

THE BEAUTY OF

# *New Brand* Creation

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**CPG has a new normal:** a nonstop influx of brand-new brands. We dissect the renaissance and how to brand-build for success.

Once upon a time, the CPG landscape was much, much simpler. For the most part, the giants of the industry could expect year-over-year growth using a *tried-and-true playbook* that focused on dominating brick-and-mortar shelves and buying eyeballs (read: “awareness”) via mass media. Category news came primarily through commercial innovation and, on the whole, growth efforts centered around a company’s existing brands, or the occasional strategic acquisition.

It meant the landscape was decidedly more finite, with a small crop of brands controlling entire categories and—for better or worse—tempering consumers’ sense of choice.

## NEW BRANDS FOR NEW DEMANDS

But consumers change. Markets change. Expectations change. *New consumer desires* emerge. Meanwhile, new brands began appearing with more frequency—typically small and scrappy startups that began to steal share and change the playing field for CPG brands.

But then, big CPG giants began to catch up with the indie brands and startups by creating their own brands. The approach allows companies to address white spaces and underserved consumers within their portfolio in a more pointed way, offering total control of the proposition from the ground up—all with lower costs than an acquisition. Now, CPG companies are hiring entrepreneurial-minded marketers and placing them within internal incubators, tasked with designing new brands that can compete in the “new normal” of the CPG landscape.

**“At LPK, I’ve built more brand-new brands in the last 12 months than over the last 12 years.”**

## DISRUPT, OR BE DISRUPTED

The best of these new brands adopt a niche focus that fills category gaps that address consumer needs, allowing CPG companies to cover ground that their big brands cannot. Many (but not all) are responding to the rise of Millennial consumers, who now possess an astounding \$200 billion in spending power in the US alone—the most of any generation in history. As the dozens of reports we’ve all read (or written, or both) have already affirmed, Millennials are brand-savvy, design-obsessed, “want-it-all” consumers who expect everything to be Pinterest-worthy and #shelfie-ready—from their laundry rooms to their medicine cabinets; their dog leashes to their bandages (see: Target’s [Welly](#)). Compounded with demand for cruelty-free and clean everything, the ask is big.

Of course, it’s not only Millennials driving this new business strategy. We live in a culture of celebrity founders, unicorn valuations and “[beauty bubbles.](#)” Every consumer micro-niche is visible and empowered by the tireless churn

of brands who intuitively entwine product, design and story. Virtually every category—from sparkling water to shave care, pet food to yogurt, lipstick to diapers—is living CPG’s new imperative: disrupt, or be disrupted.



**“Virtually every category is living CPG’s new imperative: disrupt, or be disrupted.”**

## WHEN HERITAGE COMPANIES START ANEW

Beauty is the sector I have focused on for the majority of my career as a trend forecaster and brand-builder—and there is no shortage of new brand creation in this space. For example, Unilever has debuted no less than five new beauty brands in the last year and a half. Its sustainability-minded Love Beauty & Planet, which launched in late 2017, extended into home care earlier this year. The naturals-focused skin and hair brand ApotheCARE Essentials bowed in 2018; and in early 2019, the company followed suit with Skinsei (a wellness-centric DTC brand with a personalization angle), The Good Stuff (a treatment-focused hair-care brand) and The Right To Shower (socially conscious body care). For its part, L’Oréal launched men’s grooming brand House 99 in partnership with David Beckham in early 2018, quickly followed by the eco-friendly Seed Phytonutrients. Earlier this year, it also debuted Color & Co., a DTC hair color brand that matches consumers with the right shade via colorist video chats.

And Procter & Gamble, whose last turn at new brand creation was its hugely successful Swiffer back in 1999, has launched many new brands in the last year alone: SeeMe Beauty, a skin-care brand for aging skin; Pepper & Wits,

offering modernized menopause care; My Black Is Beautiful, a hair brand for women of African ancestry; Joy, Millennial-centric shave care; and Just, its newest take on feminine care. Outside of beauty and personal care, P&G launched a plant-based home-care line called Home Made Simple. Also of note is Zevo, a household insecticide brand, that launched as one of the first products out of the company’s four-year-old Ventures Group, tasked with innovating for sectors and categories in which P&G doesn’t currently play.



