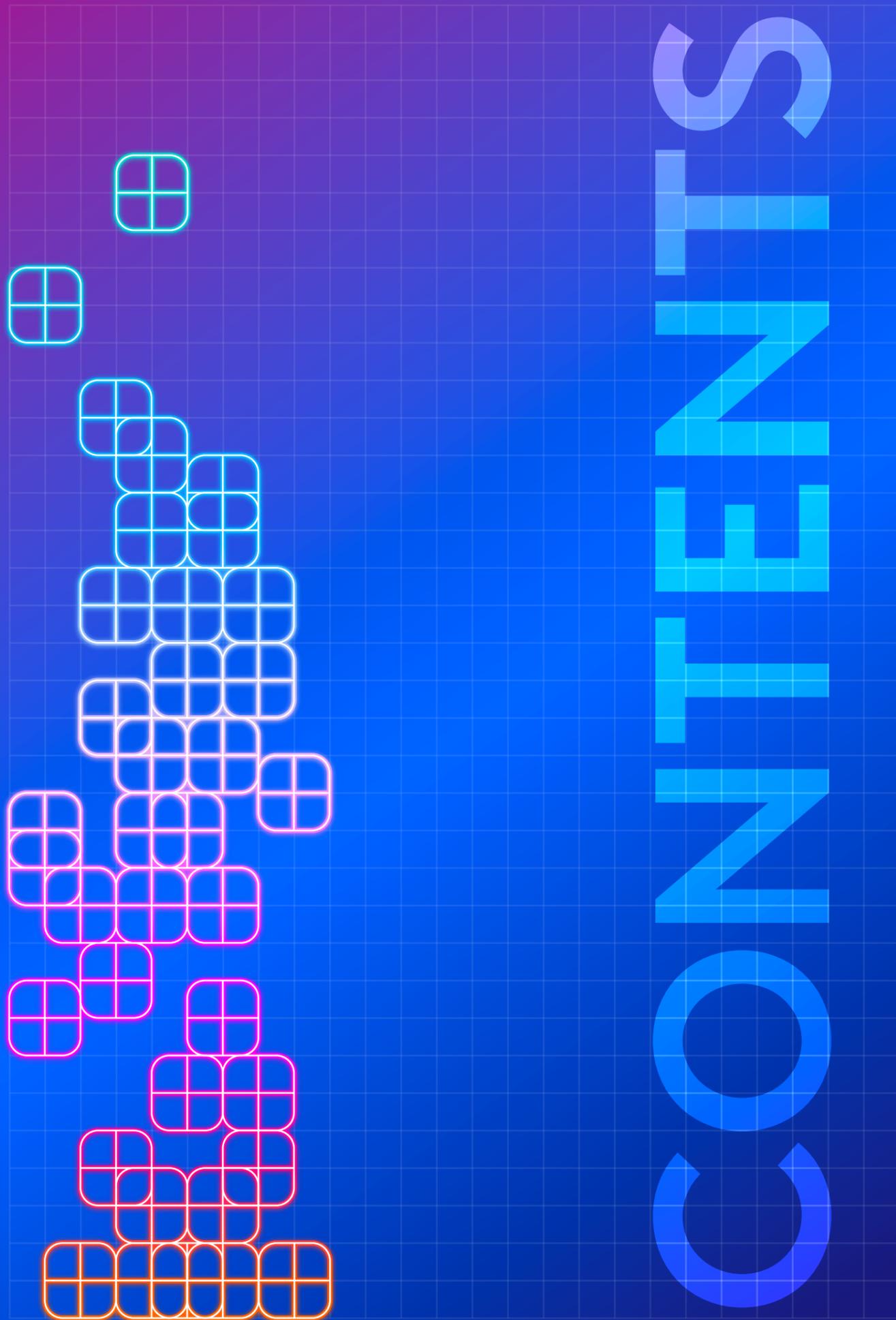


KANTAR

BLUEPRINT
FOR BRAND
GROWTH

...and how CMOs can operationalise it



INTRODUCING THE BLUEPRINT FOR BRAND GROWTH 4

Offering a way forward for CMOs 7
 Here's how to shape your brand future 8

GROWTH DRIVER

BE MEANINGFULLY DIFFERENT TO MORE PEOPLE 12

What do CMOs need to consider? 26
 Case study 29
 How to make **BE MEANINGFULLY DIFFERENT TO MORE PEOPLE** work for you 30

GROWTH ACCELERATORS

1. PREDISPOSE MORE PEOPLE 32

What do CMOs need to consider? 52
 Case study 55
 How to make **PREDISPOSE MORE PEOPLE** work for you 56

2. BE MORE PRESENT 60

What do CMOs need to consider? 86
 Case study 89
 How to make **BE MORE PRESENT** work for you 90

3. FIND NEW SPACE 92

What do CMOs need to consider? 112
 Case study 115
 How to make **FIND NEW SPACE** work for you 116

How can Kantar solutions help? 118
 Glossary 120
 Credits 124

INTRODUCING THE BLUEPRINT FOR BRAND GROWTH

The Blueprint for Brand Growth helps to support CMOs in growing their brands, predicting and creating opportunity to drive value. Of course, it's easier to grow brands when populations are also growing, and the economy is healthy. It's so much tougher during times of lower economic growth, when competition is even stronger. This is when marketing needs to be setting the agenda – to drive difference and grow penetration to increase value, as you need to make difficult choices.

The Blueprint is based on the breakthrough we've made in understanding how businesses build strong and profitable brands. It takes the prevailing theories of brand growth as its foundation, but uncovers factors that brand penetration, and the physical and mental availability of brands alone, don't fully explain.

For the first time, we have merged our attitudinal data with behavioural data, at scale. We have deployed the very best of Kantar's brand experts, data scientists and analytical leaders to synthesise the essence of driving growth – the result is our **Blueprint for Brand Growth**.

BLUEPRINT
FOR BRAND
GROWTH

We took

5.4bn

attitudinal data points for over

21,000 brands in
540 categories and
54 markets

...and

1.1bn

purchase data points for

20,000 brands in
100 categories and
25 markets

spanning over **10 years**
and **analysed** the results

OFFERING A WAY FORWARD FOR CMOs

In our Blueprint for Brand Growth, we prove that penetration - the proportion of category buyers choosing a brand in a period - is strongly correlated with attitudes to brands. This is the essence of brand equity: connections in consumers' minds that make your brand easy to choose. And we've gone further. We mined our data assets to learn what brings true, sustainable growth in brand penetration.

Kantar BrandZ shows that strong brands outperform others, increase margins, and better ride out economic uncertainty. This applies equally to brand that are tangible products or digital services, powered by an algorithm.

Understanding your brand equity is at the heart of deciding how to best plan for growth. **Saïd Business School at the University of Oxford**, our partners in the Future of Marketing Initiative (FOMI), state in their most recent analysis of Kantar BrandZ data:

“Brand equity is the missing link to help investors know where to get the best returns.”

In our Blueprint, you'll gain insights into what strong brands have in common, which activities make the biggest difference, and how to track and predict the most important metrics.

Kantar BrandZ Equity-based Portfolios have consistently grown faster than S&P 500 and MSCI World Index



Source: Kantar BrandZ, S&P Capital IQ

BRANDS

GROW BY BEING
MEANINGFULLY
DIFFERENT
TO MORE PEOPLE

Growth accelerators for winning marketers to operationalise effectively

PREDISPOSE MORE **PEOPLE**

BE MORE **PRESENT**

FIND NEW **SPACE**

BEHAVIOURS: CONSISTENT, CONNECTED, OPTIMISED

POWERED BY THE MEANINGFUL DIFFERENT AND SALIENT FRAMEWORK AND BY THE MOST MEANINGFUL DATA

KANTAR

It starts with our growth driver:

BE MEANINGFULLY DIFFERENT TO MORE PEOPLE

You can then put plans into operation through three growth accelerators, all interconnected:

PREDISPOSE MORE **PEOPLE**

BE MORE **PRESENT**

FIND NEW **SPACE**

We also identified three behavioural traits that are critical enablers for CMOs: being Consistent, Connected and Optimised - and we use these to enhance the Blueprint throughout.

The growth accelerators are key, but macroeconomic factors - like population, inflation, and recession trends - can support or inhibit growth. So too can market factors, such as disruptors coming from outside the category - for example, weight-loss medications presenting a challenge to food and beverage brands - as well as opportunities. So, keeping a close eye on consumer insights is vital, too. Along with other insights and analysis, we decode what creates brand growth, and **how to achieve it, profitably**.

TAILORING THE BLUEPRINT TO YOUR BRAND

In the Blueprint, growth paths will be different for each brand, its context and category. We've developed a way to make the Blueprint specific for your brand, using the Starting Grids in each section. We can then help you diagnose your brand's particular situation, by populating the grids with relevant data.

In cash-strapped times, marketers can't do everything - they need to make tough choices. In this book, we discuss the growth accelerators and how you can apply them intelligently using data. What you do will depend on your brand's starting point; large or small, new or mature, short or long purchase cycle, your current category, competitive set and future categories. We can help define your starting point and your opportunities, beginning with your business today and understanding where you can stretch.

Kantar's Blueprint offers you a **way forward** for looking at your brand in its specific context and category.

HOW WE BUILT THE BLUEPRINT FOR BRAND GROWTH

For the first time, we have analysed attitudinal data from Kantar Insights and Kantar BrandZ with Kantar Worldpanel's behavioural data, using our intellectual property - the Meaningful Different and Salient framework. This brand equity framework is **accredited by the Marketing Accountability Standards Board (MASB)**.

Kantar Profiles provides human insights at scale and speed through the highest-quality panels and world-leading, AI-driven, anti-fraud technology.

Our analysis is based on these consistently high-quality sources of data and robust panels, along with our data-science skills, and with data analysed over time, rather than at a fixed point.

BE MEANINGFULLY DIFFERENT TO MORE PEOPLE

You can diagnose how Meaningfully Different your brand is. Identify how to create stronger functional and emotive connections and define strategic opportunities to build difference.

MEASURES:

PENETRATION, GROSS MARGIN,
MEANINGFUL, DIFFERENT

To grow share, you need to grow penetration – that is, attract more buyers. Simple.

We've demonstrated this using Kantar Worldpanel shopper data. But how do you grow penetration? And how do you defend it over time? And is volume share the only goal you should be chasing? Sustainable growth in profit requires a balance between gross margin and penetration, by managing price and using pricing power.

Combining our data on what people buy, with what people think, **we now know that penetration correlates strongly with people's attitudes about brands.**

Mental availability is not enough. A brand's 'Meaningful Difference', that comes to mind quickly and easily when prompted with a brand cue, helps a brand grow faster and at the right price. 'More people' means being decisive about who you want to serve and how to grow as a brand: ideally taking a category definition beyond your current products or services, to understand the needs and occasions you serve, and to be aware of emerging trends.

Brands have revenue growth targets, but how can they attract more people? First, a brand needs to be clear on its category:

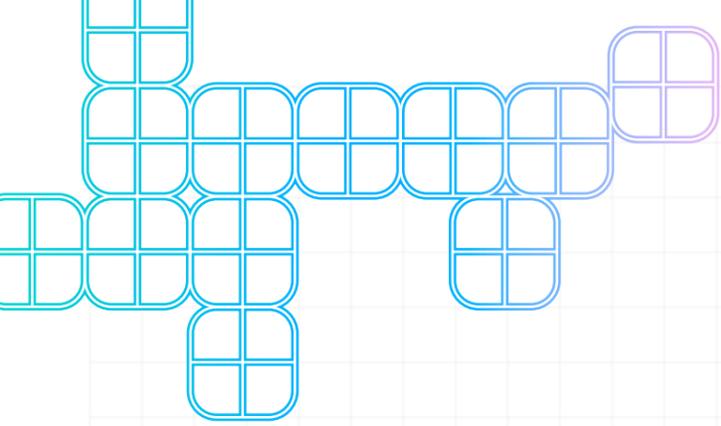
- what product or service category are you in, and what is the wider needs-based category that fulfils the same wants?
- is the narrow category mature or immature, and is it growing or in decline?
- is your brand small or big?

This will determine whether you can find more people within the existing category, or just category switchers. Or whether your brand needs to stretch its Meaningful Difference to new usage and new moments.

Small brands in a less mature, growing category can focus on growing with the category. In a mature category, small brands need to start from high difference they can own and grow. Big brands may need to focus on extending their offer and visibility.

Once you understand the category, brand size alone won't dictate your future – there are other factors like your brand equity or your brand's potential. CMOs need to know if their brand has a level of equity to match its penetration and share, and the potential for category growth.

CMOs need to know their equity and **potential for growth**



To adopt the strategy of being Meaningfully Different, you need to define your brand's functional, emotional and social positioning, and plan your marketing activities to achieve measurable business outcomes. Marketers must be able to articulate this and ensure it's understood consistently throughout the organisation.

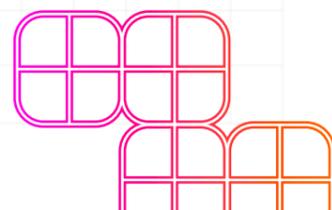
This is effective, because brands build mental connections with consumers – with Meaningful Difference at their heart. These connections, when strong and consistent, **Predispose More People** to buy the brand more often, in more places, and for a higher price.

How is a brand Meaningful? By meeting consumer needs with a relevant product or service. Our term embraces all the consumer needs – the physical, emotional, functional, social and other ways that brands work in consumers' lives.

What do we mean by difference?

It is the perception of being different to your competitors, and being perceived as setting the trend in the category. Difference is not the old-fashioned definition of differentiation, which was limited to product qualities. Rather, we've identified that successful brands create memories that separate the brand from others. If brands don't set themselves apart, they risk falling behind.

The good news is we can quantify these connections using Kantar's Meaningful Different and Salient framework. We can measure how well brands meet needs, stand out, lead the way compared to competitors, and come readily to mind. Being Meaningfully Different is a strategic imperative because our evidence shows that Meaningfully Different brands bring higher penetration today and a real advantage to penetration growth over the next two years.



BRANDS THAT ARE MEANINGFULLY DIFFERENT TO MORE PEOPLE COMMAND...

5x

penetration today
and real advantage
in penetration
growth over the
next two years

Figures compare high-scoring brands vs low-scoring brands on survey derived equity measures (using **Meaningful, Different** and **Salient**) with Kantar Worldpanel sales data.

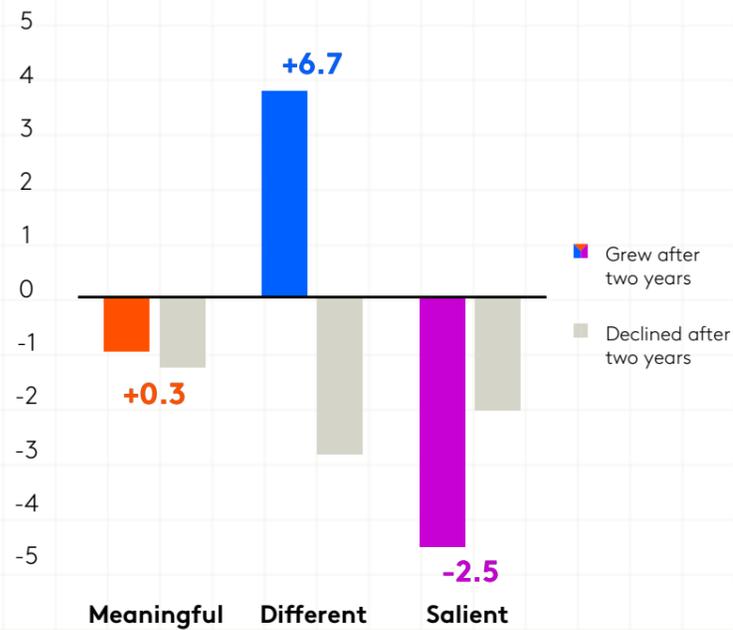
DIFFERENCE IS A PREDICTOR OF SHARE AND PENETRATION GROWTH

Meaningful Difference as the foundation of brand equity has been established by Kantar's research over more than 25 years. We recently analysed 14,623 brands from Kantar BrandZ and matched these data points to Kantar Worldpanel shopper data. Just 11% of brands increased their penetration significantly, while four fifths (81%) showed stable penetration over time, and 8% of brands declined.

The brands showing growth tended to have higher relative difference than expected for their size, while declining brands were lacking in difference.

A brand's difference is not a magic bullet: it needs to be Meaningful and relevant. And it's not about being unique – it is *relative* difference compared to competitors over time that matters.

Average brand equity profile at start among brands that...



Source: 14,623 brands with matched data points two years apart using Kantar BrandZ data, linked to Kantar WorldPanel data

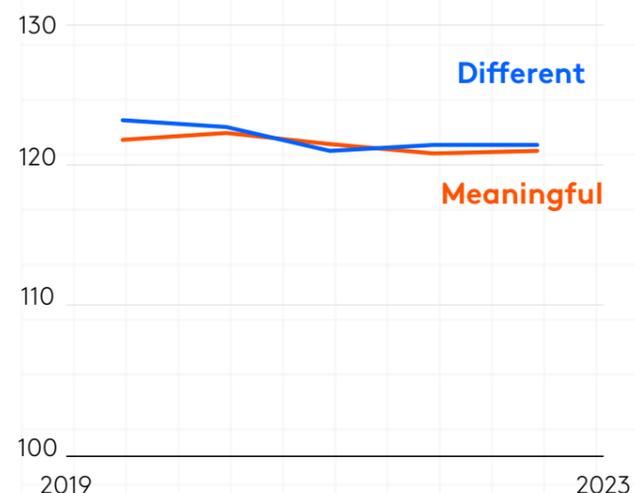
Brands that grow penetration start with a **7-point** advantage in Difference relative to brands that lose penetration

Take **Tesla**. In the early stages, Tesla always had a very strong point of difference. Its electric vehicle (EV) expertise and innovation credentials were clear, but people didn't see how these cars could work for them. That changed as the Tesla brand became more relevant to people, helped along by the evolution of EV infrastructure: it grew more Meaningful and Salient. Today, Tesla is the most valuable car brand in the world, worth almost \$68 billion in the Kantar BrandZ 2023 Most Valuable Global Brands ranking. But competition from Chinese brands, along with pressure on price, show that Tesla needs to continue to differentiate.

In general, sustaining difference and meaning is not easy and requires effective, ongoing marketing support to **Predispose More People**, as well as the ability to **Find New Space**. Maintaining brand equity should be a CMO's priority.

