



Self-disrupt or self-destruct
Future of consumer business

M&A



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From “owning the aisle” to “owning the consumer”

In the past an evolutionary, linear approach to business development was a sensible strategy for consumer-product companies. All major consumer-product companies had a strong portfolio of core brands and relied on economies of scale to dominate their chosen markets. The growth strategy was defined by a philosophy of “owning the aisle”, so that whenever a product or geographic gap was identified, a new brand would be launched or a challenger brand acquired to fill the gap. Companies expanded in adjacent products or markets, once again using brand extensions and M&A to drive growth.

In recent years, however, the digital revolution has transformed the world and today an individual may be both a consumer and a creator. The average individual willingly shares data about themselves in exchange for convenience, such as shopping through digital channels, and this allows for the creation of valuable insight about the individual's consumer preferences.

This paradigm gives a significant advantage to asset-light, digitally-native start-up brands that are using consumer data as the basis for competition and bypassing the traditional advantages of economies of scale and scope. These new challenger brands are using disruptive technologies and agile business models to engage with consumers directly, and using data exchange to compile a highly personalised social and economic profile of the target consumer. The most sophisticated of these challenger brands are using this privileged access to position themselves as a “trusted influencer” who can actively shape the consumer's purchasing behaviour.

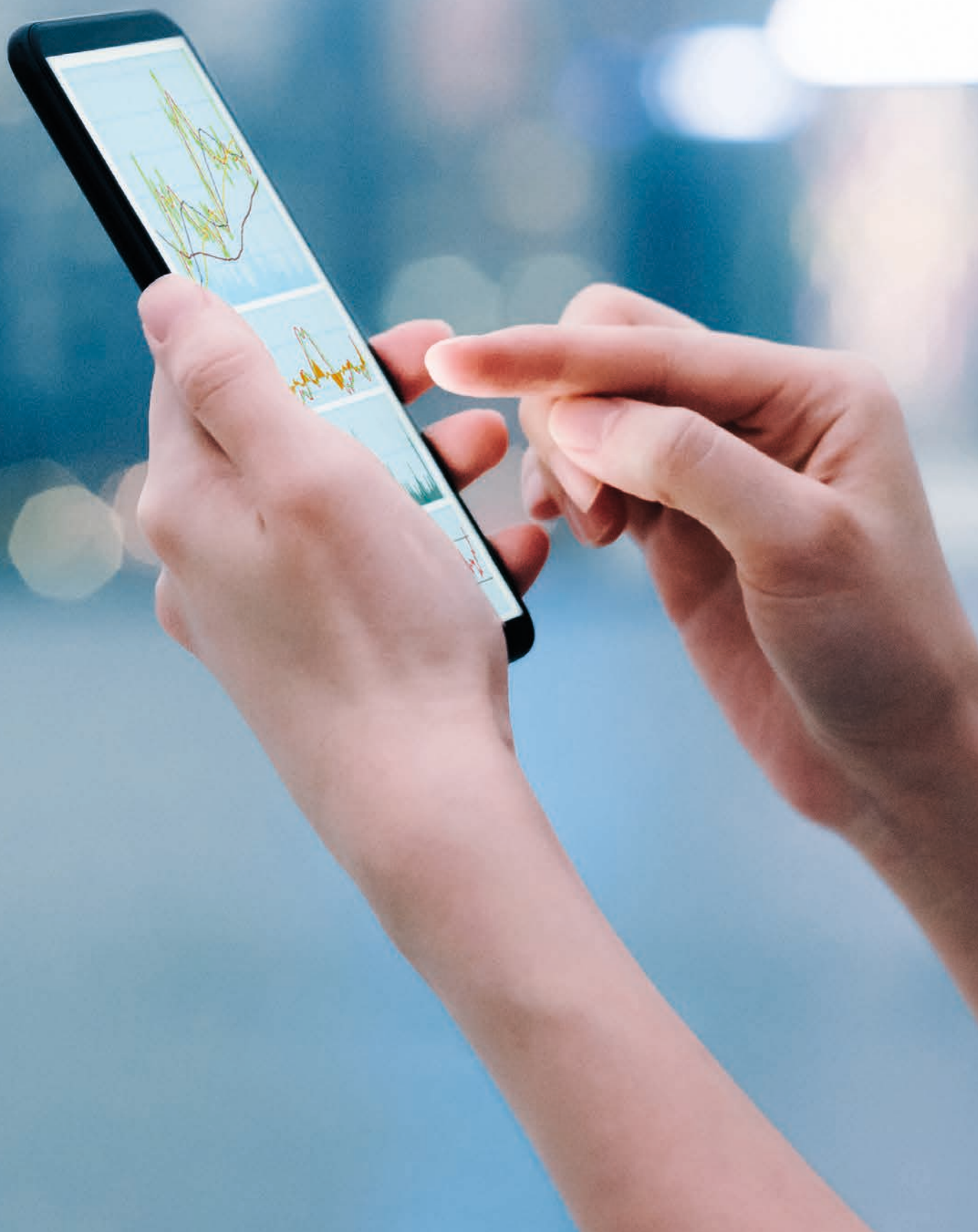
As a result, well-established companies now face the risk of decreasing customer loyalty that could result in shortened product life-cycles, diminished return on investment, and erosion of market share. Consumer-product companies have responded with significant investments in digital channels, customer analytics, and similar programmes.

However, the magnitude of the challenge means that CEOs need to consider M&A as a strategic enabler to capture innovation-led growth.

This means using M&A not just to capture market share, but also to acquire products, technologies, channels and talent that can reshape core businesses and markets in the years to come.

In this report we take a deeper look at some of the challenges and show how consumer businesses can use M&A strategically to win the battle for the consumer.







The growth conundrum

The only certainty is change

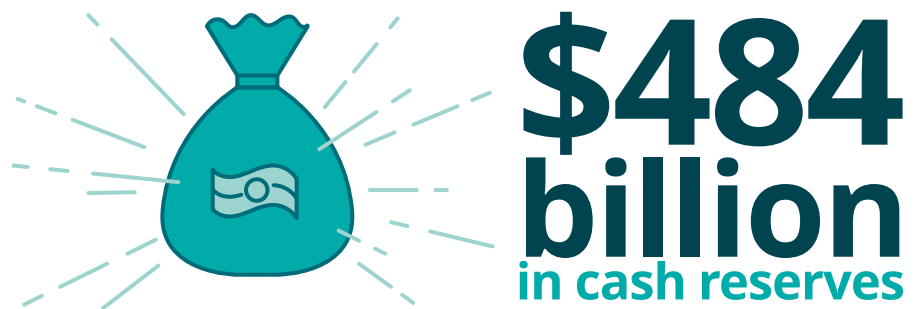
In the past few years signs of a slowdown in global trade have emerged. There are many reasons for this slowdown, including synchronised weakness in economic growth across major economic regions, lack of capital investment, and a decline in global supply chains. The so-called BRICs (Brazil, Russia, India and China), which were for long the engines of global growth, remain badly affected and China in particular has revised down its annual growth expectations. An important factor has been the transition of the Chinese economy from export-led to consumption-driven growth. China is also producing more of its intermediate inputs domestically, affecting global trade volumes and global prices.

