

Blue Bite

Connecting Possibility: The New CPG Marketing Model for Personal Care Brands

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Table of Contents

Intro	3
The Problems Facing Today's CPG Personal Care Brand	4
Solve These Problems with the New Marketing Model	10
Results CPG Companies Can Expect With the New Marketing Model	15
The Benefits of Connected Products in the New Marketing Model for CPG Personal Care Brands	16
Gather Zero- and First-Party Data	21
Create Better Consumer Experiences With a Connected Products Platform	25
Conclusion	29



Intro

Today's consumers are drawn to brands whose values align with their own and make an effort to foster genuine connections.

And with experts estimating that people now see anywhere from

6,000 to 10,000

 ADS EVERY DAY¹

traditional marketing methods alone no longer truly engage consumers in a meaningful way.

That's where the **New Marketing Model** comes in, empowering CPG brands to finally send the right message to the right consumer at the right time. This is done with data-driven marketing at scale, using the brand's own zero- and first-party data to reduce reliance on expensive, unreliable third-party data.

This guide illustrates how innovative Health and Beauty-focused CPG brands are using connected products to create and grow personalized connections with consumers as a crucial component of the New Marketing Model.

The Problems Facing Today's CPG Personal Care Brands

*The biggest issue consumers experience when connecting with brands is that they are **contacted too often** — and the connections aren't relevant.*

— Blue Bite's Connected Products U.S. Consumer Trend Report

This lack of relevant engagement contributes to additional common challenges faced by health and beauty companies in the CPG industry.



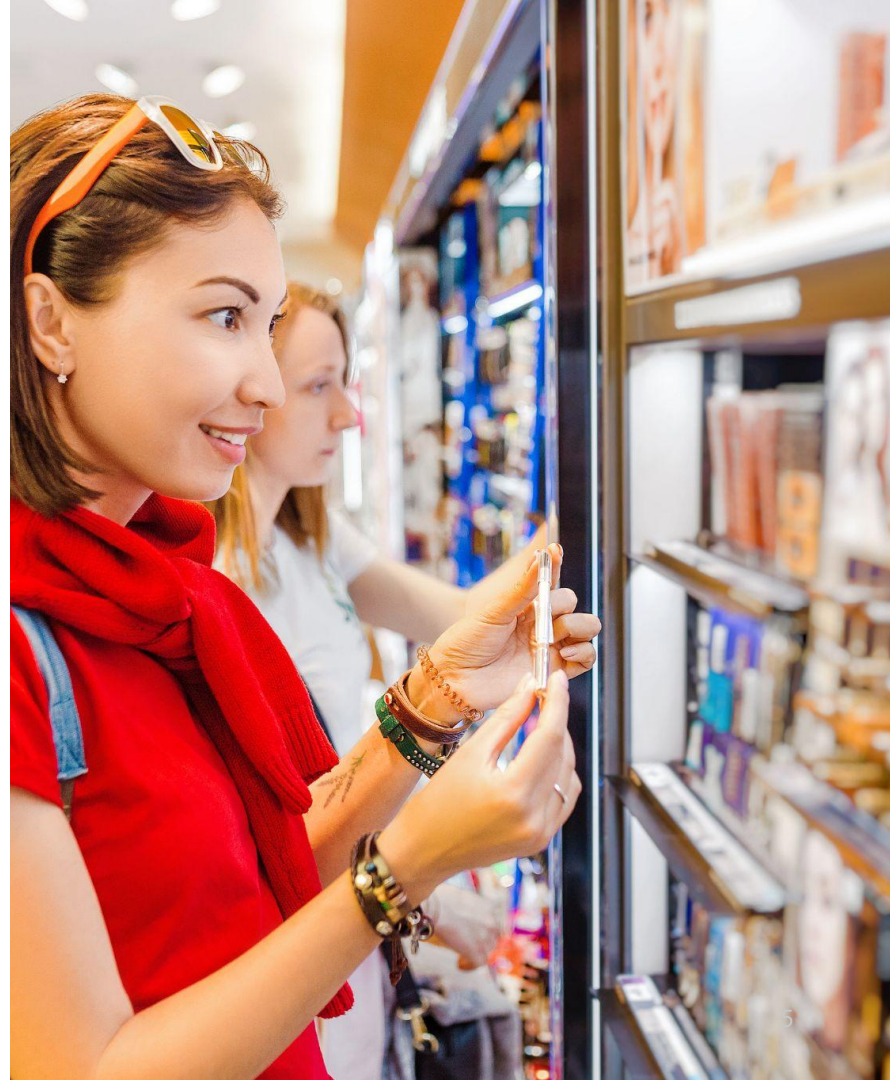
Competing for Consumer Attention

The beauty and personal care industry is valued at

\$534 and expected to increase nearly **6%** annually
BILLION IN 2022 THROUGH 2026²

By the end of 2022, a staggering 25% of those sales will come from online sales alone – showing the massive potential for brands to connect with consumers directly to increase sales².