Average brand equity scores for the world's biggest brands

Kantar BrandZ Top 100 Most Valuable Global Brands 2019-2023



Source: Kantar BrandZ analysis – global average index scores weighted by proportion of brand value



Source: Image courtesy of Budweiser APAC and AB InBev

Over the last few years, we see declines in both Difference and Meaningful among the Top 100 Most Valuable Global Brands, as evidenced by Kantar BrandZ data. This indicates CMOs are neglecting this valuable strategic growth accelerator.

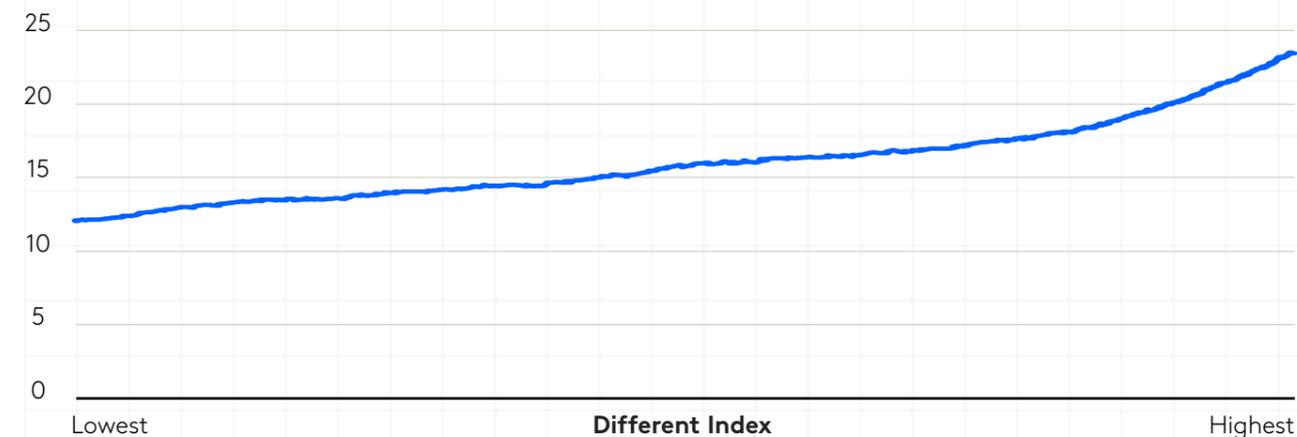
The relative importance of difference will vary at each stage of your brand's development. Starting with a clear brand positioning will enable you to emphasise its effects at each stage. Whether big or small, established or new, any brand can achieve difference.

For the beer category in the highly competitive China market, **Budweiser** achieved a leading position by emphasising its difference to traditional brands, unlike other import brands that have not established or maintained perceived difference.

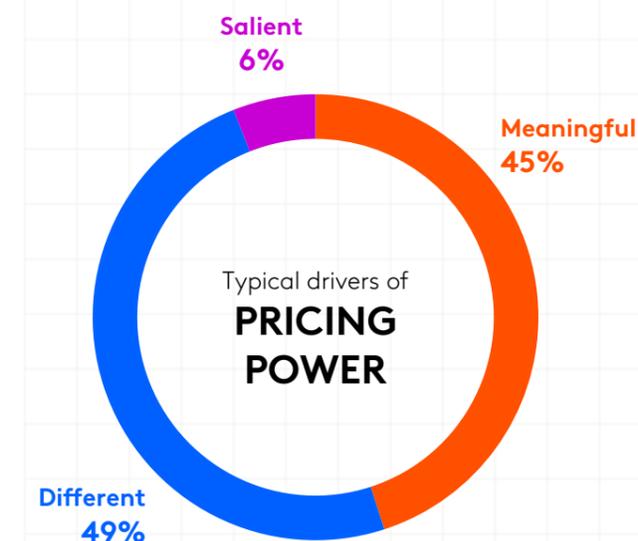
In almost every category, brands are offered at a wide range of price points or fees. While this is a form of difference, our models show that **being different helps support higher price points** and optimises margins.

DIFFERENCE SUPPORTS MARGIN GROWTH

% saying brand is "worth paying more for"



Source: Kantar BrandZ database 2019-2023, rolling average of c.15,400 brands ranked by Different Index



Source: Kantar BrandZ global database 2014-2023

When we ask consumers whether a brand is worth paying more for, we find the critical driver of worth is Meaningful Difference – which we use to create our brand-equity measure, Pricing Power.

Brands with high Meaningful Difference are so attractive that people will pay up to twice as much for them, as seen in a validation of 1,602 cases by Kantar Worldpanel (this varies by category). It's a vital way to defend margin.

And difference brings better business outcomes: a 2022 study by **Saïd Business School at the University of Oxford**, using Kantar data, found that Difference was the best brand metric to improve existing models of abnormal stock market returns across 328 US companies.

Kantar BrandZ analysis of brand value growth has repeatedly demonstrated the advantage of higher Meaningful Difference. This chart shows the analysis of high vs. low brand value growth in brands (2020 to 2021) among the Top 100 Most Valuable Global Brands.

Difference scores were +14pts higher among Kantar BrandZ fastest rising brands
Brand equity scores among low vs. high rates of brand value growth



Source: Kantar BrandZ analysis 2021 based on Top 100 Most Valuable Brands
30 highest brand value growth (+48% or more vs. 2020), 30 lowest brand value growth (+5% or less)

DIFFERENCE IS IMPORTANT – BUT HOW DO BRANDS BUILD IT?

We examined 11,000 brand cases and found four leading strategies among many ways that brands can design for difference:

LEADERSHIP: Setting the trends and challenging the status quo, like TikTok.

DISTINCTIVENESS: A highly distinctive look and feel, and a suite of brand assets to reinforce it, like Louis Vuitton.

EMOTIVE CLARITY: Building clear, consistent and strong connection to emotive needs, permeating every touchpoint, like Disney.

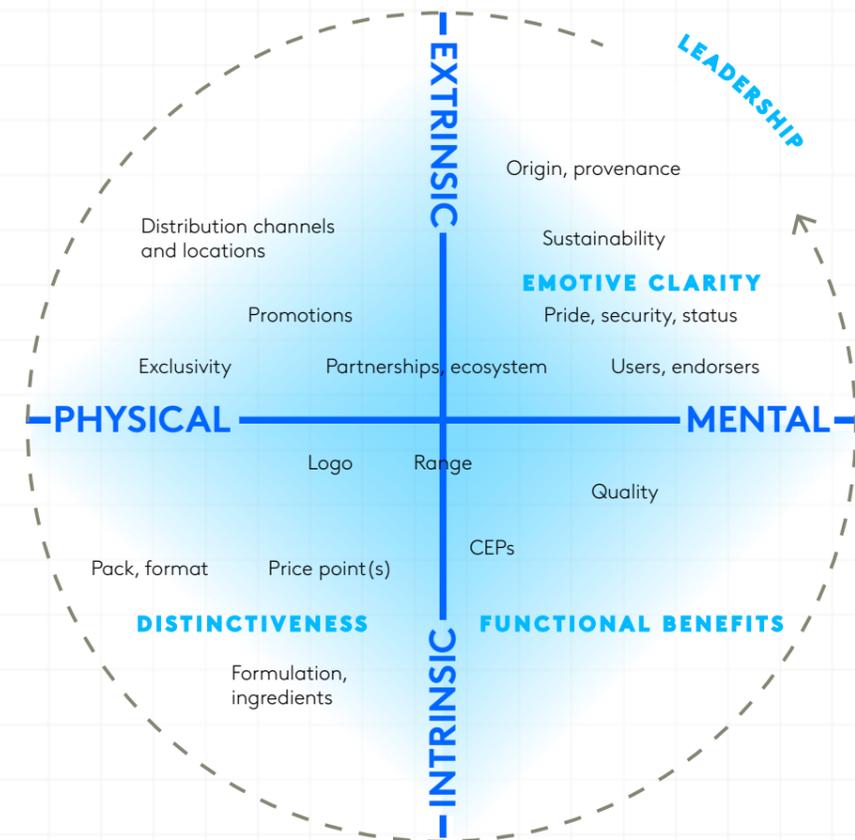
FUNCTIONAL BENEFITS: Superior qualities that set them apart from others, like Doritos.

Some of these strategies are physical, perceptible and easily measured. Others are mental, existing in the minds of consumers: their memories, knowledge, feelings, and experiences – ways to **Predispose More People**. Characteristics that contribute to a sense of Difference can be intrinsic; baked into the design, formulation and intent of the brand. But they can also be extrinsic, drawing on associations borrowed from the outside world and consumers' social context.

These factors are connected, and can be built through communication, innovation, customer experience management, brand architecture, sustainability, merchandising and more. If they are well connected, they contribute to a sense of difference in the mind of the consumer.

A brand's positioning needs to have emotive clarity and to be consistent. Explore drivers of Meaningfulness and adopt differentiation through your brand DNA (e.g. freshness in gum for Mentos) or add a new attribute that can be Meaningful and a source of difference for you (energy for Red Bull).

The many dimensions of Difference

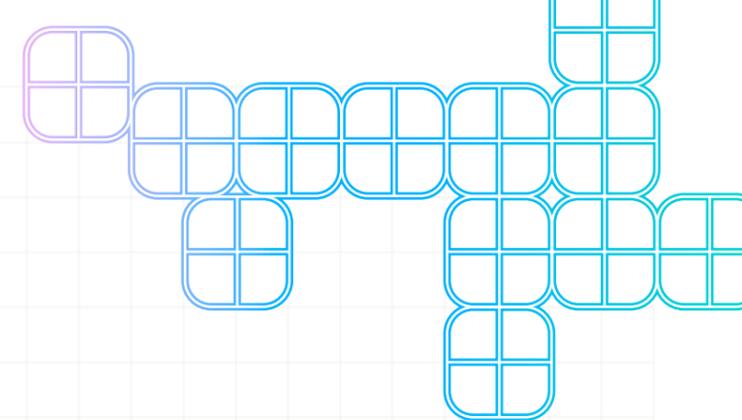


Source: Kantar



DIFFERENCE IS EVEN MORE IMPORTANT WHEN YOU'RE USING AI

Difference is one of the biggest challenges facing marketers today. Rather than seeking old-fashioned differentiation, brand marketers must build, and consistently activate, the many differences that trigger the brand's mental connections. With Generative AI being used to produce creative ideas and bring them to life, difference becomes even more important. Without Meaningful Difference, and the consistent use of distinctive brand assets, creative content could tend towards the bland average.



BE MEANINGFULLY DIFFERENT TO MORE PEOPLE BEHAVIOURS

CONSISTENT:

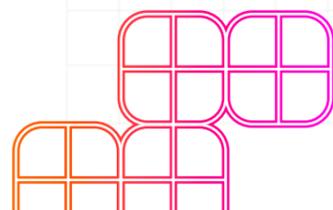
Meaningfully Different brands have deep and broad mental connections - you need to stand for something and provide it consistently to more people, whenever and wherever they come in to contact with you.

CONNECTED:

Bringing together attitudinal and behavioural data sources, to derive useful meaning from them, will put you in a good position to prioritise investment and how you plan for growth. Communicate this across your organisation to reduce silos.

OPTIMISED:

Regularly track your brand's Meaningful Difference relative to competitor brands and other activities in the market. Meaningful Difference is relative - you need to understand it, and your competitors' activity, to maintain it.



WHAT DO CMOs NEED TO CONSIDER?

BE MEANINGFULLY DIFFERENT TO MORE PEOPLE

1 FACTOR DIFFERENCE INTO YOUR BRAND POSITIONING AND STRATEGY:

It's the fundamental reason brands have value for businesses.

2 USE MEANINGFUL DIFFERENCE TO CONVINC YOUR BOARD TO INVEST IN BRAND:

Brands with higher Meaningful Difference have multiple financial advantages over competitors. They justify brand choices and price paid, reducing substitution. This ensures they are well connected to many usage occasions, and increases the likelihood of brand and penetration growth.

3 MEASURE AND OPTIMISE YOUR SOURCES AND DEGREE OF DIFFERENCE:

It's about maintaining a relative edge over the others in your category, consistently.

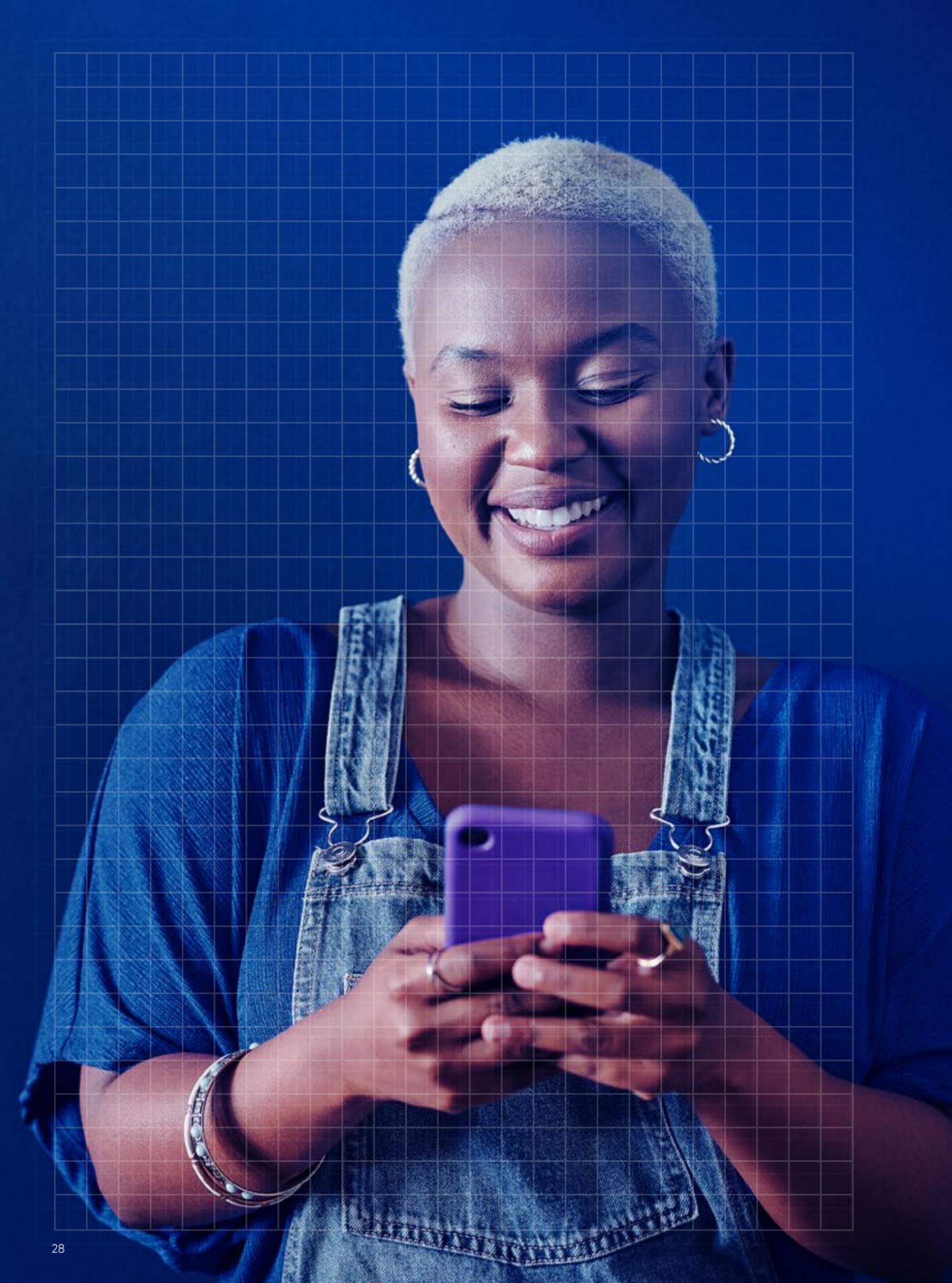
4 HAVE A HOLISTIC VIEW OF DIFFERENCE AND DISTINCTIVENESS:

They are two sides of the same coin. Physical points of distinctiveness trigger mental associations of how the brand differs from competitors.

5 THINK STRATEGICALLY:

There are many routes to creating a sense of Difference, and you should explore all – individually and in combination – to be effective.

BLUEPRINT
FOR BRAND
GROWTH



CASE STUDY:

BE MEANINGFULLY DIFFERENT TO MORE PEOPLE NUBANK

Nubank is one of Latin America's biggest success stories. It was launched in 2014 and in less than ten years has become one of the biggest banks in Brazil, extending across South America. It was founded as a 100% digital neobank (e.g. with no physical location), and with a strong focus on serving unbanked people. This positioning has made it highly differentiated to the major traditional banks, and highly Meaningful to more consumers, some of whom had not previously been able to access banking services.

| Nubank | Meaningful | Different |
|---|------------|------------|
| Index scores - Brazil <small>(average brand = 100)</small> | 162 | 184 |

STARTING GRID

HOW TO MAKE...
BE MEANINGFULLY DIFFERENT TO MORE PEOPLE WORK FOR YOU

To make the Blueprint for Brand Growth work for you, we offer a simple analysis of your category that can help you identify the next big questions you should be asking for creating growth.

For Be Meaningfully Different, the key question to ask is how Meaningful and Different your brand is, relative to your competitors:

Brands that are Meaningful but lacking Difference (**bottom right**) need to find ways to stand apart. They are likely to be successfully meeting broad category needs today, but by cultivating perceived, relative difference on things that matter, could build stronger predisposition.

Brands that are different but lacking in Meaningful (**top left**) need to break through the 'growth ceiling' by broadening the scale of their appeal and avoiding becoming too niche or specialist.

Brands that lack both Meaningful and Different perceptions (**bottom left**) might require more-revolutionary change. Sometimes these are new brands not disrupting enough to grow. Or they could be one-time leader brands that lost relevance and edge. Either way, a thorough diagnosis is the next key action.

Brands that are already Meaningfully Different (**top right**) can move forward to the first growth accelerator: although maintaining Meaningful Difference matters, there are more important next big questions for the brand to ask.

