

TEO CORREIA

# THE FLUID CONSUMER

NEXT GENERATION GROWTH  
AND BRANDING IN THE DIGITAL AGE

Advance  
Excerpt from  
Forthcoming  
Book

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This is the page that usually matters only to the author and the other people whose contributions help turn an idea into a book. However, I would like to ask for the attention of all readers here because I truly believe that the names I list below are the best consumer goods practitioners in the world today. They deserve all the praise I am about to give them and more.

I have long felt privileged to be part of the consumer packaged goods and retailing industries and to serve those industries as best I can. But my fascination with the power that brands have over consumers started in my youth. The magnetic attraction we have to certain brands, and level of trust we have in them, astounded me then, and continues to do so now. Not only those brand names that I grew up with, but also, and importantly, those that have been created in recent years, quickly captivating us and commanding space in our lives.

However, I also believe that the formidable power of brands has never been more challenged than it is today. The emergence of digital technologies has brought with it significant threats to incumbent brands even as it reveals new opportunities for growth. My desire to understand how the threats can be addressed and the opportunities leveraged – and to share my learning with others – has been this book's core motivation.

Given the scope of the topic, I knew from the earliest days of this project that I couldn't do it alone. I had to tap into the knowledge of

the best in the industry to critique, provoke, challenge me, and to bring their own views to bear to inform, shape, and improve the concepts on the table. To develop and write this book, then, I turned to colleagues, mentors, and friends for input across a wide range of subject areas including marketing, technology, finance, logistics, analytics, and consumer behavior.

I am extremely grateful for their generosity of spirit – for their willingness to carve out time at a moment’s notice to discuss, debate, and guide this manuscript as it evolved into the book it is today. And here, I would like to give special thanks in particular to the following individuals:

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To all of the above and to those I may have omitted (inadvertently, with my sincere apologies): the strengths in this book are to your credit.

*Teo Correia, London/UK*



# Introduction

I recently bought a TAG Heuer watch. It's a venerable brand, a Swiss watchmaker in business since 1860, known for its high-quality precision craftsmanship, instantly classic designs, and unfailing reliability. But this watch – my new watch – embodies all that and more. It represents TAG Heuer's big leap forward into the digital future. It has an LED screen and an Intel Atom Z34XX processor. It has the ability to accommodate Android Wear apps, such as Google Fit, RaceChrono, Insiders, and Golfshot.

In short, with this offering, the very traditional TAG Heuer brand now offers much more than the best in timekeeping. It has added the promise of lifestyle assistance. TAG Heuer's brand decision makers understood the need to reconsider their brand in light of the tsunami of evolving digital technologies, and in doing so, they saw the opportunity to infuse one of their product lines with the capacity to provide a consumer experience. CEO Jean-Claude Biver understood that companies such as Apple have been "preparing the wrist" for the next generation of shoppers for a while now, elevating their expectations of what even a classic timepiece can and should do, and he acted on that understanding.<sup>1</sup>

I love my new watch. More importantly, though, I also freely acknowledge that, like many consumers today, I'm impatient. I know very well how fast technology advances in the digital age. And if the currently cutting-edge technology that supports my new watch

seems old or stale tomorrow, I will once again seek the latest and best available.

What's more, I will shop for that future product on my own time and terms because I am a *Fluid Consumer* – one among millions upon millions of individuals who now use mobile digital technologies to flow easily between different types of transactions at almost any time, in almost any place. We Fluid Consumers can review, compare, consult, contrast, and contract at will. We are also constantly mentored and educated, not least through the reviews that other Fluid Consumers share with us on the digital channels we frequent.

We are more informed than we used to be, and also more demanding. In fact, we often seem to take the ever-improving standards of digital convenience as much for granted as we do that crucial 21 percent of oxygen saturation in the air we breathe.

Are we putting incredible pressure on the companies (such as TAG Heuer) that seek our business? To simply say “yes” would be a gross understatement. The pressure on consumer-facing companies to keep up with these dynamic mega trends in modern consumer minds is immense. And no industry is immune – *least of all consumer packaged goods and services (CPG)*. The Fluid Consumer is asking this sector for nothing less than to respond in kind – with fluidity in thinking, producing, designing, marketing, and delivering intelligent digital points of engagement in an environment where brand loyalty is fleeting and the challenge of growing strong brands can seem alien. As Rachel Rolfe, creative director at Fisher Productions, a London-based event company, has so adroitly observed, “For reasons of necessity and opportunity, every industry finds itself in the technology business.”<sup>2</sup>

I wrote this book to try to help CPG brand decision makers find their footing in this new era (though I believe that the ideas in these

pages are also applicable in other industries, for other types of brands, such as fashion, luxury, and to some extent, consumer electronics). I wrote it to explore and explain the Fluid Consumer in a way that allows CPG leaders and managers to make sense of how their brands can and might fit into their (our) world. I wrote it to remind CPG executives that brands are tremendous assets and to let them know that if they have an established brand to work with, then they are already in a position of relative strength; they have much to build on. I wrote it to help CPG executives identify the right place and profile for their brands and to help them figure out where to prioritize spending and how to boost agility to compete. From my vantage point, I'm fortunate to have the big picture of the industry's evolution constantly in my sights. In this book, I try to share that view.

The challenges of the digital era are real and immediate for CPG leaders. For many, I wouldn't be surprised if an average workday feels like riding on the Cheetah Hunt roller coaster at Busch Gardens in Tampa Bay, Florida. (Look it up; it is designed to make riders feel as if they are a predator on a chase. And since would-be riders can't see what's in store for them from the line, they have no idea what to expect before they have their turn.) But to my mind, these times are as exciting as they are unpredictable and tumultuous. Imagine the power of being the ride's designer. We in the CPG world have the potential to design Fluid Consumers' experiences and expectations just as much as we have the responsibility to react to them. With so much unfolding in digital technologies and so much potential only just coming into focus for harnessing even the little we currently comprehend, I can't think of a more invigorating time to be in the consumer goods and services field. I hope this book persuades you to feel the same way, and I would like to hear your thoughts on these ideas. Feel free to reach me at [fluidconsumer@accenture.com](mailto:fluidconsumer@accenture.com). The journey is just beginning ...





# PART I: The Outside Focus



# Chapter One

## **Experience or Utility: Setting a Course to Please the Fluid Consumer**

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Rapidly evolving digital technologies have given rise to Fluid Consumers: people who can dip in and out of the consumer packaged goods and services (CPG) environment at will, wherever they are, at any time. These consumers embrace new product features or digitally driven enhancements, acclimate, then raise their expectations, seemingly in the blink of an eye, leaving many CPG decision makers feeling that they're always just behind the curve (and prone to making knee-jerk, ill-informed decisions).

To get ahead, brand guardians need to hit “pause” in a world where it can often seem as if pausing would be the worst thing to do. They need to carve out the time and brain space to examine the Fluid Consumer objectively. Then, they need to develop a clear and purposeful approach to brand building with Fluid Consumers in mind.

That process begins by answering one critical question for every brand in a portfolio: Is the brand better enhanced by offering consumers Experience or Utility? In other words, is it best suited to engage consumers directly in an ecosystem of activity and connections (experience) or focus on efficiency, “surfacing” only when needed, and leveraging unobtrusive connections to stay relevant and command loyalty (utility)?