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Clear Conversations: Food, Drink & Consumer Goods - Discussing clear strategies for growth in 2021

A report from Clear M&C Saatchi and tml Partners
from their panel discussion with consumer
brand marketing leaders



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Introduction

Continuing a successful partnership, Clear M&C Saatchi hosted a webinar in partnership with tml Partners, bringing together marketing leaders from consumer goods businesses to discuss their strategies to deliver growth in 2021.

The discussion was moderated by Geraint Jones, Global Marketing Director at Clear M&C Saatchi and featured:

Michael Benson, UK Marketing Director for UK at Church & Dwight

Steve Monk, Business Unit and Marketing Director at Pladis Global

Valerie Breitholle, Consumer Excellence & Product Development Lead at Mondelez International

Ana Sanchez, Vice President Consumer Division EMEA at McCormick

Mark Killey, Head of Offer at Clear M&C Saatchi

Emma Calder, Senior Consultant at tml Partners

Mark began the session by discussing some of the challenges and opportunities facing FMCG brands as we look forward to 2021.

He set the scene by highlighting the central tension in marketing in 2020 – the fact that whilst it can feel like everything has changed in 2020, in many ways the world is very much the same as it was in 2019. For marketers in the consumer goods industries, that has translated into incredible pressure to look like they are responding to and understanding change.

Mark went on to point out that much remains uncertain – and due to the pace with which the various crises

have moved at this year, there is still a lack of data and understanding around long term impacts. This in turn forces marketers to make decisions about future strategy with less certainty than ever.

However, marketers cannot stand still – there's an increasing expectation from business leaders that marketing will be a key driver of growth as we begin to exit the worst of the crises of 2020. Mark urged marketers to make the time to step back and really assess how much their larger strategic priorities have changed – and then assess their medium and long term plans to identify the big bets they should make in 2021.

2021 – the year of real marketing leadership

Mark then spent a little time discussing the role of marketing leadership in times of uncertainty and chaos. He picked three key ways in which marketers can lead their organisations forward in 2021:

1. Give clear direction

It can be tempting to make kneejerk decisions and follow the herd. Instead, it is marketing's responsibility to help the organisation make smart choices and to champion a consistent strategy.

2. Be relentless in the pursuit of growth

It can be tempting to focus on short term tactics – especially in under pressure categories and a world dominated by quarterly targets.

However, in this case, a best defence is a strong offence. Brands which focus on finding additional or replacement sources of growth will be the ones to thrive in the coming years.

3. Have the confidence of your convictions

Marketers have always had to operate in a world of uncertainty. Even with all of the best data and insight, some decisions are still based on equal parts data and experience. So, have the confidence of your convictions – decision paralysis will be far more damaging in the long run.



Four Clear opportunities for FMCG brands in 2021

Having highlighted the role of marketing leadership, Mark then pinpointed four key opportunity areas for FMCG brands in 2021:

1. Optimise your portfolio for long-term growth: The debate over whether to diversify or rationalise in crisis is often a false choice. How much you do of each will be dictated by the particular conditions within your categories – and relative strength (or weakness) of your core range. There is no one size fits all approach.

The one universal piece of advice is to ensure that any money saved is (as far as possible) reinvested in the support of other brands and the development of new more effective propositions. It is not enough to simply cut. But neither is it smart to simply invest in a crisis without making the hard decisions around what is and is not performing. Coca Cola is a good example of this. Their CEO James Quincy said recently:



“We need to do a better job of nurturing and growing smaller and more enduring propositions and exiting zombie brands”

Balancing both diversification and rationalisation is the key.

2. Have a long-term vision for the future of your category: In a year in which marketing has felt reactive and highly pressurised, the luxury of time has been hard to come by. But at the same time, we know that every category is being disrupted and that most, if not all, retailers are really looking at all of their categories with fresh eyes.

It's a fist fight. Across the UK's top 6 retailers there are 13,724 fewer product lines on shelf than there were in March. To secure the space to grow, your brand needs to create a level of confidence in your retail partners by demonstrating that you have a truly holistic view of the future of the category – and increasingly, The future of

the way consumers shop that category. Those with vision will choose the direction. The rest will be forced to follow.

3. Cut through with more memorable in-home experiences: Whilst your retail partners will be important, the way you show up in home will be a real differentiator – and source of hard-to-find growth.

So it's confusing to us that so many brands under invest in the sensory aspects of their in home experience. A recent DotCom Ecommerce study showed that 24% of consumers say they're more likely to make repeat purchase if they receive branded or gift-like packaging from an online retailer. And, if that's not enough to persuade you, Glade secured an 83% increase in sales on WalMart.com by filling the typical packaging pillows found in all WalMart delivery boxes with Glade home air freshener.

In home is a critical experience moment – and almost universally poorly executed.

