



Unlocking

Direct-to-Consumer Relationships in CPG

From cleaning products to cooking sauces, instant coffee to ice cream, shower gel to soft drinks, CPG brands manufacture the trusted products that touch consumers' lives every day. However market saturation and changing tastes from pre-packaged goods to organic and more local fare have presented many challenges for CPG brands in an already ultra-competitive space.

The Covid-19 crisis has shifted the landscape, perhaps ad infinitum. Unlike its comparables in travel, retail and hospitality, CPG brands have enjoyed a bumper time in terms of sales as consumers turned to the products they trust. However, those CPG brands who have spent decades trying to be all things to everyone, thinking of every last product type and variant to dominate the market could no longer maintain that utopian strategy as products flew off the shelves faster than they could be stacked. Original, cushioned, soft, ultra-soft, gentle, and eco, then there's aloe-vera, spring, shea butter and coconut oil, just to name a handful of the variants of toilet paper one CPG brand offered pre-pandemic. Initially out of necessity, but now as strategy, many CPG brands have slashed choice by up to 30%. The brand responsible for the extensive menu of toilet paper reduced options from 40 down to 4...it hasn't impacted sales.

The coalescence of digital technologies, new competitors with vastly different economics, and consumers who eagerly incorporate multiple shopping approaches into their everyday lives is disrupting, disaggregating, and dislocating the vertical's once linear business model. **Winning in this new economy takes more than new product lines or shelling out additional advertising bucks on outdated broadcast models.**

Consumers are no longer merely online or offline. Their needs are more complex and unpredictable – integrating numerous channels all along the purchasing pathway. They use digital sales channels as information sources that move beyond purchasing and price comparison, and more as information gathering on ingredients, peer reviews, content, packaging options, ease of use, and convenience. Size is no longer the biggest determiner of success.

\$2TN

in CPG sales in U.S. in 2019

2X

online spending in CPG predicted to double in the next 5 years



The Value of

Direct-to-Consumer Relationships

In traditional parlance, direct-to-consumer means a brand is selling its product straight to the end customer without third-party retailers, wholesalers, or any other middlemen. Naturally, this is not the selling model in CPG, and represents a tiny fraction of the revenues in the vertical — particularly for the larger players.

Although millions of people are buying a specific product manufactured by a CPG brand, in essence they are a customer of the retailer. Forging direct-to-consumer relationships presents an opportunity to build new value and offer more authentic brand experiences based on an intricate knowledge of their consumers.

With DTC marketing, CPG brands have the ability to promote a product straight to their target consumers, bypassing intermediary channels.

It allows businesses to own their entire purchase journey, rather than merely the product, and to test and learn through data what resonates with customers. DTC marketing truly puts the consumer at the center of all strategy and activity, meeting their increased demand for authenticity and tailored experiences.

The modern consumer demands true personalization, is discerning about what they spend their hard-earned money on and craves unique brand experiences — both online and offline. They will gravitate towards CPG brands that know who they are, and connect with them on a mix of digital channels. The only way to fulfill this need is to harness DTC relationships — through the collection, harmonization and actioning of self-reported data.

That is why we have put together this white paper. To empower CPG marketers to take control of their data, action it, and ultimately unlock direct-to-consumer relationships. Rather than just tell, and beleaguer you with theory, we will show you along the way too.

6% online accounts for
6% of CPG sales

46% of marketers only have data from
a few of their channels connected

27% while a staggering 27% do not
have any channels connected



10 Ways to Unlock

Direct-to-Consumer Relationships in CPG

1 Too Much Data,
Not Enough Insight

2 A Single Source of Truth
of the Customer

3 The Third-Party Data
Quick Fix & Trust Economy

4 Turning Unknown Consumers
into Knowns in the Database

5 Collecting Actionable
Data at Scale

6 Meet and Exceed
Customers New Expectations

7 Data-Driven Engagement

8 Disrupt the Disruptors

9 Reward Customer Behaviors:
Loyalty Moments

10 Make Customers Your
Best Marketers: Advocacy



1 Too Much Data, Not Enough Insight

In the data economy, you never thought you would hear marketers complaining about having too much data. But for CPG marketers, that is precisely the problem — nearly a third of CPG marketers have “too much” data to analyze, while a staggering 38% don't know where their data is stored.

CPG brands are awash with data, but it's fragmented from all manner of sources. Consumers engage with the brand on multiple channels, but the data resides in systems like analytics, email, mobile, campaign management, point-of-sale, and social, which are not integrated, nor were designed to be integrated.

CPG marketers have no way of seeing the customer in a unified, single view, which is necessary to fully understand each customer and provide them with a personalized experience. The opportunity to wow the customer is lost forever.

