

BORN

From Physical Shelves to Digital Carts: FMCG's Remarkable Transition

A BORN XDS Exploration

Table of Contents

02	The Evolution of FMCG
06	OREO: A BORN XDS Case Study
08	Top Issues & Trends
10	Conclusion
11	References
12	Get in Touch

The Evolution of FMCG

'Fast Moving Consumer Goods' (known as 'FMCG', are non-durable household goods such as packaged foods, beverages, toiletries, etc.) have been a staple on retail store shelves since the very first store.

As the name suggests, the FMCG industry moves fast — products sell quickly, they're delivered constantly, restocked daily (if not multiple times a day), and the consumer expects them to be readily available at numerous retail locations.

In recent years, these high-speed retail movements made this industry less than ideal for ecommerce.

Until recently, selling FMCG online in a 'direct-to-consumer model' made little sense, not only because the technology to handle such rapid sales, restocking and delivery wasn't what it needed to be, but also because retailers didn't need to go to customers because the consumers always came to where FMCG brands were.

The global COVID pandemic crushed large sectors of the retail industry. However, retailers that had already established a solid ecommerce foundation could rebound much faster than others; some even saw record profits due to their online preparedness.

While the impact of the pandemic on the FMCG industry varied depending on factors such as region, product category, and supply chains, some packaged-goods sectors experienced a surge in demand due to consumer stockpiling, while others faced significant challenges, especially those with a heavy reliance on out-of-home consumption and complicated distribution channels.

That was until COVID changed shopping habits and customer behavior forever.

The consumer-packaged goods industry in the US alone lost \$82 billion in sales during the pandemic.¹

¹<https://www.grocerydive.com/news/empty-shelves-sapped-retailers-of-82b-in-cpg-sales-last-year/618569/>

The good news is that signs point to a full recovery in the FMCG industry.

The latest report on FMCG business shows a market valued at \$11,490.9 billion (USD) in 2021, which is estimated to reach \$18,939.4 billion by 2031.²

The bad news is the consumer behaviors that FMCG brands have historically based their sales and marketing strategy on, have now vastly changed!

Real-time price comparisons are now more accessible, leading consumers to be more price-sensitive than ever before, the abundance of product information and customer reviews has created a more empowered consumer and the convenience of online shopping has changed how, when and where customers can be reached.

As a result, FMCG companies need to be sure they focus on comparative and competitive pricing, improving product information, growing positive consumer

feedback, and building a strong online presence to maintain and grow market share in the new ecommerce landscape.

As the world rebounds from the pandemic, smart retailers are shoring up their online sales strategy to better diversify the channels through which they can deliver their goods to consumers.

This shift in focus to online direct-to-consumer sales has become the main action plan in 2023 for a lot of big brands in the world of FMCG.

Nonetheless, transitioning consumer packaged goods sales to an online ecommerce model requires a smart, strategic action plan and an in-depth knowledge of today's consumers and technology trends and demands.

² <https://finance.yahoo.com/news/fmcm-market-reach-18-939-163000822.html>

BORN Group has over a decade of experience helping global FMCG brands cross the 'physical shelves to digital cart' divide.

Taking a 'human-centered', 'mobile first', creative content approach, BORN Group implements leading industry standards and best-in-class technology to deliver award winning ecommerce sites.

BORN's team of digital experience experts rigorously analyze best practices,

consumer trends, new technology offerings, customer expectations and user experience/personalization into consideration when designing and 'future proofing' ecommerce sites.

This is true to the work we did with OREO.



OREO: A BORN XDS Case Study

In an effort to improve online sales and conversion rates, the globally iconic cookie brand 'OREO' (owned by Mondelez) came to BORN Group just before the COVID pandemic.

OREO had the foresight to see that by increasing their ecommerce efficiency and improving the UI/UX of their online store they could help bolster access to their products, increase profits, meet consumer demands and even create new demand with new offerings.

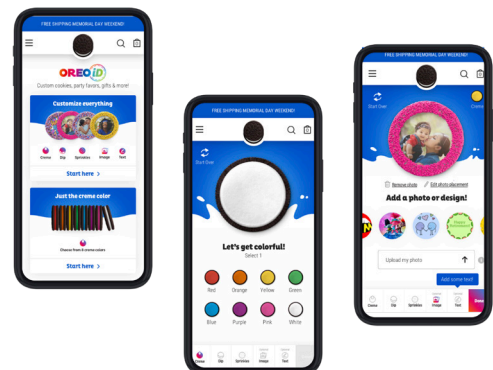
At the time, their online sales were stagnant and consumer engagement was poor, mostly because their customers purchased OREO cookies directly off the shelf through traditional FMCG retail channels — there was no drive to go online for purchases.