At the same time, world events ranging from "Brexit" to the North Korean crisis suggest political and economic policy uncertainty is set to be a central theme in the near-term future. In the coming years consumer product companies will need to recalibrate their global market, customer, supply chain, business investment and operational strategies to reflect the new realities.

Economy of expectations

Despite the uncertain economic backdrop, the consumer business sector is in rude health. In the years following the financial crisis, a combination of astute financial management and rigorous cost containment meant that the consumer business constituents of the S&P 1200 index accumulated a record \$484 billion in cash reserves as of 2016.

Figure 1. Cash reserves of consumer business constituents of S&P 1200 Index

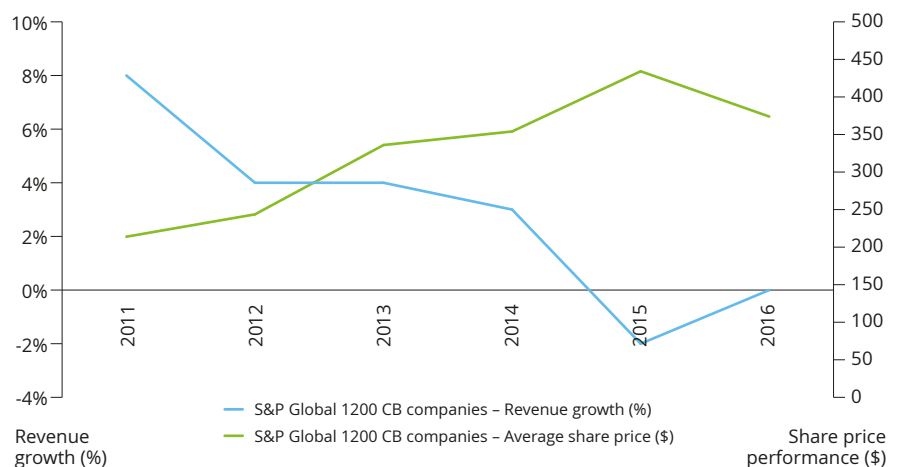


Share prices of many of the consumer-product constituents of the S&P Global 1200 stock market index have been hitting record highs, driven by generous dividend policies and active share buy-backs.

However, the underlying revenue growth rate for these companies remains underwhelming, having declined for three consecutive years from 2012 to 2015, before a slight rebound in 2016. Clearly this is not sustainable.

In coming months and years we expect investors to pile pressure on CEOs and Boards, demanding strategic investments and M&A activities to unlock revenue growth and sustainable increases in cash flow. M&A is inherently a long-term strategy and so we expect deal-makers will come to terms with uncertainty as a 'new normal' parameter and focus on its potential to create unique value-enhancing deals.

Figure 2. Revenue growth and share price of S&P 1200 Consumer Business (CB) constituents







Unbundling the business model

Unbundling the business model

Global consumer business companies that have stand-out performance tend to fall, broadly, into one of three main business model categories. First, those that prioritise operational excellence – in which standardisation, cost control and predictability are central. Second, those that capitalise on product or brand leadership – where product R&D and speed-to-market are of particular importance. Third, those that focus on getting close to their customers, using data analysis to form deeper relationships with an ever-broadening customer base.¹

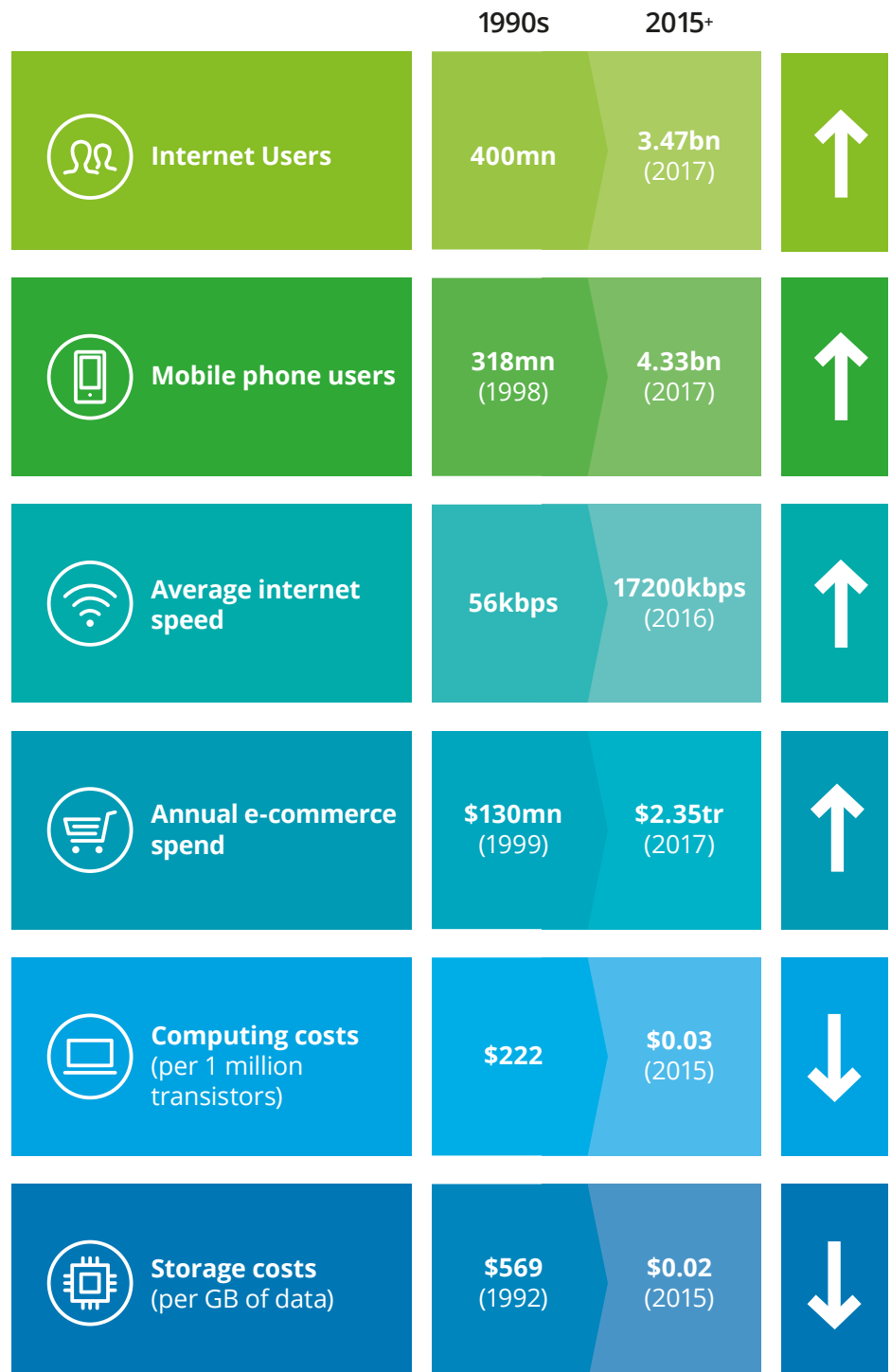
In theory, dominance in any of these three business models should create significant barriers to entry that help defend product lines. However, in practice, most companies have tried to optimise all three business models within one organisation, thereby creating sub-optimal structures that generate internal friction and below-par market performance. This provokes more cost inefficiencies, makes the businesses less responsive to market changes and stifles innovation within product divisions.