The vertical is hallmarked by being responsible for numerous brands that permeate in multiple territories. The majority have undertaken huge digital transformations, however even the most modern and forward-thinking CPG brands have headaches managing countless brands, locations, time zones, languages and goals. Silos, particularly data ones are an unfortunate inevitability.

Ultimately, if you can't efficiently store and unify your data in one place, it will inhibit your ability to put it to work and drive value from it. And in turn, hamper your capacity to deliver a truly personalized, excellent customer experience.

31% of CPG marketers have “too much” data to analyze

38% of CPG marketers don't know where their data is stored



2

A Single Source of Truth of the Customer

Without a single customer view and real-time insights, organizations struggle to deliver the quality experiences that customers are looking for today. Unfortunately, many CPG brands are struggling with a litany of problems such as legacy systems, data residing in disparate silos, huge martech stacks, as well as numerous sub-brands and territories with unique KPIs. Not to forget the quality of the data swimming around is quite often imprecise.

A single customer view enables CPG brands to understand and better engage with customers by knowing who they are and what they are looking for. It acts as the single source of truth about your customers and gives you the ability to analyze past behavior in order to better target and personalize future customer interactions. It's quite simply an aggregated, consistent and holistic representation of all the data known by an organization about its customers.

Done fittingly you should be able to deliver the following:

- Unify customer data across all your internal systems, brands and territories
- Capture each customer's activities across all your channels and devices
- Use this information to seamlessly engage with each customer across any digital channel

58%

of enterprise CX leaders agree that lacking a single view of the customer and customer journey is the #1 challenge for effectively measuring customer experience

40%

of data records contain inaccurate data



The Engagement Data Platform:

The Single Source of Truth for CPG Brands

When a customer has engaged with an experience, perhaps entered their details in an Instagram story for a toothpaste free trial, redeemed a loyalty activity on diapers or given you valuable preference data in a sweepstakes on chocolate bars, you need that data ingested seamlessly and consolidated in one place – no matter what the data source.

For CPG brands with a plethora of sub-brands, by leveraging the Engagement Data Platform they can do just that – creating a single source of truth for a customer who engages with various different composite brands. Doing more than just bringing all of the data together, it provides marketers with a single, accessible, and actionable view that can be used to drive meaningful engagement with consumers.

This customer data is integrated in real-time and housed in a single view with unparalleled analytics, insights, segmentation, actions and intelligence. No hold up, and no silos, helping you improve efficiency and deliver ROI.

From here, marketers can deliver relevant, targeted email, as well as mobile, web, push, in-app, social, mobile wallet, and point-of-sale messaging. These applications provide marketers the ability to drive consistent brand experiences and immersive cross-channel interactions to their customers, competitors' customers and prospects.

The Engagement Data Platform empowers zero-party data marketers to deliver truly personalized, cross-channel communications, customer experiences, and loyalty programs all from one easy-to-use platform. Purpose-built to drive customer engagement, our platform enables end-to-end customer lifecycle management, driving revenue and customer lifetime value.

**READ MORE ON WHY OUR
EDP IS MORE THAN A CDP.**



3 The Third-Party Data Quick Fix & Trust Economy

Pick up any piece of Cheetah Digital content and we're perpetually extolling the virtues of data acquisition. But here's the kicker — we're only interested in good data. And by that we mean data that your customer has intentionally shared with you. CPG brands are of course data-rich, but a little scrutiny reveals the data they often own is consolidated from all manner of sources.

Rewind merely a few years and the third-party data market was in full flow, with too many marketers drinking the Kool-Aid and loading their CRMs with data sets from aggregators. Alas, a third-party email address or data point is the ultimate vanity metric, and this quick fix has led to consumer mistrust, as well as stale, useless data clogging up CRMs. Not forgetting a host of recent privacy regulations sweeping the globe, which not only outlaws many of these practices, but puts new risks on CPG marketers that have become hooked on the third-party data quick fix.

Third-party data can have its purpose of course, but over-relying on it is not just bad practice, it's often bad data because it is commonly amassed from a host of unrelated and unreliable sources like credit scores, cookies and click trails. As a result, it quickly becomes outdated and has no direct relationship with the individual consumer, which ultimately hampers the quality and effectiveness of your campaigns. Consumer preferences, budgets, household sizes and the like all evolve and change over time, credit scores go up and down, and third-party consumer data rapidly becomes antiquated.

More recently we've seen behemoths like Coca-Cola and Unilever pull social media advertising as part of a broader boycott of Facebook and Instagram for not getting to grips with hate and transparency. As consumer skepticism remains with advertising and the content they see on social media, it's time for CPG brands to shift some of the vast budgets away from social and focus on owned experiences that deliver value.

The job of today's marketer is to use data to improve the effectiveness of its campaigns, and the marketing its consumers receive. The status quo of useless data that can't be activated or housed in a comprehensive way makes this impossible.

