

6 global retail trends making their mark in FMCG

By  Lauren Hartzenberg

10 Feb 2023

There's a global energy crisis, high inflation rates raising the cost of living, supply chains remaining under pressure, and an escalating power play between leading nations impacting trading dynamics. It's been dubbed a "polycrisis" and the business environment is likely to be in for another year of volatility.



Source: ©kwangmo - [123RF](#)

On the flip side, the race to net zero is driving awareness around more mindful business practices and consumption habits. And with financially-constrained consumers selective about how they spend their discretionary income, brands need to work harder to boost their bottom line through innovative sales, engagement and revenue-generating strategies.

Against this backdrop Trade Intelligence, a provider of consumer goods retail research, insights and training solutions in South Africa, recently hosted a webinar to unpack findings from its [Retail Trends 2023 Report](#) and pinpoint opportunities for growth.



Source: Trade Intelligence

[click to enlarge](#)

As part of the online event, the company's business development and advisory lead Andrea Ellens shared the global retail trends that local consumer goods and retail brands should pay attention to.

1. Branded refill solutions

Packaging-free refill solutions for FMCG products are not entirely new. Conscientiousness around plastic packaging waste has escalated over the years and more retailers have catered to the need for packaging-free refills. But these solutions are becoming more branded across categories including food, cleaning and personal care.

In chains abroad like Asda and Walmart, shoppers can find supermarket-branded product refills as well as packaging-free product refill stations from brands belonging to FMCG companies including Kellogg's, Unilever and Colgate-Palmolive.

"What's driving this is that 63% of shoppers rate sustainability as an important purchase criterion and the race to net zero is also intensifying retailers' efforts to reduce plastic packaging," Ellens said.

Beyond sustainability, consumers impacted by the rising costs of living are also gravitating to these solutions as they tend to be more affordable. "What's really interesting is that 50% savings are achieved by using these refill stations versus buying packaged branded goods," Ellens said.



Source: Johnson & Johnson Consumer Health via [Sustainable Brands](#)

2. Retail as a media channel

Retailers are prioritising digital advertising as a new revenue stream.

The in-store environment remains critical for brand presence, but it's increasingly important for your brand to show up in the online space. "Retailers are very aware of this and the advertising revenue of retail as a media channel is expected to reach around \$143bn by 2024," Ellens said.

"It's a source of revenue as well as consumer data mining," she added. Retailers can sell consumer data to the brands, giving brands access to retailer reach and basket analysis, and allowing them to personalise their offerings through the retailer.

3. Live commerce

Live commerce combines e-commerce with video streaming, allowing for the sale of products online through live video while

shoppers interact with the brand in real time.

Video as a medium has surged in popularity. Now, consumers can watch a video, engage with the brand, and click on the product to purchase it straight away.

“The platform economy, emerging technologies and the popularity of video as a medium are driving the evolution of live commerce online,” said Ellens.



Flick Live launches - the first live shopping app in Africa

11 Jan 2023



4. Advisors and curators

Consumer-facing brands have long been urged to prioritise personalisation, and more recently hyper-personalisation, in their sales and marketing strategies. Ellens noted that the hyper-segmentation trend is coming to life online through advisory tools and services that help deliver a curated, hyper-personalised experience for shoppers.

Take Curated.com for example, an online retail platform with a host of experts offering specialised product knowledge. [The experts](#), whose personal bios can be found on the site, range across cycling, winter sports, golf, baby & toddler, kitchen and more, are available for customers to chat with to source advice around specialised product purchases.

“A Euromonitor study revealed that 51% of European consumers said they were seeking curated experiences tailored to their taste,” noted Ellens.

“

[View this post on Instagram](#)

A post shared by Curated (@curated)

”

5. Digital currency acceptance

“We may have thought before that cryptocurrency was out there in Neverland. But we now expect 75% of retailers to start accepting digital currency in the next few years,” Ellens said.

Abroad, retailers such as Amazon-owned Whole Foods are accepting Bitcoin as payment while in South Africa, Pick n Pay announced the rollout of crypto payments in 39 stores initially, with reports that this has since expanded to 1,500 stores.

“Digital currency is increasingly being adopted and trusted by shoppers and merchants, spurred on by the deflationary nature of crypto. There's obviously huge inflation and flex of other currencies, but we're not seeing that as much in the cryptocurrencies,” said Ellens.



Pick n Pay pilots cryptocurrency payments in 39 stores

1 Nov 2022



6. Omni-intelligence

Retailers are investing in technology and analytics abilities to better serve their customers, and it's boosting performance across the value chain and across online and offline channels.

“By having deep analytics and understanding what shoppers are buying, they can use this data to refill the shelves and coordinate deliveries to refill the channels that much more efficiently,” Ellens stated.

“Omni-intelligence is enabling the integration of data across the value chain, creating rich insights to help drive innovation and optimise performance, and ultimately service the customer that much better. And it's really all being driven by technology.”

ABOUT LAUREN HARTZENBERG

Managing editor and retail editor at Bizcommunity.com. Cape Town apologist. Dog mom. Get in touch: lauren@bizcommunity.com

- Celebrating African creativity: Lucky Star and Chepa Streetwear collab on Phatsimo collection - 7 Jun 2023
- PayJustNow's CEO on the benefits of 'buy now pay later' for consumers and businesses - 6 Jun 2023
- #YouthMonth: Glow getter Ayanda Majola talks Yanda Cosmetics venture - 2 Jun 2023
- SA retailers and consumers count the costs of a collapsing state - 1 Jun 2023
- Jane Wurwand's journey building the Dermalogica skincare empire - 22 May 2023

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>