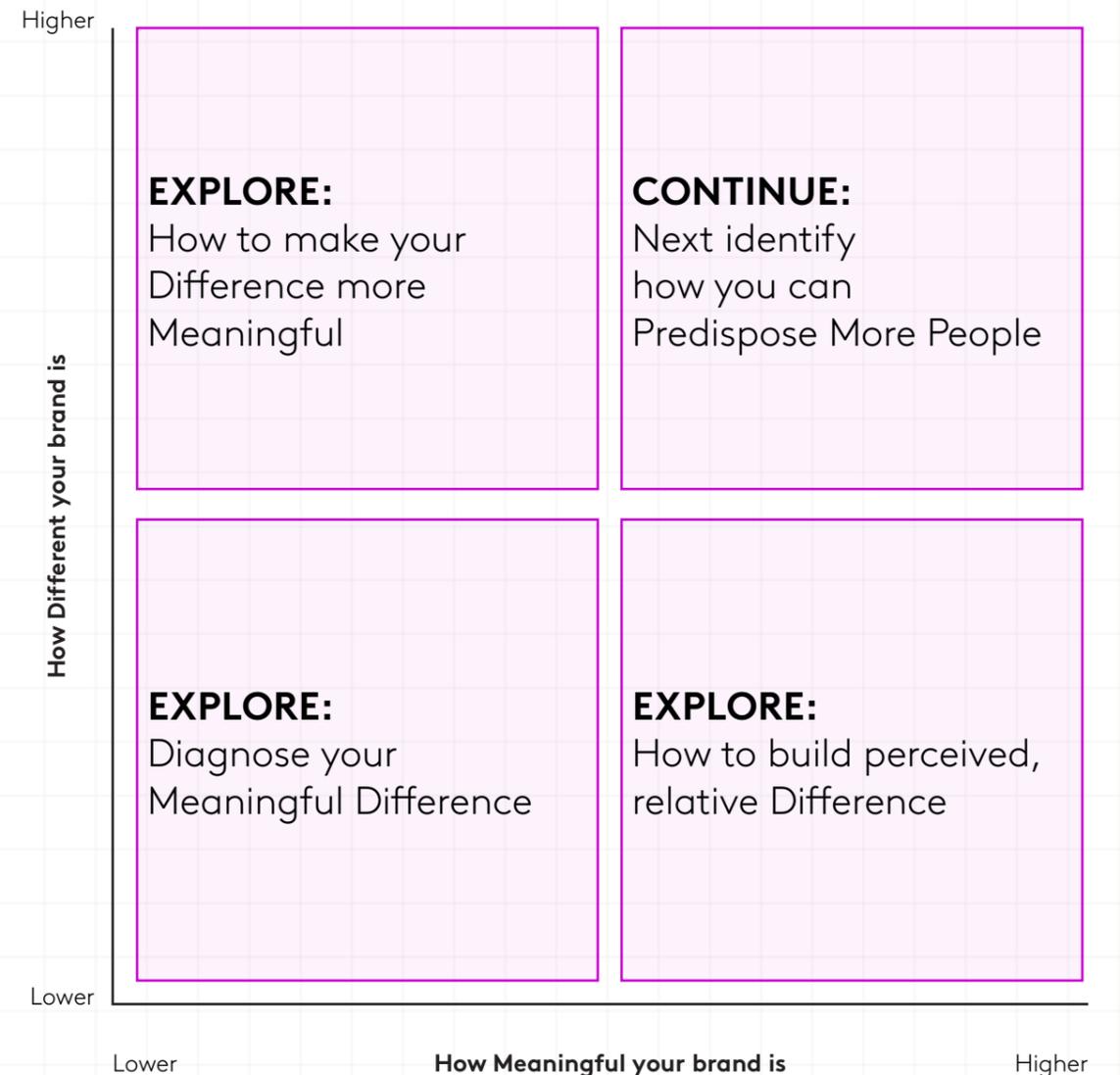
Strategic implications of this macro view include:

- targeting choices
- innovation pipeline
- media investment
- customer experience and customer journey
- positioning territory

Key question to answer:

Is your brand Meaningful and Different versus the competition?

STRATEGIC DRIVER:
BE MEANINGFULLY DIFFERENT TO MORE PEOPLE



Source: Kantar

1. PREDISPOSE MORE PEOPLE

You can increase your probability of purchase by strengthening the predisposition everyone has towards your brand. Invest in exposures and experiences to build the right perceptions, to make your brand mentally available and Meaningfully Different to people.

MEASURES:

DEMAND POWER, PRICING POWER

Predisposition is a sense people have that your brand is the right choice, a positive bias that gives it a head start.

It's building positive mental perceptions and salience with current and future buyers. Predisposition can increase over time, as people build up connections between the qualities of a brand and their needs and occasions in a category, and it doesn't always follow behaviour. People can be predisposed to brands they have never tried, and people who have tried brands do not all have the same level of predisposition afterwards.

Simply put, predisposition loads the dice. It can influence not just penetration and volume share but also the price paid.

PREDISPOSITION: LOADING THE DICE IN YOUR FAVOUR

Everyone who is aware of your brand has some level of predisposition towards it already. You need to maximise predisposition among those who already choose your brand, as well as those who don't.

BRANDS THAT PEOPLE ARE STRONGLY PREDISPOSED TO HAVE...

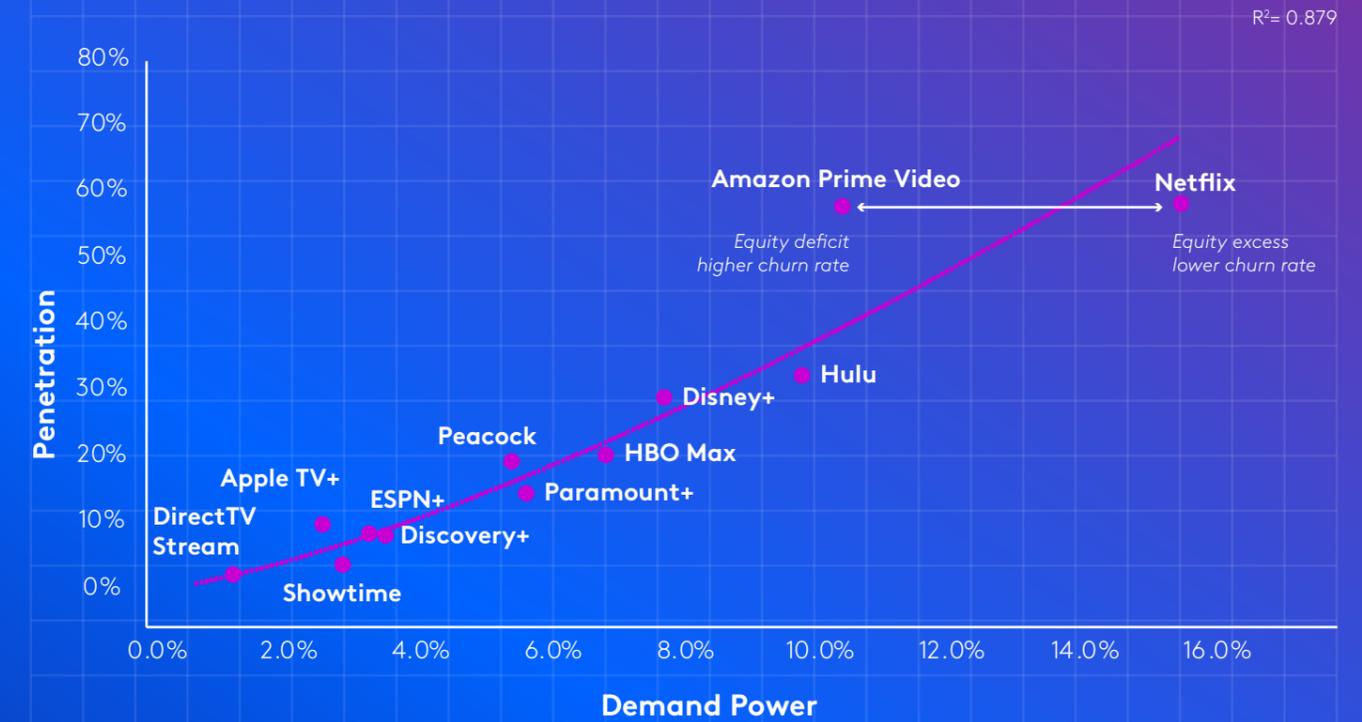
9x volume share

2x higher price paid

4x more likely to grow sales values

Figures compare high-scoring brands vs low-scoring brands combining survey-derived measures of **Demand Power, Pricing Power** and **Future Power** with Kantar Worldpanel sales data.

And it's not just consumer packaged goods (CPG) – all types of products and services need to drive their brand equity to create predisposition. In the hotly-contested US streaming market, we analysed Kantar's behavioural and attitudinal data, here, to **explain** how higher brand equity for Netflix translates into 50% lower churn than its main competitor, Amazon Prime Video.



Sources: Penetration from Kantar Worldpanel Entertainment on Demand to December 2022; Demand Power from MDS in BrandDynamics, as of December 2022 to February 2023

Predisposition also helps with repeat purchase. When we connect attitudinal data and sales data for the same people, we see that previous buyers with strong predisposition for a brand are twice as likely to buy it again than those who had previously bought it but did not have strong predisposition.

Percentage of buyers who repeat purchase in the following nine months



Source: Combined Kantar survey data with 18 months of Kantar Worldpanel purchase behavioural data

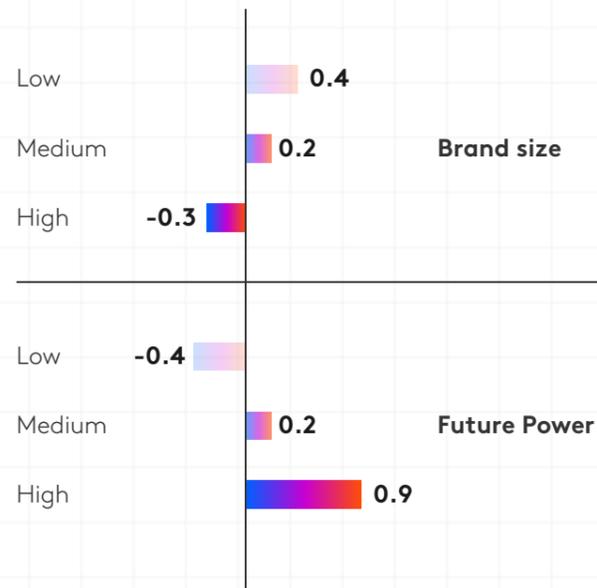
PREDISPOSITION YIELDS REWARDS, NOW AND IN THE FUTURE

Analysis of behavioural data (sales) with our measures of brand predisposition show that brands that have more people strongly predisposed to choosing them show stronger penetration and profits. Compared to brands with weaker predisposition, they have nine times more volume share and people will pay twice the price for them.

However, brand size is not a good predictor of growth potential. Quite the opposite: our analysis shows that bigger brands are more likely than smaller ones to lose share in future.

Brands with more equity today than expected given their brand size (Future Power) are primed to grow and to grow faster

Average change in penetration two years after initial measure



Brand size / Future Power:
Low: Brands that rank at the Bottom 20% of the metric.
Medium: Brands that rank between the 20% to 80% of the metric.
High: Brands that rank at the Top 20% of the metric.

Source: 14,623 brands with matched data points two years apart using Kantar BrandZ data, linked to Kantar WorldPanel data

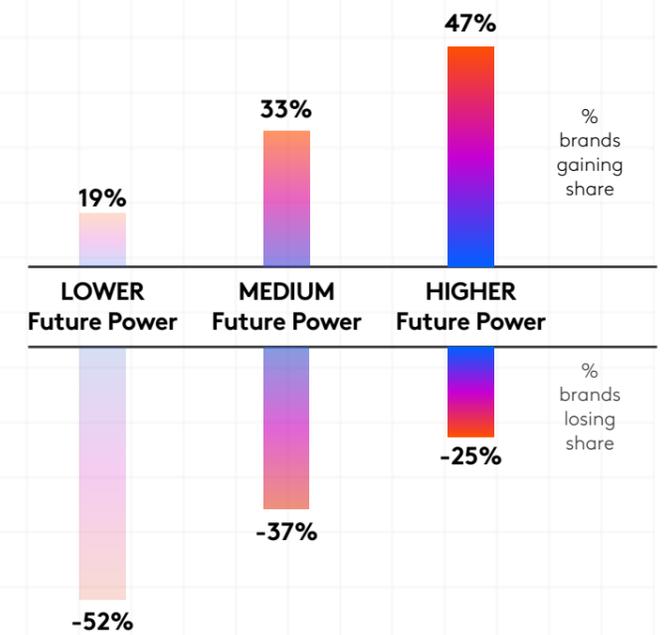
So, what is a good predictor of your brand's growth potential? Brands with high Future Power (with higher predisposition than expected for their size) are four times more likely to grow value share in the following year. The reverse is also true: brands with lower predisposition than expected for the brand's size are more likely to be heading for decline.

HIGH Future Power brands are

4x

more likely to grow value share than **LOW Future Power** brands

Power has a proven link to increased sales value



Source: Kantar validation dataset, including 350 brands from diverse categories (CPGs and non CPGs)

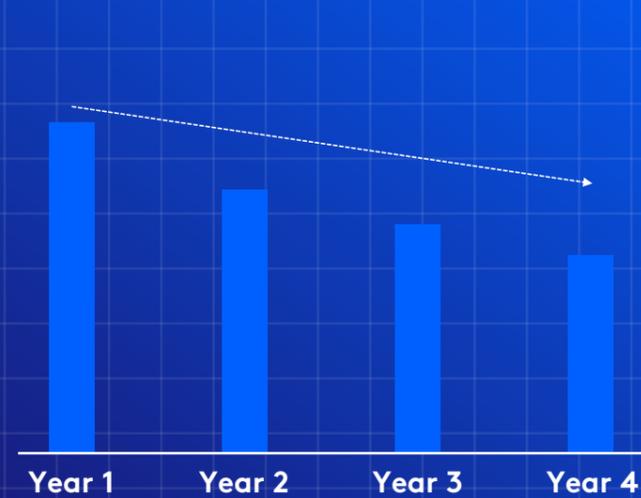
Neglecting brand building results in base sale decrease and a greater reliance on performance marketing

Market spend

■ Brand building ■ Performance



Decline in base sales



Source: Kantar Analytics Marketing ROI norms database

Marketing activities that **build predisposition** make the brand less reliant on performance marketing to secure sales. In fact, brands too focused on short-term marketing risk a decline in base sales.

Cutting brand marketing - spend that builds brand predisposition - is a false economy: there may be short-term savings, but you will need to **double** marketing investment to regain sales momentum.

THE DRIVERS OF PREDISPOSITION

In our research, brands with the strongest predisposition are perceived to be more Meaningful, Different and Salient than the alternatives.

Mental availability, or salience, is now well established in marketing as a driver of growth. Coming to mind quickly across a broad base of category needs and occasions gives a brand salience, and increasing salience will help increase sales.

However, it's not just coming to mind that counts, it's **what** comes to mind: brands that are more Meaningfully Different to more consumers (and consequently have higher Future Power) grow penetration faster when they increase their salience.

What matters more: Meaningful, Different or Salient? On average across 540 categories in 54 markets, how Salient a brand is to people determines around 40% of how predisposed they are to buy it, whereas how Meaningfully Different a brand is to people determines around 60%. In fact, Salience determines more than half of a brand's predisposition in fewer than 2% of categories. Critically, these proportions are very different when predisposing people to pay more. Here, how Meaningfully Different a brand is determines over 90%.

When it comes to your brand, whether to focus on Meaningful, Different or Salient will depend on its life-stage, current strength vs competitors and what its growth ambitions are: penetration, margin or both.

Brands with High Future Power today grow Penetration in the next two years more and faster than brands with Low Future Power in response to Salient growth



Source: Analysis of 14,623 two-year movements of brands using Kantar BrandZ database.

Future Power:

High: Brands that rank at the Top 20% of the metric.

Medium: Brands that rank between the 20% to 80% of the metric.

Low: Brands that rank at the Bottom 20% of the metric

— High Future Power
— Medium Future Power
— Low Future Power

SO HOW DO YOU BUILD PREDISPOSITION?

Analysis of over 14,000 brands in the Kantar BrandZ dataset identifies common perceptions that brands with strong predisposition have made instinctive in people's minds.

They fall into four themes, which are:

- perceptions of a strong experience from regular and first-time users
- superior function through product or service performance, high-quality design or breadth of offer
- convenience through fitting seamlessly into everyday life
- having great advertising

Together these four themes explain 70% of brand predisposition and offer an important insight: get the basics right.

WHAT ABOUT SUSTAINABILITY FOR CREATING PREDISPOSITION?

Kantar's Sustainability Sector Index 2023 shows that, on average across categories, 63% of people say they have tried brands or use brands that have a more positive environmental or social impact, or are open to it – they would be more likely to buy if the brand became more sustainable. Clearly sustainability can be a factor for creating predisposition, but whether you major on it or not will depend on your brand and the category. A focus on sustainability must be credible and authentic to be Meaningful.

Conversely, a lack of sustainability credentials could pose a risk to growth. Across categories, on average, half of people say they have either bought less of, or stopped buying certain products or services, because of their negative environmental or social impact. Across hundreds of categories, perceptions of social and environmental responsibility explain up to one-tenth of a person's predisposition towards a brand, so it's influential.