30%

of data becomes inaccurate every year leading to less effective sales and marketing campaigns

14%

of consumers believe the information they read on social media is trustworthy



Apple's Privacy Pivot:

A Seismic Change for Advertisers

Apple is following the global trend of privacy as a differentiator rather than an afterthought and implementing a raft of changes in its iOS14 update. These changes will significantly hinder those hooked on powering digital ads through location, cookie tracking and the like.

The Identifier for Advertisers (IDFA) was shared with advertisers and app makers by default, but that will no longer be the case by the end of 2020. Analysts say ad personalization, measurement and other ways marketers reach consumers will cease to function.

Consumers have been making their thoughts known through action, with the number of users who have enabled 'Limited Ad Tracking' doubling in the last few years.

For CPG brands, the future lies in gathering data and insights directly from consumers and powering advertising from self-reported data.

\$87B

spent on ads in mobile devices in 2019

70%

of U.S. digital ad budget spent targeting consumers on mobile in 2019



4

Turning Unknown Consumers into Knowns in the Database

Open a kitchen or bathroom cupboard in any household and you'll almost certainly be greeted with tins, packets, jars and cartons of food, drink, detergents and products from well-known and trusted CPG brands. But the consumers that purchase them visit supermarkets, or order online to buy these items, almost never buying directly from the brand itself. And therein lies the problem: CPG brands don't know who their customers are. Or rather, they know who they are, they just don't know anything about them.

Well-crafted personas mapping to all different consumer profiles are a starting point, but it's not rooted in data, and they still rely on guesswork. They fall short of things like what compels your customer to buy, their wants, desires, preferences, and the deals and discounts that would drive them to purchase and loyalty.

CPG marketers can no longer look to cookie tracking, Apple's IDFA or aggregated third-party lists. Furthermore, squandering budgets on the broadcast approach of pushing digital ads wider, and further has not delivered a tangible ROI since the first ads were launched a quarter of a century ago.

As consumers are more cognizant than ever of the value of their personal and preference data, and the majority purchasing CPG products from third-parties, turning them into knowns in the database sounds like pie-in-the-sky utopia...but **it is entirely possible for CPG marketers to collect marketing opt-ins, purchase intentions and preference insights that are proactively shared directly with you by the consumer.** You merely need to ask and offer the right value exchange.

89%

of U.S. consumers will reveal purchase intent and other preference data if you offer a value exchange

42%

of U.S. consumers are prepared to share what products they may purchase in the future



5 Collecting Actionable Data at Scale

To collect the opt-ins and preference data required to turn unknown customers into knowns in the database, and to begin truly forging DTC relationships rather than guess, you need to ask. If you offer a tantalizing value exchange, consumers will share their preference data with you — data points like purchase intentions and motivators, accompanying their PII data, to improve personalization and help build up a picture of who they are.

Unfortunately it's not merely a case of "build it and they will come." Digitally savvy consumers expect to be entertained, engaged and receive something in return for their attention and personal data.

79% of consumers would supply preference data in return for discounts or coupons

80% of marketers plan to increase use of first-party data

CPG brands can deliver this through interactive experiences that conduct market research, accrue opt-ins and deliver an altogether better experience with a tangible value exchange for the consumer, in the form of added value (coupons, competitions, social kudos, or content to name but a few). Delivering experiences over interruptions is the key to collecting the permissions and preferences required to start building more meaningful relationships with consumers.

This class of data is called zero-party data — and it empowers CPG brands to build direct relationships with consumers, and in turn, better personalize their marketing efforts, services, offers and product recommendations.

As it comes directly and willingly from the consumer there are no intermediaries, no guesswork.

Akin to the painting of the Golden Gate Bridge, turning to a fully-fledged zero-party data strategy means your audience building will never stop, it simply evolves. Your customers preferences and needs change over time — perhaps there will soon be the patter of tiny feet and that artisan gin subscription needs to be replaced with diapers. The point is you need to be constantly enriching and replacing data points with both quality and quantity...and to deliver this you need to be engaging your customers on a regular basis.