4. Don't prioritise – instead, be choiceful: Clear strategy allows brands to make smart choices. It's not simply a matter of prioritising a list. It's about being confident enough to remove, remix or replace the individual elements of a plan as the immediate and future context changes, without losing site of the long-term goal.

Only then can marketing leaders evaluate fast-moving opportunities dispassionately – and take the right action to either act or not in the face of change. Those that fail to do this waste time, effort and money. Those that do find untapped opportunity – and capitalise. Dettol and Lysol's global partnerships with transport brands like TFL and Hotel brands like Hilton are a fantastic example of strategic opportunism expertly executed. It's doing well by doing good – and delivering against the long term growth strategy.

Striking a balance

Our panellists all agreed that the key to planning for 2021 was balance.

Steve highlighted the need to deliver short term financial targets whilst simultaneously creating a long term three-year strategic plan.



"It's not been an either or year – instead it's been a year where business as usual has had to sit alongside crisis response."

Ana noted that in order to really thrive, it has become even more clear to business leaders that



"keeping the needs of the consumer at the heart of everything the brand does is the critical element to invest in."

That means increased investment in data analytics, insight and understanding are crucial – both to allow for short term opportunism and to continuously refine long term planning.

Valerie agreed that understanding the customer was ever more crucial – but

that the key was to balance the need to understand the immediate changes we're experiencing with the truth that many if not all of the longer term trends remain the same as they were in 2019. How brands execute against these trends and shifts may have altered due to the context we're all operating in – but the underlying drivers of long term change are largely the same.

Michael's view was that 2021 would see an increased tension between the need to invest heavily in tactics to win in the short term – around channel, pricing, assortment and format – and the need to also plan effectively for the longer term. He pointed out that marketing leaders would be operating with smaller budgets, fewer staff and in a world where consumers had reduced spending power and were more cautious around discretionary spending. So whilst he agreed that a guiding strategy can help brands stay true to their course in hard times, he felt that its role in '21 was to help brands make smart short and medium term tactical choices - to balance staying afloat and avoiding being blown off course.

What's the right team to take in the challenge of '21?

Emma then tackled the question of what this all meant for the shape of the marketing function in '21.

She pointed out that many marketing leaders have used 2020 as a moment to take stock of their team and structure – and critically assessed the capabilities they have in place against the long term needs of the business.

There's been an immediate focus on performance marketing, affiliate marketing, social media and, crucially data and insight – all of which point to the panel's focus on getting closer to the consumer. In particular, Emma expected there to be a real battle for customer and market insight talent in 2021

as consumer brands continued to look to invest in this space – and B2B brands wake up to the need for better, more real time analytics around customer behaviour.

Emma concluded with a key point for marketers looking to reshape or grow their teams in '21 – increasingly, there is a real premium being placed on values, ethics, trust and kindness – both by those looking for new roles and those looking to stay put. So demonstrating a values led approach to leadership and investing in coaching, supporting and developing your existing team will also be a key factor in your success in '21.

The same fundamental needs in a changed context

The panel then spent some time discussing the type and speed of changes experienced in 2020 – and how those changes impact their thinking for 2021.

They all mentioned that the speed of some changes had been artificially accelerated by the various crises of 2020. Michael pointed out that the convenience category, through no fault of its own, has been hugely disrupted by the drop in commuting and travel more generally. So brands like Batiste have had to identify new occasions in which the product is being used.



“Encouraging new use occasions for all sorts of products will be crucial in '21.”

Ana mentioned that the boom in home cooking has had a hugely positive impact on McCormick – all driven by the context of working from home and lockdowns – but that maintaining that interest as we return to more mobile lives with less time in the home will be a challenge that the business will have to solve for in '21 and beyond.

Valerie focused on the opportunities created by the artificially accelerated investment in digital, direct to customer and delivery channels – and highlighted the need for brands to

“invest in distinctive sensory experiences in home that deliver real moments of ‘wow’”



around previously quite functional brand experiences.

Steve explained that the increased time at home has driven snacking and indulgence to a real high – with biscuit sales increasing as consumers treat themselves more often in the home. Practically that meant pulling forward plans to launch more indulgence focused snack brands in 2020 and to delay investment in healthier options until next year, when the fundamental desire to live healthier lifestyles will slowly reassert itself.

That flexibility to adjust strategy on the fly is only possible with a clear and constantly updated understanding of the consumer. Steve admonished some brands for having taken their consumers for granted in recent years and encouraged them to

“take this opportunity to invest in the quality of the product and the experience to really establish a depth of trust that sustains your brand”



as the enforced behaviour changes of 2020 give way to a more balanced set of needs and behaviours in 2021.