Against this backdrop, the dynamics of disruptive innovation are playing out as shown below:

1. Shifts in technology

Technological advances are providing breakthroughs in Artificial Intelligence (AI), cognitive computing, robotics, digital, analytics, manufacturing and design. But it is the potent combination of the sustained drop in computing and storage costs and significant improvement in computing power and data bandwidth that is paving the way for the widespread adoption and functionality of new technologies. For consumer-product companies this means instant access and multiple consumer touch points are within its control.

Figure 3. Significant shifts in technology



Source: e-marketeer, Alcamai, Upfront ventures, Deloitte Shift Index

2. Shifts in consumer behaviour

The disruptive potential of these new technologies is further amplified by shifts in consumer behaviour. Whole new sets of consumer demographics are being formed, underpinned by diversity and a multiplicity of viewpoints. This in turn is inspiring the following social business models:

- consumers preferring trusted advice from peers over corporates – for example, peer-to-peer rating sites such as TripAdvisor or Etsy. Currently this model is more prevalent in categories such as Watches, Handbags and other experiential products;
- consumers preferring access over ownership – for example, Rent-a-Runway. Currently this model is prevalent in categories where product outlay is significant;
- businesses preferring 'collaboration over competition', which can easily turn 'insight into innovation' – for example, Unilever Foundry, Unilever's platform for start-ups and innovators to engage, collaborate and explore business ideas.

3. Shifts in capital investment

There is an abundance of capital from venture investors to fund entrepreneurs who can use new technologies to create innovative products and services. In 2016 alone, global venture investments totalled \$116 billion. While the US still receives the bulk of venture funding, newer markets such as China and India are emerging as venture-capital powerhouses in their own right. In addition to venture funding, other new forms of capital raising have emerged. Innovative forms of capital raising, such as crowdfunding, are allowing entrepreneurs to reach the market with a product prototype in a relatively short period of time.

For instance, the UK-based milkshake brand Canny reached its £100,000 crowdfunding target within a week and plans to use this sum to expand its business.²

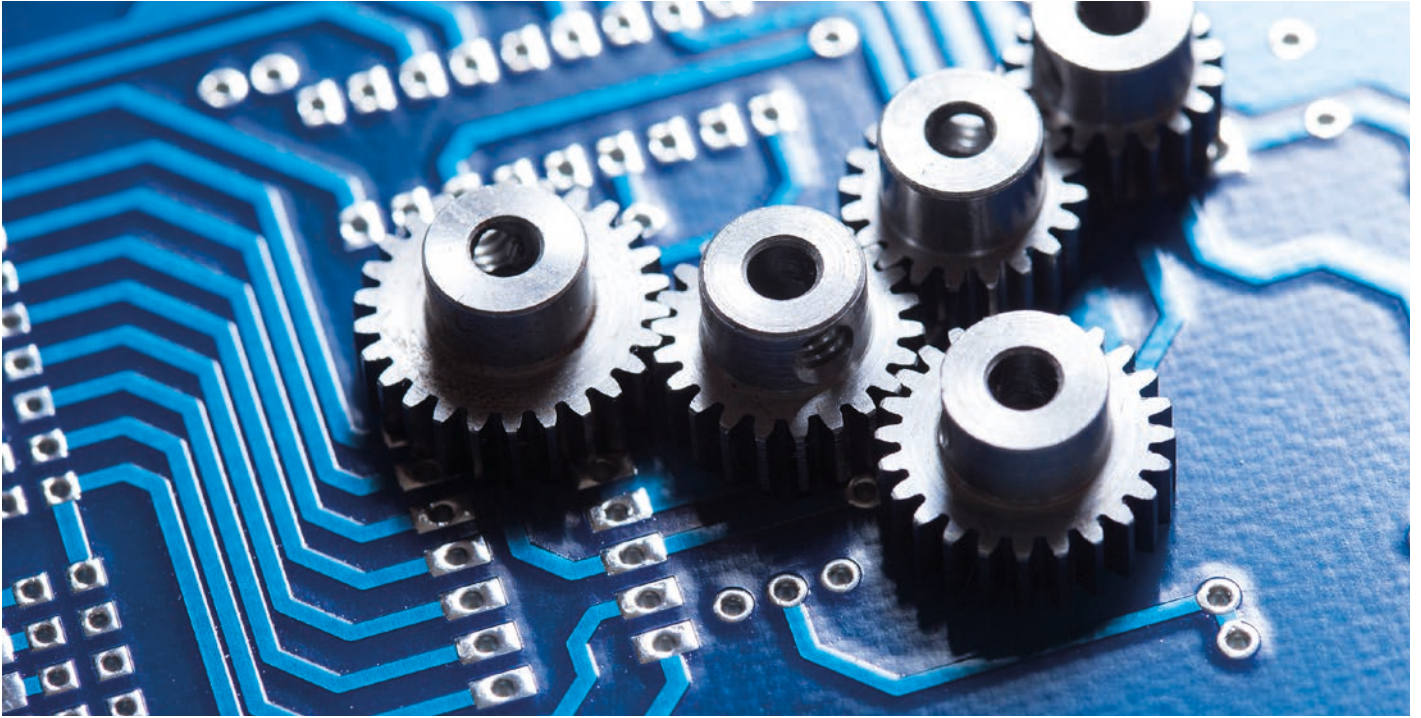
Figure 4. A sample of crowdsourced alternatives in consumer business sectors

 Food	Meals, dining, food products etc	Feastly, VizEat, OLIO, Josephine
 Fashion	Accessories, clothes and makeup	Poshmark, VillageLuxe, ShearShare
 Travel	Accommodation, experiences, guides, tours etc	Airbnb, Yelp, GeoSure, ThirdHome
 Logistics	Food delivery, groceries delivery, parcels delivery etc	Postmates, Instacart, Deliv, Dosta Vista

While the US still receives the bulk of venture funding, newer markets such as China and India are emerging as venture-capital powerhouses in their own right.



Fragmentation – having the power of the big, but the agility of the small



Combined, these trends are lowering the barriers to entry for product development, cutting the cost of infrastructure to support demand fulfilment and allowing for the proliferation of direct-to-consumer-product channels. Fragmentation in product categories can accelerate the development of new businesses that are entirely focused on the customer and informed by data and analytics that help to define consumer needs and the product offering. This means challenger start-up brands can build profitable businesses that were simply not possible even a few years ago. This phenomenon is a function of what Deloitte's Center for the Edge calls The Big Shift.³

The extent to which a consumer product or brand category will fragment depends upon two factors:⁴

- the degree to which customers look for more specialisation and customisation in the products and services they buy;
- the degree to which barriers to entry, commercialisation and learning are diminishing.