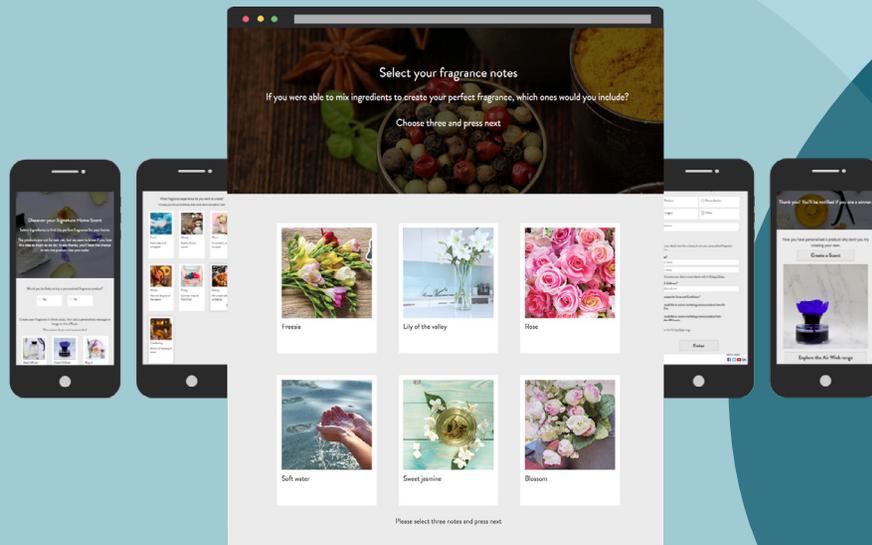


Reckitt Benckiser

Reckitt Benckiser turned to Cheetah Digital to replace the brand's existing research techniques, which were both costly and time-consuming, with more efficient and effective online research.

Its 'Fragrance Selector' campaign gave consumers the chance to design their own unique scent. This allowed Reckitt Benckiser to capture valuable audience data and marketing opt-ins, with the value exchange of the opportunity to win this unique product.

To consumers, the 'Fragrance Selector' campaign was a fun, interactive engagement, but to the brand it was so much more. It converted their marketing efforts into invaluable product research which informed future product development. Outbound promotional spend came home in the form of new opted-in contacts in their database – that increased ROI and led ultimately to a cost saving by increasing their ability to communicate directly with consumers rather than paying to reach them in the future through advertising.



15K

unique marketing opt-ins

150K

rich data points collected



6

Meet and Exceed Customers New Expectations

As digital consumers have evolved, the marketing they receive has not always leveled-up. Digital advertising budgets continue to increase year-on-year, topping \$100B in the U.S alone in 2019 – but more sophisticated targeting has not led to better experiences for consumers.

There are a myriad of reasons why digital advertising just isn't clicking any more, but fundamentally the medium requires a broadcast approach and your customers demand better. While some brands continue with the status quo of blindly squandering resources on an approach that yields a conversion rate lower than 0.1%, CPG brands like P&G are slashing ad spend altogether and turning to data-driven solutions.

Your customers expect communications that show you know more than just their name or ads for a product they have already purchased. Behaviors, attitudes and motivations have changed and will continue to do so. Any CPG brands looking to create a truly engaging experience need to meet consumers in the right way, at the right time, in the right place.

73%

of U.S. consumers have made a purchase from an email sent by a brand or retailer in last 12 months

In the burgeoning age of DTC in CPG, brands need to make the customer experience as seamless as possible because consumers are in charge, and if they encounter friction they will shop elsewhere.

Consumers want more access, more personalized content, more connected products and more customer service. A wealth of CPG brands' products live under the same umbrella and complement each other (e.g., toothpaste, mouthwash, floss, toothbrushes) however they're not always fully united by the brand – and if the brand doesn't connect them, the consumer won't either.

A company's job is to deliver on these consumer expectations. **The only way to do that is to maintain control of the customer experience from beginning to end of the sales cycle.** By forging DTC relationships, CPG brands can meet customer demands and build personal relationships with customers that help ensure future stability and longevity in a crowded industry.

180%

when it comes to driving sales, email beats banner ads, social media native apps and organic posts by 180%



7 Data-Driven Engagement

A modern messaging solution should empower CPG brands to use customer data to deliver highly personalized, contextual communications across various customer engagement touchpoints.

Having access to customer data helps to improve decision making, but it's the ability to action data that helps marketers to personalize and tailor the customer experiences a brand is generating.

Most CPG brands do email well, including elements of personalization, and various forms of testing and optimization, but that's where their data-driven messaging initiatives start, and end — in email. **Modern consumers interact with brands on multiple platforms and channels, and true data-driven messaging is about making every interaction with your customer meaningful and a moment of value.**

