

MORE THAN JUST TRANSACTIONS

# Emotionally invested customers crave more from consumer packaged goods brands

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## Executive summary

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Relationships—and behaviors—between brands and consumers continue to pivot and evolve to meet demand in creative and surprising ways in 2021.

Consumer packaged goods (CPG) companies are redefining their relationships with retailers and shoppers thanks to the ongoing pandemic, the looming disappearance of third-party cookies, and increasingly-powerful “walled gardens” around data. Now more than ever, brands need to build one-to-one relationships with consumers and forge new bonds with retailers.

As traditional marketing strategies continue to shift to digital platforms, CPG brands are faced with revisiting the transactional, habitual, or emotional behaviors that drive consumer loyalty. Brands also need to engage in new ways to connect their products and advertising with potential and existing customers and translate in-store experiences to online and digital experiences.

COVID-19 directly affected consumer loyalty and buying behavior. In a December 2020 Yotpo survey<sup>1</sup>, nearly 30% of overall respondents reported becoming more loyal to brands that helped support them during this difficult time. It showed that consumers are loyal to companies that offer empathy and appreciation, finding ways to engage with customers beyond promoting their products. Many companies chose to respond to the increase in mental health awareness by establishing emotional wellness check-ins with their customers on social media. Others opened up forums to foster conversations around common issues, such as increased stress during the pandemic. Brands just wanted to know how everyone was doing.

### Consumers have a greater emotional investment in their favorite brands than in the past, and they view the shopper-brand relationship as more than just a transactional exchange.

That emotional investment may also help explain why survey respondents were likely to spend more on a brand they're loyal to: **It's no longer just about the deal or promotion.**

This paper identifies four macro trends that brands can leverage to retain and grow their customer base, expand market share, and gain a competitive edge. These trends impact CPG brands today, but also illustrate how all businesses need to expand, optimize, and adapt their current marketing and direct-to-consumer strategies to meet their customers' needs and expectations as COVID-19 continues to reshape commerce.

**36%**  
of Gen Z respondents say they are more loyal to brands that helped support them during the pandemic.

Source: yotpo

Consumers have a greater emotional investment in their favorite brands than in the past. They view the shopper-brand relationship as more than just a transactional exchange.

<sup>1</sup> [https://www.yotpo.com/blog/the-state-of-brand-loyalty-2021-global-consumer-survey/?utm\\_source=Partners&utm\\_medium=Route&utm\\_campaign=eComm\\_giveaway\\_blog](https://www.yotpo.com/blog/the-state-of-brand-loyalty-2021-global-consumer-survey/?utm_source=Partners&utm_medium=Route&utm_campaign=eComm_giveaway_blog)

## Four macro trends

#1 Direct connections

#2 Comfort at home

#3 Cultural reckoning

#4 Physical-to-digital

### Macro trend #1 Direct connections

The direct connection macro trend results from changing privacy laws and rising consumer awareness about data mining and collection. Data privacy is a growing concern among consumers. The state of Virginia recently passed a comprehensive consumer privacy law, the second state to do so in recent years. Adding to the dynamic, third-party cookies—the identifying files filled with individual customer data tracking a person’s activity across the internet—will cease to exist by the end of next year. CPG brands must look for other ways to gather useful zero-party and first-party data beyond tightly-controlled “walled gardens”—meaning any closed, proprietary platform where the technology provider has significant control over the hardware, applications, or content (think Google, Facebook, and Amazon).

“As those walled gardens are stood up, I think the reality is that it, unfortunately, forces the hand of many manufacturers,” said Josh Blacksmith, Kimberly-Clark’s senior director of global consumer relationships and engagement. He also included Kimberly-Clark in that assessment. “It takes your marketing investment—your marketing spend—and splinters it even further because you’re needing to make sure that you’re buying that audience across every one of these platforms to ensure you’re hitting the reach that you need.”<sup>2</sup>

CPG and other brands can pay to use those platforms, but the results are usually delayed information about their campaigns and/or a lack of individual data on the customers who are actually buying their products. One crucial way to gather that important customer data is by adopting direct-to-consumer (DTC) practices.<sup>3</sup>

#### Curating a direct consumer relationship

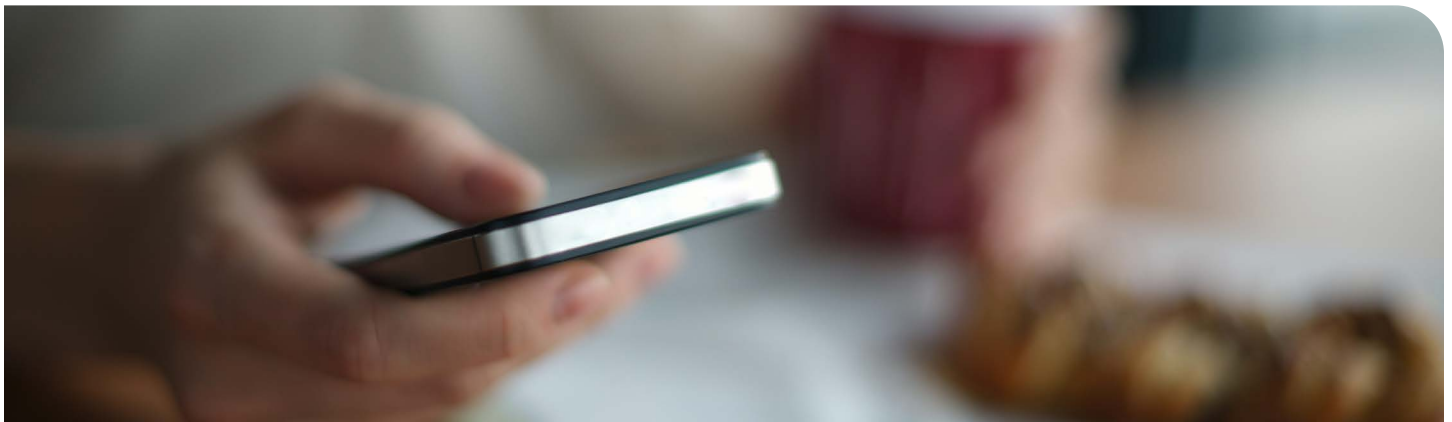
Earlier this year, Procter & Gamble’s Old Spice brand opened its first barbershop in Columbus, Ohio, in order to connect directly with consumers. The space hosts a celebrity barber residency program and doubles as a content studio. The barbershop connects the brand to the people who use its products and services, and customers can book an appointment via Google Assistant or their smartphones. The intent is to position Old Spice as a “helpful brand that can instill personal confidence, especially among younger men.”<sup>4</sup>

