



FMCG

Trend Report



Innovation Intelligence at Your Fingertips

At **StartUs Insights**, we make the world's information on innovation, emerging companies, and technologies accessible. Our [Big Data & AI-powered Discovery Platform](#) covers over **2,5 million startups & scaleups globally**, making it the world's leading resource for data on emerging companies.

This technology enables you to identify what's next by quickly and exhaustively scouting startups, scaleups, emerging technologies & trends that matter.

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▶ The FMCG industry is undergoing a significant transformation in response to the demand for more convenience, the COVID-19 pandemic, and changes in customer behavior. The major FMCG industry trends that address these changes involve sustainable solutions for product development and packaging, improving customer experience, and implementing digitalization. To offer better experiences to their customers and gain a competitive edge, FMCG companies seek omnichannel sales and e-commerce in addition to deploying big data analytics and Artificial Intelligence (AI) solutions, among others. The Internet of Things (IoT) sensors and devices and 3D Printing technology further enable FMCG companies to focus on direct distribution to meet the growing customer expectations.



▶ Covering over 2,5 million startups & scaleups globally, we use our [Big Data and AI-powered Discovery Platform](#) to identify innovative applications, technologies, and companies impacting the FMCG Industry. This exhaustive, data-driven startup scouting pinpoints emerging trends and technologies in the FMCG Industry. For this research, we analyzed a sample of 3 011 startups and scaleups and present the Top 10 Trends along with 20 highly relevant solutions.

▶ In the Innovation Map below, you get an overview of the Top 10 FMCG Industry Trends & Innovations that impact companies worldwide.