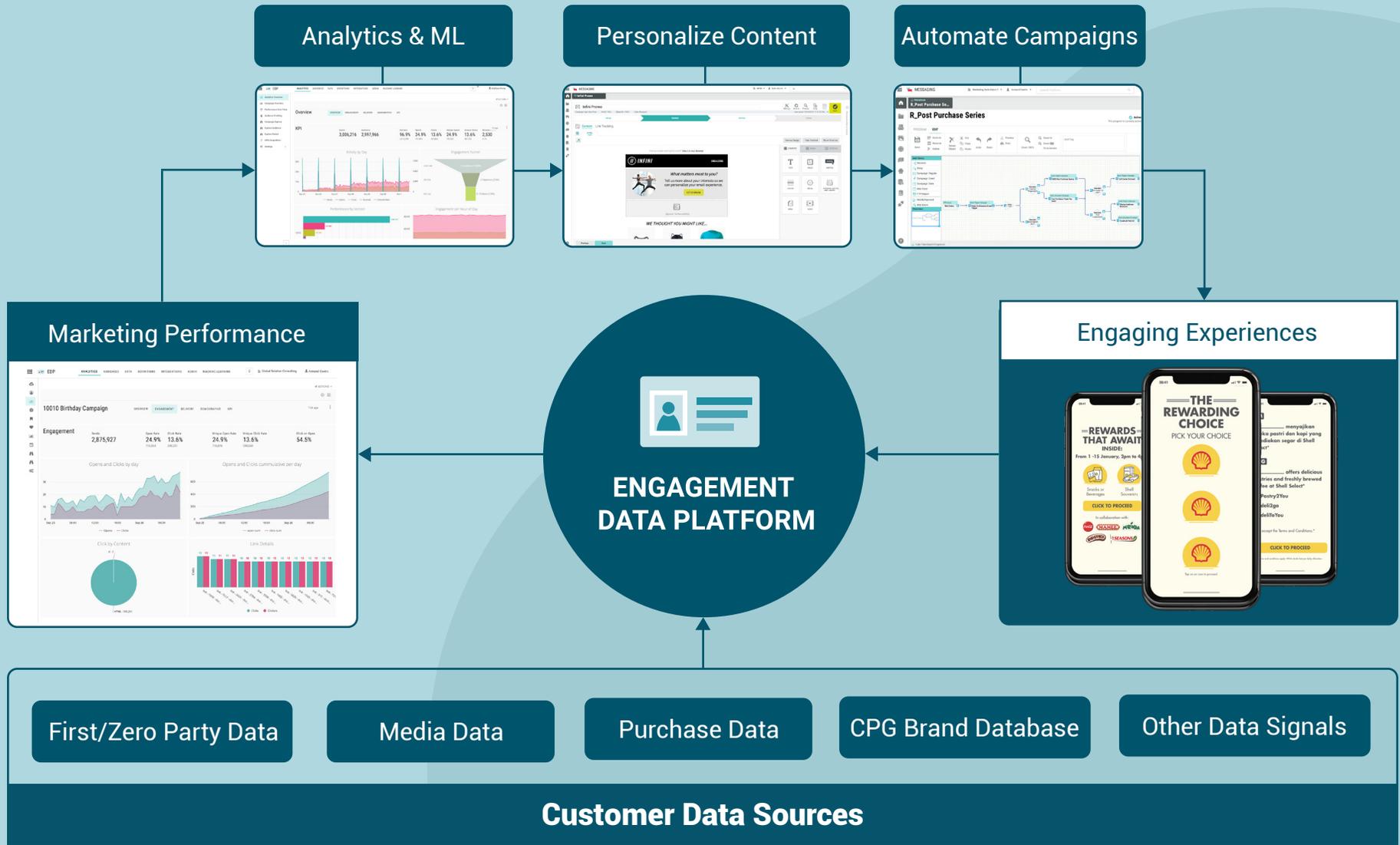
Getting into the nitty gritty, the Engagement Data Platform we discussed earlier — the unified view of the customer gives the CPG marketer the ability to launch campaigns across email, SMS, mobile wallet and apps which take action from the insights and analytics gathered. These can then trigger actions and events at scale, to drive meaningful results and streamline activities with automation and machine learning.

22% increase in cross-sell revenue through data-driven messaging

49% increase in spontaneous purchasing which is 19x as likely to be profitable as a result



Insight to Action



The consumer data that can be readily accessible and actioned upon:



Behavioral Data

Mobile and web data for segmentation and personalization / trigger messages based on web or in-app behavior.



Preference Data

Continually update customer communication preferences / engage in new and meaningful ways with customers.



Social Media Data

Identify influencers to drive engagement / segment based on social media profile.



Transactional Data

Product affinity data for cross and upsell opportunities / mitigate churn by engaging dormant customers.



Loyalty Data

Identify the most active and engaged customers for brand advocacy / reward loyal customers with inspiring and engaging content.



Experiences Data

Gather preferences and insights from polls, surveys, sweepstakes and games to drive segmentation and analytics / identify customers likely to churn or advocate.



Re-engagement Data

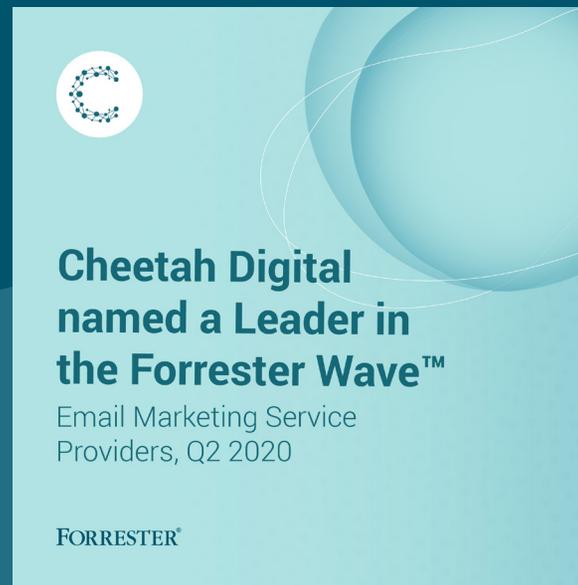
Use past behaviors to encourage interaction from lapsed or dormant customers.