While not a physical location that consumers can go to, MuscleTech is another brand using DTC strategies in unique ways that feel personal. MuscleTech is a creative partner with Man of Steel actor Henry Cavill. The brand reached its audience directly through videos from Cavill in his home preparing and using MuscleTech products and talking about his workout routines, creating a compelling user-generated feel that lends itself to more personal, direct engagement.

<sup>2</sup> <https://www.marketingdive.com/news/cpg-marketers-roll-dice-on-new-experiments-amid-data-upheaval/589243/>

<sup>3</sup> [https://www.fredlaw.com/news\\_\\_media/virginia-becomes-second-state-to-pass-comprehensive-consumer-privacy-law/?utm\\_source=fredlawemail&utm\\_medium=fredlawemail](https://www.fredlaw.com/news__media/virginia-becomes-second-state-to-pass-comprehensive-consumer-privacy-law/?utm_source=fredlawemail&utm_medium=fredlawemail)

<sup>4</sup> [https://www.marketingdive.com/news/pgs-old-spice-to-open-first-barbershop-doubling-as-content-studio/595164/?utm\\_source=Sailthru&utm\\_medium=email&utm\\_campaign=Newsletter%20Weekly%20Roundup:%20Marketing%20Dive:%20Daily%20Dive%2002-20-2021&utm\\_term=Marketing%20Dive%20Weekender](https://www.marketingdive.com/news/pgs-old-spice-to-open-first-barbershop-doubling-as-content-studio/595164/?utm_source=Sailthru&utm_medium=email&utm_campaign=Newsletter%20Weekly%20Roundup:%20Marketing%20Dive:%20Daily%20Dive%2002-20-2021&utm_term=Marketing%20Dive%20Weekender)



### Subscribing to convenience and text messaging

Email is another popular channel for CPG brands to reach customers, but it is also very competitive. Nearly all of us receive numerous daily email communications from brands, but with so many communications, consumers aren't likely to engage with them all.

Short message service, commonly known as SMS or text messaging, is still a relatively underleveraged but increasingly popular direct-to-consumer alternative to email. Before the pandemic, OLIPOP, the soda brand, relied on traditional retail distribution channels to reach its customers. By summer 2020, it recognized the need for an omnichannel approach to create more "discover opportunities" for new customers to get acquainted with the brand. It developed a DTC approach, opened a retail location, and launched a subscription service, which led to great success, thanks to SMS. It offers consumers inclusive value propositions like savings, early access to new and specific flavors, and personalized messaging.<sup>5,6</sup> Subscription services are appealing to many companies because, operationally, they aid the organization in predicting demand.

### Personalizing product

Using personalized products, CPG brands can collect zero-party data (information customers intentionally share with a brand) and first-party data (information brands collect directly from customers) while also promoting the products people are looking for. Hair care brand Prose personalizes its products based on results from an online consultation. The survey asks customers questions specifically related to their hair, such as hair type, scalp condition, diet, lifestyle, and environment. It also asks about preferences related to consumer hair goals like shampoo ingredients and fragrance. In the end, they receive a personalized recommendation and the option to sign up for the subscription service. Consumers set the frequency for direct shipment and receive delivery reminders via email.<sup>7,8</sup>

Taking it to the next level, Curology, a customized skincare company, matches customers with a licensed dermatology provider in the customer's area who can help them get to know their individual skin needs and treatments. Customers snap selfies and share their skin goals, and their local skincare professional asks questions, designs a customized plan and product, and checks in on the customer's progress.<sup>9</sup>

<sup>5</sup> <https://www.emarketer.com/content/how-pandemic-pushed-olipop-d2c-space?ecid=NL1014>

<sup>6</sup> <https://drinkolipop.com/pages/subscription>

<sup>7</sup> <https://prose.com/consultation>

<sup>8</sup> <https://prose.com/>

<sup>9</sup> <https://curology.com/>

## Offering options

In an exclusive partnership, the fragrance brand Boy Smells now offers its products in 30 Nordstrom stores, on Nordstrom's website, and via its own e-commerce experience. The partnership and new fragrance launch both began in April 2021. DTC brands have access to a greater footprint and reduced acquisition costs through traditional retailers, while retailers benefit from increased relevancy, typically to younger consumers, by association, location, and convenience. The Boy Smells fragrance line in particular is geared toward "a millennial and Gen Z customer" and connects to the brand's stance on gender equity, gender inclusion, and a broader sense of identity.

