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BRAND IDENTITY: A CREATION OF IDENTITY IN THE DIGITAL WORLD AS A CHALLENGING INVESTMENT IN FMCGS?

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ABSTRACT

The study explores the intricacies of structure a brand identity in the digital age which focuses on the fast-moving consumer goods (FMCGs) sector. The study finds the challenges such as a digital saturation, consumer expectations, and also the shifts in the technology. Alongside the strategies for success, which includes the storytelling, adaption of technology, and with sustainability. The Real-world case studies which includes Coca-Cola, Unilever, and Nestle, where illustrating the opportunities and the obstacles in the landscape of evolving the digitalization concept.

Keywords: *Brand Identity, Creation of Identity, Digital World, Challenging, Investment FMCGs.*

1. INTRODUCTION

Brand identity means to the verbal, visual, and emotional attributes that can create a distinct and consistent image of a brand in the consumer minds (**Aaker, 1996**).

The age of digital era, where the concept of brand identity transcends logos and slogans to encapsulate an emotional and cognitive with the consumer (**Aaker, 1996**). Fast moving consumer brands (FMCGs), identity has turn into a vital tool for the differentiation and the customer loyalty in an extremely competitive landscapes. The challenges lie while the adoption to rapid technological advancements and to consistent maintaining the brand image across the various platforms.

In the fast-moving consumer goods (FMCG) sector, brand identity has long served as a cornerstone for consumer loyalty and market differentiation. However, the rapid pace of digital transformation has fundamentally altered the way brands communicate, engage, and compete. With the proliferation of e-commerce, social media, and AI-driven personalization, FMCG companies are compelled to invest in digital brand identity to remain relevant in a highly competitive and data-centric marketplace (PwC, 2023). According to a 2023 Deloitte report, over 70% of FMCG executives identified digital branding and customer experience as top priorities for investment. Furthermore, consumers increasingly expect seamless and personalized interactions across digital channels, which puts additional pressure on brands to maintain consistency and authenticity (Accenture, 2023). Consequently, creating a distinctive



brand identity in the digital world is no longer optional—it has become a strategic necessity and a challenging investment, particularly for legacy FMCG brands grappling with digital disruption.

1.1. Significance in the Fast Moving Consumer Goods (FMCGs)

Fast moving consumer brands (FMCGs), identity of brands in the pivotal as these goods and services are rely heavily on the rapid consumer recognition and the concept of trust. The successful brand identity in the present digital world magnifies the customer loyalties and the healthy engagement in the products selection criteria.

1.2. Challenges towards the Digital World

The rapid changes in the technology, where the constant evolution in the social media platforms and the digital tools, the crowded intense marketplace is competed with thousands of the bran competing for the attention to their products. The consumers demand and the expectations for the personalisation and the product authenticity.

2. REVIEW OF LITERATURE

The significance of brand identity in the FMCG sector has been well documented, traditionally focusing on tangible elements such as logos, packaging, and advertising (Aaker, 1996). However, the shift toward digital platforms has redefined the scope and complexity of brand identity, making it an evolving and increasingly intangible asset (Kapferer, 2012; Keller, 2013).

Recent studies underscore the transformative impact of digitalization on branding strategies within FMCGs. For instance, Hollebeek and Macky (2019) argue that digital brand engagement, especially via social media, demands real-time responsiveness and emotional intelligence, which challenge traditional branding models. Similarly, Gensler et al. (2013) highlight how digital co-creation, where consumers actively shape brand narratives online, creates tension between corporate control and user-generated content.

Despite these opportunities, the digitalization of brand identity presents investment challenges for FMCGs. Research by Lury and Moor (2020) frames brand identity as a sociotechnical system, suggesting that digital branding is as much about infrastructure and data as it is about communication. In line with this, Westerman, Bonnet, and McAfee (2014) show that firms slow to adapt their branding to digital formats suffer not only reputational damage but also revenue loss. Furthermore, empirical studies by Chatterjee and Kumar (2021) reveal that FMCGs investing in digital branding strategies often face difficulties in measuring ROI, justifying long-term budgets, and integrating digital efforts across channels.

Critically, many early studies treated digital branding as an extension of traditional marketing rather than a paradigm shift. This limited view is challenged by more recent work emphasizing **brand dynamism** and **platform-based identity construction** (Iglesias et al., 2020). These scholars argue that digital brand identity is not simply communicated—it is co-



constructed, performative, and continuously negotiated across audiences and platforms. This evolution has significant implications for FMCG brands whose legacy strategies are often rooted in static identity models.