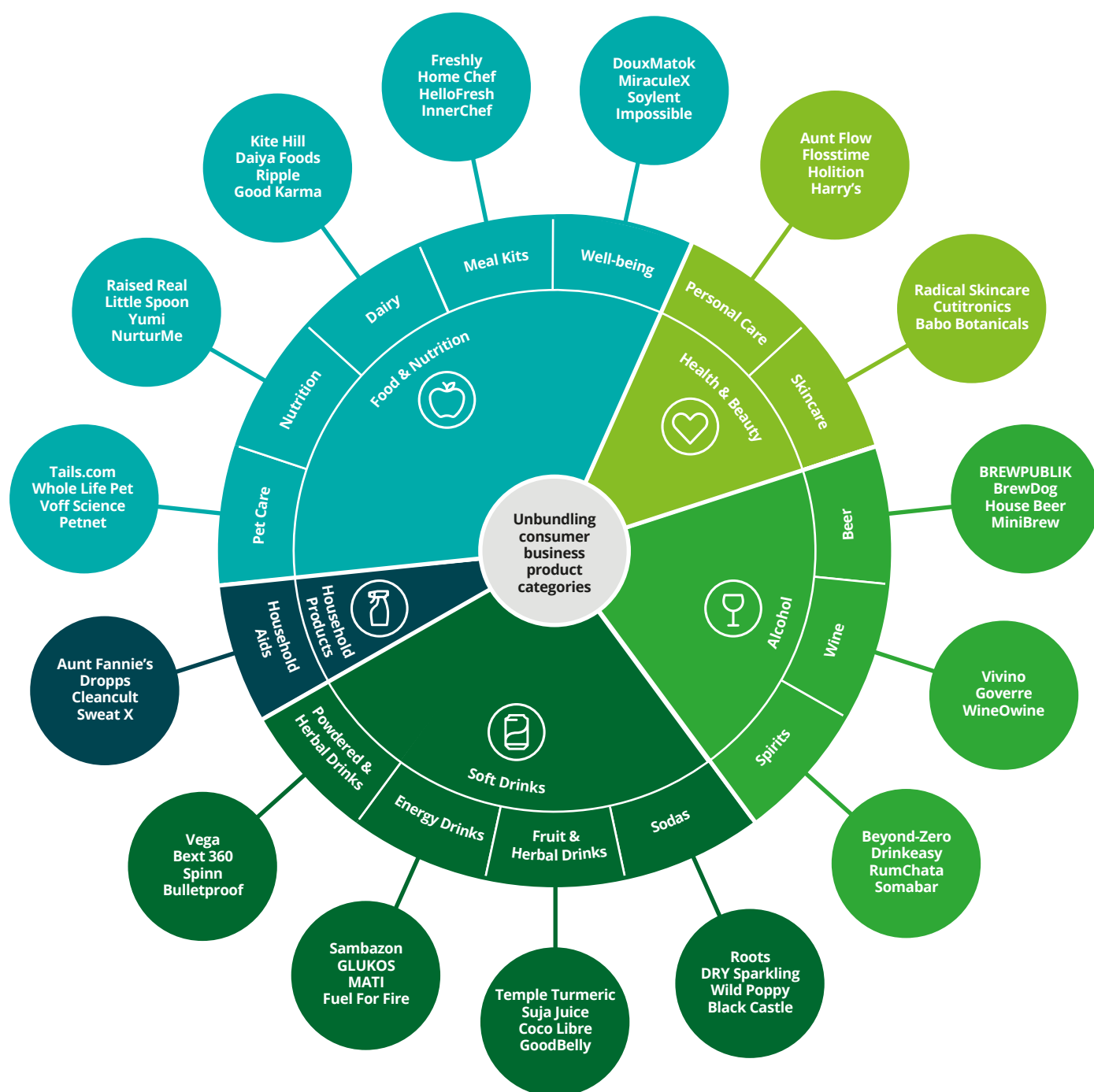
Manufacturing processes geared towards traditional economies of scale become a performance disadvantage when customers demand greater specialisation.

It is clear that these structural shifts in the landscape are here to stay and consumer-product companies need to re-engineer their longer-term value proposition to remain relevant in various markets and segments.

As a consequence, well-established consumer-product companies are finding that many household name brands are vulnerable. It is evident, every major product category faces challenger brands that are rapidly eroding market share.

Well-established consumer-product companies are finding that many household name brands are vulnerable. It is evident, every major product category faces challenger brands that are rapidly eroding market share.

Figure 5. Unbundling consumer business product categories



Case study: Dollar Shave Club



The market for men's razors has long been dominated by Gillette, which still has 67 per cent market share and ubiquitous presence in shops and advertising channels. On paper, this is a typical mega-consumer brand with significant barriers to entry.

But it could be argued that this market was also particularly ripe for disruption. The customer base is at least to some extent captive, margins are high and many businesses in the chain – local manufacturers, advertisers, wholesalers and retailers – could be side-stepped. Importantly, consumers had long complained about the price, and Gillette's sales in the US, its largest market, had been stagnant for a number of years. This gave Dollar Shave Club an open door to disrupt.

Dollar Shave Club is a direct-to-consumer razor business that delivers razors and other personal grooming products to consumers by mail. Together with other low-cost online providers such as Harry's, Dollar Shave Club offered a cheap subscription model through outsourced production. While it might not look like a threat on paper, its direct-to-consumer social marketing campaign became a viral phenomenon, jump-starting sales and generating immediate brand recognition and credibility.

Dollar Shave Club still has a relatively low-value share of the market, but its unit share is growing fast. By forming a direct connection with the consumer, in an almost cost-free process, Dollar Shave Club and others like it, are eroding Gillette's market share. In response Gillette recently announced a price cut. Until recently, that would not have been considered possible.

When P&G acquired Gillette in 2005, it paid \$57bn for the market dominance it secured. When Unilever bought Dollar Shave Club in 2015, it paid just \$1bn for a company that looks set to help disrupt a global market. However, the irony may be that the value in companies like Dollar Shave is much more in the customer insight it provides, as well as valuable lessons in direct-to-consumer marketing, than the returns from product sales. In this regard, Unilever might have made quite an offensive move by buying Dollar Shave Club.

As a footnote to this deal saga, Dollar Shave Club's closest competitor – Harry's – bought Feintechnik, their razor supplier. Harry's realised that in addition to slick social-media marketing, controlling and maintaining a high quality supply chain is vital as other challengers continue to enter the market.





The corporate fightback

Is acquisition the new innovation?

Consumer-product companies are increasingly using M&A as a strategic expedient to capture innovation-led growth opportunities. There has been a sharp and continuing increase in M&A deals done with the primary purpose of acquiring capabilities or technologies across key disruptive innovation categories such as Digital, Social, Artificial Intelligence (AI), Internet-of-things (IoT), Robotics and others. By our estimate, consumer business companies have invested \$15 billion acquiring or investing in disruptive innovation assets in 2015-16.

