

PEEPLCOACH

INDUSTRY SPOTLIGHT

FMCG & CONSUMER GOODS

JUNE 2023

INSIGHTS

CORRELATIONS BETWEEN CONSUMER AND EMPLOYEE NEEDS

There appears to be strong thematic similarities between what drives employees to leave employers and consumers to walk away from brands. The external factors tied to the recent wave of resignations, such as the re-evaluation of social and personal priorities, seem closely related to the moral judgements that consumers now make of brands relating to transparency and commitment to positive ESG actions. When factoring in dissatisfaction with company management as a further driver of resignations, the similarities between consumer decisions and employee decisions grow even more apparent.

This should not be a surprise when considering the fact that all employees are consumers, and most consumers are employees. As an example, if there is a significant growth in consumer demand for plant-based food products due to environmental and animal welfare factors, it naturally follows that these same consumers are likely to prefer to be employed in companies with a strong stance on ESG matters.

TRENDS

INDUSTRY

- The global FMCG market was estimated to be worth \$USD 11,491 billion in 2021, and projected to grow to \$18,939.4 billion by 2031. (1) While it is difficult to make direct comparisons to local markets, in Australia, annual revenue of the supermarket and grocery store retail industry in 2022 reached over \$AUD 95 billion (2) with a CAGR of 2.4% between 2008 and 2019. (3)
- The FMCG market is fragmented, with more than 147K individual businesses employing 763K people, or 5.6% of all Australians employed. (4)
- With high inflation and cost pressures, reducing expenses and increasing utilisation and productivity of existing resources – including employees – will be critical to short- and long-term business success.
- Factors such as brand trust, provenance (specifically, the preference for Australian-made products and services), smaller household numbers and pack sizes, and changing demographics are all affecting consumer buying behaviours.

PEOPLE

- A 2023 KPMG study indicated that 77% of leaders claimed that recruiting, retaining and developing their staff was their number one strategic issue, compared with 69% in 2022. (5)
- Talent shortages will continue, given that the 2022 unemployment rate of 3.4% was the lowest since 1974, and the continued growth in online job vacancies. (6)
- Burnout rates are highest for middle managers and female leaders. (7) & (8)
- The most common reasons for employees to voluntarily separate from employers are external factors (e.g. overall re-evaluation of priorities in terms of society or family), which account for 65% of resignations. The second most common reason is internal factors (e.g. dissatisfaction with company management and leaders), accounting for 15% of resignations. (9)

- Implementation of recent Safe Work Australia WHS legislation significantly increases the responsibility of organisations, leaders and directors for ensuring the psychological safety and mental and physical wellbeing of all employees. (10)
- Employees crave development that:
 - includes coaching or mentoring (beyond their manager)
 - is customised to meet their needs and acknowledges their current and previous experience (one size does not fit all)
 - is relevant to them day to day, and easy to implement
 - is beneficial for them, and not just for the business.
- Organisations continue to grapple with the issue of hybrid working.

CONSUMER

- The 2022 Deloitte Consumer Products Industry Outlook Study found the following to be the top factors responsible for corporations losing consumer trust.
 - Brands are not open and transparent. (90%)
 - Brands don't meet consumer environmental, social and governance (ESG) expectations. (84%)
 - Brands engage in 'greenwashing'. (82%)
 - Labour shortages affect quality. (79%)
- The key challenges identified as obstacles to growth by surveyed executives in the FMCG sector were supply chain issues, labour shortages and inflationary pressures. (9)
- Changes in household structure, diversity and ethnicity, food allergies, value (cost pressures) and provenance are all changing consumer buying habits.

RECOMMENDATIONS

1. MEASURE WHAT YOU WANT TO MANAGE.

Whether it is your rate of attrition, representation of women in leadership, employee engagement or the top reasons for employee resignations, if you do not measure these and other important trends in your business, you are likely to struggle to manage them effectively.

2. BUILD A CONSTRUCTIVE CULTURE WHERE EMPLOYEES FEEL A SENSE OF BELONGING AND OF BEING VALUED.

With labour shortages, employee attrition and supply-chain pressures being such significant challenges in meeting company growth expectations, it is logical that only companies with healthy and constructive cultures led by competent and engaged leaders will beat the odds and rise above these obstacles. Identifying the key reasons employees choose to stay with your company, together with those reasons that cause them to leave, is a good starting point. However, simply measuring a problem does not solve it. Putting clear programs in place to address employee concerns and communicating that management has listened to and acted on such concerns will differentiate your company as an attractive place to work, and to stay working for.

3. OPTIMISE PRODUCTIVITY OF EXISTING RESOURCES.

With cost issues, legislative workplace changes and legal accountabilities, and the continuing war for talent, the optimisation of resources, especially employee productivity, retention and engagement, is critical for short- and long-term business success. Understand what your employees are demanding and deliver what they need, not what you think they need. Understand the [future of work trends for 2023 \(Gartner\)](#) and assess your organisation's ability to meet these changing needs.



SOLUTIONS TO MITIGATE THE RISK OF FMCG CHALLENGES

Peepcoach recently engaged [Dr Joel Davies](#) to study the impact of the Peepcoach leadership programs on critical outcomes such as leadership competence, productivity and organisational commitment. The results showed that, after participation in a Peepcoach program:

- managers felt that 67% of participants had improved their leadership capabilities
- managers reported that 66% of participants were now more effective in their role
- 92% of participants believed that they were now better equipped to be a great leader
- 74% of participants felt more motivated to do their best work
- 91% of participants believed they were more effective in their role as a result of the program.

Download the Peepcoach Impact Study.

WHY ARE PEEPLCOACH PROGRAMS SO SUCCESSFUL?

- Programs are flexible and customisable to meet the business requirements and competency frameworks of different industries, organisations, teams and individuals.
- They combine bite-sized training content with 1:1 and group coaching in an approach that is more than just training and more than just coaching.
- Content is designed to meet the specific needs of frontline, emerging and middle managers.

WHAT NEXT ?

1. **Book a demo** to find out more.
2. Share this white paper with your network.
3. Subscribe to our **newsletter - The Pulse** or follow us on **LinkedIn**

OUR INDUSTRY EXPERTS



[Anne-Marie Mooney - Chief Operations Officer, Inghams](#)



[Edward Alexander - Chief Executive, Inghams Group New Zealand](#)



[Anne Dowsley - Head of Marketing, Bega Dairy and Drinks](#)

SOURCES

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- [IBIS World Consumer Retailing in Australia](#)
- [Australian Bureau of Statistics](#)
- [KPMG Business Leaders Update](#)
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- [Burnout-rates-up-women-middle-managers](#)
- [Women-leaders-are-leaving-companies-at-highest-rate-ever-leanin-mckinsey-co-report.html](#)
- [2022 Deloitte Consumer Products Industry Outlook](#)
- safeworkaustralia.gov.au/safety-topic/managing-health-and-safety/mental-health
- [Why-employees-crave-more-training-and-how-employers-arent-delivering-it/](#)

To find out more about Peepcoach and our programs contact us at service@peepcoach.com.