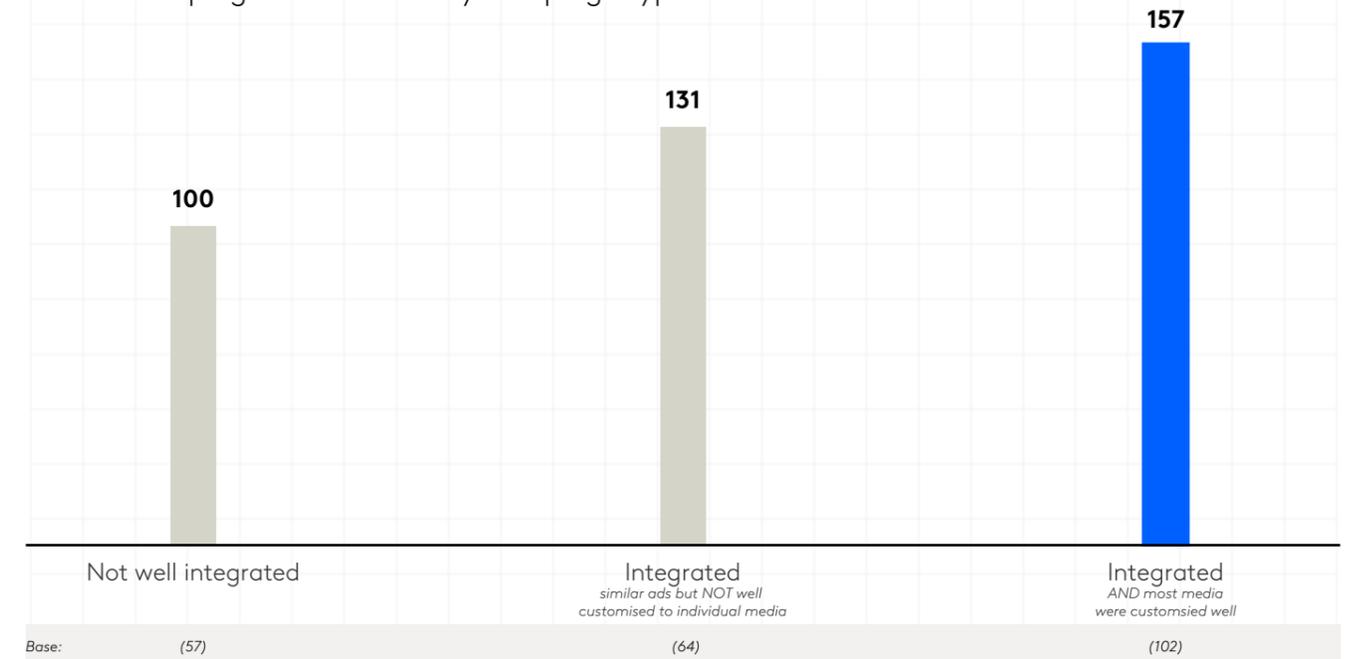
HOW TO ENSURE ALL BRAND ENCOUNTERS AND EXPERIENCES BUILD PREDISPOSITION

The qualities and perceptions people assign to brands are influenced by exposures and experiences, including communications, reputation, word of mouth, direct product or service experience, and the brand's visual identity and presence. In other words, you can shape the mental associations that exist in people's heads, so they are more predisposed towards your brand. This means you need to understand, connect and optimise the exposures and experiences people have with your brand.

Four fifths (80%) of a brand's predisposition comes from just one fifth (20%) of the paid, owned and earned channels they use. It's important to understand which are most powerful for your brand, and focus on those. Make sure you have an objective for each, and that content is tailored to the channel – campaigns that master this contribute + 57% to brand KPIs.

Campaigns that are well integrated and customised to respective media contribute more than 50% more impact

Overall campaign contribution by campaign type



Source: Kantar LIFT studies, 2015-2017, (223 studies).
 Categories: Food & Bev, Household, Retail, Travel, Personal care, Financial services, Technology, Automobiles
 Overall Campaign Contribution is a measure of campaign impact on a combination of all brand KPIs (awareness, associations, motivation)

THE MEDIUM IS PART OF THE MESSAGE

Media channels play a vital role in building predisposition, through amplifying salience and brand perceptions. Kantar's Media Reactions **research** demonstrates that the media channels you use say a lot about your brand.

Paid media has experienced its own disruption in recent years, and with digital channels now approaching 70% of all media spend globally, digital (and digitised) channels have started to supplant offline channels significantly. While TV still underpins media plans in most markets, online video can now achieve massive reach to build brands. Brand partnerships, branded events and sponsorships play an increasingly important role in bringing a shared experience to life, and saying something about your brand.

But there is no ideal media plan, according to the analysis of Kantar LIFT data by Saïd Business School at the University of Oxford. The right media mix, from TikTok to point of sale (PoS), depends on your objectives, your target audience, and your starting position as a brand.

All media is targeted to a degree: the extent to which you target specific audience segments depends on your brand and category. You will always require channels offering broader reach, to Predispose More People.

Getting media effectiveness right for brand and sales impact is not a one-off; it requires a consistent approach to understanding how channels work individually and in synergy, getting targeting right, and constant optimisation using marketing ROI measures. Around one third (36%) of campaign effects come from media synergies (Kantar LIFT studies). Once you master a media-effectiveness framework, invest enough for your share of voice to exceed your share of market, if you can.

Around one third

36%

of campaign effects come from media synergies

Source: Kantar LIFT media effectiveness database analysis

CREATIVE CONTENT CAN (AND SHOULD) PUNCH ABOVE ITS WEIGHT

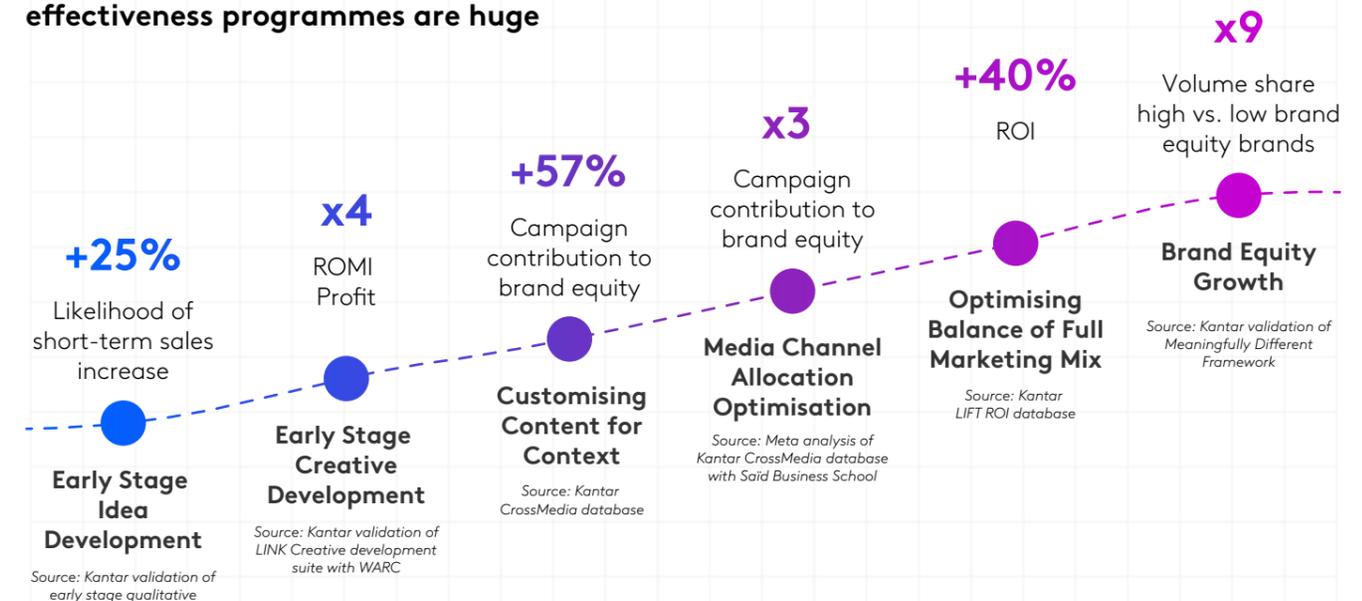
Great advertising is rocket-fuel for building predisposition: growing Meaningfully Different brands in a more effective and efficient way.

The quality of the creative you're investing in has the second biggest **impact** (after brand size) on how profitable your campaign will be, and has double the impact that reach does on a brand's **salience**. Marketers can and should control this throughout their advertising content – including digital variants.

Creative assets must connect consistently and memorably to the brand. For skippable video formats, this means getting the branding in early, whereas for non-skippable video, the brand needs to be inextricably linked to the most memorable executional elements. Well-established brand cues and branding devices – distinctive assets – make this far easier to achieve.

To increase short-term sales, Kantar research shows that ads need to persuade, and messages need to be new, credible, relevant and different. But high-quality ads – those that leave a lasting impression – generally perform well in long-term brand-building **and** have an impact on short-term sales (Kantar LINK database), thus reducing the need to spend money on performance marketing.

The multiplier effects from integrated end-to-end effectiveness programmes are huge

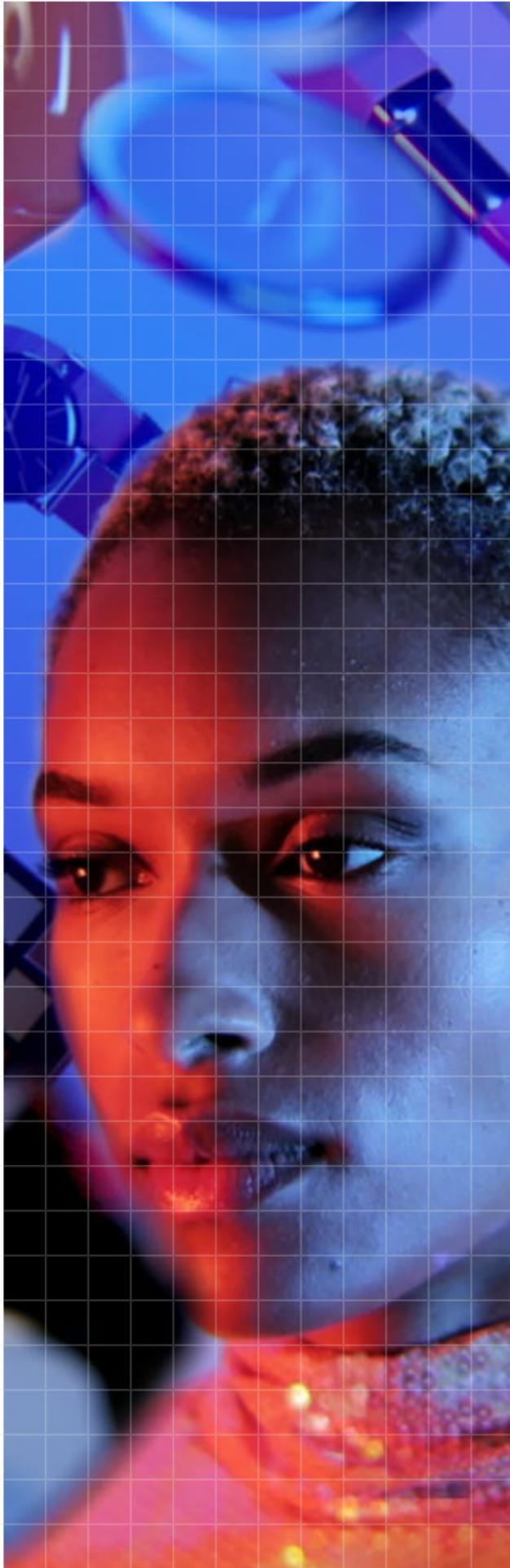


Source: Kantar

THE SOCIAL ROLE OF ADVERTISING

Advertising, like all media, influences what we think and feel about ourselves, shapes our sense of self-worth, our expectations from life, how others will interact with us and how we interact with them. The industry has taken action to ensure that harmful stereotypes are removed from advertising and are replaced with advertising that is more inclusive and progressive, through the authentic nuanced inclusion and portrayal of underrepresented audiences that go beyond tokenistic tick box inclusion.

Ads that portray people positively (as measured by our LINK+ Gender and Progressive Unstereotype Metrics) are more effective, so there's both a social and commercial imperative to get this right.



SHOW SOME EMOTION IN YOUR ADS

Beyond brand recognition, generating a strong emotional response is key, because emotion helps build strong memory structures, and most advertising effects are not immediate. Emotion plays a critical role in effective creative – and not just in TV content. Digital ads that evoke stronger **emotions** are four times more likely to improve brand predisposition. We know if the ad has the intended emotional response and where it struggles, by using facial coding as an add-on to our creative solutions.

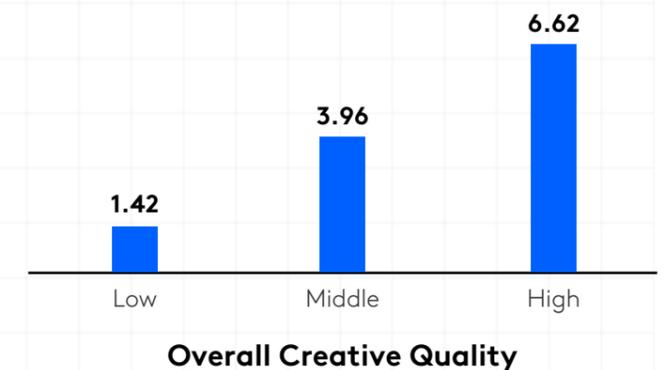
We helped a beverage company depict consumption moments to appeal to all audiences (men and women feel differently about these), and to optimise their vignette advertising through use of the best scenes. We advised on how to optimise edits, and the ads' effectiveness, before the ads went live.

KFC's Heritage campaign in France is an effective example **of using emotion in advertising**: the Colonel cooks up a delicious bucket in his very own kitchen in the early 1950s, juxtaposed with a contemporary, original soundtrack with 'crispy' in a hypnotic loop. Presented with attention-grabbing direction and editing, it's a visual and aural assault using humour, surprise and some iconic, distinctive brand assets.

Our evidence shows that:

- award-winning Effie ads tend to be more enjoyable, according to analysis from Kantar's LINK+ database
- ads demanding greater attention are more likely to build brands and increase sales
- high-quality creative attracts four times more profit than low-quality **creative**. As creative quality is within your control, it's worth prioritising and optimising.
- AI-generated, or partially AI generated ads, may bring efficiencies, but they are not necessarily more effective.

Average ROMI profit



Source: Kantar LINK database and WARC ROI database

CONSISTENCY IN CREATIVE

Consistency provides a huge advantage in high-quality creative content: Effie Europe award-winning brands that commit to a long-term communications strategy are twelve points higher in relative **Difference**.

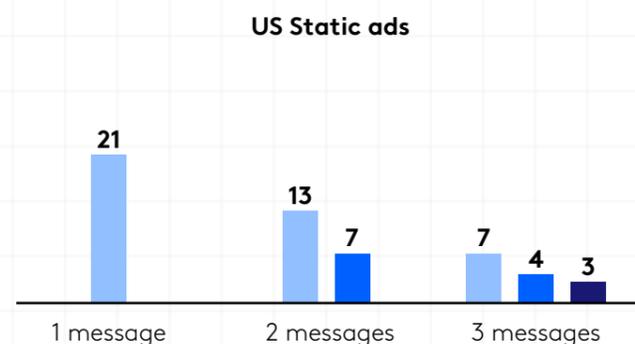
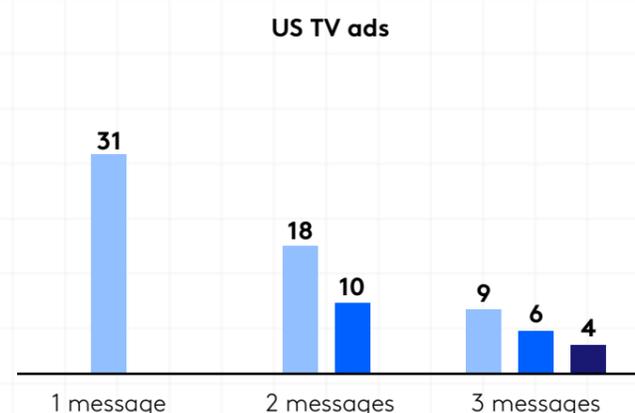
Once an effective campaign or piece of copy has been around for some time, it can be tempting to think something new is needed. Most TV ads show no observable pattern of wear-out, including – **in this case** – a TV asset maintaining exceptional performance in cut-through and contribution to long-term brand predisposition for more than a decade.

And when it comes to messaging, less is more: ads perform more strongly with one message.

Too many messages can dilute communication

The more messages an ad attempts to communicate, the lower the likelihood any single message will be communicated strongly

■ Key message A ■ Key message B ■ Key message C



Source: Kantar LINK Database

CREATE MEANINGFULLY DIFFERENT EXPERIENCES

Experience is under-utilised in building brand predisposition. Kantar BrandZ data shows that brands that improve their customer experience the most are 2.5x more likely to grow market share.

It's not just about good and bad experiences, or even just about meeting expectations. In recent Kantar research, people who said their experiences with a brand made it seem different from the competition were 50% less likely to think about jumping ship, compared to those with experiences that made their brand seem like all the others.

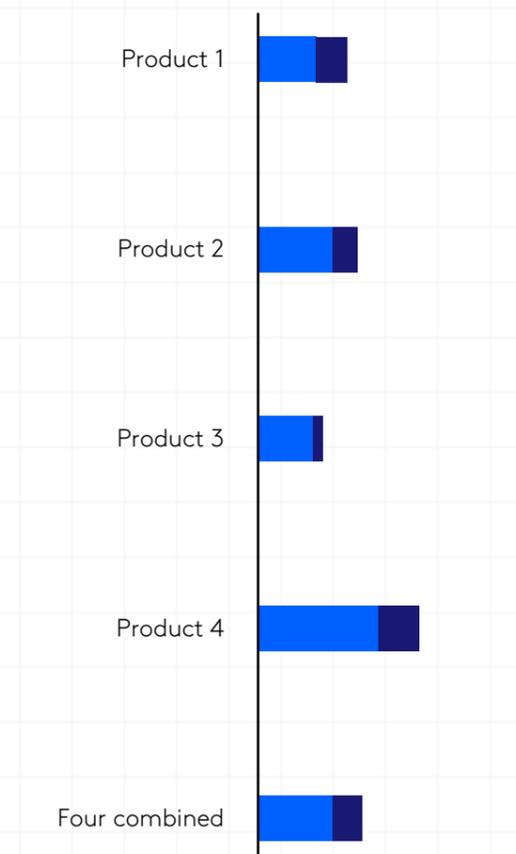
Communications play a role, too, in building brand perceptions that frame and skew the resulting experience (the 'enhancement effect').

Communications that enhance the direct experience of the product or service have a bigger impact on purchase intent than just seeing an ad, or just experiencing the product itself.

A combination of the communications to frame a brand experience with the resulting 'enhanced' direct experience has a more powerful impact on intention to purchase than either in isolation

Future intention to buy the brand

■ Product only ■ Enhancement effect



Source: 'Persuasion or enhancement?' An experiment (1994), N=1000, four matched cells

PREDISPOSITION IS ENRICHED THROUGH EMOTIVE CLARITY

The late advertising genius Jeremy Bullmore said:

“People build brands the way birds build nests, from the straws and scraps they chance upon”.

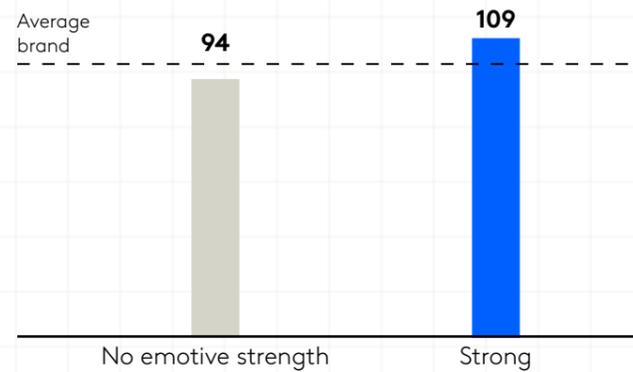
If a brand shows up in a consistent, congruent way, each encounter reinforces the last, and your brand’s metaphorical bird’s nest becomes stronger. Brands that build this mental connectivity have more perceived difference relative to their competition, making them less replaceable and helping justify a higher price.