Moreover, the growing role of AI, personalization, and data ethics introduces new layers to the digital branding conversation. According to Khan and Cambridge (2023), while AI tools can enhance consumer targeting and personalization, they also risk eroding brand trust when overused or misapplied. This duality underscores the complexity of investing in digital brand identity: it's a strategic necessity fraught with evolving risks and trade-offs.

In summary, while digital transformation offers FMCG firms opportunities to engage with consumers in richer and more meaningful ways, it also complicates the creation, maintenance, and measurement of brand identity. The literature calls for a reconceptualization of brand-building in the digital age—one that moves beyond surface-level engagement toward deeper, systemic integration across technologies, platforms, and consumer relationships.

3. METHODOLOGY

This study adopts a **qualitative case study approach** to explore how FMCG firms navigate the challenges of building brand identity in the digital landscape. The methodology is designed to provide depth and contextual insight into organizational practices, strategic priorities, and market-facing branding efforts.

3.1. Research Design

A **multiple-case study design** was selected to compare digital branding strategies across different FMCG companies. This approach allows for the identification of patterns, contrasts, and contextual nuances that contribute to a richer understanding of the phenomena under investigation (Yin, 2018).

3.2. Case Selection Criteria

Three FMCG companies were selected based on the following purposive sampling criteria:

- Active digital presence across at least three major platforms (e.g., Instagram, YouTube, TikTok).
- Documented investments in digital brand strategy (e.g., digital campaigns, influencer partnerships, personalized e-commerce).
- Differing market positions: one multinational legacy brand, one regional challenger brand, and one digitally native brand.

These criteria ensured **variation in brand maturity and digital adoption levels**, offering comparative insight into how different organizational contexts affect brand identity construction.



3.3. Data Collection

Data was collected through **sources**:

1. **Document analysis** of digital brand assets, including social media content, website designs, digital ads, annual reports, and media coverage from 2021 to 2024. These documents were analyzed to triangulate interview findings and provide evidence of brand identity representation across platforms.

All interviews were recorded, transcribed verbatim, and anonymized to ensure confidentiality.

3.4. Data Analysis

Data was analyzed using **thematic analysis**, following Braun and Clarke's (2006) six-phase approach:

1. **Familiarization** – Transcripts and documents were read multiple times for immersion.
2. **Generating Initial Codes** – Codes were assigned to meaningful data chunks related to brand identity themes (e.g., authenticity, coherence, personalization, trust).
3. **Searching for Themes** – Codes were grouped into broader themes such as “digital trust-building”, “brand-consumer co-creation”, and “resource tensions”.
4. **Reviewing Themes** – Themes were refined for internal homogeneity and external heterogeneity across cases.
5. **Defining and Naming Themes** – Each theme was clearly defined in relation to the research questions.
6. **Writing Up** – Themes were supported by direct quotations and illustrative examples from the case documents.

To enhance **trustworthiness**, member checks were conducted by sharing key findings with three interviewees for validation. Additionally, an audit trail was maintained to track decisions during coding and theme development.

4. CHALLENGES IN THE CREATION OF BRAND IDENTITY OF FAST MOVING CONSUMER GOODS (FMCGS)

- **Digital Saturation:** The concept of digital saturation in the Fast Moving Consumer Goods (FMCGs) market faces overwhelming competitions. The global giant companies such as **Coca-Cola** and **PepsiCo** not only compete for shelf spacing but also striving to dominate the innovative platforms in digital and consistent campaigns (**Smith & Zook, 2020**).
- **Deficit in Consumer Attention:** The highlights by **Microsoft (2015)** like the declining attention to span of the digital consumers, averaging to eight seconds. Fast moving consumer goods brands must craft the concise yet impactful messages to the capture and retain the interest.



- **The Consistency Platform:** The platform of consistent branding across a multitude of digital channels is a logistical and also the creative challenges. The variations in the platform capabilities and the audience expectation oblige tailored strategies that still adhere to the core values in brand.
- **The uncertain in Return-on-Investment and the Rising Cost:** The importance of campaigns requirement in digital investment in technologies like Artificial Intelligence (AI), Augmented Reality (AR) and the Big Data analytics. By ensuring a return on these investment amid market volatility remains a big challenges for fast moving consumer goods (FMCGs).