With consumers seeing thousands of ads a day, brands must cut through the noise. However, brands aren't just fighting for consumers' attention from other companies – they're also faced with trying to connect with consumers amid the over-saturation of content across social media, websites, TV and more.



Counterfeit Personal Care Products

Counterfeit health and beauty products harm a brand's reputation and bottom line — they can also be extremely dangerous for consumers.

Disguised as real goods, counterfeit products can contain harmful chemicals, substances and toxins, including³:

- **Aluminum**
- **Bacteria, including E. coli**
- **Cancer-causing chemicals⁴**
- **Cyanide**
- **Lead**
- **Mercury**
- **And more**

If consumers mistakenly purchase and use counterfeit products, they can make false assumptions about a company's true product quality — or worse, experience serious consequences from the dangerous chemicals and substances in those goods.

Counterfeit goods harm brands' revenue, pose safety risks, lead to product recalls and overall can negatively impact consumers' view of a company — so it's crucial for brands to take steps to combat consumer purchase of those goods.



THE PROBLEM FACING TODAY'S CPG PERSONAL CARE BRANDS

Consumer Demand for Authenticity

An overwhelming

83%

OF CONSUMERS

said that retailers need to provide more authentic shopping experiences, a *Stackla survey* found⁵.



What's more,

46%

OF CONSUMERS

indicated they'd pay more for a brand they trust, according to a *Salsify report*⁶.

In today's marketing, it's not enough for brands to convince consumers why they need a product. Brands must figure out how to foster authentic, genuine relationships with consumers through promoting shared values and appealing to customers' personal interests, preferences and more.

Sustainability and Transparency

A report from The Benchmarking Company found that

64% of consumers consider sustainability very important when considering buying a beauty product —



UP MORE THAN 5% FROM THREE YEARS AGO¹.

However, with nearly **75% of consumers** indicating in a Harris Poll commissioned by Google Cloud that they think brands overstate their sustainability efforts, it's important for companies to be transparent⁸.





THE PROBLEM FACING TODAY'S CPG PERSONAL CARE BRANDS

Clean Ingredients

Consumers are increasingly concerned about what's in their products.

The natural and organic cosmetics and personal care market is valued at:

\$32 BILLION IN 2022

By 2027, natural and organic cosmetics and personal care items will account for over:

\$50 BILLION of the health and beauty market⁹

With consumers wanting to know exactly what's in their products, it's more important than ever for brands to be clear about the ingredients that go into personal care items.

Solve These Problems With the New Marketing Model

In the CPG industry, the most effective, innovative food and beverage brands leverage technology to gather data, connect with consumers and make changes to their systems based on the information they learn in the process.

It's data-driven marketing at scale, and that's the **New Marketing Model**.



As detailed by McKinsey & Company, in the New Marketing Model, there are five key areas for brands to unlock data-driven marketing and make an impact at scale¹⁰:



**Identified Consumer Demand
and Opportunities for Growth**



Technology and Data-Based Systems



Timed and Tailored Delivery



Capable, Collaborative Teams



**Scalable Operations and
Adaptive Structures**

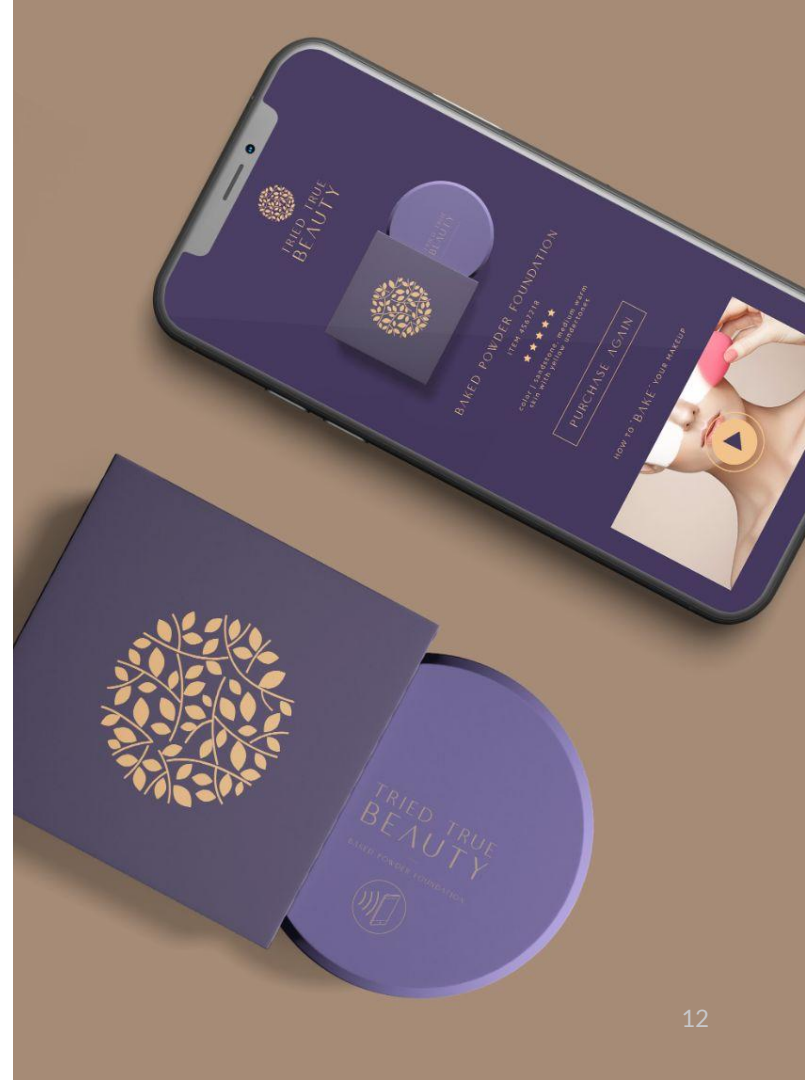
Implementing the New Marketing Model requires an overhaul of how marketing departments operate – but that doesn't mean brands have to make a complete, immediate change in their entire strategy to gain the same benefits. Here's a closer look at how innovative brands are implementing a connected products platform to easily deliver personalized experiences at scale, today – and what they can expect to get in return.

Data-Driven Marketing at Scale

CPG marketers need to know how to implement data-driven marketing and analytics at scale, while still telling stories that appeal to audiences' values¹¹. This empowers food and beverage brands to more effectively target consumers and build lasting connections.

While DTC and in-store retailers historically have had direct, measurable interactions with consumers, the real-time analytics that comes with first- and zero-party data were previously largely inaccessible to CPG brands, who were left relying on third-party data and assumptions to gain insights to market to consumers.

But thanks to connected products and connected product platforms, this is no longer the case. Brands can now understand how, where and when consumers are interacting with your products with first-party data — all in real time.



Timed and Tailored Delivery

Broad-reaching, powerful storytelling will always remain a cornerstone of marketing, but today's innovative marketers are utilizing data and analytics at scale to empower more targeted engagement that leads to more sales and increased lifetime value.

Coupled with technology and data, brand marketers can now effectively tailor:

- **Who sees advertisements**
- **What messaging they see in those advertisements**
- **When they see them**
- **How they see them**

Brands can change individual advertisements or messaging based on who views a product or ad and how they interact with it.

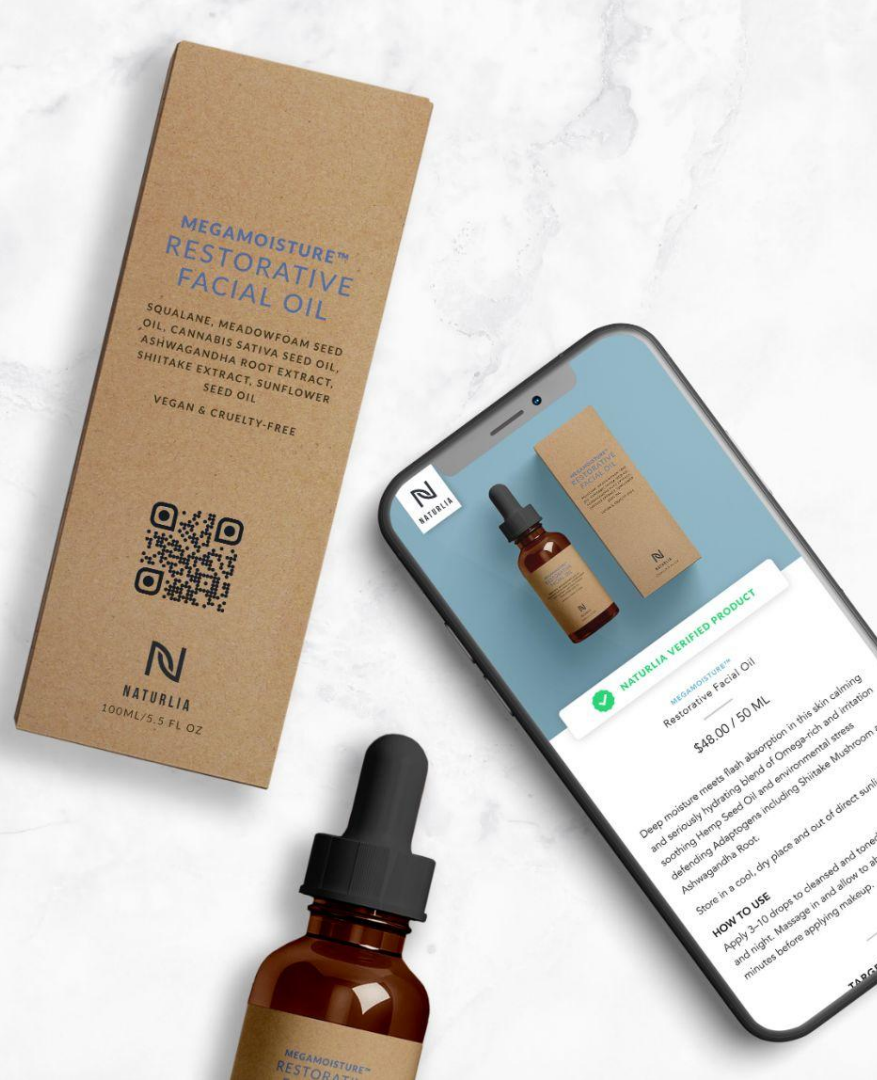
Connected products within the New Marketing Model empower brands to have the most effective delivery – they ensure every consumer can be reached with the right message at the right time.