Understanding and appealing to emotive needs is central to this. This requires asking what your brand should do and how it should feel. Emotion provides a strong foundation for building a brand positioning and can permeate every part of the brand and its touchpoints.

The strategic execution of emotive codes across all encounters and experiences is what separates the practical, easy-going, simplicity that defines IKEA’s world from the tactile, artisanal, provocative, sensory world of a retailer like LUSH. Consistency over time yields emotive clarity, helping consumers make decisions more quickly and accelerating the brand’s predisposition advantage.

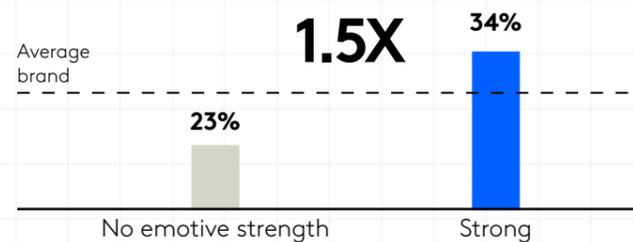
Brands with strong emotive clarity are perceived as far more different and are more likely to justify their price

Difference Index



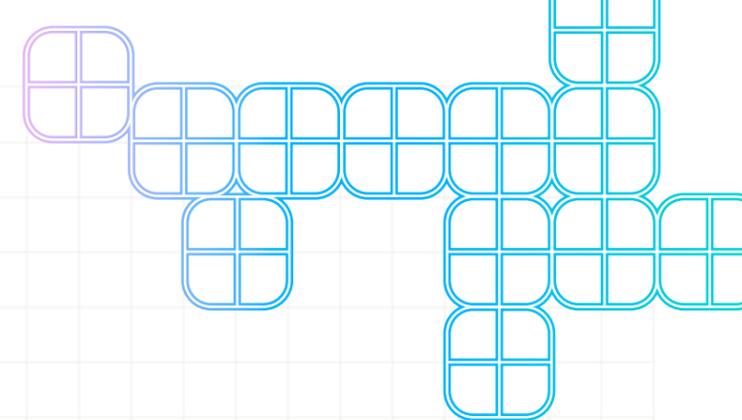
Source: Kantar BrandZ database 2020-2023 (13,403 Brands asked Brand Personality Powered by NeedScope)

% of brands with 'extra' Pricing Power



Source: Kantar BrandZ database 2020-2023 (2,114 Brands with a strong emotive position)





PREDISPOSE MORE PEOPLE BEHAVIOURS

CONSISTENT:

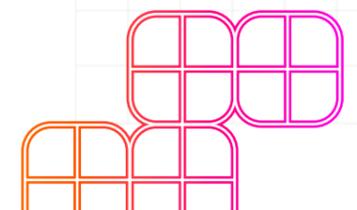
Pursue the right strategic platform, one that can extend across channels and develop over time. Don't needlessly reinvent the wheel on your communications.

CONNECTED:

Ensure your data isn't siloed: bring together holistic measurement and effectiveness programmes so you understand the brand and sales impact of your investments. Execute your brand positioning across all direct experiences and indirect exposures, employing guardrails around distinctive assets and consistent use of emotion. With creative, make sure your campaign is effortlessly recognised as coming from your brand - a challenge in fragmented media environments.

OPTIMISED:

Optimise your media and creative in-market, using the appropriate short and long-term brand measures, not clicks. Adjust your strategic progress for longer term brand outcomes.



WHAT DO CMOs NEED TO CONSIDER?

PREDISPOSE MORE PEOPLE

1 UNDERSTAND AND BUILD PREDISPOSITION:

Invest in brand-building activities that increase your brand's predisposition, and you will grow penetration at the right price, and not need to rely as much on performance marketing.

2 CREATE A TAILWIND FOR FUTURE GROWTH:

Your brand's size today is a poor predictor of growth tomorrow. A much better predictor of future growth is whether its predisposition is over or under, relative to its size. So aim to build excess predisposition.

3 MANIFEST YOUR BRAND'S MEANINGFUL DIFFERENCE:

Maintain consistency and cohesion across all your touchpoints and distinctive assets. To do this, marketers need to collaborate with other functions to engage and align all relevant areas of the business.

BLUEPRINT FOR BRAND GROWTH

4 MASTER THE 'WHAT' AND 'WHERE' OF QUALITY CREATIVE:

Emotion in advertising creates memories, but it's only effective when it is inextricably linked to the brand. The medium is part of the message, but there is no 'silver bullet' media plan.

5 CREATE A FEEDBACK LOOP BETWEEN EXPECTATIONS AND EXPERIENCE:

Actual experiences affect peoples' predisposition to brands. Brand perceptions frame the product or service experience and can even enhance it. Build brand associations and predisposition more quickly by ensuring that perceptions and experiences are harmonised.



CASE STUDY:

**PREDISPOSE MORE PEOPLE
KINDER**

Kinder is a Ferrero global chocolate brand, targeted at children, but with the reassurance for parents of 'more milk, less chocolate'. A mature brand with strong market share, it has grown by increasing its appeal and value to more consumers through its product range, its advertising messages encompassing healthy treating, children's nutrition and mental wellbeing, the balance of parental control and indulgence, and through appropriate and relevant product innovations. Kantar BrandZ data shows that Kinder grew 18% in Demand Power (mental market share), and Pricing Power (willingness to pay) grew by +5 index points in Italy from 2017 to 2023.

| Kinder | Demand Power share | Pricing Power index |
|---|--------------------|---------------------|
| Equity scores - Italy <small>(average brand = 100)</small> | 12.9% | 114 |

STARTING GRIDS

HOW TO MAKE... PREDISPOSE MORE PEOPLE WORK FOR YOU

There are two types of predisposition that brands can build: predisposing people to buy, and predisposing people to pay more. To identify the big questions your brand should be asking to create growth, it's important to look at each separately.

PREDISPOSE MORE PEOPLE (TO BUY)

Here the key question is whether a brand's salience is limiting how many people buy it, or how strongly predisposed people are to buying it. This analysis maps all the brands in the category on their scores for Meaningful Difference (an average of Meaningful and Different) and their Salience.

Brands that are Meaningfully Different but lacking Salience (**bottom right**) should ask which exposures and experiences would have the most impact on amplifying the brand's Meaningful Difference.

Brands lacking Meaningful Difference relative to their competitors (**left bottom and top**) would do better to diagnose their current level of Meaningful Difference, not how to grow salience.

Brands that are Meaningful, Different and Salient (**top right**) would benefit from continuing to the next growth accelerator and asking if the brand predisposes people to pay the price needed.

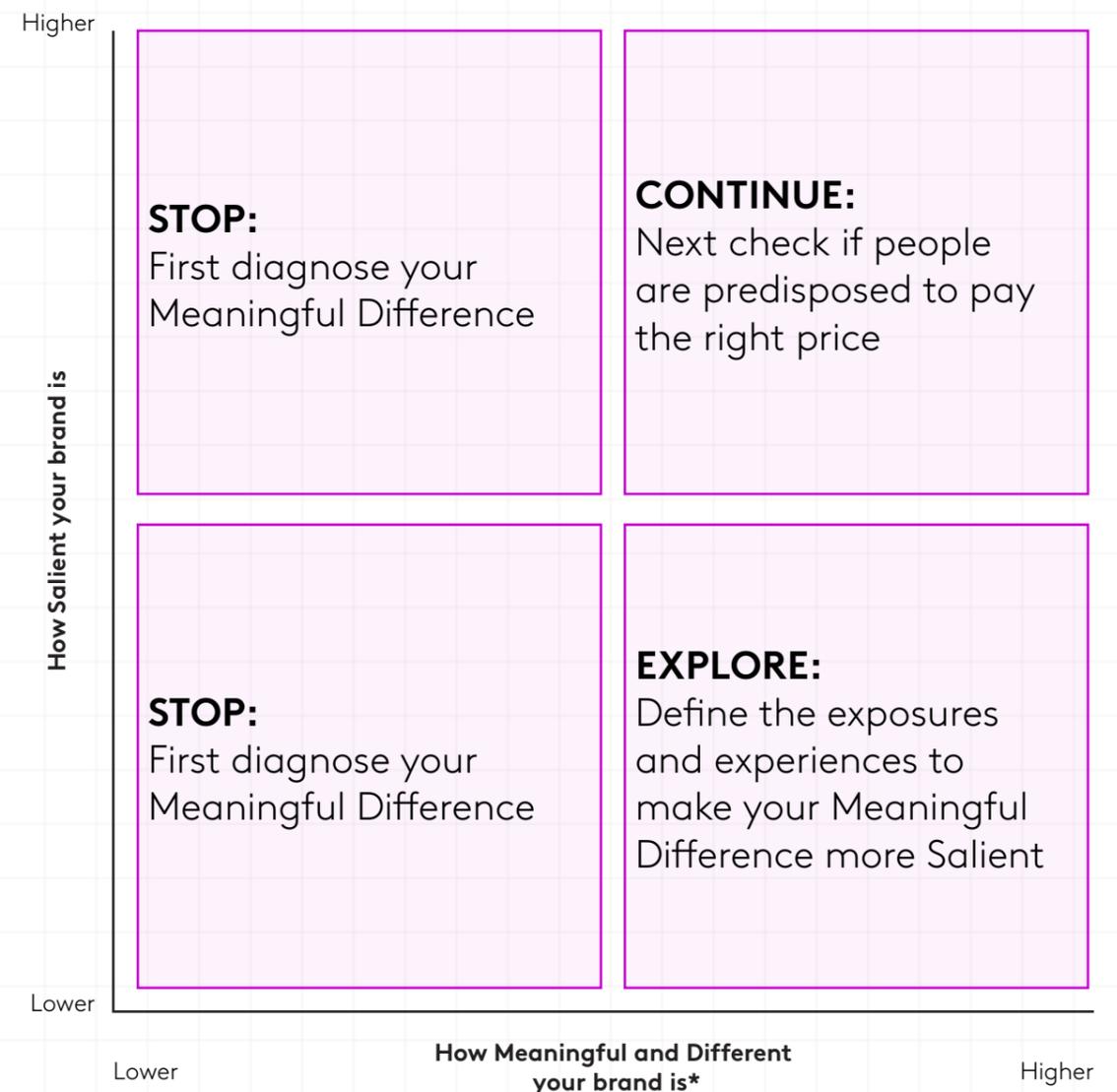
Strategic implications of this macro view includes:

- media investment and strategy
- innovation pipeline
- communications content and strategy
- customer experience strategy

Key question to answer:

Is your brand's Salience limiting consumers' predisposition to buy?

GROWTH ACCELERATOR: PREDISPOSE MORE PEOPLE (TO BUY)



Source: Kantar

* Average of Meaningful and Different index

PREDISPOSE MORE PEOPLE (TO PAY THE PRICE NEEDED)

The key question here is: do people prefer your brand so much over others that they are willing to pay the price you need?

To do this, all the brands in the category are mapped on their price relative to category average and their Pricing Power (a prediction of the price a brand can charge relative to category average, based on people's attitudes to the brand).

There is often a relationship between a brand's relative price and its Pricing Power (as you might expect) but when brands sit outside of this expected relationship, it highlights the next big questions they should be asking.

For brands sitting along the diagonal of this map (**middle stripe**), their predisposition sufficiently justifies the price they need to charge relative to category average. They can continue to the next growth accelerator, to identify the most important next big question they should be asking.

Brands whose relative price exceeds their Pricing Power (**bottom right triangle**) should review their Meaningful Difference, as there is evidence that the brand's predisposition is only weakly supporting the price they are charging, and more fundamental work is needed.

Brands whose Pricing Power currently exceeds their brand's relative price (**top left triangle**) should review current pricing strategy and tactics. For some brands in this position, price increases could be explored with further data, including price elasticity. For others, it's possible that promotional strategies could be adjusted.

Strategic implications of this macro views include:

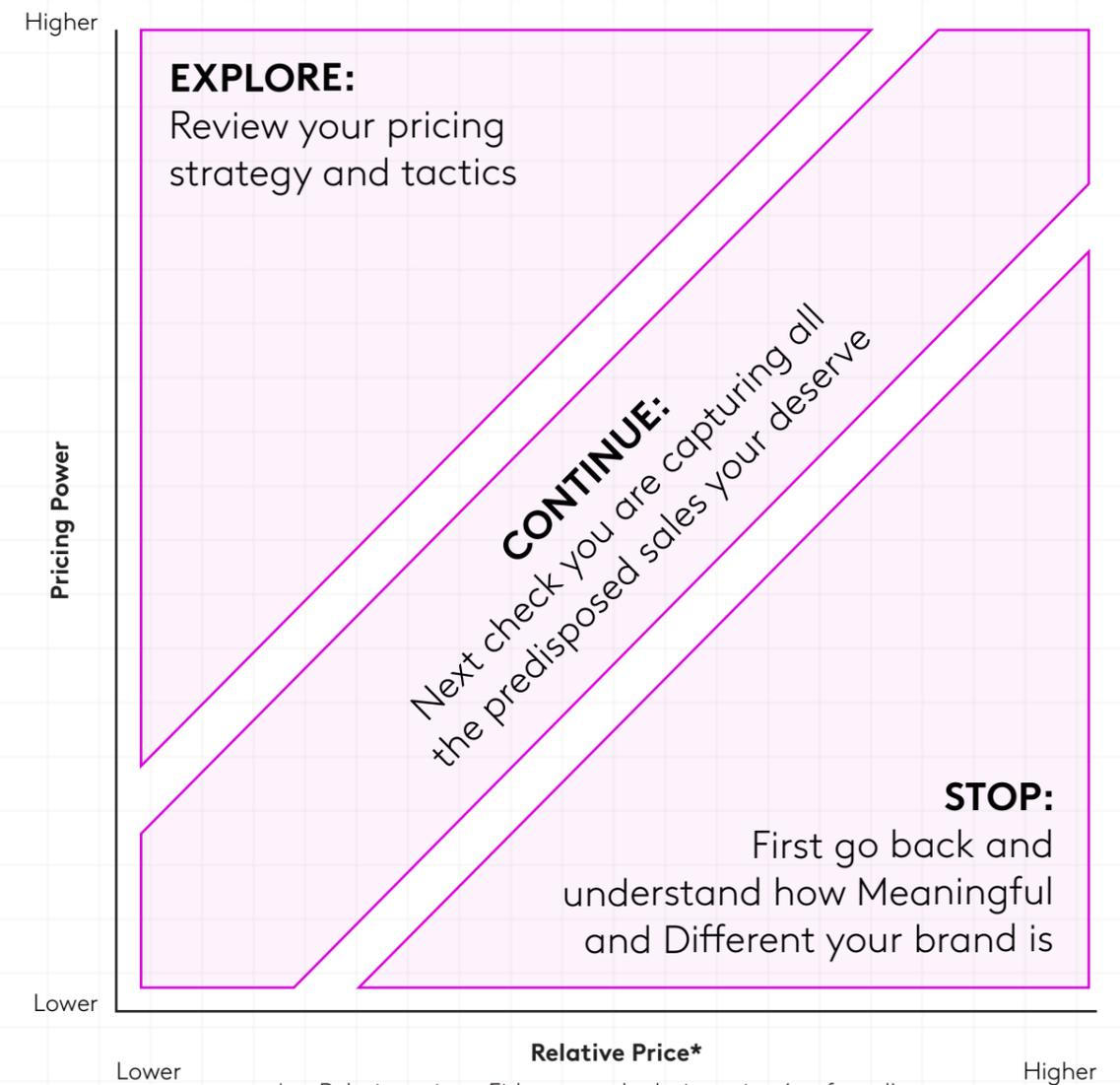
- product / service / range
- pricing
- pricing strategy and tactics

Key question to answer:

Are people predisposed to pay the price you need?

GROWTH ACCELERATOR:

PREDISPOSE MORE PEOPLE (TO PAY THE RIGHT PRICE)



Source: Kantar

* Relative price - Either actual relative price (preferred) or perceived relative price, depending on data availability

2. BE MORE PRESENT

You can optimise marketing investments in product range, distribution, pack, pricing, promotions, and other activity that converts consumer predisposition and captures choices from other brands.

MEASURES:

ACTIVATION POWER, PRESENCE (DISTRIBUTION, SEARCH), RANGE, PRICE, PROMOTION

THE BASICS OF BEING PRESENT

Being present means being available and prominently visible at the point of purchase, with the optimal range of products or services to meet shoppers' needs, at the right price.

Kantar's purchase data from CPG categories show that the most frequent brand-buying behaviour is just once a year. And the best predictor of your next purchase is what you bought last time.

So being present isn't enough on its own: predisposed buyers are more likely to search and find you in the first place, which means other factors like price have less influence over purchase. When predisposition is weak, price, convenience and context become more of an influence on brand choice.

This is where Activation Power comes in. Activation Power is your brand's ability to convert consumer predisposition into brand choice through physical connections and availability. Both Demand Power and Activation Power are necessary for brand growth.



X



=



**Demand
Power**

**Activation
Power**

Sales

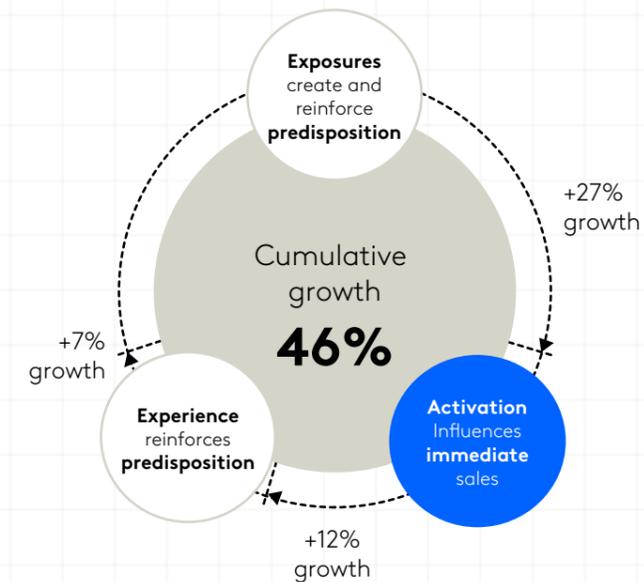
Source: Kantar

To capitalise on this, brand growth requires active, intentional presence. A brand with a more prominent shelf presence or search listing has a higher likelihood of getting picked. Out-of-stock brands suffer an immediate loss of buyers, some of whom may never return.