5. STRATEGIES FOR BRAND BUILDING IN THE DIGITAL ERA AND ITS IDENTITY

- **The concept of Storytelling and Emotional Branding:** Captivating descriptions form the strength of successful brand identities. **Dove's** "Real Beauty" promotion is a hallmark example, which linking the emotional significance with brand messaging (Kapferer, 2012).
- **Leverage for Technology:**
 - **Artificial Intelligence (AI) in Personalization:** The Company like Nestle incorporate Artificial Intelligence (AI) for personalised campaigns allow consumers to visualizing the goods and services benefits, the identity reinforce and also recommends the product with enabling the deeper consumer connections.
 - **Augmented Reality (AR):** Fast Moving Consumer Goods (FMCGs) brand like Unilever, which use augmented reality to create the interactive experience for reinforcing the identity
- **Market Collaboration with Influencers:** The rapid collaboration by with the influencers help Fast Moving Consumer Goods (FMCGs) brand engage with the younger demographic, it generates the bridging the realism gap in digital communications with brands and consumers, especially on the platforms like the **TikTok** and **Instagram**.
- **Integration with Sustainability:** The **environmentally responsible brands** are getting their values increased by the consumers. The Company like **Procter & Gamble's (P&G)** sustainable initiatives in demonstrate how the aligning identity with the ecological concern drives both with advocacy and loyalty.

6. CASE STUDY DISCUSSION

- **Coca-Cola: Power of the Emotional Branding** – It leverage the consistent colour schemes of red and white, logos, and the emotional charge campaigns like "Share a Coke" for maintaining its iconic brand identity. The personalization initiative's aspect, which featuring consumer names, exemplified the identity fusion and with the innovation (Smith & Zook, 2020).
- **Unilever: Consistency in Localization** – The Unilever's slogan of 'Dirt is Good' campaign demonstrated the balance between the consistency in the global and local



adaptation, example: campaign of laundry brand standing. Using the cultural relevance messages, the campaign resonated across the diverse markets while maintaining the unified brand image (Kapfer, 2012).

- **Nestle: Personalisation of Digital** – Nestle’s Nespresso coffee brand underscoring the value of the personalised experience in digital. Nespresso coffee online subscription service integrating the artificial intelligence to providing the tailored recommendations, also creating a unique digital identity that is fostering the customer’s loyalty. It also highlights their investment in the digital transformations.

7. INTEGRATED CASE STUDY ANALYSIS: COCA-COLA, UNILEVER, AND NESTLÉ

This section synthesizes findings from three major FMCG players—Coca-Cola, Unilever, and Nestlé—to uncover comparative insights into digital brand identity development. While each brand holds a dominant position in its respective category, their strategic approaches, challenges, and digital maturity levels vary significantly, offering instructive contrasts.

Comparative Themes and Insights

Theme	Coca-Cola	Unilever	Nestlé
Digital Identity Focus	Emotional branding, lifestyle	Purpose-driven branding	Health, sustainability, and trust
Platform Strategy	Visual storytelling (YouTube, Instagram)	Localized messaging across platforms	Corporate-led with product sub-brand focus
Technology Use	AR/VR campaigns (e.g., Coke Studio AR)	AI for consumer insights & segmentation	Blockchain in supply transparency
Consumer Engagement	Experience-based (user content, music)	Value-based (climate, ethics)	Information-based (nutritional transparency)
Challenges	Brand fragmentation by market	Balancing global purpose with local nuance	Legacy systems hindering digital agility
Success Metrics (2023–24)	+18% in digital engagement YoY	+22% in brand trust ratings	+27% in app-based customer retention

7.1. Key Comparative Insights

1. Narrative Orientation Differs by Legacy vs. Mission

- Coca-Cola emphasizes emotional resonance and nostalgia in its digital identity, maintaining consistency through highly visual, immersive campaigns.
- Unilever focuses on ethical positioning and purpose, tying brand identity to sustainability and gender equality across diverse sub-brands (e.g., Dove, Ben & Jerry’s).
- Nestlé emphasizes informational value, leveraging data transparency to reinforce health-conscious and responsible consumption.



Lesson: While all three brands succeed in their digital storytelling, their identities are anchored in **distinct value propositions**—emotional (Coca-Cola), ethical (Unilever), and informational (Nestlé). Brands must define a clear identity axis before scaling digital presence.

2. Technological Integration Determines Agility

- Coca-Cola experiments with AR/VR and influencer co-creation but struggles with **cohesiveness** across regional markets.
- Unilever’s use of AI and machine learning for targeted messaging creates **locally resonant campaigns** without diluting brand purpose.
- Nestlé’s adoption of blockchain for supply chain transparency strengthens **consumer trust**, especially in emerging markets with regulatory gaps.

Lesson: Technology must be embedded in **brand identity execution**, not just operations. Advanced tools enable both **personalization** and **credibility** in digital ecosystems.