Product Authentication

Thanks to connective technology, with a single tap or scan, consumers can gain peace of mind that the product they're holding in their hands is the real deal.

Especially when making the first purchase from a third-party retailer, consumers should be assured that the product they're buying is authentic.

List authorized third-party retailers, provide proof of regulatory compliance, explain ingredients and list any additional certifications to show your brand uses clean or environmentally friendly ingredients – all at the item-specific level and with a single scan.



Results CPG Companies Can Expect With the New Marketing Model

As a whole, the New Marketing Model empowers brands with first- and zero-party data that helps them create better approaches to marketing – which in turn helps them grow their entire business and bottom line. Using a connected products platform is a large part of building this approach.

When implementing the New Marketing Model:



Connected Products

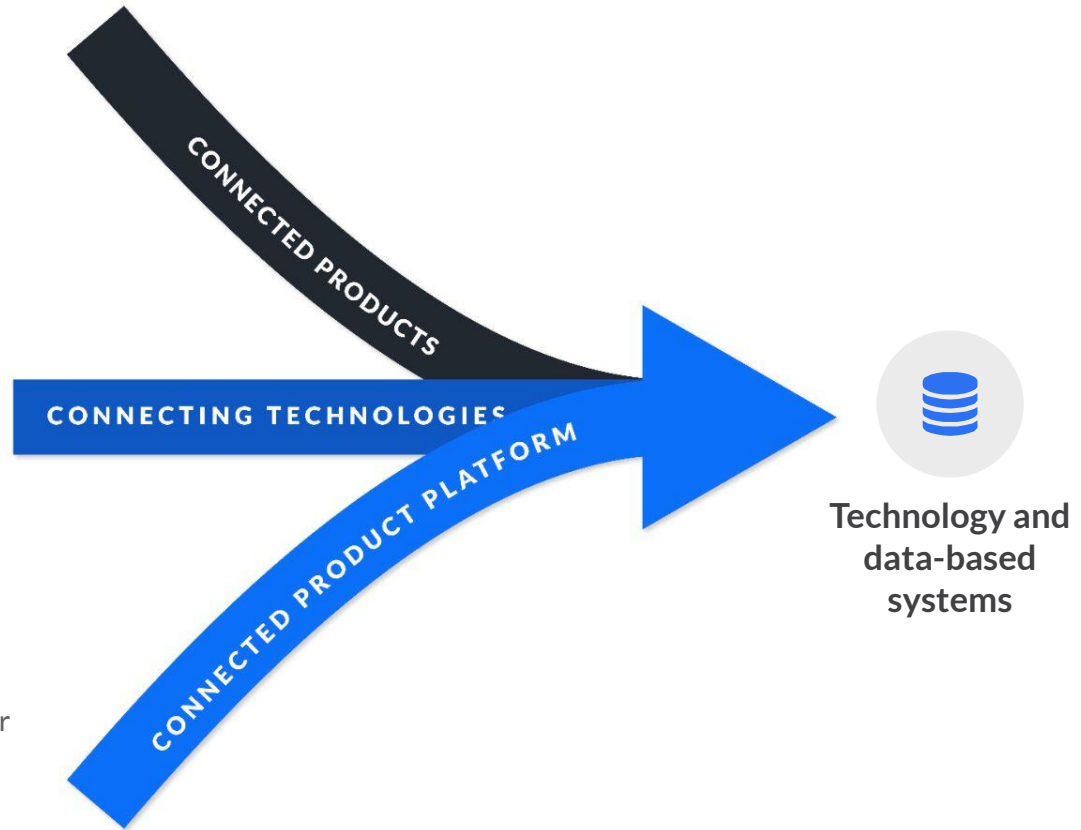
transform physical products into a digital platform by adding connecting technologies to packaging or the product itself.