M&A provides one of the clearest routes towards capturing digitally native consumers and taking advantage of shifts in consumer trends. For example, in recent months established personal care companies like L'Oréal, Estée Lauder and Coty have been continuously acquiring independent challenger brands that have grown through the use of online influencers, social selling and user-generated content. But online presence and influence take time and investment to build. Investors, too, like the M&A approach. Share prices that were formerly closely correlated to like-for-like sales (a measure that excludes the impact of acquisitions) are now equally likely to respond to growth in market share through acquisition as they are to organic top-line growth.

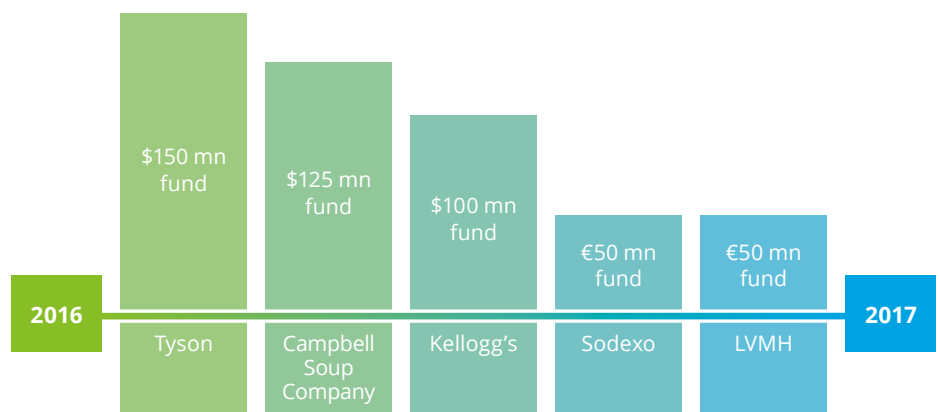
M&A is also the choice of strategy for companies that need to bolt on an online or technology component that they lack. For instance, Walmart recently acquired Jet.com, one of the fastest-growing digital commerce companies in the US, to enhance its digital channel growth and reach out to new consumer segments.

Corporate venture capital

Corporate venture capital (CVC) has emerged as a fundamental part of corporate innovation strategy, providing companies with an important conduit into the external innovation ecosystem. Many consumer business companies have also launched dedicated corporate venture units that are investing in a range of innovative assets and verticals. Consumer-product CVC funds invested \$5 billion in 2015-16 across a range of technologies, social business models and challenger brands. Some of the most active CVC funds are the ones launched by LVMH, Kellogg's, Tyson, Amazon, Rakuten, Unilever and Adidas.

Beyond financial returns, these investments provide invaluable access to new technologies, business models and trends, all crucial to growth through innovation. For instance, General Mills recently launched 301 Inc. – a stand-alone corporate venture capital unit – and has taken investment positions in a diverse set of emerging brand categories such as Beyond Meat (meat substitutes), Kite Hill (alternative dairy products) and Rhythm Superfoods (plant-based snack foods).⁵

Figure 6. A Selection of Corporate Venture Capital Funds



Disruption in numbers

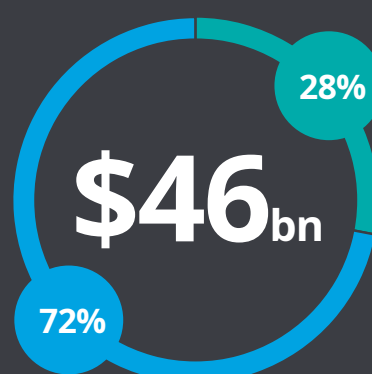
38% of Consumer Business companies, in S&P 1200 index have made investments or acquisitions in the disruptive innovation segment

Consumer Business companies, disruptive M&A and Corporate Venture activity (2015-17)

Deal volumes

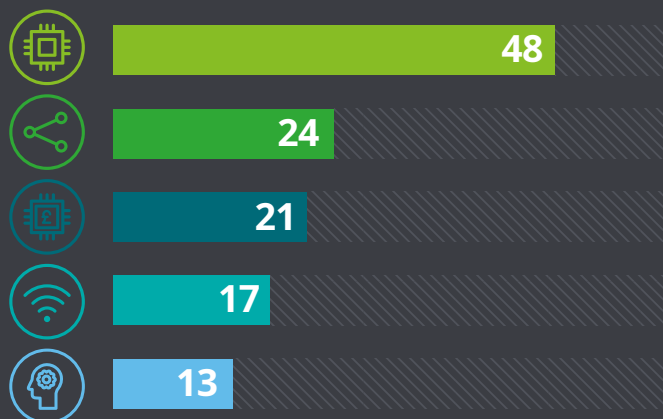


Deal values

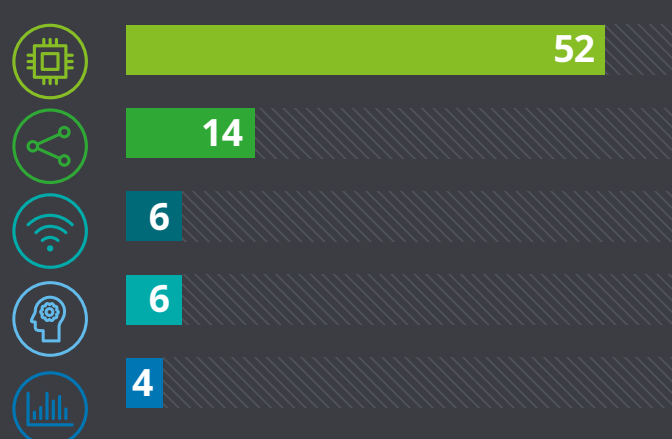


■ M&A ■ Corporate venturing activity

Corporate Venture investments across disruptive segments (volumes 2015-17)



M&A activity in disruptive segments (volumes 2015-17)



Digital



Social



FinTech



IoT



AI&ML



Big Data

9 of the **25** largest Consumer Business companies have an active **startup investment vehicle**

1 out of **5**

deals announced by the S&P global 1200 CB companies during 2015-17 was related to **Disruption Innovation category**

\$900_m

funds committed by Consumer Business companies 2015-17

\$125_m

size of average corporate venture fund raised by Consumer Business companies



Top investments

Meituan Dianping (\$4bn)
Lyft (\$2.3bn)
Grail (\$1.2bn)
Careem (\$850mn)
GO-JEK (\$550mn)



Top exits

WePay (\$350mn)
Datacert (\$290mn)
Misfit (\$260mn)
Clavis Insight (\$140mn)
Olapic (\$130mn)