Having a clear role – and not being afraid to polarize

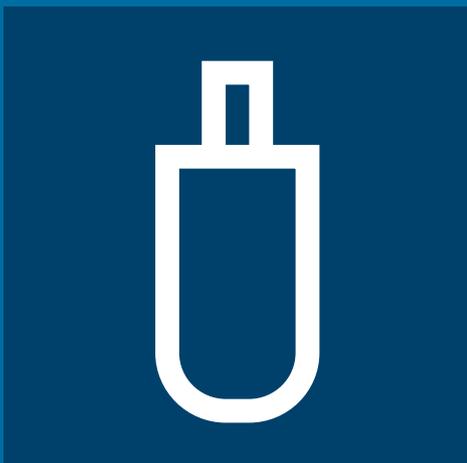
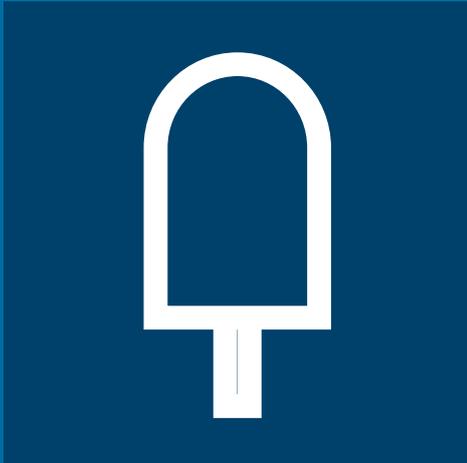
Finally, the panel spent some time unpicking why it is we've seen surges in seemingly opposing types of consumer behaviour. People buying more takeaway meals AND buying more healthy cook at home mealkits. People eating more biscuits AND more fruit and veg.

Steve pointed out that this was simply a continuation of a trend towards brands focusing on having more pointed, specific benefits appealing to a subset of consumer needs. A number of mainstream brands with mass appeal have been in decline for some time – outflanked by challenger brands that have invested in sharper, pointer and more personality filled propositions and product ranges.

Valerie pointed out that bigger brands have an opportunity to become more focused in their approach to innovation – to tap into these polarised needs and use them to simplify portfolios. That in turn allows for a more efficient supply chain, which releases more budget to invest in smarter diversification. The big brands have an in built advantage in terms of scale and access to customer data and insights – the challenge is to use these advantages to win in 2021.

Conclusion

Amid changing consumer behaviours and shifting expectations 2021 represents a major opportunity for brands to gain strategic advantage. Whether through balancing your portfolio to make sure it meets needs at different ends of the spectrum, investing in sensory to create a truly distinctive in home brand experience or increasing investment in keeping the consumer at the very heart of decision making, consumer brands have a selection of big challenges to grapple with in 2021. Having a clear but flexible strategy in place to help guide decision making is key, because being choiceful – in a world of reduced budgets and consumer spending power - will be the secret to delivering growth.



About Clear M&C Saatchi

Clear is a global growth consultancy.

We use clarity to cut through complexity and generate growth.

We do this in four main areas:

Business Consulting

Helping you deliver a clear vision and strategy to underpin the future growth of your business.

Brand Consulting

Creating true clarity around your brand purpose, positioning and identity to enable rapid, focused growth.

Experience Consulting

Closing the gap between your marketing and your brand experience to drive customer retention and incremental growth.

Innovation Consulting

Unlocking new innovation opportunities across product, service, brand and experience to deliver incremental commercial growth.

Our speaker, Mark Killey is our Head of Offer and is a director specialising in strategy and innovation. Over more than a decade at CLEAR, he's worked on a wide range of brand positioning, portfolio strategy and product & service innovation projects across Food & Drink, Healthcare and Technology. Mark is responsible for renovating, innovating and championing Clear's approach to strategy, ensuring we have a joined-up, consistent and differentiated offer that enables us to unlock our future growth ambitions.

Mark Killey

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About tml Partners

With a team of highly experienced consultants, we provide specialist marketing expertise that is unrivalled by generalist headhunters and in-house resourcing teams. We network extensively in this community continually adding value with thought provoking events and publications to help facilitate the agenda for the marketing leaders of tomorrow.

Finding the right marketing talent is far from obvious and ineffective hiring is high risk. tml Partners mitigate this risk with a truly dynamic perspective on hiring the best marketing talent. We're trusted and connected networkers in the senior marketing community and spend a lot of time understanding the motivations and building meaningful relationships with the best, hard to find, passive talent.



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Emma specialises in senior marketing appointments for leading brands across FMCG, Food and Beverage, Consumer, Retail and eCommerce.

Emma has extensive experience recruiting in these sectors working with blue chips through to smaller start-ups. She recruits across all marketing disciplines - brand management, marketing communications, insights, innovation, trade/shopper/customer channels as well as digital and eCommerce.