OREO wanted to change their consumer's behavior, as such, they knew they needed a unique sales proposition to drive customers to their online store.

In order to achieve this, they would need a new, state-of-the-art, trend-setting online store.

BORN Group's designers and engineers performed an intensive investigation into OREO's consumer base and the operational and technical aspects of their online store. Through this discovery process BORN not only uncovered several technical issues affecting the site's performance but also discovered unique insights into their brand's consumers.

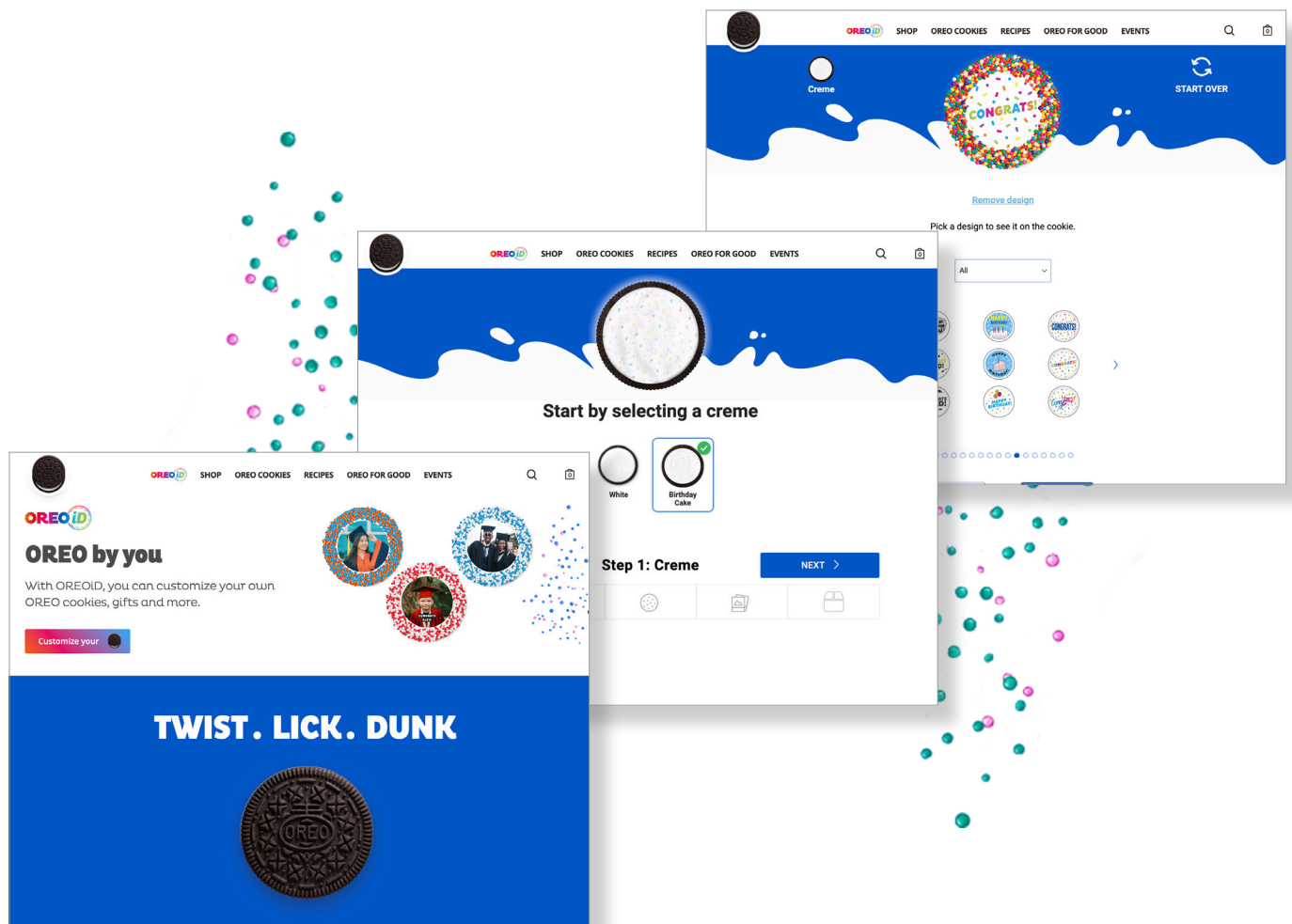
Armed with this new information, BORN developed a new, globally recognized, award-winning ecommerce site — utilizing key FMCG trends of: Personalization, Influencer and Social Media Marketability, along with Omnichannel Retailing and Mobile Commerce.