Top start up M&A

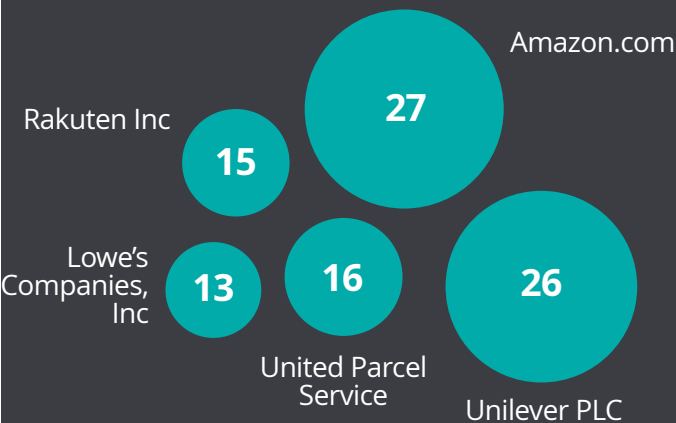
Walmart – Jet (\$3.3bn)
Dr Pepper Snapple – Bai (\$1.7bn)
Unilever – Dollar Shave Club (\$1bn)
Unilever – Seventh Generation (\$700mn)
Amazon – Souq.com (\$650mn)



Top convergence M&A deals

Walmart – Jet.com (\$3.3bn)
Unilever – Dollar Shave Club (\$1bn)
UnderArmour – MyFitnessPal (\$475mn)
Amazon – Annapurna Labs (\$370mn)
Adidas – Runtastic (\$245mn)

Most Active Corporate Venture Investors (2015-17)



Most Active Corporate acquirers (2015-17)







Capturing the promise of convergence

The confluence of technological advancements in emerging areas such as AI, Digital and IoT, changing customer preferences and an evolving regulatory landscape are reshaping how products and services are developed, delivered and consumed. Traditional sector boundaries are being blurred, leading to convergence of business models across sectors such as health, finance, retail, manufacturing and others. This is creating opportunities for non-traditional competitors to enter the market with new consumer offerings.

Companies have started using M&A and corporate venturing to invest in these disruptive technologies and related service models to develop cross-sector market offerings for consumers. Take Fintech, for example, where one would expect investment to emanate naturally from financial services companies. Instead we found a staggering 65 per cent of M&A investment during 2015-16 come from the non-financial services sector. This is because innovative segments like payment processing reduce the cost of providing the complete service to the consumer and have the potential to disrupt a range of sectors. For example, Metro AG, the German retailer, recently invested in Orderbird, an iPad-based point-of-sale system for restaurants, in order to boost digital engagement with customers.⁶

We expect that in the near future small, strategic M&A deals will create new consumer offerings, reshaping competition in the consumer business sector. The non-traditional competitors likely to make inroads into consumer businesses will come from sectors such as technology, finance, health and manufacturing. For example, American Express, which recently ended its partnership with Costco, made a venture investment in Boxed.com, a mobile commerce start-up that has developed a platform for bulk and wholesale goods in competition with well-established Costco.⁷

Another area ripe for convergence is Nutrition which bridges the gap between the health, food and technology sectors. Recently J&J invested in DayTwo, an Israeli start-up that offers a personalised nutrition programme based on individuals' microbiome analysis.⁸ Not only does DayTwo help J&J with clinical nutrition research, it also opens up for opportunities to partner with food companies in the wellness diet area and offer the sort of product personalisation that can protect product margins from erosion.

Similarly BUPA, the health insurance company, licences an App called Foodswitch, which helps consumers make better food choices when grocery shopping by scanning barcodes and revealing the total fat, sugar and salt content in that particular food.⁹ Such Apps are making it simpler for the consumer to develop a personalised dietary plan and eliminate unwanted items from an online shopping basket at the click of a button. Packaged food companies also want to react quickly to these shifts in consumer preferences but struggle to do so. By the time they gather data on the trend, develop their response, change their manufacturing and supply chain and provide the adapted product – same taste, less salt or sugar – the consumer has already made a choice.

Consumer business companies are also venturing outside their comfort sectors and investing in convergence opportunities that could create a whole new set of markets. Adidas recently acquired the digital fitness platform Runtastic to develop opportunities resulting from the convergence of the fitness, lifestyle and health communities.¹⁰ Similarly Acre Venture Partners (backed by Campbell Soup) has invested in Sample6, an agri-tech start-up that has been developing synthetic biology-based bacteria diagnostic technologies that allow for more frequent testing, ensuring the production of safe, high quality food.¹¹

Adidas recently acquired the digital fitness platform Runtastic to develop opportunities resulting from the convergence of fitness, lifestyle and health communities.

Google acquired Nest Labs, the manufacturer of Internet of Things (IoT) enabled consumer home automation devices in 2014.