Analysis of growth in claimed purchasing from matched studies **over three years**

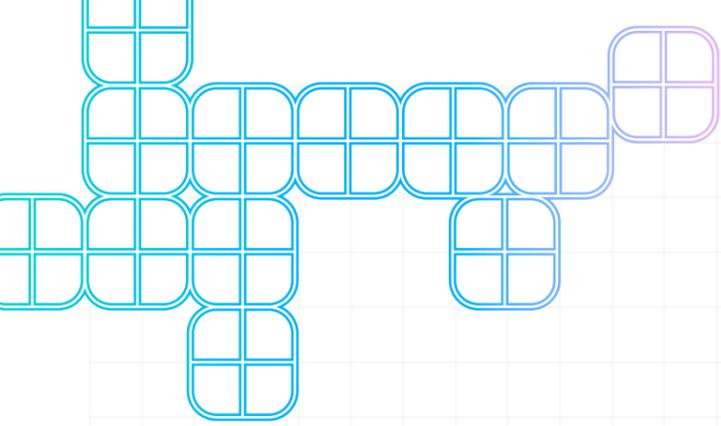
Activation **contributed 12%** from the 46% growth of the best brands

Activation is an essential point in the buyer cycle



BEING MORE PRESENT converts predisposition and captures extra sales

Source: Kantar BrandZ, 5,334 brands matched over three years.



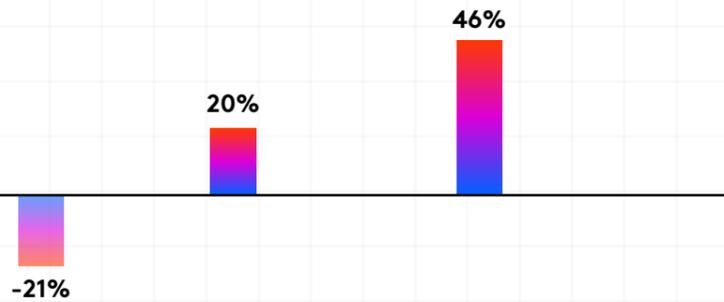
We analysed 14,623 brands and divided them into three groups, based on having strong Demand Power, strong Activation Power, or both. The brands with strong equity that also activated well grew 2.5x more than those with weaker Activation Power.

Analysis of growth in claimed purchasing from matched studies over three years

Average % growth over three years

ACTIVATION POWER:

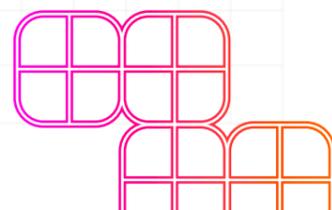
Strong brands that activate well accelerate their growth **2.5x more**



Performance on:

| | | |
|------------------|---|---|
| Demand Power | ✓ | ✓ |
| Activation Power | ✓ | ✓ |

Source: Kantar BrandZ, 5,334 brands matched over three years



Strong brands that activate well accelerate their growth

2.5x more

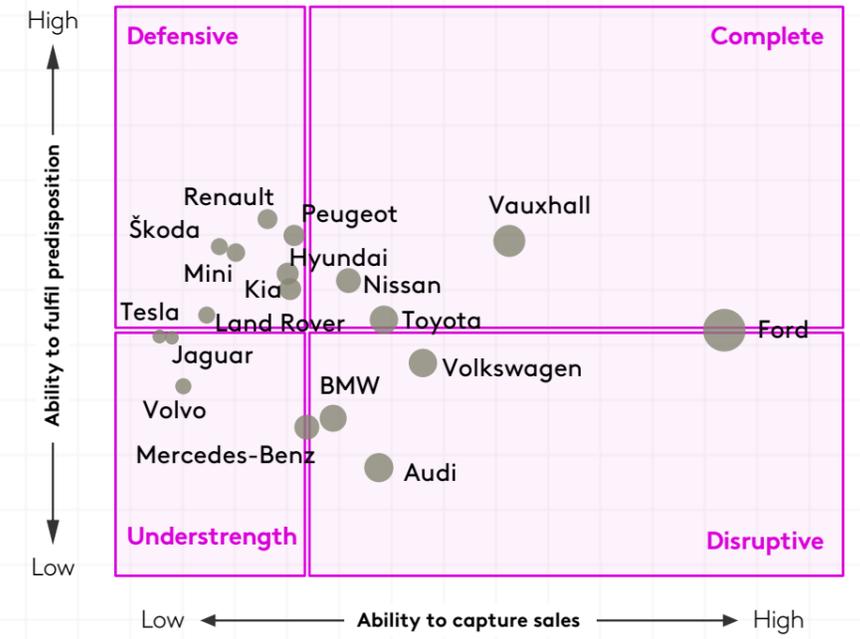
Are choices motivated by **presence**, by **predisposition**, or by **both**? It depends.

Take the automotive category in the UK. Ford's success comes from an effective combination of predisposition and strong activation. British automotive manufacturer Vauxhall primarily uses activation to boost sales.

Ford and Vauxhall are best at using their Activation Power to fulfil predisposition and to add additional sales. Audi and BMW rely on strong predisposition, but face challenges due to weak Activation Power that cannot fully convert predisposed people into sales, so a greater focus on converting predisposed people will better unlock their potential.

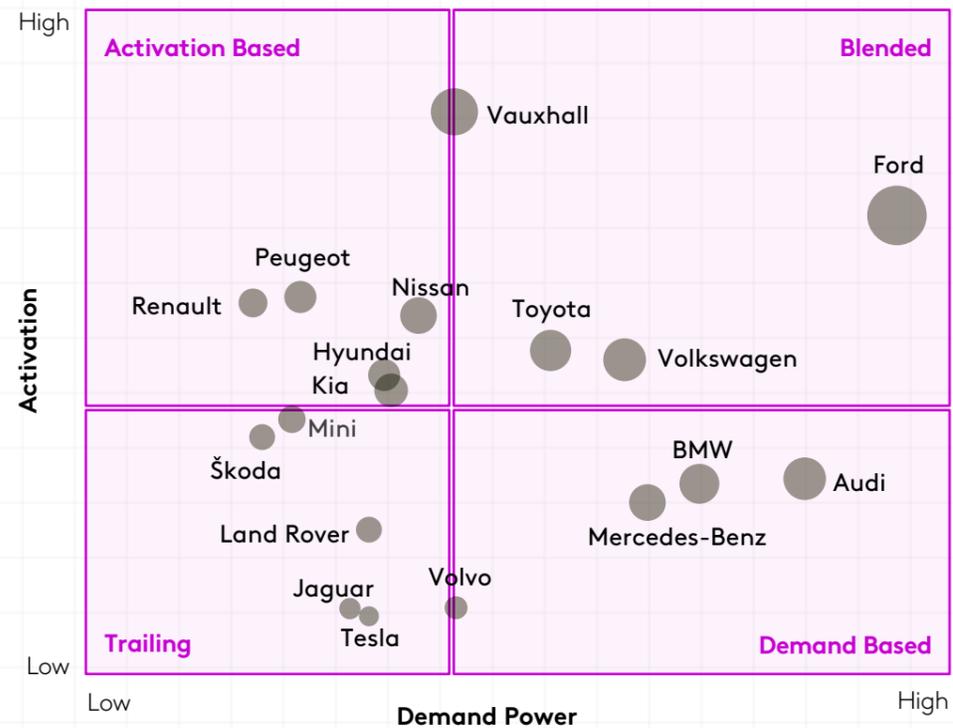
Activation Effectiveness Map

● Claimed Market Score

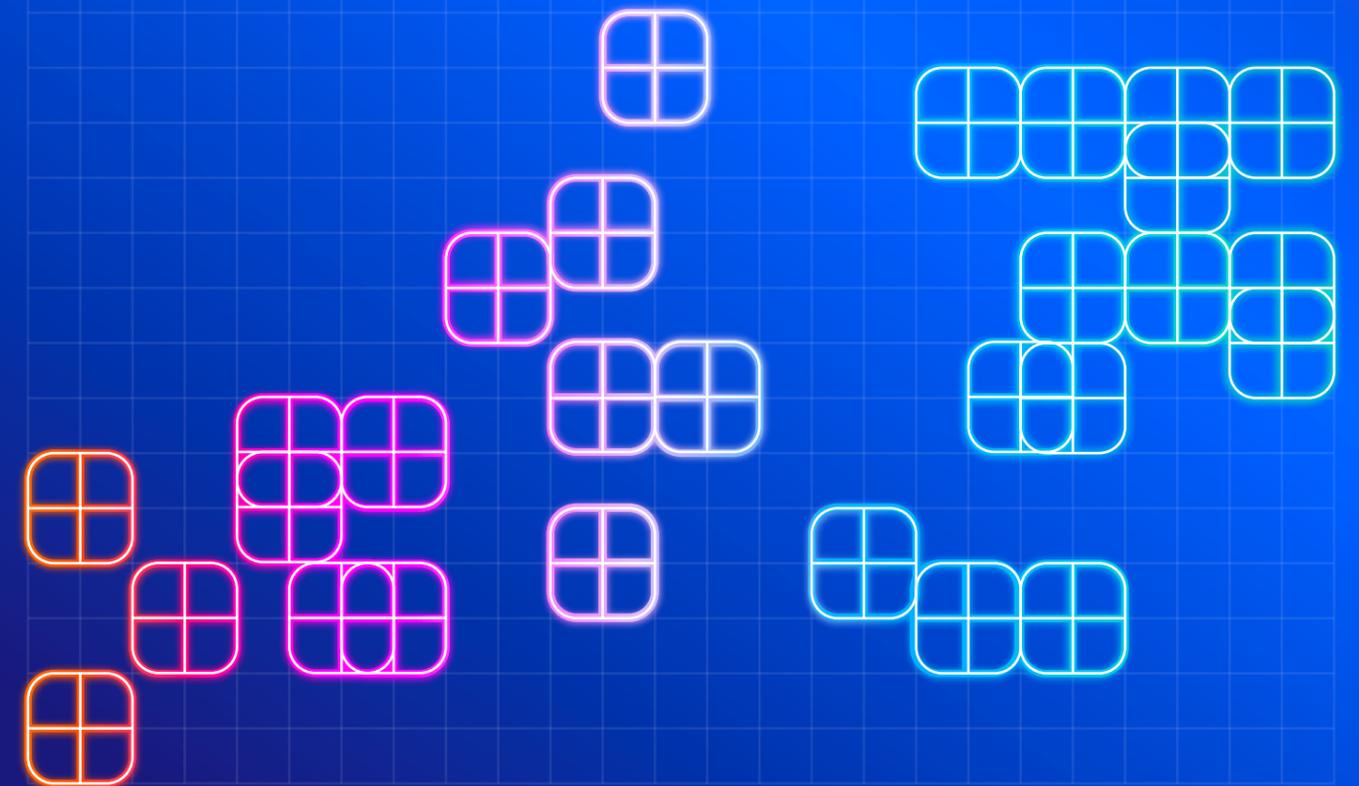


Source: UK Auto BrandDynamics, 2023

Demand and Activation Map



Source: UK Auto BrandDynamics, 2023



BEING MORE PRESENT MAKES YOUR BRAND EASIER TO CHOOSE

We are spoilt for choice: in the UK, the average household uses 26 different shops, buys on 270 occasions, and rings up around 2,000 items every year, in home, out of home and using online retailers, in addition to the many products and services bought via apps. Brands need to be where the choices are being made:

- when a new online or physical store opens and is the easiest and most convenient one for you to shop at
- when the same brand shows up first if you search for a category need, and is one click away from being bought
- when a retail partner gives you more, or better, space on the physical or digital shelf.

These are all examples of being easier to buy; an essential element of being more present. All will grow sales, because it means more people have the chance of choosing you, on more occasions. And the chances are even better if people are already predisposed to the brand.

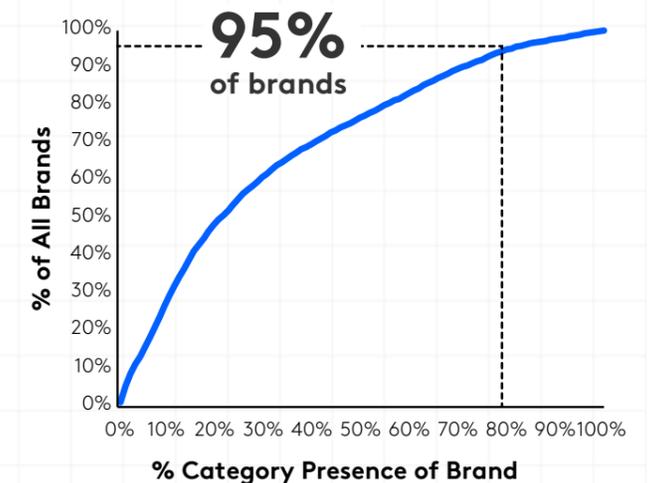
Brands that
are always
present attract

7x

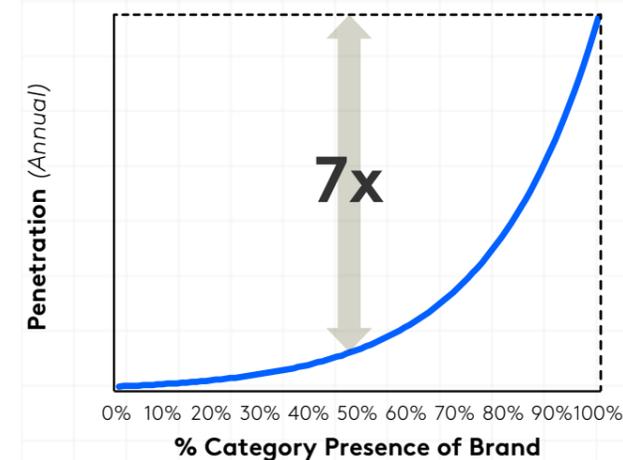
more buyers than
those that are
present on only half
of buying occasions.

And there is always room for improvement:
only the top 5% of brands have a
category presence of over 80%.

Cumulative Number of Brands
by Percentage Category Presence



Source: Kantar Worldpanel – 6,285 brands within a defined category



Source: Kantar Worldpanel – 6,285 brands within a defined category
– a weekly weighted distribution by category purchasing measure

THE RISKS AND OPPORTUNITIES OF RETAIL

The risk of being less present with retail partners is a perpetual issue. In ecommerce, especially in places where ecommerce and social commerce are dominant retail forces, like China, major manufacturers create their own stores across different ecommerce platforms, allowing them to engage with, and sell directly to, consumers. To take more control of this highly fragmented marketplace, they also work with influencers and key opinion leaders - or mega-influencers - to sell products directly.

Around the globe, brands such as Nike, Apple and many mobile phone companies operate their own retail outlets to be more in control, and to be more present. This ownership of the retail presence allows brands to manage the consistency of the transactional customer experience, and to optimise it over time.

Some direct-to-consumer brands are now working with retailers, contrary to their original model, to improve presence and grow. A good example is Harry's, the successful men's subscription razor company, now available in offline stores. In making the move to bricks and mortar, they became more present.

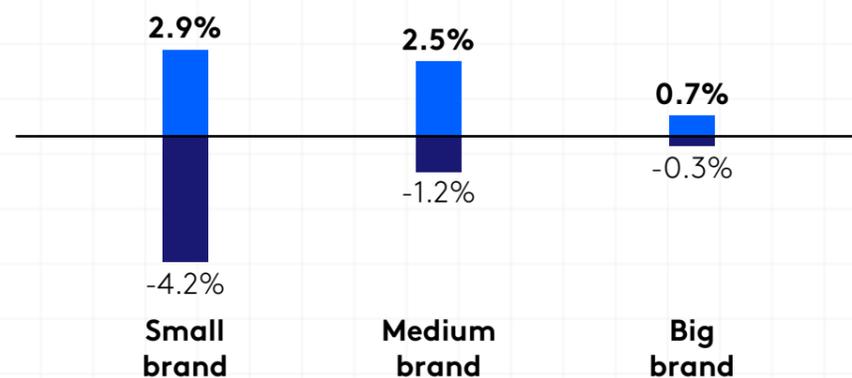
Distribution is more important to small brands.

Our evidence shows that the change in distribution is a key factor in determining whether small brands grew or declined. The small brands that grew added three percentage points of distribution, while the ones in decline lost four percentage points. This disparity is not evident among larger brands, who need to manage their portfolio more.

Distribution – Absolute % Change

■ 25% Best Growth ■ 25% Worst Decline

Best 25% growing small Brands grew distribution By 2.9%



Source: Euromonitor | 33 Countries | 86 Categories | 20,000+ Brands





SHOW YOUR BEST RANGE TO ATTRACT MORE PEOPLE

The right range is an essential component of your presence. Additional SKUs and varieties – even elements of personalisation at point of sale – will help reach different buyers and their varying needs. It also helps you stand out.

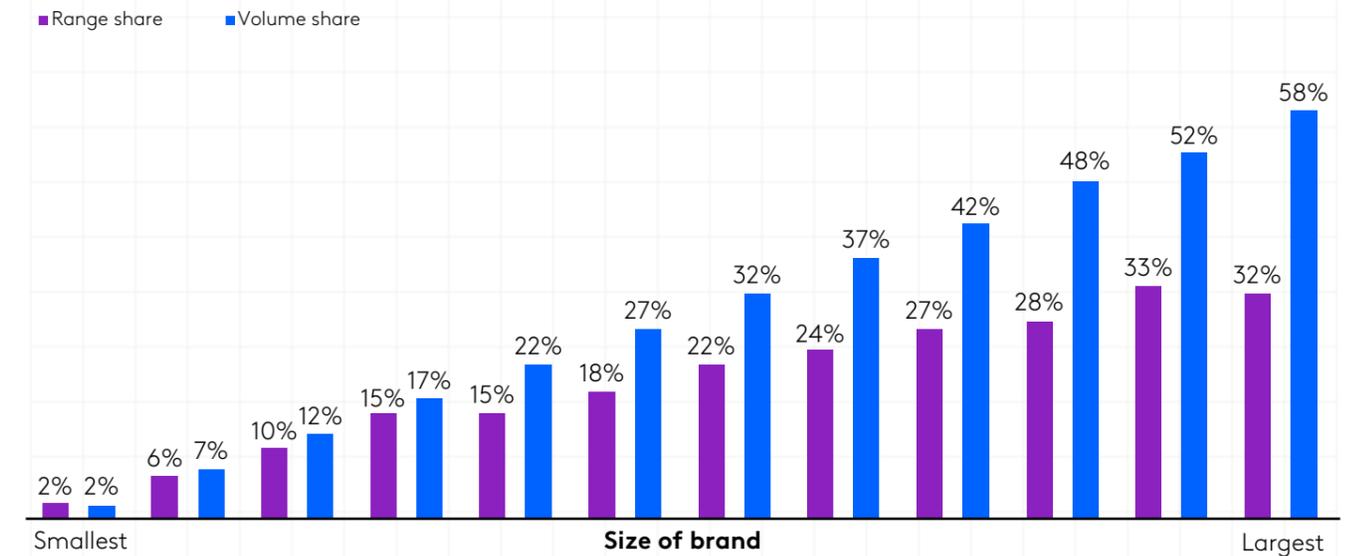
The importance of range is supported by Kantar Worldpanel: CPG brand leaders offer more choices than their closest rivals. In fact, range is almost essential to gaining dominance in a category.