This partnership is the latest in a wave of deals between digitally native brands and traditional retailers to increase access to a larger customer base for brands while offering multiple product and fulfillment options for customers.<sup>10, 11, 12</sup> The Harry's and Target partnership is a classic example that helped pioneer this trend in 2016.<sup>13</sup>

## Opportunity: Build a direct relationship with customers

If brands want to directly connect with consumers, then making their brand discoverable and collecting first-party and zero-party data are the top priorities for 2021 and beyond. As online and in-store product presences merge, brands must consider how customers can find them sans social media—a highly competitive channel. Increased brand

access for consumers simultaneously increases the brand's access to zero- and first-party data, which results in an increased ability to deliver more relevant experiences to consumers across channels and, ultimately, drive loyalty.<sup>14, 15</sup>

**76%**  
of U.S. respondents  
experimented with new shopping  
behavior during the pandemic and

**65%**  
of respondents said  
they switched to new brands  
based on availability.

Source: McKinsey

**88%**  
of marketers  
say collecting first-party data  
is a 2021 priority.

Source: Marketing Dive

<sup>10</sup> <https://www.glossy.co/beauty/boy-smells-expands-with-fragrance-debut/>

<sup>11</sup> [https://www.retaildive.com/news/relevance-is-key-why-nordstrom-has-gone-all-in-on-dtc-brands/596276/?utm\\_source=Sailthru&utm\\_medium=email&utm\\_campaign=Issue:%202021-03-10%20Retail%20Dive:%20Marketing%20%5Bissue:32930%5D&utm\\_term=Retail%20Dive:%20Marketing](https://www.retaildive.com/news/relevance-is-key-why-nordstrom-has-gone-all-in-on-dtc-brands/596276/?utm_source=Sailthru&utm_medium=email&utm_campaign=Issue:%202021-03-10%20Retail%20Dive:%20Marketing%20%5Bissue:32930%5D&utm_term=Retail%20Dive:%20Marketing)

<sup>12</sup> [https://www.retaildive.com/news/what-big-box-retailers-have-to-gain-from-dtc-brands/595182/?utm\\_source=Sailthru&utm\\_medium=email&utm\\_campaign=Issue:%202021-02-24%20Retail%20Dive:%20Marketing%20%5Bissue:32650%5D&utm\\_term=Retail%20Dive:%20Marketing](https://www.retaildive.com/news/what-big-box-retailers-have-to-gain-from-dtc-brands/595182/?utm_source=Sailthru&utm_medium=email&utm_campaign=Issue:%202021-02-24%20Retail%20Dive:%20Marketing%20%5Bissue:32650%5D&utm_term=Retail%20Dive:%20Marketing)

<sup>13</sup> <https://corporate.target.com/article/2016/08/harrys>

<sup>14</sup> <https://www.marketingdive.com/news/88-of-marketers-say-collecting-first-party-data-is-a-2021-priority-study/593174/>

<sup>15</sup> <https://www.marketingdive.com/news/cpg-marketers-roll-dice-on-new-experiments-amid-data-upheaval/589243/>



## Macro trend #2

### Comfort at home

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Life is centered around our homes now. As consumers continue to grapple with the effects of the pandemic in all aspects of life, there is a renewed focus on mental health. To connect with consumers, CPG brands are launching media campaigns and partnerships that offer tangible benefits and support around relevant and topical issues like isolation, human connections, parental stressors, and caregiver responsibilities.

#### Decluttering home and mind

From the pandemic's beginning, home cleaning, organizing, and DIY projects surfaced as popular trends influenced by social media. While stuck at home for work and school, many people sought to downsize and declutter—finding the process helpful in relieving stress and anxiety.

Blue Moon answered this growing trend by partnering with The Home Edit, a full-service home organization company. The low-calorie beer brand met its consumers where they were with a unique mental health awareness promotion.<sup>16</sup> Blue Moon offered its customers \$15, equivalent to a six-pack of its brew, if they donated six items, benefitting their local community and helping to declutter their home. In addition, one participant who engaged with the brand on social media earned a one-on-one organizing session with the founders of The Home Edit.

#### Relieving parental stress

Kellogg engaged in various campaigns with its cereal brands aimed at homebound consumers, specifically families with school-aged children.

With its Eggo waffles brand, Kellogg found a light-hearted and humorous way to help parents and families decompress during high-pressure times, such as getting the kids off to school in the mornings. Kellogg launched a multichannel L'Eggometer campaign—named with a wink and a nod to the brand's ubiquitous slogan—as a social listening tool that playfully measured parental stress.<sup>17</sup>

Kellogg also created a landing page filled with advice and ideas on diffusing tensions, plus a bonus chance to win free waffles as part of its 2021 million waffle giveaway. At that time, the brand added a new tagline, "L'Eggo with Eggo," in contrast to the classic "L'Eggo my Eggo" to de-emphasize conflict during hectic times and urged parents to share their stories of "messy mornings" on social media. Similarly, with its Frosted Mini-Wheats brand, Kellogg offered home-bound families a chance to find comfort and fun playing together with a chance to win a board game inspired by the morning rush.<sup>18</sup>

#### Combating loneliness

More than a million senior citizens live alone in the UK and struggle with loneliness. During the pandemic, social-distancing precautions only added to their existing isolation. To support them, Cadbury partnered with Age UK, the country's largest senior organization, to raise awareness about the plight of this fragile population. Cadbury removed its branding from 10 million chocolate bars and replaced it with quotes from unexpected stories of older people and the remarkable lives they've led, with full stories available to read online. The campaign encouraged hundreds of thousands of people to have conversations with potentially isolated or lonely older people, making a difference during this "loneliness epidemic."<sup>19</sup>

