

How CPG brands use influencers and clever partnerships to drive grocery sales

Article



Grocery shoppers are omnichannel shoppers, our analyst Blake Droesch said on a recent "Behind the Numbers: Reimagining Retail" podcast. That means consumer packaged goods





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(CPG) brands should employ a mix of digital and in-store advertising strategies to engage customers where they shop.

Here are a few things brands should keep in mind.

Know how different generations discover CPG products

The top discovery mode across all age groups is friends and family recommendations, followed by in-store ads, store shelves, and coupon pages, said Droesch.

- For Gen Z, digital discovery is higher than for other generations. Social media is one of their top means of discovering new CPG products, following friends and family recommendations and in-store ads.
- 19.1% of Gen Z digital grocery buyers discovered and purchased a grocery product within the last 12 months through a celebrity or influencer, compared with 7% of Gen X and around 2% of baby boomers. "So even though they're not one of the prominent modes of discovery, they're certainly growing, which explains why a lot of celebrities and influencers are tapping into Gen Z in terms of trying to push CPG and grocery products right now," said Droesch.

Leverage creator and celebrity influencers

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Creators have massive reach due to their large audiences, cost-effectiveness, and ability to come across as more genuine.

Emma Chamberlain's coffee company is one of the standout examples of CPG influencers doing it right. Podcaster and model Emma Chamberlain is one of the top five influencers, per Piper Sandler, with 15.8 million Instagram followers. "So just having that popularity and having that audience, it's very simple, straightforward. But that really is the first step in having success in [this] space," said Droesch.

Meanwhile, Ed Sheeran collaborated with Heinz to create his hot sauce, building on their prior relationship. Sheeran has a Heinz tattoo, and the food processing company once added Sheeran's tattoos to its ketchup bottles. Additionally, Sheeran partnered with Honest Burger to introduce a burger featuring his hot sauce, showcasing the power of smart partnerships.

"Quite often, the successful brands also have a partnership with an existing food brand or a retailer. Just because you're an influencer and you've got a great idea, [that] doesn't

necessarily mean you have all of the skills and acumen to make [your] product a success," said our analyst Carina Perkins.

Know how in-store advertising promotes CPG product discovery

Gen Z is more likely to discover grocery products by way of a search engine rather than by finding them on store shelves, per our CPG and Grocery Product Discovery 2023 report. But 90% of Gen Z digital grocery shoppers also shop in-store, according to Droesch, pointing to the power of omnichannel advertising.

- However, advertisers still have to be in grocery stores as younger Gen Z consumers might not be the ones buying groceries for their house.
- Despite discovering products digitally, younger shoppers still tend to purchase unfamiliar products in-store rather than online, per our CPG report.

Listen to the full podcast.

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