Brands with the largest volume share achieve it in part by having a wider range. Our data also reveals that to introduce more buyers to the category, the overall range within the category needs to grow.

Categories have core established lines that typically follow the Pareto principle:

The top-selling 20% of products will **account for 80% of sales.**

The relationship between volume share and range (number of products to buy) share



Source: Europanel, 13,000 top ten brands across 20 countries and 87 categories

This means brands need to focus on portfolio management and optimising their range for the context. In practice, how they defend and grow the established top-selling lines given their dominance, and then add additional offers that can attract more people.

Take any leading brand and you'll see how range can be created in the following ways:

Formats

- Heinz Beans: classic tins, microwavable pots
- Apple iPad: Pro, Air, Generations, Mini

Sizes

- Heinz Beans: six single tin versions, nine multi-pack ones
- Apple iPad: five sizes, which are also related to the format

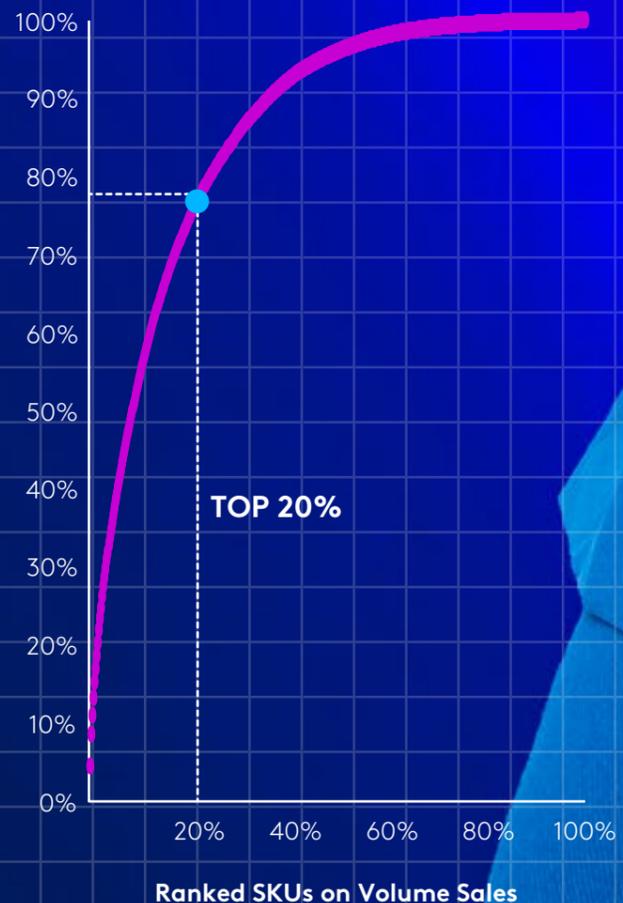
Variants

- Heinz Beans: regular, organic, no added salt, five beans, curry, plus more!
- Apple iPad: storage, connectivity, keyboard, audio, pen and personalisation

The ability to meet needs and budgets, and to attract more people, requires an excellent understanding of the consistent and emerging consumer trends. It also requires a detailed assessment of the incremental revenue potential of offering more choice options, compared to the potentially high cost of doing so.

% Toothpaste Volume Sales

The median for 142 categories = 78%



Source: Kantar Worldpanel

CONNECTED PRESENCE

Your brand needs to be noticed and recognised quickly and easily at the decision point, online or offline. This is why we call it Be More Present – it shows up in the right place prominently and intentionally, triggering mental connections to predispose the buyer or chooser.

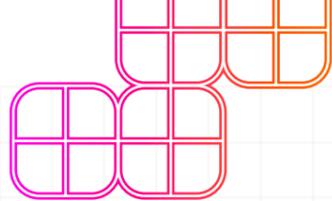
Distinctive assets on the product will enable quick recognition: colour, shape, font, icons, logo, fascia; how much physical or digital shelf space it has, position on the shelf, or online list or ranking; and, how well any material is noticed and comprehended. In an era of copycat assets from own-label products, you will need to optimise your own.

Strong distinctive brand assets aid recognition as well as **brand equity**. Create a simple and useful framework for using them and do it consistently across markets. Don't keep chopping and changing strategy or activation. Our BrandImprint solution shows the strengths and weaknesses of your brand assets: for example, the Amex Blue Box logo conveys trust.

DIGITAL PRESENCE COUNTS

You need to be consistently findable: your place in search results, the brand's position in an online retailer's listing, the quality of imagery, descriptions, awards and review ratings are all important factors in boosting conversion. Streaming services being packaged as an app on new TVs equals being present where you're expected to be. Managing your transactional customer experience online is part of being present, as well as whether an algorithm serves you up to consumers.

The landscape for Being More Present is becoming more diverse, with online how-to videos, targetable digital screens closer to the decision point in physical stores, more visually sophisticated point-of-sale materials and more omnichannel marketing connectivity – using retail media networks, for example.



CONNECTED INSTORE PRESENCE

In-store technology can achieve huge benefits in understanding your presence. Eye-tracking technology gives us a better understanding of what people see during a typical in-store shop. Brands need to be more in people's eyeline – within the 'diamond' hotspot:

Shoppers start their shopping experience from the signpost brand and **a diamond-shaped visual hotspot** occurs as they search around the signpost.

Brands within the diamond hotspot are more likely to be seen



Source: Kantar

When shopping online or offline, consumers are faced with many signs, pop-ups and messages to navigate. Our eye-tracking research shows that only 15% of shoppers in store will notice a brand's current point-of-sale material. However, we also see point-of-sale advertising is underused compared to its brand impact. Consider PoS as part of your brand-building activity as well as activation in store. Most shoppers, in most categories, want to shop fast, and not be disrupted along the way.

A good example of a connected in-store presence is Diageo's Pretty Simple Drinks campaign, which combined custom-made high-visibility in-store fixtures with a campaign about how to make cocktails.

Activate for channel

Diageo: Pretty Simple Drinks

Supermarket - Secondary location

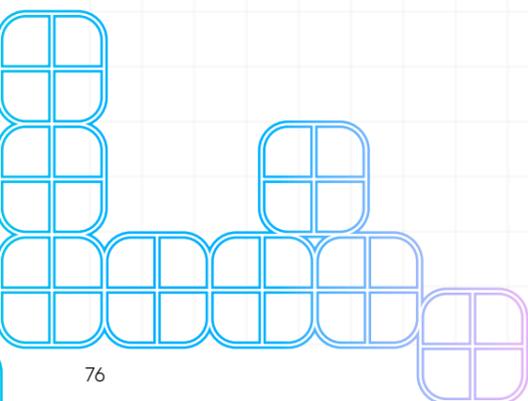


- header board
- smaller pack format
- ingredients
- educational shelf edge strips

ecom Specialist - Alcohol delivery service



- recipe advertisement
- all product formats/SKUs
- specialist mixers
- ice and party supplies



SHOWING VALUE: GETTING PRICING AND PROMOTIONS RIGHT

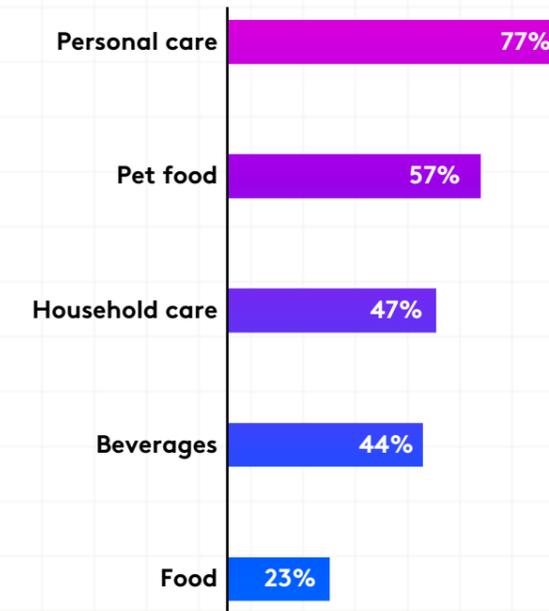
To win more shoppers, which is what retailers also need to grow their sales, brands need to continue to convince current, and persuade potential, shoppers that they offer unbeatable value. UK supermarket chain Tesco, for example, says it wants to be magnetic value for its customers. Brands need to work with their retail partners to create ways to tangibly show value.

For retailers who want to attract shoppers who have a wide range of disposable incomes and needs, a full range of 'good, better, best' prices by category is a valuable price architecture.

This wider choice will need to compete with retailers who offer fewer choices but push hard on the low prices they offer; and at the other extreme, with specialist retailers on and offline, selling typically more luxury and expensive, exclusive products.



Category Price Premia of Brands vs. Private Labels in 2022



Source: Europanel 13,000 top ten brands across 20 countries and 87 categories

The strongest national brands position themselves in the better and best price bands, while private label, in the main although not exclusively, offer cheaper, good, alternatives. The actual price differential a national brand can command depends on the category and brand – see below. For example, after analysing price promotions for carbonate drinks over two years, and by determining an expected purchase behaviour for each shopper, we find that around a quarter of all promotional volume grows the category, and growth for the retailer where it was bought.

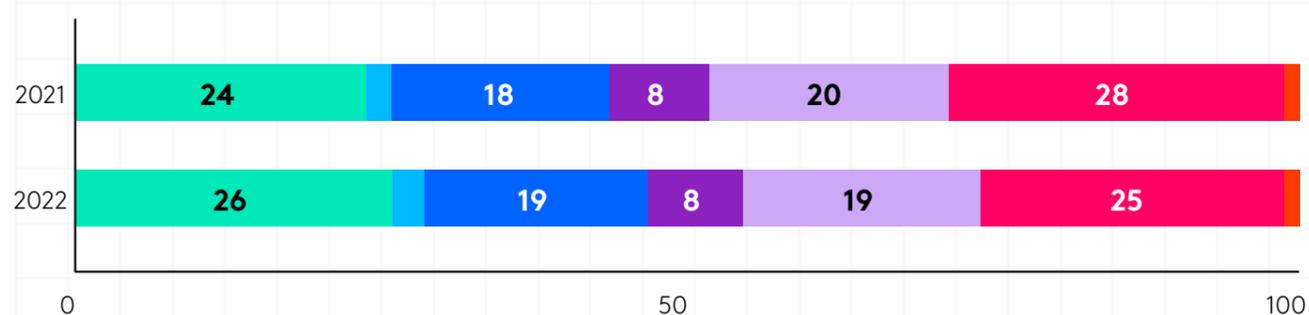
A straight battle on the actual price for the same products, across retailers, is a tangible way to show better value. But to calculate actual price, the discounts from price promotions need to be included, given their prevalence.

Promotions are a tactic used by most brands to help shoppers better perceive their value.

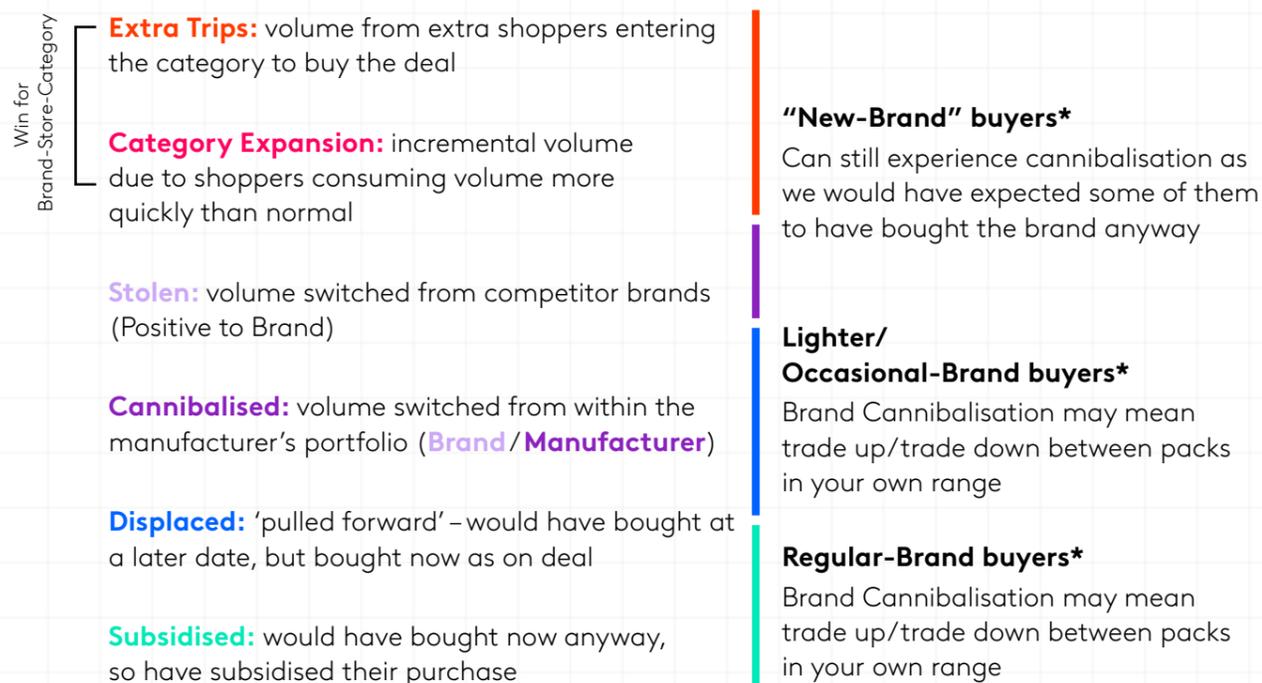
When done well, they can attract incremental shoppers and sales to the category and retailer.

In these highly expandable categories, more volume being bought results in almost no change in how quickly shoppers return to buying carbonated drinks again.

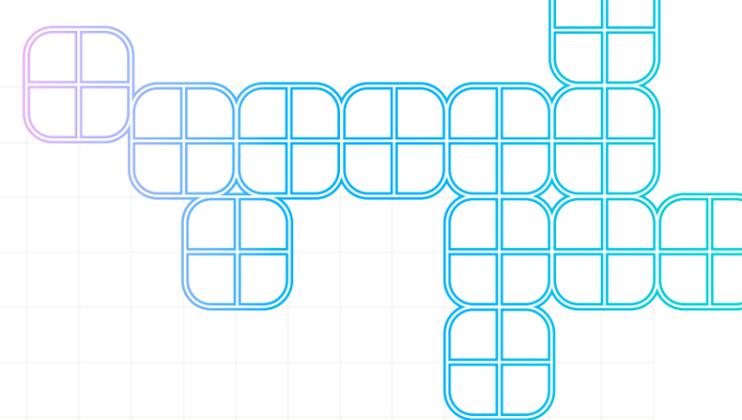
% Core Sparkling Promoted volume decomposition (incl. EDLP)



Incremental value to range in \$

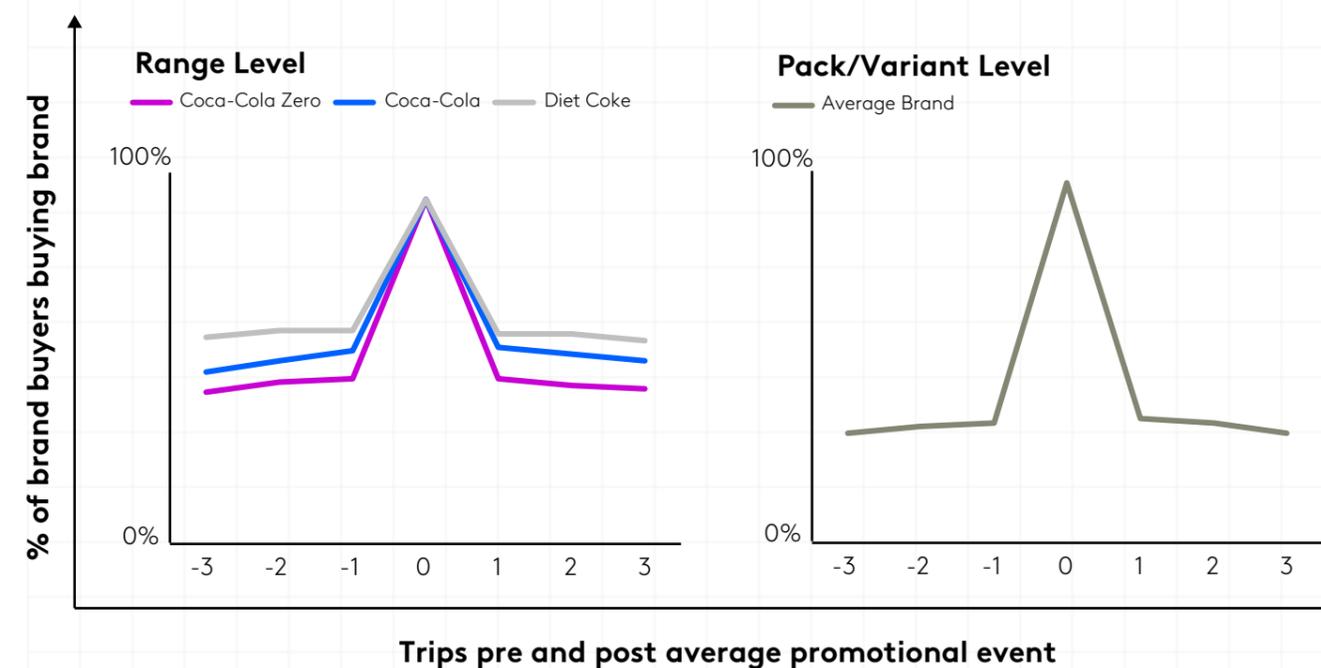


Source: Kantar Promotional Analytics Study – data to 30th October 2022. Includes EDLP
*classified on their promotional purchase as new if they had not bought the brand in the previous 52 weeks (Take Home).