Connecting technologies

like quick response (QR) codes and near-field communication (NFC) tags, and connected products, which are enabled with these technologies, empower brands to form these connections.

Connected products platforms

like those powered by **Blue Bite**, make these connective experiences possible and empower brands with real-time data they can leverage to improve those approaches.





THE BENEFITS OF CONNECTED PRODUCTS IN THE NEW MARKETING MODEL

For personal care brands, this could be:

- **On the product's packaging**
(E.g., QR code on the product label)
- **Embedded in a bottle or the product packaging itself**
(E.g., NFC on a jar or lid)
- **On an external tag**
(E.g., Hang tag on the neck of a bottle or a sticker on select packages)

What Are the Benefits of Connected Products?

Amid the many marketing challenges food and beverage companies face, brands must figure out how to authentically appeal to consumers with the right messaging at the right time.

Connected packaging and products enable **high intent interactions**, which are launched by the consumer themselves. This results in more relevant, **higher-quality interactions**.

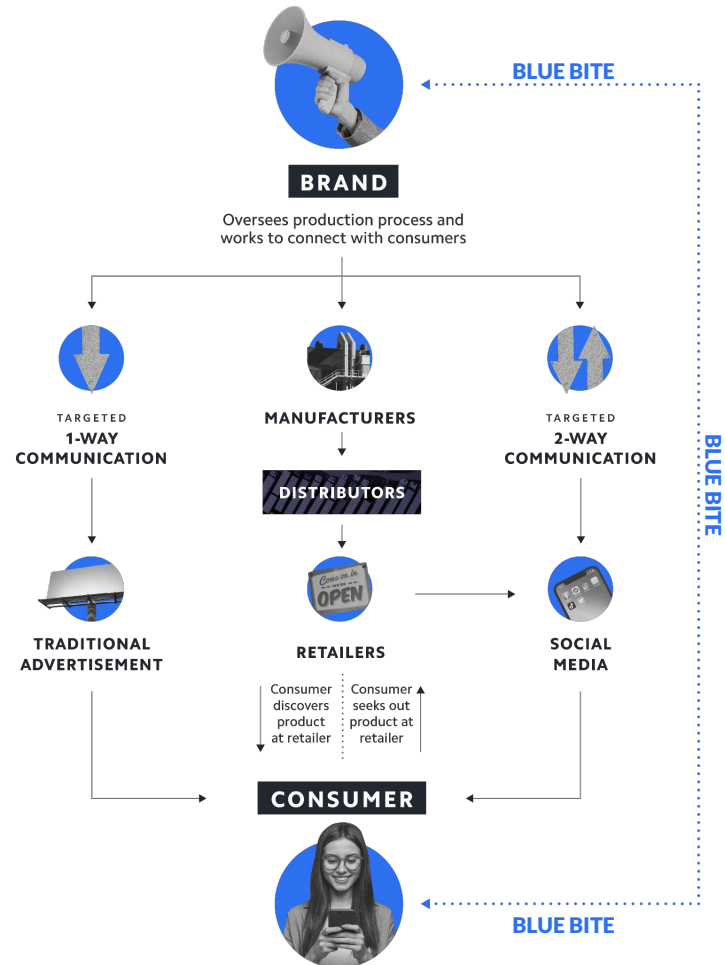
Here's how connected products and the **New Marketing Model** look in action.



A Cycle of Continuous Connectivity

Whether or not consumers purchase from a brand after their first scan, brands can continue fostering that connection long after the sale. Based on contextual data like a consumer's location, their personal preferences and more, brands can inspire and delight consumers with personalized, always up-to-date content that builds brand awareness, increases transparency and drives loyalty.

While CPG brands once relied on third-party data to learn about ideal customers and their preferences, that's no longer the case. With the New Marketing Model, the key to having the best, personalized approach to each consumer is first- and zero-party data.



Gather Zero- and First-Party Data

Brands know that effective, continued connections with consumers are the best way to build brand loyalty. And brand loyalty, compared to continually relying on new customer purchases, is the best for their bottom line.