Cheetah Digital Named a "Leader" in Forrester Wave for Email Marketing Service Providers, 2020

"Cheetah Digital solves data, automation, and services needs comprehensively. Today's Cheetah Digital combines several solutions from recent acquisitions brought to market as the Customer Engagement Suite. It consists of Cheetah Messaging for email and cross-channel marketing, Engagement Data Platform for data management and analytics, Cheetah Experiences for customer acquisition, and Cheetah Loyalty for customer retention.

The largest, most demanding enterprises should confidently consider Cheetah Digital as either a self-service, hybrid service or agency partner; it can take on most any circumstance."





Disrupt the Disruptors

Disruptor brands may only represent a fraction of total CPG sales, but it's an ever-increasing fraction that is getting the alarm bells ringing in boardrooms. Of course they're smaller, but as Goliath learned to his peril, smaller can mean more agile, and many disruptors are just that – selling direct-to-consumer, and collecting the opt-ins and preference data to truly understand its customers as individuals. **They're then using that data to deliver truly personalized messaging that engages and converts, complemented by a host of loyalty initiatives that go beyond points-win-prizes and engender lasting relationships that evolve into true advocacy.**

Consumers are now buying CPG goods from disruptors online, via mobile, at the office, through on-demand delivery, meal kits and personalized services, by using smart home and voice technology, and more. An unfathomable path to purchase for the majority of CPG behemoths shackled to an antiquated consumer approach.

\$17B

in revenue shifted from behemoths to disruptors in the last decade

6.2%

 revenue growth for disruptors in 2019

Where the disruptors flourish, the heavyweight CPG brands face a number of challenges. Many have revered and instantly recognizable brand names and logos, but fall down in unlocking direct-to-consumer relationships... as they seldom know who their customers are and how to connect with them.

Where they can't personalize and get the right messages in front of the right consumers at the right time, digital insurgents are waiting, with personalized products, meal kits, beauty bundles and the like – that can be ordered online, via mobile, at the office, through on-demand delivery, by using smart home, voice technology, and more.

That's not to say CPG brands don't have vast amounts of data...they're awash with it. However much of it is stale, inaccurate and siloed – adequately harmonizing it and then putting it to work is fanciful as things stand.

Joining them in their own space is the perfect way to compete, by meeting consumers where they're getting used to seeing brands, in the right way.



Take the example of a craft beer subscription retailer:



They sell direct-to-consumer through a host of channels: website, mobile app social channels.



Customers opt-in to the database to purchase as well as submitting preference data to create their perfect craft beer box: options like lagers, ciders, dark ales and stouts, etc.



Customers rate the beers they've received, building out their profile and further personalizing the products they receive, and don't receive.



Their personal profile lists all the beers they have had, countries they have ticked off, highest rated – gamifying the process.



Personalization gets more granular as their profile is built-out in the EDP – session IPAs, fruity saisons, crisp pilsner lagers, marshmallow stouts, beers from specific countries, combinations of these...the list is endless.



The craft beer retailer can trigger personalized offers that encourage upselling through SMS, email and in-app to the customer based on their purchase and engagement history. Like extra beers in the box for a certain price, an additional box of favorites on payday; or boxes for cultural events like Mexican lagers on Cinco de Mayo etc or American IPAs on 4th July weekend.



Loyalty points are accrued and trigger actions based on behavior – free beers for engaged customers, or payment breaks for lapsing customers. These can be triggered in real-time, through a host of channels including smartphones.



The brand can turn a loyal customer into an advocate by furnishing them 'golden tickets' to share with friends to bring in new customers.



9

Reward Customer Behaviors: Loyalty Moments

As discussed earlier, with CPG brands typically leveraging retail partners for distribution, they cannot rely on traditional avenues to realize loyalty initiatives: point-of-sale (POS), credit card, or eCommerce sales. At the same time, the retailers are typically not inclined to hand it over to their manufacturer partners as part of a loyalty or rewards program.

But when you've worked so hard to attain a customer it's essential to keep hold of them, however for some CPG brands, building a sound customer retention strategy is lower down the pecking order than attracting new business. Research shows that increasing customer retention rates by merely 5% actually increases profits anywhere between 25% and a staggering 95%.

