

Conclusions: Issues the Megabrands are Facing

The Asia Pacific region is key for FMCG megabrands. Across the eight FMCG categories — packaged food, soft drinks, beauty and personal care, consumer health, tissue and hygiene, home care, hot drinks and pet care — retail sales value is highest in Asia Pacific for all but pet care, which is highest in North America. The sheer importance of China is demonstrated by the existence of the Chinese “monogamous megabrands” peppered throughout the top 100 that generate enough in sales value to make it into this global list.

The consumer turn against sugar has had a significant impact on the megabrands. While the top two brands on the list — Coca-Cola and Pepsi — are unchanged in rank from 2014’s data, they have both had challenging years and now face a more difficult future. The impact on soft drinks brands further down the table has been largely negative. Similarly, packaged food brands — the most numerous in the megabrands list — are also facing new challenges. The backlash against sugar is a factor, but so is the increasing demand for snacking and eating throughout the day, significantly affecting some megabrands.

While packaged food brands are most likely to be megabrands, as 41 are, sales value of this category has declined the most since 2014. Of categories with five or more brands in the top 100, beauty and personal care has performed best. Beauty and personal care brands’ status as second most numerous in the megabrands list is a good indication of consumer demand for premiumisation. This is a category with brands that serve this need and that successfully blend this with mass appeal. It’s also a category which demonstrates that the megabrands can leverage e-commerce to great effect. Evolving purchase models such as subscription or one-button purchases can mean exceptional consumer loyalty. E-commerce also allows potential disruptors to flourish (as they do not necessarily need shelf space) and may mean having to counter lost impulse buys. Maintaining megabrand status is as challenging as ever — but the rewards remain great for this upper echelon in FMCG.