<sup>16</sup> <https://www.molsoncoorsblog.com/news/blue-moon-lightsky-partners-home-edit-kick-2021-campaign>

<sup>17</sup> [https://www.marketingdive.com/news/eggo-measures-parent-stress-in-mornings-with-leggometer/596427/?utm\\_source=Sailthru&utm\\_medium=email&utm\\_campaign=Newsletter%20Weekly%20Roundup:%20Marketing%20Dive:%20Daily%20Dive%2003-13-2021&utm\\_term=Marketing%20Dive%20Weekender](https://www.marketingdive.com/news/eggo-measures-parent-stress-in-mornings-with-leggometer/596427/?utm_source=Sailthru&utm_medium=email&utm_campaign=Newsletter%20Weekly%20Roundup:%20Marketing%20Dive:%20Daily%20Dive%2003-13-2021&utm_term=Marketing%20Dive%20Weekender) and [https://www.leggomyeppo.com/en\\_US/leggowitheggo.html](https://www.leggomyeppo.com/en_US/leggowitheggo.html)

<sup>18</sup> [https://www.marketingdive.com/news/eggo-measures-parent-stress-in-mornings-with-leggometer/596427/?utm\\_source=Sailthru&utm\\_medium=email&utm\\_campaign=Newsletter%20Weekly%20Roundup:%20Marketing%20Dive:%20Daily%20Dive%2003-13-2021&utm\\_term=Marketing%20Dive%20Weekender](https://www.marketingdive.com/news/eggo-measures-parent-stress-in-mornings-with-leggometer/596427/?utm_source=Sailthru&utm_medium=email&utm_campaign=Newsletter%20Weekly%20Roundup:%20Marketing%20Dive:%20Daily%20Dive%2003-13-2021&utm_term=Marketing%20Dive%20Weekender) and [https://www.leggomyeppo.com/en\\_US/leggowitheggo.html](https://www.leggomyeppo.com/en_US/leggowitheggo.html)

<sup>19</sup> [https://www.adweek.com/brand-marketing/combat-loneliness-cadbury-dairy-milk-branding-elderly/?utm\\_content=position\\_7&utm\\_source=postup&utm\\_medium=email&utm\\_campaign=AdFreak\\_Newsletter\\_210402181148&lyt\\_id=1191672](https://www.adweek.com/brand-marketing/combat-loneliness-cadbury-dairy-milk-branding-elderly/?utm_content=position_7&utm_source=postup&utm_medium=email&utm_campaign=AdFreak_Newsletter_210402181148&lyt_id=1191672)



### Harnessing nostalgia

During times of discomfort and stress, like we have experienced during the global pandemic, people tend to seek out familiar things that harken back to a simpler time. General Mills capitalized on that self-soothing behavior by bringing back classic packaging and 1980s recipes for Cocoa Puffs, Cookie Crisp, Golden Grahams, and Trix—with a splash of Saturday morning cartoons included to complete the nostalgic feel.

The Big G partnered with '80s sit-com celebrity and tween heart-throb Mario Lopez, of *Saved By the Bell* TV show fame, to promote “The Ultimate Saturday Morning Drive-In” campaign. It featured cartoon classics—viewable for free—at participating drive-ins or on-demand from home for those living in the Los Angeles area.<sup>20,21</sup>

### Opportunity: Exhibit empathy by filling in immediate needs

The pandemic brought mental health awareness to the forefront, and brands helped reduce social stigmas by talking about these issues with consumers. By exhibiting empathy and appreciation, brands acknowledged and addressed the current mental health crisis while engaging with consumers and supporting at-home comforts.

Another way CPG brands can show consumers empathy is to leverage their products as means to offer support. Last year, for example, Anheuser-Busch gifted 250 couples whose wedding plans were changed due to the coronavirus with \$300 in prepaid debit cards to purchase Busch beer for up to a year—a gesture designed to ease stress and inspire

joy during the pandemic. This year, the brand turned underutilized farms into wedding venues for three couples facing the challenge of booked-out venues. Winning couples enjoyed a full farm wedding and reception for 100 of their closest friends and family, held at one of three Anheuser-Busch farms in Idaho or North Dakota this summer.

**During the pandemic, parents also became teachers. The responsibility affected unpartnered mothers (particularly those of color) more than any other group.**

Source: Pew Research

**63% of Americans reported feeling anxious, depressed, or a combination of both during the pandemic.**

Source: McKinsey Survey

**According to Mental Health American, the number of people looking for help with anxiety and depression “skyrocketed.” Loneliness or isolation is the most cited mental health concern.**

Source: Mental Health American

<sup>20</sup> <https://www.generalmills.com/en/News/NewsReleases/Library/2020/September/Saturday-Morning-Comeback>

<sup>21</sup> <https://tribecafilm.com/ultimatesaturdaymorning>

## Macro trend #3

### Cultural reckoning

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Cultural reckoning is a macro trend common across many industries. During the pandemic, there was a brief slowdown in CO2 emissions, a heightened awareness of racial injustice, and a widening wealth gap. While CPG brands are finding ways to serve as forces for good in those and other areas, when they don't live up to their marketing hype (colloquially known as greenwashing and woke washing), their own actions can hurt them. Savvy consumers are using available tools, like the internet and social media, to vet brands and hold them to their words or face social backlash.