Innovation Map: FMCG

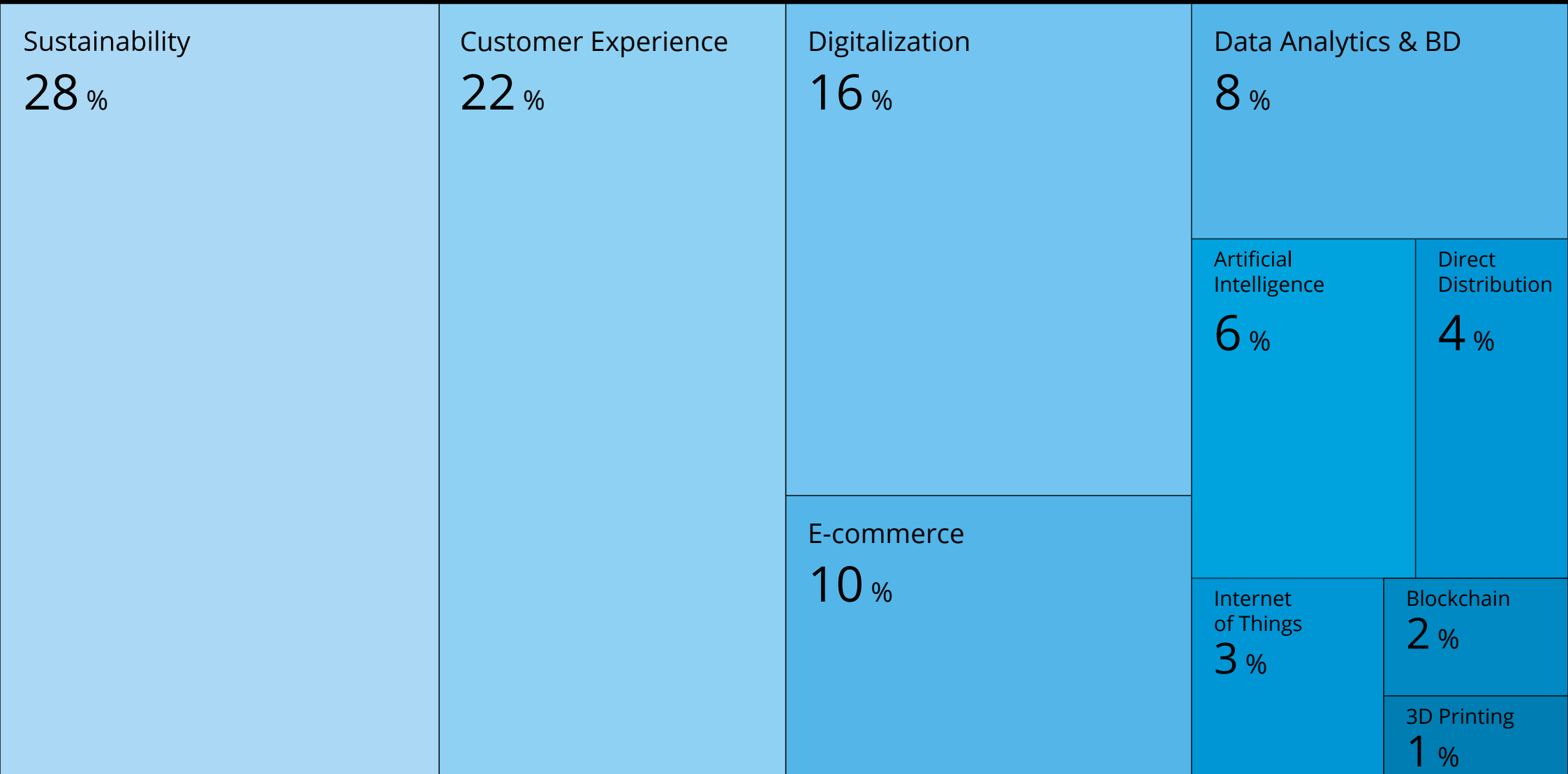


Tree Map: The Impact Of FMCG Industry Trends

▶ Based on the FMCG Innovation Map, the Tree Map below illustrates the impact of the Top 10 FMCG Industry Trends. Startups and scaleups work on technological solutions to meet the growing consumer demand for convenience, sustainability, and engaging experiences. The permeation of smartphones globally also pushes the digitization and growth of eCommerce, driving companies towards implementing technologies such as AI, Big Data, IoT, Blockchain, and 3D Printing.

▶ FMCG brands adapt product development, manufacturing, and packaging to meet consumer demand for sustainable processes and improved convenience. Online shops open new avenues for data management and analytics that further increase revenues for FMCG companies. For example, a growing number of brands directly distribute and sell to their customers via online channels which reduces transportation and logistics costs.