A report from Bain & Company found that in a given year, repeat customers spend **67% more** than new ones¹⁴.

But for brands to start and build those lasting relationships, they must know their consumers. Instead of using third-party data from social media or other companies, brands should turn to customers themselves to learn how to best appeal to them with first- and zero-party data.





Third-Party Data

Third-party data is obtained (bought) from a site or source that often does not gather that data itself – it's typically an aggregation¹⁵.

Third-party data sources include:

- **Websites**
- **Social media sites**
- **Other platforms**

When brands use third-party data to make decisions, it's difficult to know where the information came from and how it applies to their specific audience.

With the New Marketing Model, brands no longer have to rely as heavily on expensive – and often unreliable – third-party data.

First-Party Data

First-party data is collected by a company from consumers. A brand gathers this information based on how consumers interact with its site, products, and other accounts¹⁶.

Connected products can deliver this data through consumer interactions at each tap or scan, directly to a brand's CRM. This includes interactions with the product, linked social media accounts, point of sale (POS) systems, loyalty programs and more.



Zero-Party Data

Previously referred to as “declared data,” the term “zero-party data” was first coined by Forrester Research¹⁷. What differentiates zero-party data from first-party data is that a consumer knowingly, willingly and intentionally shares this data with a brand¹⁸. It’s done on a basis of trust.

Connected products deliver powerful zero-party data through preference centers, consumer-specified purchase intentions, surveys, quizzes, polls and more — all within the personalized mobile experience.

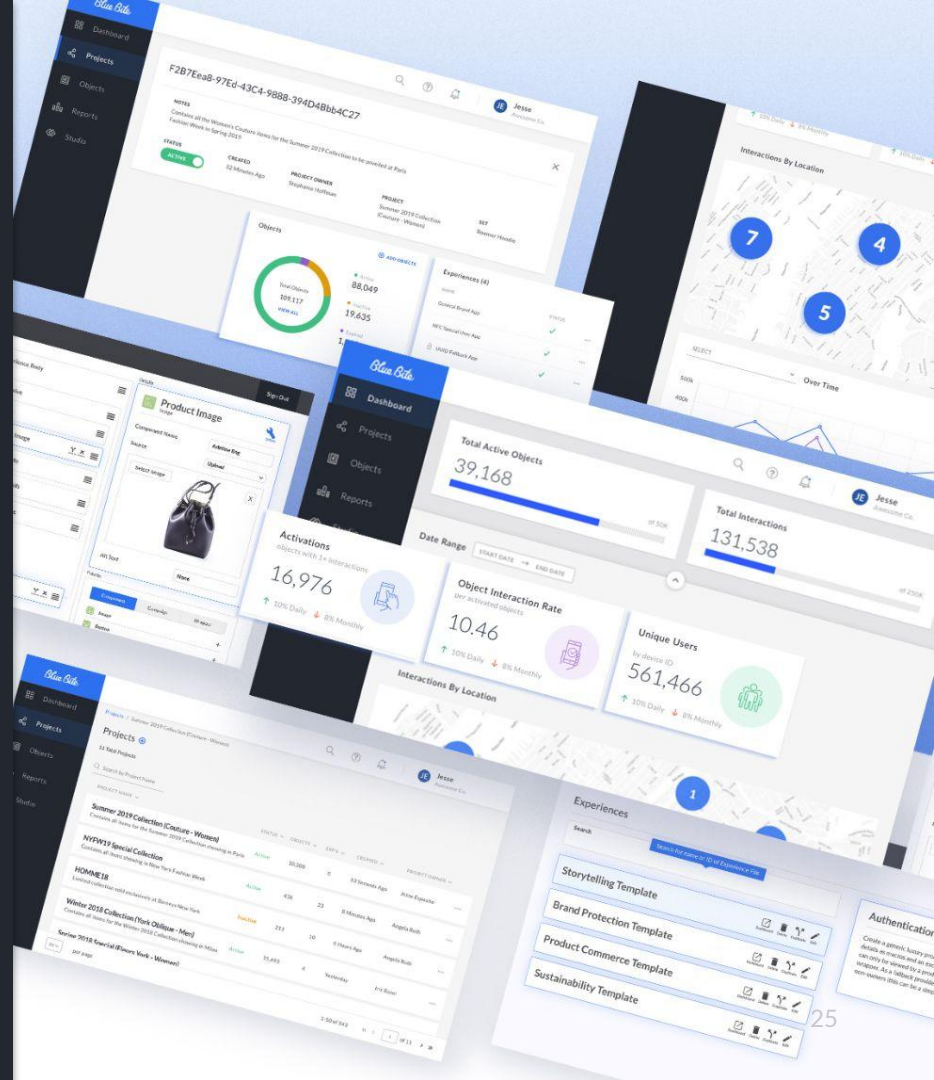
When brands see that consumers are willing to share information and build that relationship with them, it indicates they’re doing something right.