## THE ROLE OF THE AGENCY FOR NEW BRAND CREATION

One might think this would spell doom for traditional agencies, but we've found there's still a role to play—a leading one at that. In fact, at LPK, I've helped build more brand-new brands in the last 12 months than over the last 12 years across the beauty, wellness, sporting goods, food and wine/spirits sectors. This has resulted in some of our most compelling and inspired work to date—but also demanded new processes and more nimble techniques.

In terms of process, all of the usual branding work was present: opportunity identification, holistic discovery work encompassing consumer, category and cultural understanding, strategic deliverables, pre-market validation and creative executions that expressed the brand's principles, assets, behaviors and actions. But what's unique to new brand creation is the need for speed, proposition specificity and an undeniably disruptive take on the category.

**Based on our work on several new brands, the below four principles for success were like jet fuel to our new brand creation engagements:**

### *Brand Creation Principles:*

#### **1 Instagram as Cultural Laboratory**

*LPK has a seasoned bench of trend practitioners, fluent in shifts in the landscape of socio-cultural, category and aesthetic trends. Nowhere do shifts play out as real-time as on Instagram. Whether it was learning about the perils of cultural appropriation in beauty, the emergence of wine appreciation among craft beer drinkers, or identifying codes relevant to the anti-country club golfer, Instagram was the platform that put us in touch with the brands, consumers and visual expressions defining these emerging trends.*

#### **2 Influencers as "Super-Consumers"**

*Most brands use influencers to hawk product. And this works—but influencers can be so much more than digital marketing megaphones. They're visually fluent, passionate and trend-driving consumers that can inform the development of everything from insights to creative expression. Leveraging tools like LPK's [Beauty 555](#)—a network of influencers capturing the now, near and next of beauty—our organically curated panels informed visual territories, articulated trends, screened packages and concepts, previewed landing pages, and more. We learned to harness the creativity of influencers throughout the brand creation process—they're eager participants.*

#### **3 Fast-Tracked Insights**

*In addition to trading informal influencer gut-checks for multi-city in-person research, client timelines necessitated other methods for moving our projects forward quickly. Multi-day offsites turned into onsite "open-house"-style working sessions where clients were encouraged to drop in when their schedules permitted. Lengthy quant studies turned into overnight Facebook and Instagram ad campaigns that drove prospective consumers to branded landing page options and provided directional data for speedier decision making. And "gut-storms," sessions where our seasoned strategists and creatives got in a room to download implicit category and consumer knowledge, replaced hundred-page trend decks.*

#### **4 Work and Communicate in Real-Time**

*Particularly true during our ongoing beauty engagement, but a principle that holds regardless of the category, was our relentless outward focus on newness. Our projects were punctuated with multiple store visits (vs. one at the outset of a project) and countless Slack pings containing articles and feed updates from competitive activity in and out of the category, which got passed through to our clients in real-time. It's easy to get myopic, but with new launches happening on nearly a daily basis, our teams balanced internal focus with a constant, vigilant eye outward.*

# “What will the skeptical, brand-wary, eco-vigilant Gen-Z make of all this?”

## WHAT'S NEXT?

As a brand and innovation consultancy, this new dynamic is exciting for us. It brings together traditional strategic prowess with the myriad of [digitally enabled test-and-learn techniques](#) that fuel startup culture. But as we enjoy this brand-building renaissance, we're still wondering: is this new brand free-for-all really our new normal? Are many of these brands intended to be “burners,” the fast-moving consumer goods equivalent of fast fashion? And what will the skeptical, brand-wary, eco-vigilant Gen-Z make of all this?

It's impossible to predict the future, though we as trend forecasters and brand builders certainly try. Inevitably, many of these new upstarts will crash and burn. But some of these brands are poised to become tomorrow's billion-dollar giants. And a few things are certain: categories will continue to fragment. Competition will remain ever-fierce. And speed will continue to be the imperative for brands—whether brand-new or long-existing.

**Are in you in the midst of new brand creation? Have a challenge? [Contact us.](#)**

But what do you think? Is this new normal here to stay? What could be the next paradigm shift that tectonically changes how we connect with consumers and create value in their lives?

*To learn more about new brand creation and the guiding ideas for our new Next-Gen CPG Playbook, [head here](#) for your free copy.*