Top 10 FMCG Industry Trends & Innovations

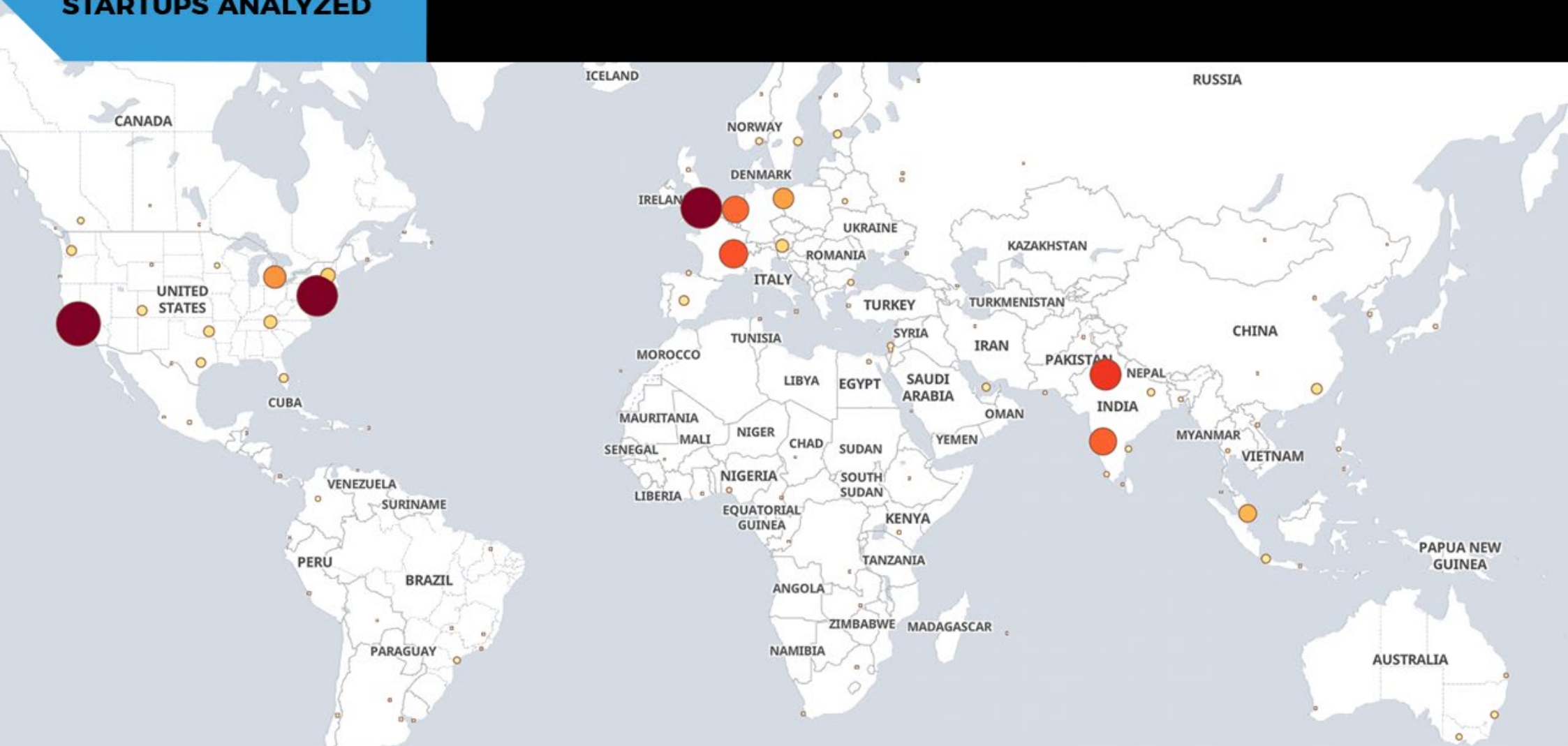


Global Startup Heat Map: FMCG Startups & Emerging Companies

▶ The Global Startup Heat Map below highlights the global distribution of the 3,011 exemplary startups & scaleups that we analyzed for this research. Created through the StartUs Insights Discovery Platform, the Heat Map reveals that the United States is home to most of these companies while we also observe increased activity in the UK, France as well as India.

▶ Below, you get to meet 20 out of these 3,011 promising startups & scaleups as well as the solutions they develop. These 20 startups were hand-picked based on criteria such as founding year, location, funding raised, and more. Depending on your specific needs, your top picks might look entirely different.

Global Startup Heat Map: FMCG



This Global Startup Heat Map illustrates the geographical distribution of 3011 startups & emerging companies we analyzed for this topic

Sustainability

▶ Consumers are becoming more conscious about climate change and its impact on the environment. Thus, they pay more attention to companies' social activity and seek those that support them in making more responsible choices. As sustainability comes to the forefront, companies not only address how they present and package their products but also what materials they use in their products. To meet consumer demand, more and more FMCG companies offer compostable, recyclable, and reusable packaging. Additionally, cruelty-free, vegan ingredients are on the rise not only in food but also in non-food items such as cosmetics and cleaning products.

▶ British startup [Flexi-Hex](#) produces environmentally-sustainable packaging that helps FMCG companies reduce the

amount of packaging waste. The startup offers adaptable, plastic-free solutions their patented honeycomb design made from recycled paper. The startup aims to remove plastic from the packaging industry and raise awareness of the threat that plastics pose to the world's oceans.

▶ To meet the increasing demand for healthy products, German startup [Vegshelf](#) develops a digital business-to-business (B2B) platform connecting vegan FMCG brands with online stores, supermarkets, and food services. The platform enables round-the-clock exposure and direct access to buyers. Vegshelf shortens the sales cycle, in turn, helping FMCG brands build and maintain relationships with new and existing customers.

Customer Experience

▶ With the demand for convenience increasing in the FMCG sector, companies strive to significantly improve customer experiences. Startups employ Augmented Reality (AR) and Virtual Reality (VR) to make products more engaging and interactive. 3D videos and gamification attract and entertain customers while providing them with more information about the product. Further, investing in improving customer experiences builds trust and increases brand loyalty. To this end, more and more companies are providing higher convenience with digital technologies.

▶ Nigerian startup [Chekkit](#) offers a consumer intelligence solution to improve customer engagement. The solution brings FMCG companies closer to those buying their products through personalized messaging & communication. Chekkit

enables FMCG companies to push product surveys and messages to consumers based on their purchase behaviors. Further, the solution runs automated reward campaigns and drives repeat purchases using loyalty programs.

▶ Singaporean startup [DRNKAR](#)'s solution consists of AR Social Media, an AR Mobile App & AR Platform. AR Social Media entices shoppers through ads and social media activity and redirects them to make a purchase on the website. The AR Mobile App offers 2D and 3D animation to display extended product details while the AR Platform enables FMCG companies to control and manage their content and product information, as well as get insights into consumer behavior. Overall, the startup's solutions create memorable customer experiences and improve consumer engagement.

Digitalization

▶ Digitization is increasingly becoming a priority for FMCG brands as customers interact with brands across multiple on-line and offline channels. Companies get access to valuable data from multiple sources including various social media platforms, web, and mobile applications, and also engage with their customers directly. Integrating digital technologies not only offers an omnichannel experience to customers but also converts one-time buyers into repeat customers.

▶ Indian startup [Gladminds](#) offers a cloud-based platform that acts as a two-way communication channel between brands and customers. Gladminds' Connected Platform allows companies to leverage their brand experience and cre-

ate value for the customer. For example, the startup enables optimizing and personalizing services, marketing, and communication, among other functions. This connects brands with consumers and ensures prolonged product support and engagement.