“When a customer trusts a brand enough to provide this really meaningful data, it means that the brand doesn’t have to go off and infer what the customer wants or what [their] intentions are. First-party data doesn’t let us do that¹⁹.”

— Fatemeh Khatibloo, Former VP and Principal Analyst at Forrester

Create Better Consumer Experiences With a Connected Products Platform

Connected products can play a crucial role in a brand's pivot to the New Marketing Model. However, without a connected products platform that personalizes those interactions at scale, those connected products are essentially rendered useless.

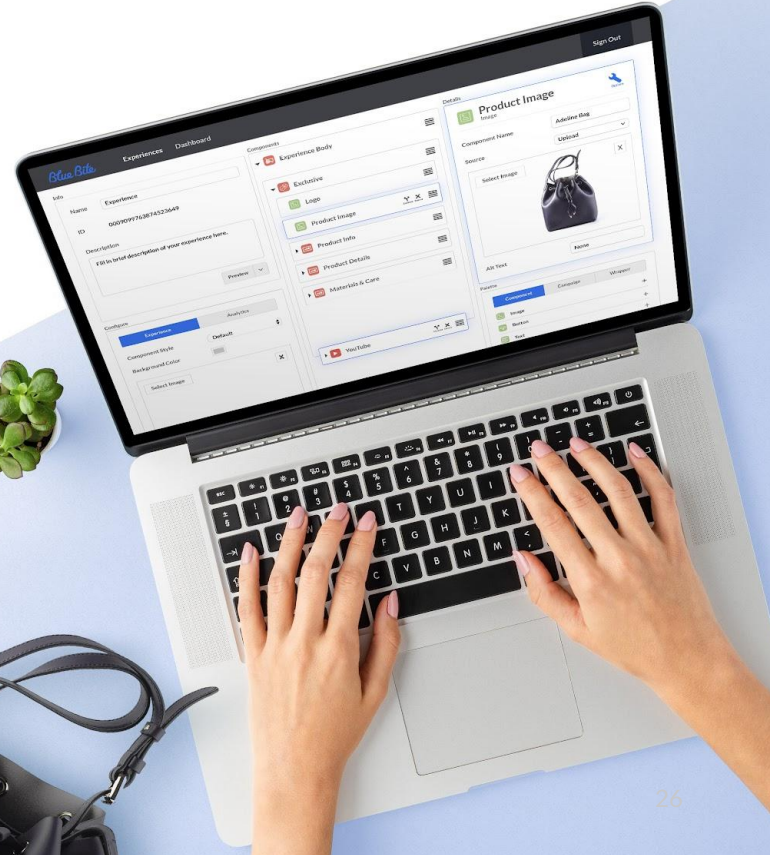


Blue Bite is the connected products platform that empowers brands with powerful first- and zero-party data to continually create improved Experiences for consumers – giving them that authentic connection they crave.

QR codes and NFC tags once linked to static web pages that did not engage consumers. Blue Bite's connected products platform empowers brands to create dynamic Experiences that companies can personalize for each consumer based on their:

- Location
- Language preferences
- Past preferences
- And more

It's dynamic storytelling and relationship-building that keeps consumers engaged and coming back for more.



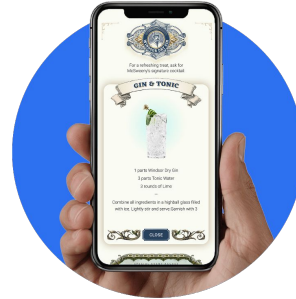
How Dynamic Experiences Work in the New Marketing Model

With dynamic experiences, brands jump ahead in the sales funnel by showing customers exactly what they want to see. This helps build trust and therefore makes consumers more likely to make a purchase.

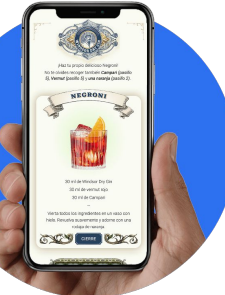


Here's an example of how a Skincare brand could contextually share different experiences depending on the consumer's location and time of the year.

SCREEN 1:
A WINDSOR BRANDED COASTER SCANNED IN A CHICAGO BAR IN MAY.



Screen reads:
For a refreshing treat, ask for the signature cocktail: the Windsor Gin & Tonic.



