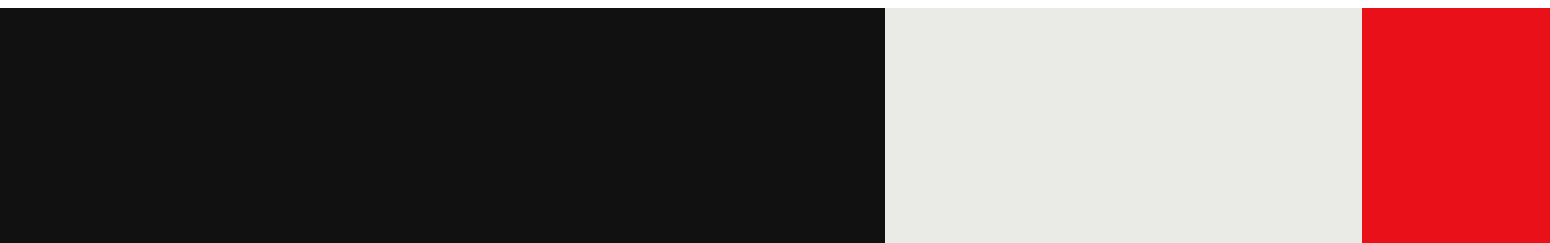# 4 ways CPG brands and retailers can drive sales amid inflation

Article

Inflation is starting to ease, but consumers remain cautious with their spending. This puts pressure on consumer packaged goods (CPG) brands and retailers to attract customers without affecting the bottom line.

From understanding what matters most to consumers to offering unique experiences and discounts, here are four ways brands can build customer loyalty and drive sales.

Page 1

1. Define what value means

Providing value to consumers doesn't always mean lowering the price of a product.

Over three-quarters (77.3%) of US adults say that ease and convenience was the top factor that influenced their most recent grocery purchase, according to Pymnts.com. Price and discounts were second, followed by loyalty and familiarity and the quality of products and services.

Retailers should do a deep dive into their customer base and figure out what matters most to them. Yes, price will always be important, but shoppers may also value a product's sustainability, functionality, innovativeness, or its ability to bring them joy.

2. Set yourself apart with fun partnerships and experiences

Brands can differentiate themselves from their competition by offering consumers a unique product or event.

Last year, Frito-Lay partnered with Netflix to promote the streaming service's latest season of "Stranger Things," hosting a livestreamed concert featuring Charli XCX and other artists. The concert was viewed by more than 17 million people, resulting in 4.4 billion earned media impressions and an 11% increase in sales for Doritos, Stacy Taffet, senior vice president of brand marketing at Frito-Lay, told Marketing Brew.

However, Taffet warned that collaboration for the sake of collaboration never works out. "If it's not something that is giving your fans, giving your consumers something of value … it's probably not worth doing," she said.

3. Give perks and discounts where you can

It may not be feasible to reduce prices on products across the board—but sometimes, a little bit can go a long way toward earning customer loyalty. There are a few ways brands can help customers stretch their dollars further without a huge hit to the bottom line, including:

- Product bundles
- Free mini samples
- Include a new product with purchase

- Membership upgrades
- Waiving delivery or return fees
- Referral discounts

Don't overwhelm consumers with things they don't want or need. Understand your audience and provide them with items or services that they're already interested in.

4. Simplify the customer journey

Brands should identify where and how they can make the shopping experience easier, whether it's through flexible payment options, offering curbside pickup, or making it easier to buy items online.

As generative AI adoption begins to accelerate, some retailers are experimenting with ways the technology can help make the customer journey more seamless.

For example, Instacart's plugin for ChatGPT helps users create and refine shopping lists in the hope of increasing transactions per customer, while Walmart is using AI to power its "Text to Shop" offering, which allows customers to add products to their cart by texting or speaking the names of the items they need.

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