For CPG brands, there's no bigger achievement than locking in a loyal customer – one who not only has affinity for the company's products, but trust for the brand's promises.

Where a fully-fledged customer loyalty program has been an afterthought of many CPG brands' go-to-market strategy, if implemented effectively it will offer immense benefits. Not only do they make it possible for you to identify your customers, but they help you collect comprehensive data points to further those DTC relationships.

Activities and promotions must be fun, engaging and offer true value. So a points program shouldn't be one-size-fits-all if you want to progress to a mature loyalty solution – you need flexible rules that enable your brand to consider a customer's entire activity history to drive rewards. **That's giving special treatment to your best customers, delivering contextually relevant rewards, and telling them where and when they can purchase your products.** In practice, it's about using data to deliver them the right offers and rewards at the right time.

CPG brands can do this by delivering personalized offers that use customer data to define, manage, and get tailored offers online, at the register, or even in-store with coupons, recommendations, and exclusive offers. You can include customers' entire activity history (beyond just purchase-based points), including engagement with social and email, store/site visits, and more to drive powerful rewards – remember all this data is accessible and actionable in the Engagement Data Platform.

Achieving emotional and lasting loyalty is no doubt complex, but it's the zenith of marketing success.

3% only 3% of U.S. consumers do not take part in loyalty programs

34% of U.S. consumers are more likely to participate in loyalty programs in 2020 than last year



A Large CPG Brand That Sells ice cream

A large CPG brand that sells a popular ice cream has numerous stores and wants to stimulate cross-channel loyalty.

A consumer visits their local ice cream parlor to purchase a few scoops of their favorite flavors. Whilst making the difficult choice of which tastes to combine they notice a QR code or short registration link with a call-to-action promising an immediate discount on today's purchase if the customer completes an in-store survey and joins its Loyalty program — all on their own mobile device. On sign-up, the reward will be ready to be redeemed at point-of-sale, literally faster than it takes to make that ordered sundae.

The ice cream brand can then foster loyalty and cross-selling by delivering timely offers through email, mobile wallet and SMS to be remunerated in supermarkets and other third-party retailers.



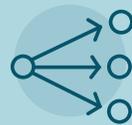
Mobile Wallet

Make offers accessible to customers (especially when the brand doesn't have an app). It allows for notifications and has an additional benefit of geolocation to alert customers when they are near a third-party retailer to redeem their ice cream offers.



Context

Create loyalty by reacting to real-time signals from customers, wherever they engage the brand and respond with relevant responses.



Channel

Shift communications and offers to follow the customer as they engage across channels. Online and offline, inbound and outbound, marketers should be where their customers are.



Point-of-Sale

Cheetah Digital integrates with the leading POS platforms including NCR, Oracle Micros and Aptos.



Cheetah Digital Named A “Leader” in Forrester Wave for Loyalty Technology Providers, 2019

“Cheetah Digital delivers modern, marketer-friendly loyalty tools. Cheetah Digital’s loyalty management capabilities bolsters its ability to deliver on its vision to help marketers create lasting customer relationships.

This vision already jives with the client references we talked with, who view Cheetah Loyalty as a full package: “[it] does many things well in one connected package.” Customers are very satisfied with the platform’s current capabilities — especially its segmentation and member data management capabilities.”



**Cheetah
Digital
Named a
Loyalty Leader**

The Forrester Wave™: Loyalty
Technology Platforms, Q2 2019

Get the report FORRESTER®



10 Make Customers Your Best Marketers: Advocacy

Advocacy will always look a little different in CPG. The products truly enhance and touch consumers' lives several times each and every day, but seldom get proudly showcased on social media feeds. However, in the digital and banner-blindness age, consumers are still more receptive to recommendations from peers — meaning word of mouth is still one of the most powerful, trusted and effective methods of advocacy.

From using a sensitive detergent to wash the family's laundry, to always buying the same brand of ketchup that the whole household loves, CPG brands enjoy a soft advocacy that is difficult to quantify.

They can engender this through Corporate Social Responsibility (CSR) On sign-up, the that elevate their brand to more than just a retailer. CSR On sign-up, the allow CPG brands to not only enact positive change, but when brands choose to do something that is not about its bottom-line, it builds trust and advocacy with consumers. Consumers feel that when they use a product of a socially responsible company, they are doing their part. **The more socially responsible the company, the more supportive the community and consumers become** - many CPG brands have taken this responsibility particularly seriously during the Covid-19 pandemic.

CPG brands that have full-formed CSR programs to name a few are Johnson & Johnson, planting millions of trees to offset their carbon footprint; Coca-Cola implementing initiatives to pioneer forms of green energy; and Kellogg's with its world-renowned plan to feed disadvantaged children.

