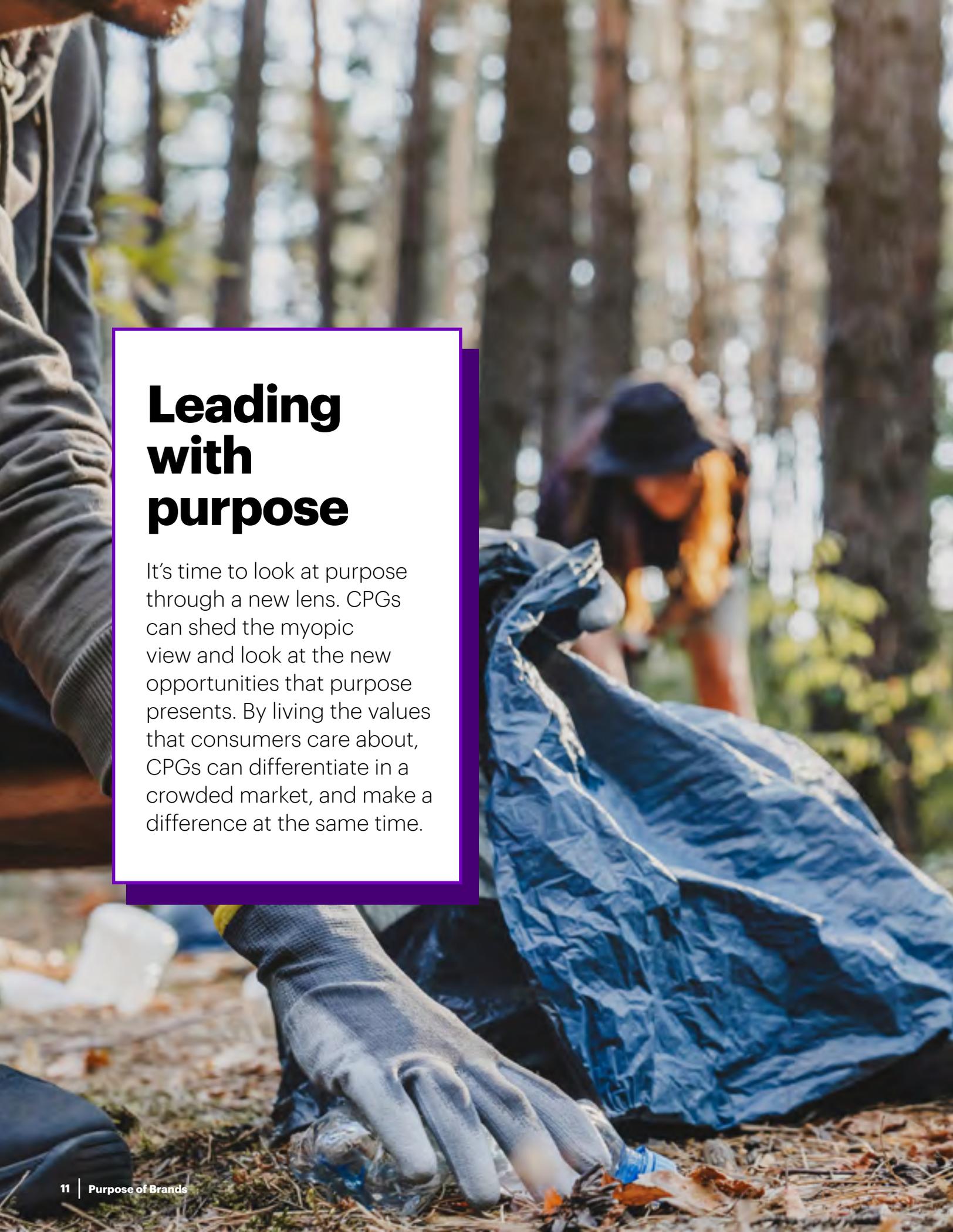
Authentically embodying your brand purpose also means committing to tough decisions. Aspire specifically targets women energy drink users, and everything from the product formulation to the visual identity target a specific female consumer seeking steady all-day energy—a departure from more traditional high-sugar, energy-rush positioning targeting the “energy junkie.” The brand successfully moved ahead with this position, despite initial resistance from retail buyers who found the logo and packaging “too feminine.”



## Shape the portfolio to center on brand values

Evolve the portfolio strategy over time to look for opportunities to play strongly on purpose attributes. Each brand within a portfolio has a unique role and purpose. And as those brand purposes are more clearly defined and consumers understand them, the business then can explore how to expand its offerings to further support key values-based attributes.

For instance, the mission of Nestlé Health Science is ‘empowering healthier lives through nutrition.’ Nestlé Health Science has regularly added to its portfolio of health-driven offerings through a targeted acquisition program. In recent years, the company acquired brands as varied as [Aimmune](#) (allergy therapeutics), [Persona](#) (personalized vitamins) and [Vital Proteins](#) (collagen brand and lifestyle and wellness platform)—diverse businesses which all consistently serve its core purpose.



# Leading with purpose

It's time to look at purpose through a new lens. CPGs can shed the myopic view and look at the new opportunities that purpose presents. By living the values that consumers care about, CPGs can differentiate in a crowded market, and make a difference at the same time.

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<sup>2</sup> Accenture Purpose of Brands Survey, 2021

<sup>3</sup> Ibid.

<sup>4</sup> Accenture Purpose of Brands Survey

<sup>5</sup> <https://www.foodbusinessnews.net/articles/18124-targetlaunches-new-indulgent-store-brand>

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<sup>11</sup> Accenture analysis of CB Insights

<sup>12</sup> Ibid.

<sup>13</sup> Global Consumer Pulse Survey (GCPR) 2018 & Accenture Wave 9 Consumer Pulse, conducted Nov-Dec, 2020, online at <https://www.accenture.com/us-en/insights/consumer-goods-services/customer-value-shift>

<sup>14</sup> Press Searches, Accenture Purpose of Brands Survey, US, conducted Q1, 2021. Analyses and calculations by Jefferies and Accenture based in part on data reported by NielsenIQ through its Retail Measurement Service for the 52-week period ending April 13, 2021, for the Total US market and XAOC+C channel. The conclusions drawn from the NielsenIQ data are those of Jefferies and Accenture and do not reflect the views of NielsenIQ. NielsenIQ is not responsible for, had no role in, and was not involved in analyzing and preparing the results reported herein.

<sup>15</sup> Accenture Purpose of Brands Survey, 2021. <https://www.forbes.com/sites/douglasyu/2021/03/17/lilys-sweets-reportedly-selling-its-sugar-free-chocolate-business/?sh=63132d456a3a>

<sup>16</sup> Ibid.

<sup>17</sup> <sup>1</sup>Target Corporate <sup>2</sup>The Drum

<sup>18</sup> Accenture Purpose of Brands Survey, 2021

<sup>19</sup> Accenture data analysis

## About Accenture

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## About the Research

Accenture used extensive quantitative and qualitative primary research to arrive at key findings, contributing to the perspective presented. This included the 3rd annual Purpose of Brands (previously Brands Still Matter) consumer survey. The online survey of 5,600 consumers age 18+ was designed to examine how consumers define and prioritize brand attributes, how they learn about and interact with brands and how these link to brand decisions. Accenture also partnered with Jefferies Equity Research to analyze and incorporate POS data reported by NielsenIQ through its retail measurement service for the 52-week period ending April 13, 2021 for the total US market and XAOC+C channel. Qualitative research included interviews with executives from leading and emerging CPG brands to understand their views on brand purpose as it pertains to product innovation and reinvention, brand experience and organizational transformation.

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