#### Loving nature

To highlight how washing laundry in hot water puts a strain on our environment and increases energy bills, Procter & Gamble's Tide brand released a temporary blue version of its logo and created an environmentally aware ad campaign. For its #TurnToCold campaign, Tide teamed up with retired professional wrestler and TV host "Stone Cold" Steve Austin to encourage consumers to wash clothes in cold water. The creative partnership coincided with the brand's recent announcement that it is committed to reducing its own use of water, virgin plastics, and greenhouse gas emissions.<sup>22, 23</sup>

General Mills brand Nature Valley Bars showed its love of nature by redesigning the wrapper to be recycled with plastic bags at store drop-off locations. The CPG company recently completed a three-year, \$3 million partnership with The National Park Foundation, restoring access to 10,000 miles of park trails this year alone. Similarly, Mars Wrigley partnered with Danimer Scientific and made Skittles wrappers from plant seeds that are biodegradable in any environment as part of its commitment toward 100% reusable, recyclable, or compostable packaging by 2025.<sup>24, 25, 26, 27, 28, 29, 30</sup>

#### Supporting women

Smirnoff showed its support for one of the groups most impacted by the pandemic: women of color. Over this past year, more women have left the workforce to return home to care for family and other responsibilities. Stemming from its \$500,000 commitment to charity groups supporting the Black community, Smirnoff recognized that being an entrepreneur is not easy, especially for women of color, and that frequently having access to startup capital enables entrepreneurs to make it happen. The vodka brand partnered with SideBarre, a Black women-owned fitness studio, to offer a series of guided workouts and provided cocktail sessions with social influencer hosts, such as actor Laverne Cox and athlete Megan Rapinoe, to celebrate Women's History Month. As part of its campaign, Smirnoff pledged \$50,000 to Black Girl Ventures, which provides Black and brown women-identifying founders access to capital.<sup>31, 32, 33</sup>

<sup>22</sup> <https://www.adweek.com/brand-marketing/tide-wants-everyone-to-wash-their-laundry-in-cold-water/>

<sup>23</sup> <https://tide.com/en-us/our-commitment/turn-to-cold>

<sup>24</sup> <https://www.naturevalley.com/nationalparks/>

<sup>25</sup> <https://www.naturevalley.com/recycle4nature/>

<sup>26</sup> [https://www.csrwire.com/press\\_releases/718696-nature-valley-launches-first-ever-store-drop-recyclable-snack-bar-wrapper](https://www.csrwire.com/press_releases/718696-nature-valley-launches-first-ever-store-drop-recyclable-snack-bar-wrapper)

<sup>27</sup> [https://www.convenience.org/Media/Daily/2021/Mar/19/4-Skittles-Packaging-Now-Biodegradable\\_Operations](https://www.convenience.org/Media/Daily/2021/Mar/19/4-Skittles-Packaging-Now-Biodegradable_Operations)

<sup>28</sup> <https://www.mars.com/sustainability-plan>

<sup>29</sup> <https://www.greenqueen.com.hk/amp/mars-wrigley-to-create-biodegradable-wrappers-for-its-candy-brand-skittles/>

<sup>30</sup> <https://www.adweek.com/brand-marketing/mars-wrigley-is-giving-skittles-a-biodegradable-makeover/>

<sup>31</sup> [https://www.marketingdive.com/news/smirnoff-pairs-virtual-barre-workouts-with-influencer-hosted-happy-hours/595848/?utm\\_source=MailChimp&utm\\_medium=email&utm\\_campaign=Newsletter%20Weekly%20Roundup:%20Marketing%20Dive:%20Daily%20Dive%2003-06-2021&utm\\_term=Marketing%20Dive%20Weekender](https://www.marketingdive.com/news/smirnoff-pairs-virtual-barre-workouts-with-influencer-hosted-happy-hours/595848/?utm_source=MailChimp&utm_medium=email&utm_campaign=Newsletter%20Weekly%20Roundup:%20Marketing%20Dive:%20Daily%20Dive%2003-06-2021&utm_term=Marketing%20Dive%20Weekender)

<sup>32</sup> <https://www.adweek.com/brand-marketing/laverne-cox-smirnoff-womens-history-month/>

<sup>33</sup> <https://eks2052.medium.com/working-out-a-happy-hour-and-supporting-an-amazing-cause-sign-me-up-bd7e5582622c>



According to Mintel,

**24%**  
of U.S. consumers say  
environmental and  
ecological awareness  
is important when  
purchasing food  
and drinks.

Source: Mintel,

According and  
Edelman,

**56%** agree  
it is the brand's moral  
obligation to speak out  
on racial injustice.

**39%** agree  
brands should  
speak out on racial  
injustice to attract  
and keep customers.

Source: Edelman

### Paying off crippling student debt

In response to feedback received from its consumers, First Aid Beauty (FAB) has again committed \$1 million toward paying off student loan debt. It expanded last year's program eligibility requirements to 10 years and added two-year undergraduate degree programs and trade institutions to the mix. The FAB AID winners received up to \$100,000 toward their student loan repayment, and FAB consumers were also able to contribute beyond the \$1 million by purchasing the brand's Ultra Repair Cream or FAB AID kits, where 10% of the sale price goes back toward the student debt elimination fund.<sup>34, 35</sup>

### Supporting Black communities

According to the food advocacy group Just Food: Food Justice, communities must exercise their right to grow, sell, and eat healthy food with dignity. Kellogg's Family Rewards and its African American Resource group, in partnership with World Food Program USA and Street Art for Mankind, advocates for food justice as part of its long-time commitment to addressing food insecurities. The brand brings awareness to the dinner table through multichannel CRM (customer relationship management) communications that show the faces behind some of their customers' favorite foods. The brand also supports initiatives that deliver fresh food to Black communities. Together, these groups elevate the contributions of Black food innovators and local nonprofits who work to build sustainable food systems, address food deserts, and advocate for the right to grow healthy food.<sup>36</sup>

Kellogg could take this one step further and allow people who receive marketing communications to contribute to any food justice initiatives. Similar to First Aid Beauty's strategy that gives customers a way to contribute to its student loan repayment program, this action would make customers part of the brand's initiatives — leading to a more meaningful and "next level" effort by bringing people into the cause.