5X advocacy is a necessity as the cost of digital advertising is rising 5x faster than inflation

6K just 10 advocates has a reach of 6,000



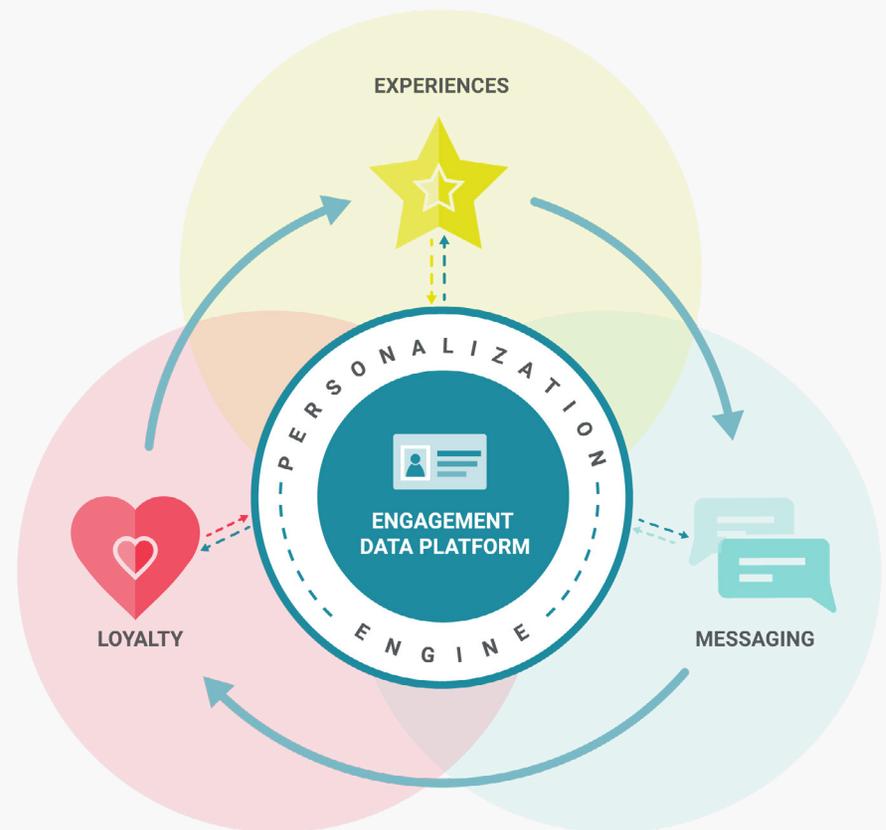
Conclusion

Unlocking direct-to-consumer relationships in CPG is about building meaningful relationships, not an additional sales channel. Direct-to-consumer sales are always welcome of course, but the overarching goal is to put the consumer at the center of your strategy, and truly deliver on their demand for authenticity, convenience and personalized experiences from the CPG brands they do business with.

Consumer behaviors are more complex and unpredictable than ever, they spend time on numerous channels, expect tightened privacy whilst also demanding better personalization. To realize and exceed these expectations, marketing must be powered by self-reported data – and for those still flirting with third-party, cookie tracking or random device identifiers, the time is now to shift to a fully-fledged first- and zero-party data strategy.

CPG brands are blessed with huge amounts of data, but sorting what's relevant, compliant and unifying it in a single source of truth is a mammoth, but essential task for those that want to start implementing a cohesive and comprehensive engagement strategy.

The customer journey will always be fluid and constantly evolving, with consumers changing their shopping habits regularly. A single source of truth is key to driving real-time decisions that are highly relevant and personalized and orchestrating those decisions across all channels. It's up to today's CPG brands to gather, analyze, and execute on data from all customer-facing touchpoints – whether digital-only or digital and physical.



Cheetah Digital is here to help



Cheetah Digital has and continues to offer all of our strategic partners extended Experiences, Loyalty, and Campaign Services assistance. Already we have been there for our Messaging clients where email deliverability support has been of greatest importance as they've responded to these extreme business needs. From multiple rush campaigns to dealing with a huge volume of Coronavirus notifications, Cheetah Digital has supported those making difficult decisions.

Just because this is a time of extreme uncertainty we all can't allow ourselves to panic. Keep determined and plan for the future — with great change comes great opportunity and a unique freedom to approach things in new ways. There awaits a changed world post-Coronavirus that will want to embrace the things that were enjoyed before, but it will be different. If at all possible take this disruption as a chance to pause and look at your role in your retail business, a pause you would never get otherwise. Review your tools, strategies and plans. Get strong, make good decisions, and be sure that when this is over you are informed and ready to make changes that put you in a better place. Look to the horizon and remember this too shall pass and your customers will want to spend again.

**Cheetah Digital partnered with Econsultancy to conduct research around how consumers feel about loyalty, privacy, and control of their data. All stats referenced in this resource are from that research.*

[Find out more here.](#)