▶ US-based startup [Repeat](#) works on a Smart Replenishment platform to turn one-time buyers into repeat customers. The startup powers frictionless reordering experiences that are easy from the customer-end and increase revenue for companies. The solution analyzes order data to determine baseline replenishment intervals and automates replenishment workflows to increase operational efficiency.

FMCG e-Commerce

▶ The share of sales coming from e-commerce is increasing exponentially. The outbreak of the COVID-19 pandemic has further shifted consumers' shopping habits towards online channels. Brands are now building their online presence to boost their engagement with consumers. Social media also plays a significant role in the world of e-commerce as more items are sold via social platforms such as Instagram. To this end, FMCG startups actively incorporate diverse social traditional and media, leveraging mobile and headless commerce, to market their products.

▶ Norwegian startup [Crystallize](#) provides an API driven eCommerce platform for subscription-based businesses models. The startup's software delivers APIs for product information and content management to digitize the sales pro-

cess. The headless content management is powered by a semantically structured content engine that enables brands to build and deliver content in different languages, market and sell their products online as well as offer product subscriptions.

▶ German startup [Squarelovin](#) offers solutions for Instagram analytics, social commerce, and visual marketing. The startup enables brands to boost their eCommerce and visual content strategy with user-generated content to build marketing campaigns, grow engagement and increase conversion rates. For example, brand-related content from Instagram can be placed on all channels, including websites, other social media channels, newsletters, and offline media.

Big Data & Analytics

▶ FMCG companies actively leverage Big Data to innovate and compete in the industry. As data is becoming more and more accessible with consumers shopping online, brands explore new ways to increase relationships with their customers and gain insights from their behavior. Data analytics explores customer preferences and behavior to provide FMCG companies with a deeper understanding of their customers. Big data solutions allow brands to optimize communication with their customers and offer more personalized experiences.

▶ Chinese startup [Zhimatech](#) builds a consumer-based data operation platform taking into account offline behavior data within shopping centers. Through its Re-ID technique, the

startup accurately analyzes traffic flow within shopping malls. Combined with online data, Zhimatech creates customer composition insights. The startup also monitors on-site traffic distribution and helps determine the value of individual shops. Further, this data can be used to guide marketing activities from planning to promotion.

▶ Italian startup [Massive](#) develops a consumer reviews analytics solution. The company leverages Artificial Intelligence to monitor eCommerce websites to read and understand consumer feedback. The data collected provides FMCG companies with insights that support consumer-centric business strategies.

Artificial Intelligence

▶ AI-powered solutions, such as machine learning (ML) and natural language processing (NLP) are gaining popularity and create opportunities for the FMCG industry. For instance, voice-based systems support consumers round-the-clock to find products and serve customers, in addition to recommendation engines that provide personalized product suggestions. By implementing AI-based solutions, FMCG companies provide an enhanced customer experience thereby increasing customer satisfaction and retention.

▶ Canadian startup [Letmetalk](#) offers chatbots powered by Artificial Intelligence to drive up sales and customer satisfaction. The automated system allows for smooth and person-

alized marketing, as well as conversations with more than one client at a time. The startup enables FMCG companies to make contact with and build relationships with potential customers, improves conversion rates, and customer service.

▶ Australian startup [Hosted Bots](#) builds chatbots and personal virtual assistants for multiple platforms to increase customer engagement. The startup offers a modular system in which companies create building blocks from small bots, group them together to make a complex chatbot, and customize it according to their needs. The chatbots can be used in multiple channels depending on the type of interaction companies have with their customers.

Direct Distribution

▶ More and more FMCG companies are leveraging direct distribution to increase customer loyalty and ensure growth. For example, manufacturers directly interact with their end-customers through their own online and offline distribution channels. This increases their profit margin and offers consumers a direct channel to their favorite brands. This FMCG industry trend is closely associated with e-commerce growth as well as the penetration of smartphones and the internet.

▶ Singaporean startup [Ivy](#) builds an AI and Machine Learning-powered Platform to automate sales and distribution in the FMCG industry. The solution enables companies to enhance their customer experience, increase revenue at the shelf, and improve the productivity of their field force. Ivy of-

fers a Software-as-a-Service (SaaS) enterprise customer relationship management (CRM) solution where users can manage stock, complete in-store selling, and process orders. The solutions support multiple types of sales channels simultaneously.

▶ Indian startup [Merlin Tech Labs](#) creates a cloud-based SaaS application to support Direct-to-Customer distribution. The app enables field sales teams to sell and deliver more goods to people using optimized routes. Further, the app manages sales and transactions, generates reports, and notifies customers when the order is placed, delivered, and the payment is processed.