<sup>34</sup> <https://www.firstaidbeauty.com/fab-aid>

<sup>35</sup> <https://sourpatchkids.com/mischief-for-change-scholarship>

<sup>36</sup> [https://www.kelloggs.com/en\\_US/giving-back/blackhistoryeverymonth.html?PID=64901678&utm\\_source=newsletter032921&utm\\_term=DW\\_NON\\_EVT\\_041221\\_041222\\_BLACKHISTORY\\_HERO&utm\\_campaign=KRM\\_032921\\_Weekly&cid=klg20210329BHMSAV4FULL&bid=1616540558](https://www.kelloggs.com/en_US/giving-back/blackhistoryeverymonth.html?PID=64901678&utm_source=newsletter032921&utm_term=DW_NON_EVT_041221_041222_BLACKHISTORY_HERO&utm_campaign=KRM_032921_Weekly&cid=klg20210329BHMSAV4FULL&bid=1616540558)

## Gen Zers are “truth barometers”

that can quickly judge a brand’s authenticity, with

**54%** of teens

saying they stopped using a brand because of its ethics.

Source: Forrester

**Brands must deliver solutions that won’t be construed as “woke washing” or “greenwashing.” To gain trust with Gen Z, brands must align their values with the cohort’s in real and actionable ways.**

Source: Forrester

### Opportunity: Show you’re listening and take the lead to address tough issues

Consumers watch brands closely. Companies simply cannot afford to sit on the fence when it comes to issues impacting the greater good; they must put their money where their (proverbial) mouths are. Integrating change and transparency across the value chain and investing in actionable, purpose-driven solutions that benefit communities is ideal for brands. Don’t market for marketing’s sake. Instead, deliver on solutions that won’t be construed as “woke washing” or greenwashing.<sup>37</sup>

Brands that aren’t transparent, or going against a movement or trend, or don’t support what their marketing is saying tend to get publicly called out by consumers (or even another brand), which can adversely affect their reputation. Earlier this year during Pride Month, Burger King trolled Chick-fil-A in a tweet, vowing a 40¢ donation to the Human Rights Campaign, the largest LGBTQ civil rights group, for every sale of its new chicken sandwich. Chick-Fil-A is known for its fried chicken sandwiches and extra-friendly employees, but is notorious for its vehement religious and anti-LGBTQ stances.<sup>38</sup>

Another cautionary tale is Allbirds, an eco-friendly shoe brand. Marketed as the most comfortable shoes ever made, Allbirds uses merino wool in many of its shoe designs not only for its comfort but also for its environmental impact and sustainability. Though the wool itself is not problematic, some have claimed animal cruelty and suffering due to factory workers’ mistreatment of sheep or the way sheep are bred to grow so much excess wool that the animal is unable to shed itself. This may cause consumers to view the brand as less transparent and eco-friendly than it claims to be.<sup>39, 40</sup>

<sup>37</sup> [https://www.marketingdive.com/news/post-truth-climate-impacts-gen-zs-conflicting-brand-perceptions-forrest/593640/?utm\\_source=Sailthru&utm\\_medium=email&utm\\_campaign=Newsletter%20Weekly%20Roundup:%20Marketing%20Dive:%20Daily%20Dive%2001-23-2021&utm\\_term=Marketing%20Dive%20Weekender](https://www.marketingdive.com/news/post-truth-climate-impacts-gen-zs-conflicting-brand-perceptions-forrest/593640/?utm_source=Sailthru&utm_medium=email&utm_campaign=Newsletter%20Weekly%20Roundup:%20Marketing%20Dive:%20Daily%20Dive%2001-23-2021&utm_term=Marketing%20Dive%20Weekender)

<sup>38</sup> [https://www.cnn.com/2021/06/07/business/burger-king-chick-fil-a-lgbt/index.html?utm\\_medium=social&utm\\_content=2021-06-08T13%3A00%3A11&utm\\_source=twCNN&utm\\_term=link](https://www.cnn.com/2021/06/07/business/burger-king-chick-fil-a-lgbt/index.html?utm_medium=social&utm_content=2021-06-08T13%3A00%3A11&utm_source=twCNN&utm_term=link)

<sup>39</sup> <https://www.topveganshoes.com/allbirds-vegan-shoes/>

<sup>40</sup> <https://www.classaction.org/blog/class-action-wool-shoe-manufacturer-allbirds-misled-consumers-with-sustainability-animal-welfare-claims>

## Macro trend #4

### Physical-to-digital

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Traditionally, CPG brands rely on in-store experiences to raise brand awareness and educate consumers. With reduced foot traffic and increased online presence, brands can connect with today's consumers by transforming in-store experiences into digital ones. Brands must artfully translate their look and feel in ways that customers can relate to and that recreate that same presence digitally and online. The consumer's online experiences must be true to the brand in each channel and across every touchpoint, including the tone of SMS messages and ease of navigation within an e-commerce site.<sup>41</sup>

#### Taking in-store expertise online

Makeup line Bobbi Brown recently launched a virtual program with skincare video sessions and complimentary makeup. Consumers can book one-on-one or group video sessions to get makeup tips and tailored tutorials taught by Bobbi Brown artists. Customers can still engage with the beauty experts they expect to see at a store but in a virtual space where other makeup brands aren't vying for their attention, creating an exclusive and personalized experience. The "Artistry Like Never Before" sessions continue to see a higher conversion rate and increased average order value.<sup>42, 43</sup>

