

Press release

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Consumer goods companies step up efforts to sell directly to consumers, says Economist Intelligence Unit

Consumer goods (CG) companies can no longer merely push traditional campaigns through new media channels to reach today's more product-savvy consumer. They need to integrate multiple channels to put brands where consumers are, in a way that encourages a more interactive relationship between consumer and producer, not passive consumption of marketing messages.

CG companies appear to be getting the message. In a new Economist Intelligence Unit report, *New directions: consumer goods companies hone a cross-channel approach to consumer marketing*, sponsored by Oracle, 41% of respondents to a global survey say they expect to sell products directly to consumers over the next year—up from the 24% who currently offer direct sales.

As CG companies continue their experimentation with direct-to-consumer sales—through their own online storefronts or social media—they will need to start thinking more like the retailers with which they have long partnered.

Other key findings include:

- **The social media opportunity is finally catching the attention of senior management: 74% of CEO-level respondents say social media is a priority for increasing loyalty over the next 12 months.** Nearly twice as many survey respondents (33%) say social media will be a top priority in the next 12 months as those who say it's a priority today (17%) Increasingly, it is not just CG marketers who believe that deeper relationships will enhance brand loyalty and drive product sales, either directly (through digital commerce) or via traditional retail channels.
- **Nearly a quarter of CG executives envisage direct-to-consumer replacing retail.** Nearly half of survey respondents and other CG executives see their nascent e-commerce efforts as complementary to, rather than alternatives to, existing retail channels. Forty-one percent of respondents say they work with their retail partners on a variety of marketing, sales and service programmes. However, 23% of respondents say that while they collaborate with retail partners, they are also committed to expanding their competing direct-to-consumer strategies.

New directions: Consumer goods companies hone a cross-channel approach to consumer marketing

is available free of charge at <http://www.managementthinking.eiu.com/new-directions.html>

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Notes for editors

The Economist Intelligence Unit survey was carried out in October 2011. The 221 respondents hailed from Asia-Pacific (31%), Europe (28%), North America (27%), Middle East/Africa (10%) and Latin America (3%). All respondents were from the consumer goods industry, including food and beverages (53%), personal and household products (30%), non-durables (11%), tobacco (4%) and agribusiness (2%). Forty percent of survey respondents were C-suite executives, with the remainder drawn from senior management positions and a range of functions. All respondents were from companies with over US\$1bn in annual revenue.

About the Economist Intelligence Unit

The Economist Intelligence Unit is the world leader in global business intelligence. It is the business-to-business arm of The Economist Group, which publishes *The Economist* newspaper. As the world's leading provider of country intelligence, the Economist Intelligence Unit helps executives make better business decisions by providing timely, reliable and impartial analysis on worldwide market trends and business strategies. More information about the Economist Intelligence Unit can be found at www.eiu.com or follow us on www.twitter.com/theEIU.

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