Figure 7. Others targeting consumer business sector*

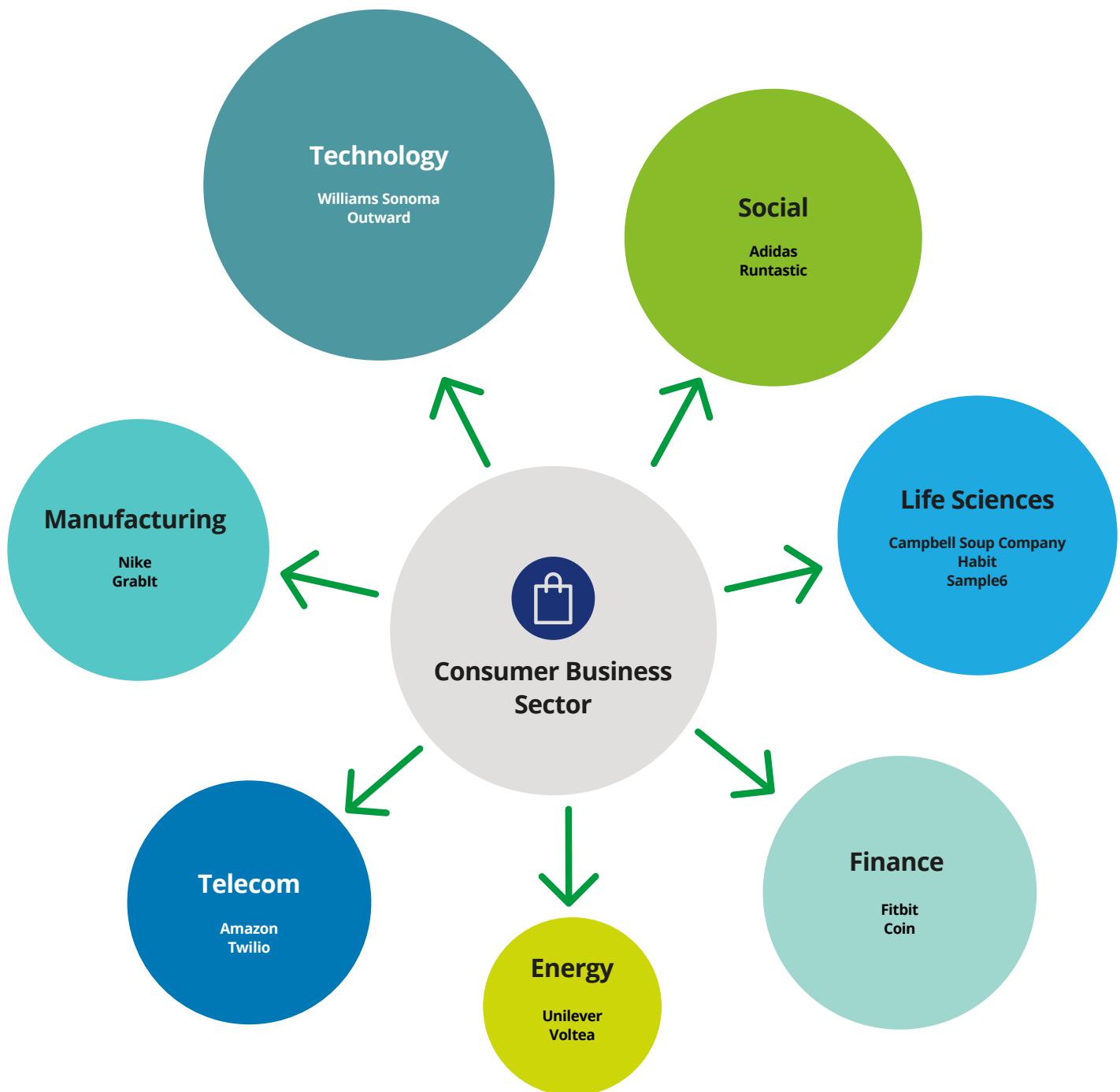


Source: M&A Index Predictions 2017 – Deloitte

*Deal descriptions in endnotes

Fitbit, the connected consumer device company, acquired Coin, a fintech company specializing in wearable payment technology and products.

Figure 8. Consumer business sector targeting other sectors*



Source: M&A Index Predictions 2017 – Deloitte

*Deal descriptions in endnotes





What can you do?

Making disruptive M&A a success

“Own the consumer experience”

Disruptive technologies are set to change fundamentally how companies build enduring and multi-dimensional relationships with customers. This is not so much about new products and channels to engage with the consumer, rather it is about enjoying a position of trust, where the consumer is willing to share information with a company in return for highly customised products and services.

Amazon is one such digitally native challenger that started off as a digital commerce platform, but over time through significant investments in disruptive technologies, analytics and supply-chain optimisation, has become a highly customer-centric brand. It has multiple direct digital touch-points with the consumer – such as IoT based Dash buttons or AI based Amazon Echo for voice ordering. It uses its significant scale to develop Amazon Marketplace, the fulfilment channel between small-scale producers and the end consumer. It has managed to achieve the rarefied status of a brand that is trusted by consumers to make recommendations on a suite of consumer product categories. The unique combination of a deep and trusted relationship together with significant scale allows Amazon the brand permission to enter new market segments – from staging music concerts to food delivery.

Consumer-product companies aspiring to build similar such close trusted relationships with their customers should consider using M&A as the enabler and deals should be done with the aim of positioning for the role they want to play in the future. Disruptive M&A is no longer just about acquiring a brand or product category, but instead is about orchestrating a number of transactions and partnerships, all driving towards a specific strategic goal – which is to have a significant stake in every experience a customer has with their product.

Making disruptive M&A acquisitions a success is hard. Most companies do not have experience in identifying, acquiring and integrating these new technologies and capabilities, which makes these deals inherently complex. More importantly, there is increased competition from not just immediate competitors but also in non-traditional market entrants from adjacent sectors. This demands a rethink of the M&A strategy and capabilities required to harness these new market opportunities.

Develop a competency to monitor signals

Corporate development teams need to become adept in monitoring signals coming from the marketplace. This is a crucial step in understanding the future potential of challenger businesses and the potential business threat – or opportunity.

Consumer-product companies need to assess which of their core markets or products are more likely to fragment and choose where to focus in the future. Keeping track of technological advances and adoption will help companies to understand the opportunities and threats to their existing products. Analysing consumer behaviour will help to anticipate significant shifts in consumer preferences. Observing movements in adjacent industries can help to anticipate potential disruption in one's own.

Firms will need to consider what stage of company they want to deal with – and be prepared to pay much higher multiples for relatively less mature businesses in order to get in front of the right development opportunities.

Become the dealmaker of the future

In the future we can expect M&A teams to require sophisticated skills and capabilities that go well beyond the traditional domain of corporate development. This may involve the recruitment of new talent from a wide range of backgrounds, including data scientists, deep technology experts, social scientists and design thinkers, to understand the potential of new acquisitions and partnerships more comprehensively.

We also expect M&A professionals will need to deploy advanced analytical tools to drive decision-making in all phases of the M&A transaction from deal sourcing and valuation all the way to integration. This is a must in order to handle the complexities of such deals and prepare organisations to adapt to such disruptions.¹²

The core M&A team will work much more closely with the product lines, CIOs, CSO, R&D function etc., and will recast their roles as change agents in order to bridge the gap between the vastly different sensibilities of the innovative acquisitions they pursue and the highly experienced and well-oiled machinery of the corporate set-up.

Change also starts at the top. Corporate leaders need to be fully committed to accepting external innovation. The typical barrier to introducing external innovation into a company is the so-called 'not invented here syndrome'. One way to counter this tendency is to give more internal recognition to those who collaborate with and nurture newly acquired companies.

Integrate external innovation

Integrating external innovation into company culture is perhaps the most challenging aspect of innovating for growth. Most companies struggle with this aspect, particularly when they do not have experience of acquiring digital, technology-enabled and social businesses.

While the traditional M&A approach is to integrate quickly the acquisition's capabilities and customers, the temptation to integrate innovative start-ups in the traditional way must be resisted.

In some instances, when the newly acquired company is engaged in an adjacent or niche product category, it might be better for a period of time to 'park' such acquisitions outside the corporate structure and let them operate as stand-alone businesses. This provides valuable time for each business to understand the other.

Global consumer-product companies have significant scale and scope advantages in areas such as supply-chain networks, high-end manufacturing, digital channels and customer analytics platforms, often coupled with cash investment reserves and low-cost access to capital. Integration in these areas can provide these start-ups with affordable access to services and physical networks that can only be operated cost-effectively at scale. On the other hand, the start-up should be allowed to retain autonomy in areas such as marketing, product design, consumer experience and talent.

Extract value through ecosystem partnerships

To realise the full value of the disruptive play, companies should be prepared to work with the external ecosystem to nurture new partners and acquisitions. From our experience, many innovative companies do not want to be acquired by large consumer-product companies because of strong cultural differences across multiple fronts.