Bluemercury, a leading luxury beauty retailer, launched an online series of beauty masterclasses that helps consumers learn and engage with experts from their favorite makeup and skincare brands. As a result, consumers enjoy in-store expertise at home and feel comfortable making their purchases online, while featured CPG brands saw triple the sales and double the average order value.<sup>44</sup>

#### Accessing pro quality

Gatorade developed a wearable Gx Sweat Patch and paired with an app that delivers personalized hydration recommendations. When worn on their left inner arm, the patch helps users "ensure proper fueling before, during, and after exercise." Dick's Sporting Goods sells the patch both online and in-store with the intent to provide everyday athletes with access to tech usually reserved for professionals.<sup>45, 46</sup>

#### Educating via mobile

During the COVID-19 pandemic, Lysol, the brand of cleaning and disinfecting products distributed by Reckitt, promoted products that are especially good for combating the virus—leveraging social media platforms like Instagram to get the message across to consumers. The brand allowed people to explore Lysol products, access coupons, and sign up for exclusive newsletters via Instagram stories. It also shared relevant information about the virus and promoted its Germ-Cast app that tracks daily levels of COVID-19 and flu locally. The brand's strategies build on reliability and trust factors.

<sup>41</sup> <https://www.marketingdive.com/news/cpg-marketers-roll-dice-on-new-experiments-amid-data-upheaval/589243/>

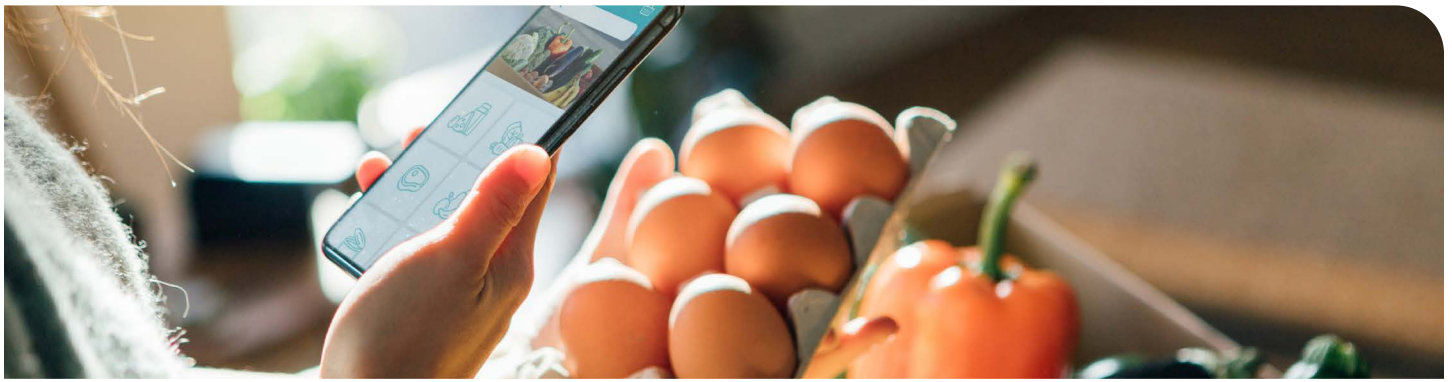
<sup>42</sup> <https://m.bobbibrowncosmetics.com/virtual-services>

<sup>43</sup> [https://www.forbes.com/sites/kristinlarsen/2021/01/09/the-new-beauty-frontier-where-digital-amplifies-beauty/?mc\\_cid=56b85df6db&mc\\_eid=20cc6b2164&sh=45a664f124f3](https://www.forbes.com/sites/kristinlarsen/2021/01/09/the-new-beauty-frontier-where-digital-amplifies-beauty/?mc_cid=56b85df6db&mc_eid=20cc6b2164&sh=45a664f124f3)

<sup>44</sup> <https://bluemercury.com/pages/events>

<sup>45</sup> [https://adage.com/article/cmo-strategy/gatorades-new-sweat-patch-and-app-deliver-personalized-hydration-recommendations/2317696?mc\\_cid=34a14d72ac&mc\\_eid=20cc6b2164](https://adage.com/article/cmo-strategy/gatorades-new-sweat-patch-and-app-deliver-personalized-hydration-recommendations/2317696?mc_cid=34a14d72ac&mc_eid=20cc6b2164)

<sup>46</sup> <https://www.gatorade.com/gx/sweatpatch>



As of August 2020, the top three product categories for growth in most or all online purchases were:

**129%: Household supplies**

**113%: Snack foods**

**89%: Personal care products**

Source: Groundtruth

2020 saw a total of

**\$844** spent online, a

**42%+ YOY growth** and that growth continues. Online spending in January and February 2021 grew at 34% YOY as well.

Source: Adobe

In the survey of 1,988 consumers,

**44% of respondents said they would**

abandon a brand because they couldn't find certain information, and

**23% said they would** ditch a brand for receiving conflicting information.

Source: Retail Dive

### Inspecting products digitally

Tyson Foods acknowledged consumers' biggest pain point when buying food online: shoppers prefer to see fresh meat up-close before buying it. The brand wants to leverage that transparency as a motivator for consumers. Purchasing meats—specifically fresh meats, much like produce—is typically considered an in-store experience by consumers. As a result, people are much less likely to purchase meat online. Only 30% of meat shoppers say their primary method for purchasing meat after COVID-19 will be online, according to a January 2021 survey by Midan Marketing.<sup>47</sup>

While Tyson is working with an artificial intelligence tech firm to better understand visual preferences and information—such as how the meat is prepared and packaged and usage suggestions—it does not currently have a functional AI inspection system in the market. The solution is still a work in progress.