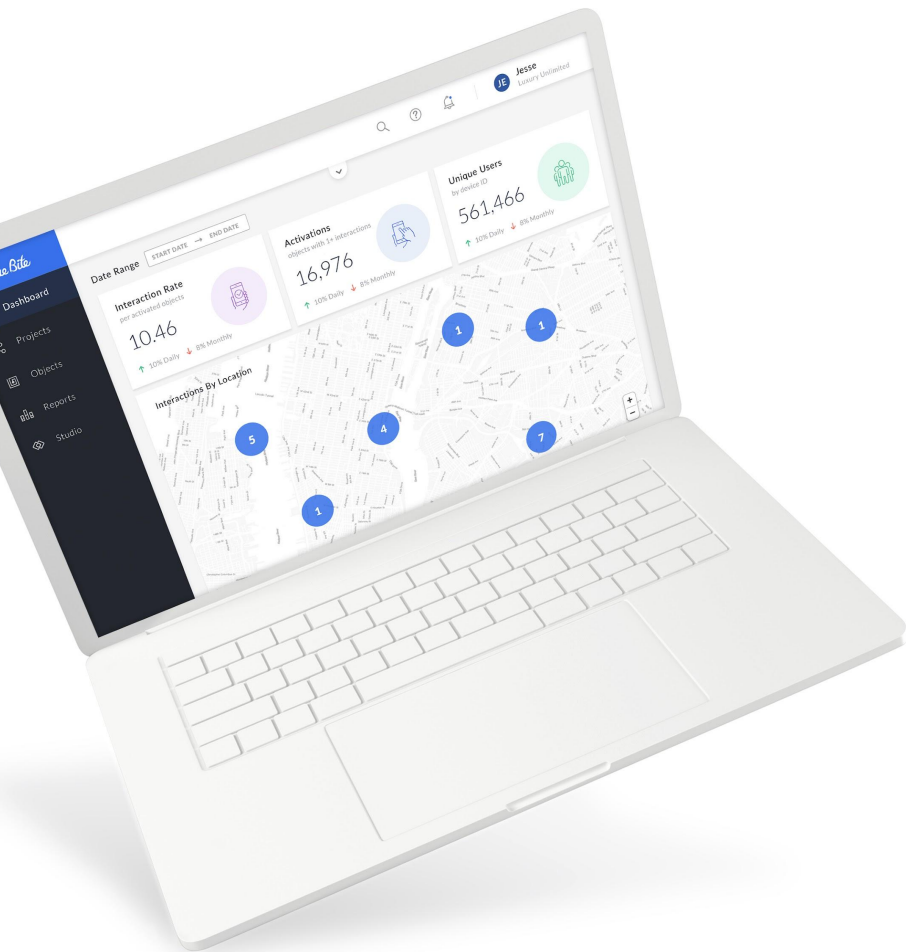
SCREEN 2:
A WINDSOR BOTTLE IS SCANNED AT A SUPERMARKET IN SPAIN.

Screen reads: *[In Spanish]*
¡Haz tu propio delicioso Negroni!
No te olvides recoger también Campari (pasillo 5), Vermut (pasillo 5) y una naranja (pasillo 2).



SCREEN 3:
A WINDSOR BOTTLE IS SCANNED AT A NEW YEAR'S EVE PARTY.

Screen reads:
Happy New Year!
Start the year off with a Windsor French 75.
Here's the recipe!



CREATE BETTER CONSUMER EXPERIENCES WITH A CONNECTED PRODUCTS PLATFORM

Real-Time Analytics and Personalized Approaches

Because consumers readily engage with connected products, brands receive actionable data about how products are used in real time. Rather than waiting weeks or months to determine whether ad campaigns were successful — or having to guess which marketing method most successfully brought in new customers — brands are empowered with real-time data on their connected products and materials.

And as brands learn from the powerful data from consumers themselves, they can tailor their Experiences to better appeal to customers.

With Blue Bite, brands know their consumers — and how to sell to them — better than ever thanks to first-party data delivered directly to the CRM.

Conclusion

In a world with a never-ending stream of content, health and beauty brands need to cut through the noise and connect with consumers.

A connected products platform, used as part of the New Marketing Method, empowers brands to create dynamic experiences that keep consumers coming back for more. And as consumers engage with those experiences, brands gain powerful first- and zero-party data that they can leverage to tailor those connections. This means brands are well-equipped to improve their approach and relationships with consumers.

Connected products platforms like those powered by Blue Bite empower personal care brands with the technology and approach they need to effectively implement the New Marketing Model.



Are you ready to engage consumers throughout the entire product lifecycle to protect your brand, tell your story and enable new product commerce opportunities?

LET'S CONNECT

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