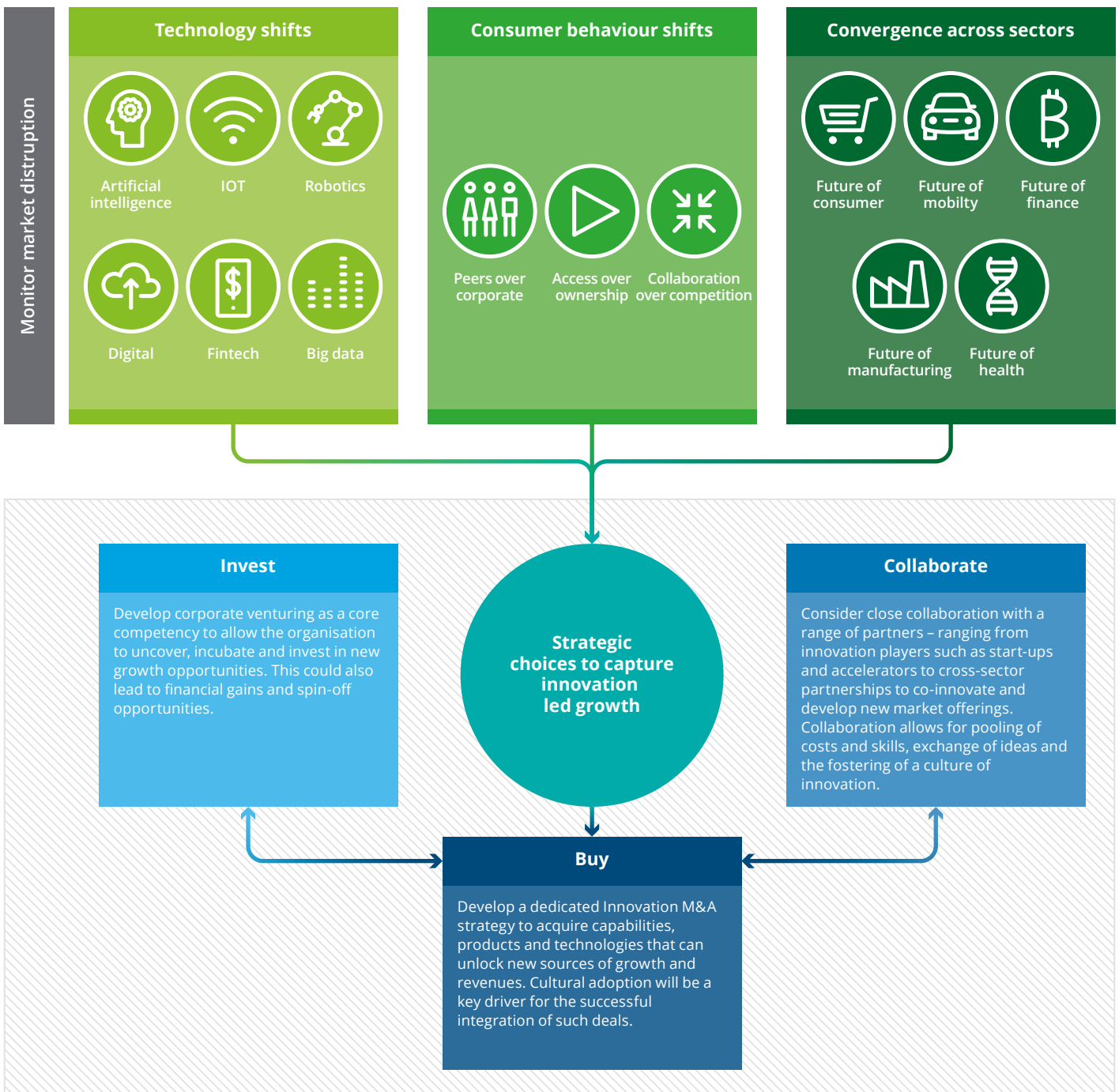
Partnerships or minority stake investments should also be considered. Innovation partnerships strengthen relationships with non-traditional trading partners, allow for ideas to flow both ways and, more importantly, lay the groundwork to build a culture of innovation and agile thinking across the whole company.

Often collaboration offers win-win opportunities as many innovative start-ups are more receptive to co-development of new products and market categories. For example, a recent personal care joint venture that has electrified the premium cosmetics market is Charlotte Tilbury's Magic Mirror, an instore virtual reality experience delivered through a joint venture with the virtual reality studio Holition which has stolen a march on competitors' app-based digital try-out approaches.¹³

Elsewhere, Local Motors is a US-based start-up that created an innovative platform in which designers and hobbyists interact to bring to market low-volume 3D-printed vehicles at a fraction of the cost of a traditional Original Equipment Manufacturer. Local Motors, as well as other companies on the platform, can crowdsource vehicle design and leverage 3D-printing technology and a network of miniature factories. Airbus has made an investment in Local Motors and also announced a partnership to co-create the next generation of commercial drones.¹⁴

Bottom line

In today's environment companies face a equally stark choice: self-disrupt and thrive, or stay passive and self-destruct. CEOs of consumer-product companies now have the twin challenge of responding to the disruptive innovation threat in their traditional businesses and simultaneously harnessing these forces to create the businesses of tomorrow. We expect reorientation will provide a significant boost to strategic M&A acquisitions in the innovation and technology space in the coming months and years.



Endnotes

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Figure 7. Other targeting consumer business sector examples

Technology

Google acquired Nest Labs, the manufacturer of Internet of Things (IoT) enabled consumer home automation devices in 2014.

Telecom

Nokia acquired health and fitness consumer connected device manufacturer in 2016

Singtel has invested in ShopSpot, a mobile commerce platform based in Asia.

Health

FoodSwitch is an App that provides nutritional information and healthier alternatives based on a scientific algorithm developed by The George Institute for Global Health and has been licensed to Bupa Australia.

Media

Disney's Accelerator was incubating Sphero, a connected play start-up that fuses digital and robotic play through connected toys and immersive experiences.

Real Estate

Simon Ventures, the corporate venture division of Simon Group, invested in Dirty Lemon, a direct-to-consumer beverage company that uses only social media to market its product.

Finance

American Express Ventures has invested in Boxed.com, an online and mobile membership-free wholesale retailer that offers direct delivery of bulk-sized packages.

Manufacturing

Apollo, the India based tyre manufacturer, acquired Reifen.com, the second largest online retailer of tyres in Europe.

Figure 8. Consumer business sector targeting other sectors examples

Finance

Fitbit, the connected consumer device company, acquired Coin, a fintech company specializing in wearable payment technology and products.

Clean Energy

Unilever Ventures has invested in Voltea, a clean technology start-up that has developed its proprietary technology to remove dissolved salts from water using electricity at a lower economic and environmental cost.

Telecom

Amazon has invested in Twilio, a cloud communications platform for building SMS, Voice & Messaging applications on an API.

Manufacturing

Nike has taken a minority stake in Grabbit, an industrial automation and materials handling solutions start-up that makes automated products for the manufacturing and logistics industries.

Technology

Williams Sonoma, the retailer, has acquired AR (Augmented Reality) start-up Outward to enhance its digital shopping experience.

Social

Adidas acquired the digital fitness platform, Runtastic, to develop opportunities resulting from convergence of health and lifestyle.

Nutrition and Life sciences

Campbell Soup Company has invested in Habit, a digital health startup that uses data from a home test kit to make personalized food recommendations tailored to a consumer's unique DNA. Campbell Soup Company corporate venture partner Arce Venture Partners has invested in Sample6, which has developed the first enrichment-free pathogen diagnostic system.

Notes



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