Internet of Things

▶ As IoT evolves, its applications gain popularity in the FMCG sector. IoT sensors and devices are automated and affordable, enabling FMCG companies to employ them in brick & mortar stores, warehouses, and manufacturing facilities. One example of IoT device implementation is to provide targeted messaging to consumers while they are shopping. Another one is inventory management, both in stores and in warehouses, for which IoT is widely used. In combination with related emerging technologies including ambient intelligence and smart objects, IoT creates new consumer interaction channels and revenue streams for FMCG brands.

▶ Moving one step ahead of the traditional mobile app development approach, Australian startup [Ripen Apps](#) creates innovative applications utilizing iBeacon technology. iBeacons

enable add-ons to send customers contextual, hyper-local, meaningful messages and personalized ads on their smartphones as they evaluate a product.

▶ US-based startup [Connected Fresh](#) offers plug-and-play sensors that give FMCG companies instant and continuous access to live data on the temperature in their storage and warehouses. This includes sensor readings, historical data, and real-time notifications to key stakeholders based on temperature fluctuation. Automatically and continuously monitored products give both companies and their customers peace of mind knowing that the product is held at specific conditions and any deviations are reported to team members with enough time to act.

Blockchain

▶ The competition within the FMCG industry is increasing and brands invest in Blockchain to gain a competitive edge. Smart contracts and Blockchain traceability allows FMCG companies to understand their supply chain bottlenecks and make necessary interventions. Blockchain also increases transparency for consumers by allowing them to track the source of their purchases. Additionally, Blockchain platforms offer cryptocurrencies and loyalty programs that allow consumers to collect, exchange, and redeem points thereby increasing customer engagement.

▶ Singaporean startup [WABI](#) develops an open platform that supports loyalty programs and enables a direct two-way communication channel between brands and consumers. Consumers use WABI to authenticate blockchain-protected

products and share feedback. FMCG companies, on the other hand, deploy targeted surveys and opinion polls to get consumer insights and drive effective decision-making. Additionally, brands can run A/B tests with a live audience and test pricing, messaging, color, and more, to optimize their offerings to a specific target audience.

▶ US-based startup [Greenfence](#) develops an open blockchain platform. The platform connects the entire value chain of the FMCG industry and enables remote auditing and certification. The startup helps brands communicate directly with shoppers thereby increasing trust and interaction while removing the risk of fraud. This enables marketers to control their budgets and consumers to participate and interact with a greater level of anonymity.

3D Printing

▶ Additive manufacturing and its applications create disruptive solutions for the FMCG industry. The vast amount of waste generated by use-and-throw consumer products, from personal care to food packaging, prompts industry stakeholders to find sustainable alternatives. 3D printing allows FMCG brands and companies to design and develop products that use eco-friendly materials and reduce plastic use. To this end, FMCG companies leverage 3D printing for prototyping, designing, tooling, and scaling production in a sustainable manner. Further, food companies are able to offer extra nutritional value in their products by utilizing 3D food printers.

- ▶ US-based startup [Essentium](#) offers a 3D printing platform specifically for industrial production. The platform allows companies the flexibility to create multiple product iterations without impacting quality, strength, or performance. FMCG companies use the platform for rapid prototyping, to fine-tune designs and print end-use parts and components with exact precision and repeatability.
- ▶ Austrian startup [Mything](#) is an online marketplace that connects companies with local additive and digital manufacturers such as providers of 3D printing. The startup helps brands optimize production and lower costs by decreasing delivery distances, stock lead times, and material waste.

Discover all FMCG Technologies & Startups

▶ The FMCG Industry Trends & Startups outlined in this report only scratch the surface of trends that we identified during our in-depth research. Among others, sustainable product development, manufacturing, and packaging, with the help of AI, Blockchain, and advanced analytics, as well as opportunities to increase customer engagement, experiences, and satisfaction will transform the sector as we know it today.

▶ Identifying new opportunities and emerging technologies to implement into your business early on goes a long way in gaining a competitive advantage. Get in touch to easily and exhaustively scout relevant technologies & startups that matter to you.

Identify What's Next

The [StartUs Insights Discovery Platform](#) covers over **2,5 million startups & scaleups globally** – making it the world's largest resource for data on emerging companies. The SaaS Platform enables you to **easily, quickly, and exhaustively scout relevant companies, technologies, & trends** for your innovation activities. This saves your time and increases efficiency, which is why more than 650 leading corporate partners including Samsung, Kyocera, and Nestlé already trust our technology.

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