



Embrace digital experiences. Drive CPG growth.

Create personalized experiences to win consumer loyalty.





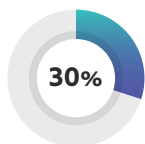
There was a time not too long ago when buying a razor meant driving to the nearest store. Today, with just a few clicks, millions of consumers get razors delivered to their doorsteps monthly. Online consumer packaged goods (CPG) brands like Dollar Shave Club—with their time-saving, convenient subscription models—have changed the way consumers look for and buy products. But this transformation is about more than the physical products being sold. It's also about the experiences that brands create.

With targeted original content and membership quizzes that inform hyper-personalization, Dollar Shave Club has turned the task of buying razors into an experience that inspires love and loyalty—and they've gained significant market share in the process. Named one of the 10 Best Shave Clubs for Men by *Men's Health*, Dollar Shave Club has expanded their offering well beyond shaving with an extensive line of grooming products and customizable options that keep their customers coming back.

What's happening in razors is also happening in diapers and pet supplies and across the consumer goods landscape. Brands that meet rising consumer expectations with strategic digital experiences are seizing market share, winning consumer loyalty, and growing revenue. They're doing it by anticipating consumer needs, telling authentic sustainability stories, partnering with experience-driven retailers, and working to deliver personalized experiences along every step of the journey.

\$63B

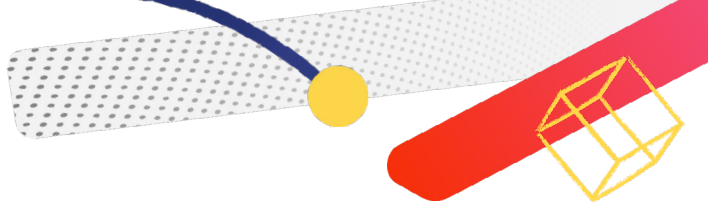
Online CPG sales in the United States increased \$63 billion in 2020 vs. 2019



Ecommerce accounted for one third of omnichannel CPG growth

Source: NielsenIQ

It's a new CPG world, enabled by amazing digital experiences, and it offers unprecedented opportunities for your brand. Digital marketing technology gives you the chance to get to know consumers in a deeper way and nurture relationships with them. So you can build on the assets only you have—your history, your product expertise, and your brand.



Making the most of digital channels with data and content.

Depending on the CPG sector, business objectives, and consumer journey stage, leading brands have developed different approaches to digital marketing. Here are some of the strategies they're using to create meaningful value for their consumers—and their businesses.

Strategy #1: Connect with consumers on their terms.

Traditionally, consumer brand websites have been focused on product education and brand awareness, leaving the conversion to retailer sites. Now, CPG companies are increasingly changing that paradigm, investing heavily in their own digital initiatives to drive sales. For example, several years ago L'Oréal redesigned its website, turning it into an ecommerce channel and reducing reliance on sales from big-box retailers like Target and Walmart. The web redesign team gathered insights on what consumers were searching for—such as how to get a certain look—and designed features and functionality in the website around these insights. The goal was to win over 1 billion new consumers by 2025 using personalization as a driver of sales. And they're well on their way. In less than three

years, they saw a 33.6 percent growth in ecommerce, accounting for 8 percent of total sales. With 25 percent of sales now coming from ecommerce and 62 percent of media investment in digital, L'Oréal is growing two times faster than the rest of the market.

The company continues to develop ways to enhance its direct relationships with consumers and build loyalty. They plan to launch two at-home beauty technologies in 2021 to address people's desire for beauty solutions in their current environments.

Strategy #2: Deliver consistent consumer experiences.

To create a better consumer experience across channels and e-retail partners, the strongest CPG brands are aligning the content that supports their products—so that it all looks the same and is described consistently wherever consumers go.

By leveraging the functionality of different e-retailers, CPG brands can provide complete product information and quality content so that consumers get all the information they need to make better decisions. The key is consistency. For example, Durex uses the same images and messaging on the company website as they do on Amazon and other e-retailers' sites. They also deploy high-quality branded content to reinforce their mission and messages. This helps consumers quickly recognize the brand across platforms, providing a more identifiable and consistent experience across every interaction, and on every platform.



Strategy #3: Engage your consumers.

CPG brands with a focus on both conversion and engagement are piloting new niche or limited-time brands, or working with retailers' private label programs. These niche and co-packaged initiatives give CPG brands opportunities to stay competitive in the face of rising growth in private label sales. They're also enlisting consumers to help with new product development and testing—all while collecting valuable consumer data and gaining new insights into their audiences' needs.

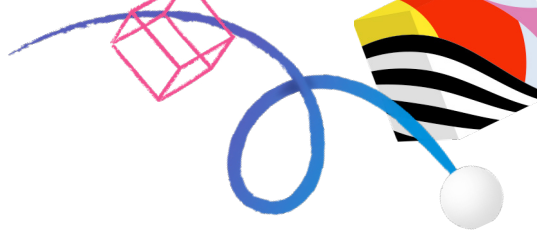
Strategy #4: Create content that entertains.

CPG brands that focus primarily (or solely) on offline sales care less about online conversion and more about building engagement through content and community. Mr. Clean is one example. A few years ago, their provocative Super Bowl campaign gave the traditional Mr. Clean a makeover, transforming the brand icon into a dreamy, dancing housekeeper, and ending his seductive dance sequence with the line, "You gotta love a man who cleans."