### Opportunity: Deliver a cohesive experience

The customer journey is an omnichannel experience, not a linear one. And it's all about delivering a consistent and cohesive brand experience across all physical and digital channels, whether that means text messaging, emails, social media, in-store, or website interactions. The tone and messaging delivered to consumers must feel holistic. If a customer's experience doesn't meet their expectations or if there is a lack of transparency, it's a turnoff. Brands risk customer abandonment and being perceived as unreliable if they fail to deliver the look and feel customers expect.<sup>48</sup>

<sup>47</sup> [https://www.fooddive.com/news/how-tyson-is-rethinking-the-online-shopping-experience-for-fresh-meat/597539/?mc\\_cid=945e5ab9eb&mc\\_eid=20cc6b2164](https://www.fooddive.com/news/how-tyson-is-rethinking-the-online-shopping-experience-for-fresh-meat/597539/?mc_cid=945e5ab9eb&mc_eid=20cc6b2164)

<sup>48</sup> [https://www.retaildive.com/news/report-most-consumers-abandon-a-brand-after-3-bad-experiences/596107/?utm\\_medium=email&\\_hsmi=114791387&\\_hsenc=p2ANqtz-872XvC5A\\_jj4wismpu4tj-N3fTef8rqqnWIAihM6S026ZxRhKmMQ1C3k8m3WPHfzXe7QyswxH-1rfkCx2\\_rZ54Umn36xUwl0DHoqCsKmNolvp2v8&utm\\_content=114791387&utm\\_source=hs\\_email](https://www.retaildive.com/news/report-most-consumers-abandon-a-brand-after-3-bad-experiences/596107/?utm_medium=email&_hsmi=114791387&_hsenc=p2ANqtz-872XvC5A_jj4wismpu4tj-N3fTef8rqqnWIAihM6S026ZxRhKmMQ1C3k8m3WPHfzXe7QyswxH-1rfkCx2_rZ54Umn36xUwl0DHoqCsKmNolvp2v8&utm_content=114791387&utm_source=hs_email)

## Closing thoughts

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Connecting with consumers is now more critical than ever. Brands are finding dynamic ways to enhance customer loyalty and deepen personal connections from the relationships they cemented during the pandemic. Empathy, trust, and transparency are other important drivers of the shopper-brand relationship.

CPG brands must stay informed about consumer behavior and know how to optimize relevance-driven marketing beyond walled gardens and third-party cookies. Examining first- and second-party data strategies is key to ensuring the right infrastructure is in place for brands to collect and store privacy-compliant data. Leveraging zero-party data strategies is essential for CPG brands to deliver the personalized experience consumers expect.

Consider where digital fits into brand omnichannel strategies. Physical presence is still an experience people crave, as evidenced by the return of in-store foot traffic, even as the pandemic's impact continues. But consumers are turning to digital channels in increasing numbers, especially e-commerce and m-commerce (mobile commerce). For CPG brands, omnichannel strategies are more than a way to collect first-party data. Consumers—beyond seeing campaigns—want the convenience of shopping online and the ability to engage with the brands they love whenever and wherever they are.

Ultimately, brands are tools in their customers' lives. Listen to consumers across all touchpoints, and respond in an actionable, transparent ways that reinforce trust and loyalty.

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**77%** of consumers

tried a new shopping behavior, and “products are in stock” and “better value” were the top two reasons cited for switching to a new brand.

Source: McKinsey



## About the Authors



### Lauren Sutherland

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Lauren is a strategist on the Customer Strategy Insights + Research team focusing on customer loyalty and retention. She covers trends in the Retail, Consumer Packaged Goods, and Restaurant industries. She has an MBA from Carlson School of Management and has worked on a variety of client work including Stop & Shop, Wyndham, J&J Gaming, Metropolitan Airports Commission, Darden, The BrandLab, and Amtrak. In addition, Lauren regularly contributes to ICF Next's thought leadership, including her latest article, "Why now is the right time to rethink your brand's loyalty strategy," co-authored with Connie Sisco [here](#).



### Denise Holt

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Denise Holt understands the power of human insights in driving smart strategy and business growth. With 20 years of experience in consumer loyalty, brand and creative strategy, consumer insights, human-centered design and business strategy, Denise leads ICF Next's loyalty strategy and insights discipline. As part of our company's thought leadership, she led a substantial multi-method research initiative with findings published in the final report entitled [Humanizing Loyalty: A road map to establishing genuine emotional loyalty at scale](#). Prior to ICF Next, she ran her own strategy consulting practice, was Director of Strategy & Branding at Optum, and spent over a decade in marketing and brand planning roles within the loyalty space. Clients have included Stop & Shop, Amtrak, Advance Auto Parts, Best Buy, UnitedHealth Group, Delta Airlines, Carlson Hotels Worldwide, Visa, Hallmark and Aramark.

Denise infuses business strategy with the human element by leveraging consumer motivations and insights to create memorable brand personalities, engaging experiences and inspired behavior change. She is passionate about uncovering personal stories and insights that enable organizations to connect on a more emotional, meaningful level with their customers. To that end, she is a big-time auto enthusiast who remembers going on family road trips in her dad's Porsche 911-T with the MN Porsche Car Club, where she saw just how fanatical car lovers can get. She's never owned anything but a manual transmission.

Denise earned a BBA degree in Marketing from the University of Wisconsin-Madison and MBA degree from the University of St. Thomas.]



MORE THAN JUST TRANSACTIONS

# Emotionally invested customers crave more from consumer packaged goods brands

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