OREO's new online store has helped set the 'new standard' for online personalization with their 'OREOiD' platform.

BORN developed this new system that allows OREO's customers to choose their own cookie 'creme' colors, decorate cookies with sprinkles or fudge, or even top their customized treats with personal photos or messages.

This new unique and engaging customization process is not available as an in-store retail option and has given consumers a reason to order OREO cookies online, thus improving sales and consumer engagement — making OREO a well known 'go-to', for unique personalized products for special occasions, gifts and fun!



Top Issues & Trends

If your FMCG brand is looking to diversify sales channels and grow consumer engagement this year, these are the top issues and trends you should know.

01

Omnichannel Retailing

FMCG brands must adopt an omnichannel approach, integrating their physical stores with all online platforms! These new sales channels create new ways to engage with consumers, respond to product feedback and reviews and even develop automatic recurring sales with options to purchase through websites, mobile apps, social media, and in-store.

02

Personalization and Recommendation Engines

FMCG brands are leveraging customer data to offer personalized shopping experiences. Advanced recommendation engines analyze customer behavior and preferences to suggest products tailored to individual interests, improving customer satisfaction and increasing sales.

03

Subscription Models

Subscription-based ecommerce models have gained popularity in the FMCG sector. Brands are offering customers the convenience of recurring deliveries for essential items like groceries, toiletries, and household products. These are often paired with special deals for subscribers, making it even more attractive.

04

Sustainable and Eco-Friendly Initiatives

Consumers are increasingly conscious of environmental issues. FMCG brands are responding by promoting eco-friendly products, sustainable packaging, and adopting environmentally responsible practices, which also resonates with online shoppers.

05

Voice Commerce

The rise of voice assistants and 'smart speakers' has opened opportunities for FMCG brands to implement voice commerce strategies. Voice-enabled devices can facilitate easy and quick reordering of products, making the shopping process more convenient for consumers.

06

Artificial Intelligence and Machine Learning

FMCG companies are utilizing artificial intelligence and machine learning algorithms to optimize supply chain management, demand forecasting, and inventory management. These technologies help reduce costs, minimize wastage, and improve overall efficiency, ensuring the products will always be there for the customer — which builds brand loyalty, and customer satisfaction.

Top Issues & Trends (continued)

If your FMCG brand is looking to diversify sales channels and grow consumer engagement this year, these are the top issues and trends you should know.

07

Augmented Reality (AR) and Virtual Reality (VR)

AR and VR technologies are being used to enhance the online shopping experience for FMCG customers. Virtual try-ons and interactive experiences allow customers to visualize products before making a purchase decision.

08

Same-Day and Last-Mile Delivery

Fast and efficient delivery options have become crucial for ecommerce success. FMCG brands are investing in logistics to offer same-day or last-mile delivery services, meeting the increasing demand for speedy order fulfillment.

09

Environment, Social, and Governance (ESG)

Studies³ show most shoppers are more likely to buy from brands addressing 'ESG issues' as part of their business goals, whether through initiatives addressing water scarcity, gender and diversity, data protection and privacy, human rights, or donations and political lobbying, to mention just a few.

³ <https://www.pwc.com/us/en/services/consulting/library/consumer-intelligence-series/consumer-and-employee-esg-expectations.html>

Conclusion



Staying ahead of the digital retail revolution demands consistent innovation.

Retail digital transformation is essential for staying competitive in today's fast-paced market. BORN Group has extensive experience in retail business solutions and supports over 90 clients globally — catering to their ever-evolving needs. Knowing that speed is key for success within this changing environment, we ensure our clients achieve cost savings, optimized performance, and improved efficiencies at pace and scale.

If your FMCG brand is looking to close the consumer gap between 'store shelves' and 'digital carts', BORN Group would love to speak with you and walk you through our award-winning steps to digital ecommerce transformation.

References

- 1 <https://www.grocerydive.com/news/empty-shelves-sapped-retailers-of-82b-in-cpg-sales-last-year/618569/>
- 2 <https://www.pwc.com/us/en/services/consulting/library/consumer-intelligence-series/consumer-and-employee-esg-expectations.html>
- 3 <https://finance.yahoo.com/news/fmcg-market-reach-18-939-163000822.html>

BORN

Get in Touch

Connecting creative, content, and commerce, BORN XDS is an award-winning, global agency that helps brands with digital transformation.

BORN is a Tech Mahindra company.

Contact **BORN XDS Global**

Visit Our Website