The brand ran a series of teaser ads on social media to build hype leading up to the big game, and then reached a massive Super Bowl audience and received over 11,700 mentions on Facebook, Twitter, and Instagram in a single minute. Their YouTube video has received over 17 million views. By creating a campaign that felt less like advertising and more like entertainment—and using social media to amplify it—the brand transformed an old, established cleaning product into a buzzworthy social media darling.

Today, Youtube is the second-largest search engine in the world. According to SiteImprove, 31 percent of consumers say they first

turn to YouTube video for product information. Brands that make those videos entertaining and engaging can create followings, build consumer loyalty, and drive revenue. In fact, Hangar12 claims marketers who use the channel report growing their revenue 49 percent faster than brands who don't. Perhaps that's why Hubspot reported brands like Keebler, Hot Pockets, and Frigo Cheese Heads on the list of brands that are "killing it" on YouTube.



Where to go from here.

As your consumers go online for more of their CPG needs, your digital tactics must shift. Here are some tips for building deeper relationships with consumers—and keeping their business for years to come.

Find your focus.

What works for Mr. Clean doesn't work for L'Oréal. That's why your first step is to consider whether you need to create content for acquisition, conversion, engagement, or a combination of these. With a clear sense of your business objectives, you can build the right strategy and tactics to reach your goals.

Show your higher purpose.

According to LEAD Innovation Management, consumers are looking for brands that share complete and honest information about their environmental initiatives, supply chains, and ingredients. When you have authentic stories to tell that highlight a focus on health, sustainability, or ethics, use them to show how you're meeting the expectations of today's purpose-driven consumers.

Think like a startup—or acquire one.

To accelerate product development, Unilever launched a tech incubator called Foundry that collaborates with up-and-coming startups to identify new partnership opportunities and business innovations. Unilever also bought Dollar Shave Club in 2016,

showing that sometimes, someone else's head start can work to your benefit.

Make data your new currency.

Acquiring first-party data will help you know when to cross-sell other products. Combining your own data with shopper data from firms such as Nielsen or Experian will improve your targeting and segmentation. Get inspiration from pioneering companies in other industries that have succeeded online by taking a data-driven approach. In addition, be clear about a key performance indicator framework and understand which KPIs matter.

Make data-informed content your king.

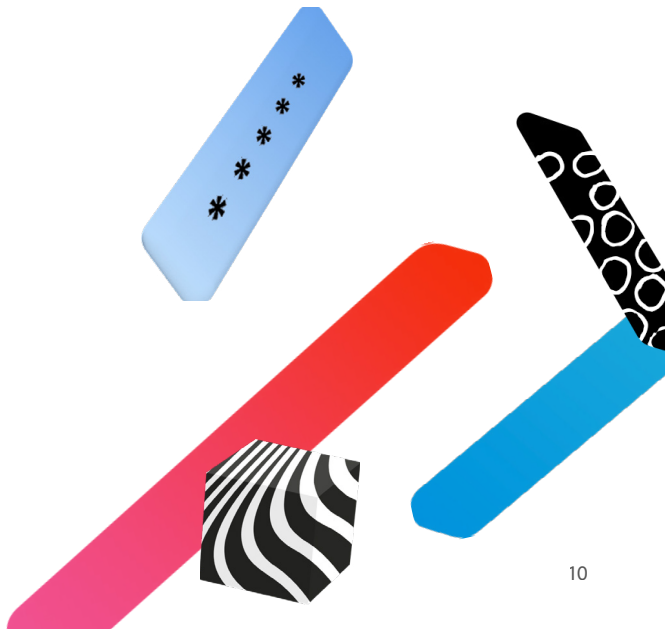
On your own site and across partner sites, targeted content can keep your brand current and relevant, guiding your consumers and simplifying their buying journey. Stay abreast of new content types and media formats for delivering it, and always be on the lookout for ways to improve your consumers' experience with your brand, as well as opportunities for engagement.

Add more rigor to your content management process.

To deliver a consistent experience across channels, you need a content management process that makes it easy to collaborate during the content creation process, centrally store and manage assets, efficiently reuse content, distribute it across channels, and measure its performance.

Drive better consumer engagement.

Engaging with consumers is the key to creating deeper relationships with them. Don't miss out on these opportunities to connect. If you offer a newsletter when consumers sign up for one, be consistent in publishing it. You can even use it to solicit feedback from consumers. Finally, consider organizing digital activities around consumer journeys rather than products so you can develop a more consumer-centric experience.





Adapt and thrive.

While leading CPG brands deploy a wide range of strategies, tactics, and tools to connect with consumers and drive growth, they all share common principles as they work to become experience-driven businesses. They're all incorporating the benefits of online business models and finding ways to deliver value across the entire consumer journey. They're making better use of consumer data. And they're getting to know their consumers better, listening to their feedback and using it to improve relationships.

By paying attention to what your consumers are looking for online—whether it's cost, convenience, content, community, or some combination of all of these—you can analyze how your business competes in those areas and use that information to improve digital experiences. With the right strategies and tools in place, you'll be prepared to quickly adapt to consumer needs and stave off the Dollar Shave Clubs of the future. While these digital upstarts might be adept at building new business models, what they don't have is your history and your brand. Keep experimenting with new ways to present your brand, study and measure your results, and stay laser-focused on improving your consumers' digital experiences. You'll reap the benefits.

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