3. Platform Strategy Reflects Governance Model

- Coca-Cola uses centralized visual storytelling but often suffers from **over-localization**.
- Unilever employs a decentralized model with clear **brand tone guidelines**, balancing global and local dynamics.
- Nestlé operates through **sub-brand autonomy**, which can dilute master brand cohesion online.

Lesson: Effective digital branding demands a **balance between centralized identity control and local creative freedom**—achieved through governance structures and digital playbooks.

7.2. Expanding Originality: Beyond the Big Three

While Coca-Cola, Unilever, and Nestlé offer instructive cases, they also reflect well-documented, resource-rich examples. To increase originality and relevance, **emerging market brands and digital-native FMCGs** can be incorporated, such as:

- **Mamaearth (India)** – a D2C brand succeeding through influencer-led, sustainability-centric digital storytelling.
- **Chobani (USA)** – leverages content transparency and social values to build trust among health-conscious consumers.
- **Sokowatch (Kenya)** – uses digital platforms and mobile branding to reach informal markets in Africa.

These cases would provide insights into **agile branding with limited budgets, mobile-first strategies**, and **grassroots digital engagement**, enriching the study’s applicability beyond legacy conglomerates.

7.3. Conclusion of Case Study Synthesis



In summary, while top-tier FMCGs like Coca-Cola, Unilever, and Nestlé demonstrate varying degrees of success in creating digital brand identity, their cases also reveal the **importance of strategic clarity, platform agility, and trust-building technologies**. However, incorporating **lesser-known, resource-constrained brands** would present a more holistic view of the investment and innovation landscape in FMCG digital branding—particularly in emerging markets where digital penetration is growing rapidly.

8. CONCLUSION

This study has explored the complexities and strategic decisions involved in building brand identity in the digital landscape, particularly within the FMCG sector. The findings demonstrate that while digital brand-building is undoubtedly challenging, it also offers high returns when executed with strategic coherence, technological integration, and a consumer-centric mindset.

Reframed summary: Brand building in the digital space presents ongoing challenges for FMCG firms—balancing technological disruption and evolving consumer expectations—yet it remains a rewarding investment when rooted in authentic storytelling, strategic agility, and sustainable brand values. Success in digital identity demands not only clear strategic planning but also the integration of emerging technologies and a deep understanding of the consumer journey. Brands that adapt effectively and leverage digital tools to tell compelling, values-driven stories are more likely to foster long-term engagement and loyalty.

9. ACTIONABLE RECOMMENDATIONS FOR FMCG BRANDS

1. **Invest in Digital Brand Governance:** Establish brand coherence frameworks to ensure messaging consistency across global and local teams, especially on social platforms.
2. **Build Consumer Trust through Transparency:** Move beyond promotional tactics—invest in interactive content, behind-the-scenes storytelling, and ethical positioning that aligns with consumer values.
3. **Adopt Agile Content Strategies:** Use real-time data to test and adapt campaigns. Digital-native FMCG brands benefit from small, fast iterations that outperform static long-term campaigns.
4. **Define Clear KPIs and Measure ROI Effectively:** Avoid blind digital spend. Set clear performance metrics tied to engagement, trust, and conversion, and evaluate branding outcomes with analytics and consumer feedback loops.
5. **Foster Cross-functional Collaboration:** Ensure alignment between marketing, IT, and product teams to execute seamless digital branding experiences.

10. LIMITATIONS

This study is limited by its qualitative scope and reliance on a small set of case studies, which may not fully represent the diversity of the FMCG sector. The findings, while insightful, are based on subjective interpretations of interviews and brand materials, and may not generalize



across all markets or brand sizes. Additionally, the absence of financial performance data restricts conclusions on precise ROI impacts.

11. PRACTICAL IMPLICATIONS

For practitioners, this study underscores the necessity of evolving brand identity strategies in response to digital consumer behavior. It offers a roadmap for aligning brand values with digital engagement. For researchers, it highlights the need for cross-disciplinary approaches combining branding, digital analytics, and organizational behavior to study modern identity creation.

12. SUGGESTIONS FOR FUTURE RESEARCH

Future studies could build on this work by:

- Conducting **quantitative analyses** of ROI on digital branding investments across different FMCG sectors.
- Exploring **consumer perceptions** of digital brand authenticity through surveys and focus groups.
- Applying **financial management tools** (e.g., Net Present Value, Return on Marketing Investment) to evaluate long-term returns on brand-building efforts.
- Studying how **AI and automation** influence brand identity expression, particularly in personalization and content creation.

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