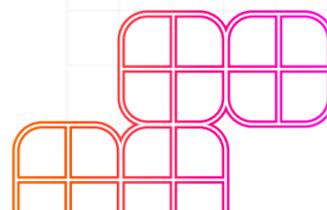


Promotions need to be carefully managed by brands. The short-term benefits will be obvious in any sales data - in less expandable categories from shoppers who are switching from competitor brands.

However, the benefit always lasts only as long as the promotion is present. When you analyse buyers of any price promotion and see how the share changes afterwards, you'll find that it always returns to the same level as before.



Source: Kantar Promotional Analytics Study – 2022



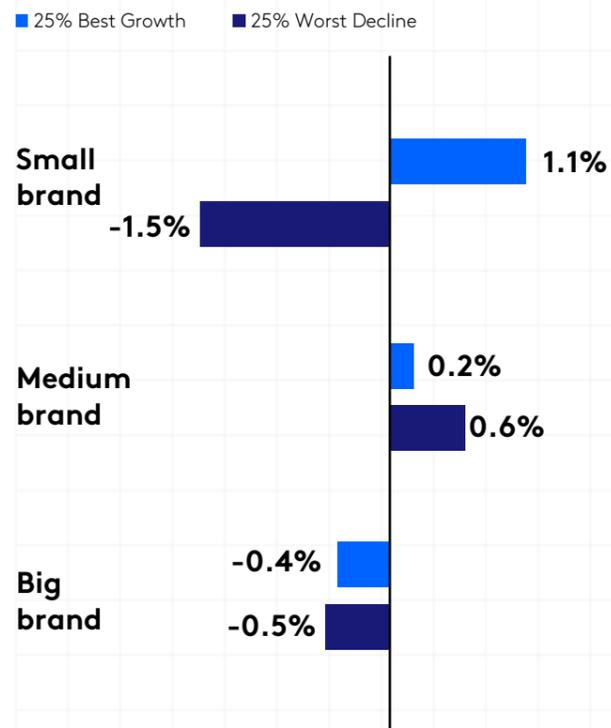
As the incremental buyers they attract are transient, price promotions can quickly become a way to lose money. You should consider them only if the incremental sales uplifts achieved are profitable. Even then, minimising promotions and focusing on the brand's power to attract more people - without a discount - is more likely to lead to greater profits over a longer time frame. Understanding a brand's pricing power as a negotiating lever with trade partners is vital.

Small brands can **grow their presence through price promotions** simply because their effects are large, and they make a significant difference over a year.

But this works only in the short term, so to grow again the following year requires either larger uplifts or more promotional activity, so the latter is typically what happens. For big brands, promotions are much harder to manage - the chance of cannibalising your own sales is much greater.

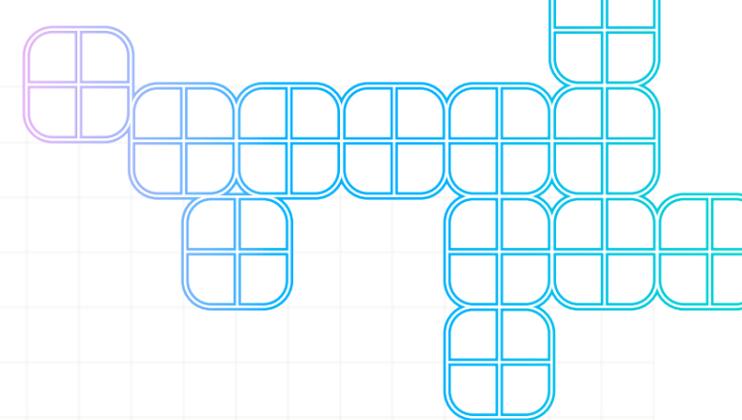
Retailers and brands will continue to find different mechanisms to show better value than competitors. Beyond price tiers and price promotions, you can add bundling - for example, food retailers solving your lunch and dinner problems with a meal deal, or Amazon Prime adding delivery within 24 hours when you buy a subscription to its entertainment package. And payment terms, particularly for high-priced purchases - from low interest on a loan to spreading payments over time - are another way to show value to increase your chances of winning at the decision point.

% Sold on Price Promotion - Absolute % Change



Source: Europanel | 33 Countries | 86 Categories | 20,000+ Brands

Focusing on the **brand's power** to attract more people - without a discount - is more likely to lead to greater profits



BE MORE PRESENT BEHAVIOURS

CONSISTENT:

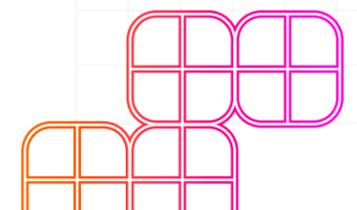
Being where you're expected to be, consistently, means you will be easier to find. If consumers associate you with a retailer, they should find you there. Or, if you're a streaming service, being bundled with a TV or cable service. To keep being easy to find, brands also need to track and adapt to retail trends.

CONNECTED:

Using your distinctive assets across all touchpoints means consumers can make the instinctive connections between your presence (on or offline) and your communications.

OPTIMISED:

Managing your price strategically (whether by promotions or not) is a key way to manage long-term growth prospects.



WHAT DO CMOs NEED TO CONSIDER?

BE MORE PRESENT

1

BE WHERE THE DECISIONS ARE MADE:

Once you've built predisposition, being distributed more widely, reaching new channels and optimising customer experience are powerful ways to grow sales. Make sure you've got every route to the customer covered, understanding retail trends.

2

HAVE A CONSUMER-CENTRIC RANGE AND PORTFOLIO:

Manage your brand portfolio to grow across formats and sizes, working in partnership with retailer and distribution channels.

3

BE VISIBLE:

Be in people's immediate eyeline, be first on the page, build and use distinctive assets so your brand is recognised quickly across all touchpoints.

BLUEPRINT FOR BRAND GROWTH

4

GET THE PRICE RIGHT:

Frame consumers' value expectations through appropriate communications, ensure your price-pack architecture creates the right choices, and use promotions with caution.

5

MAKE IT EASY TO COMPLETE THE SALE:

In any channel, think about the whole purchase cycle and any friction points.



CASE STUDY:

BE MORE PRESENT OPPO

Oppo is one of the new-generation Chinese electronics companies now taking a major slice of the global mobile-phone market: up to 14% of all units sold in Q3 2023. It's not just dominant in China. Its sales have risen in other Asian markets and in Europe and the Americas. A large part of its sales success comes from a mid-pricing strategy, offering smartphone capabilities at more-affordable prices than Apple and Samsung. Partnering with mobile operators, and developing its own online and offline retail channels, has enabled the brand to be more present everywhere.

Oppo

Index scores - global
(average brand = 100)

Unsupported share

109

Secure share

105

STARTING GRID

HOW TO MAKE... BE MORE PRESENT WORK FOR YOU

The key question to explore here is whether brands are capturing all the sales they deserve from both converting Predisposition and capturing sales from competitors in the decision moment. The brands in the category are mapped combining attitudinal brand predisposition (Demand Power) and behavioural data (volume share).

This analysis helps you understand where the disconnects are between people's attitudes to your brand, and their behaviour, leading to powerful commercial insights:

Whilst the two are related, they won't exactly match – simply because sometimes people don't buy the brand they were most predisposed towards (leaving 'deserved' sales on the table) and sometimes people buy brands they weren't strongly predisposed to ('unsupported share').

This analysis doesn't have four square quadrants because brand predisposition (Demand Power share) and volume share are related, so the bigger a brand's predisposition, the bigger its market share will already be.

This analysis maps predisposition and market share and looks for gaps between the two. Where brands have Demand Power share that's greater than their market share (*bottom half of the map*), this means not everyone who wants to buy the brand is buying it – leaving valuable sales on the table. For brands where the gap is small, brands need to audit what is happening in the customer journey to limit the sales converted from brand predisposition, for example, shelf visibility, available formats, stock issues or perhaps payment options on a website.

Where market share exceeds predisposition (*top half of the map*) this is not unusual – especially for big brands – as they may pick up sales from people who are not strongly predisposed to them, simply by being at the right place at the right time with a bigger distribution network, or through scaled logistics offering faster delivery times. However, if a brand is over-reliant on sales won through activation like price promotions, this can be risky – affecting margins and profits, and a cycle of short-termism.

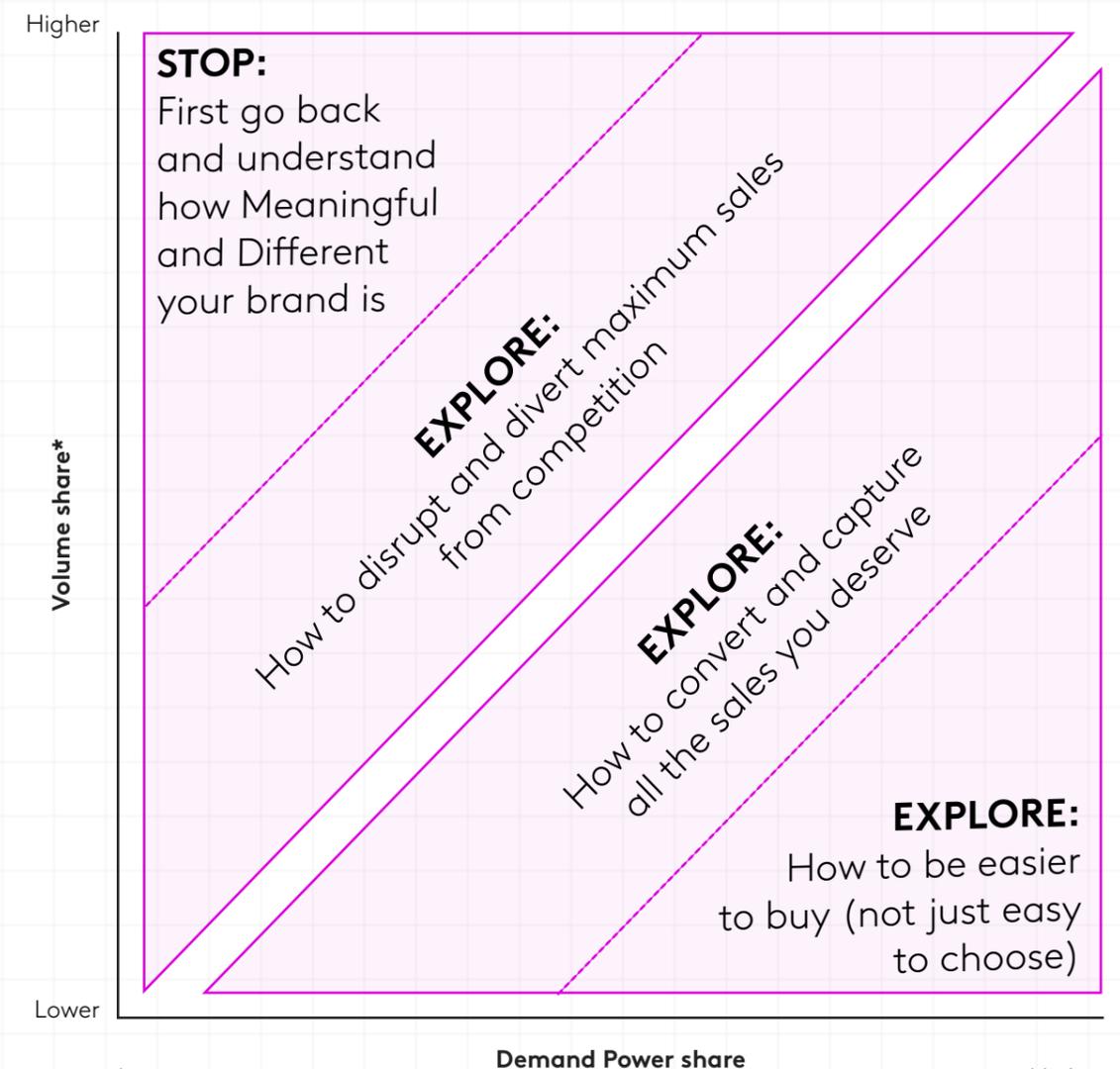
Strategic implications of this macro view include:

- merchandising/ PoS strategy refinement
- customer-journey optimisation
- distribution channels and investments
- supply-side logistics
- website or app optimisation
- payment options or partners
- pack design
- format and range
- pricing strategy

Key question to answer:

Are you capturing all the sales you deserve?

GROWTH ACCELERATOR: BE MORE PRESENT



Source: Kantar *Volume share - Actual volume share from behavioural data (preferred) or a volume share surrogate from survey data depending on data availability

3. FIND NEW SPACE

Find the most incremental spaces (motivations, occasions, categories, services) you can stretch into. Win in these new spaces through Meaningfully Different innovation, expanded distribution, and communications.

MEASURE:

FUTURE POWER, DEMAND SPREADSCORE

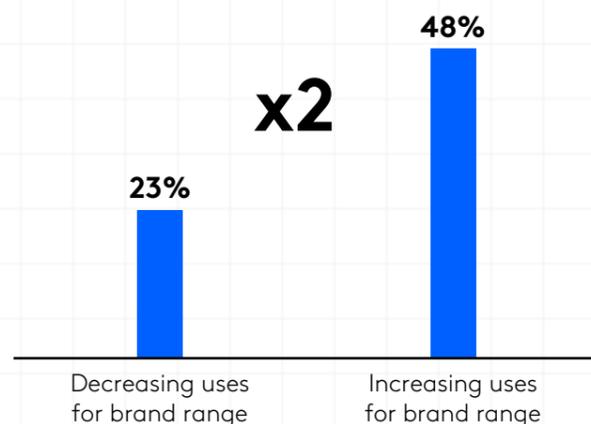


Growth should not be left to chance. Brands need to intentionally seek out new spaces to grow into. Brands should enter a new space with the ambition of it forming the future core offering. To achieve this marketers will need a deep understanding of their brand architecture and category dynamics.

New space can take many forms. It can mean appealing to more usage occasions, addressing more functional and emotional needs, or redefining your category by highlighting new motivations that you are best placed to address.

A brand's chance of growth doubles if it can find new uses for its range

Chance of growth (%)



Source: Kantar

It means understanding your category's scope and growth potential, as well as the possibility of opening new categories.

Brands that stretch into more incremental usage or consumption occasions have double the chance of growth compared to those that don't.

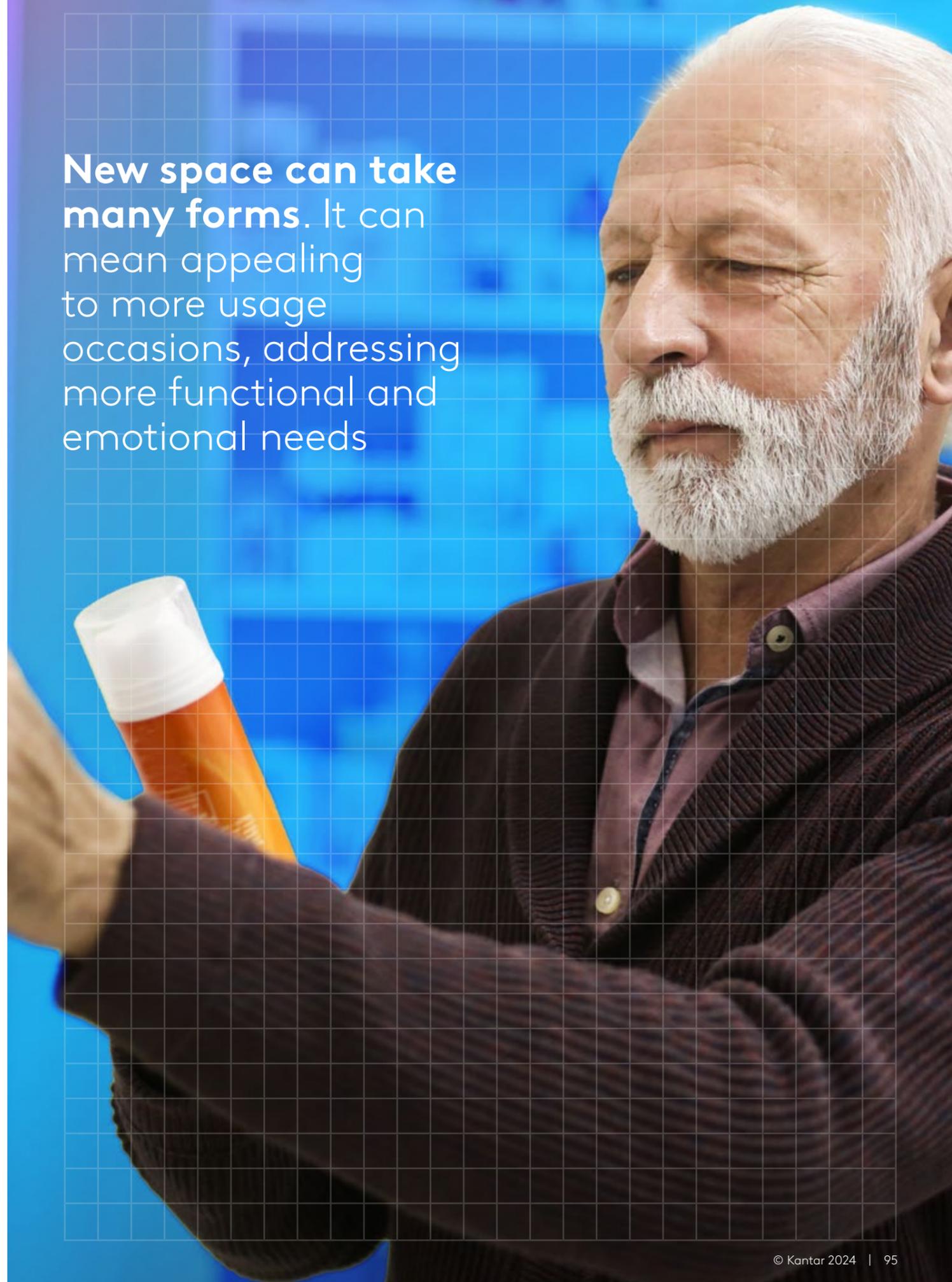
Find New Space means identifying the right combinations of motivation and context, defining the biggest possible market where your brand can be Meaningfully Different.

Brands are twice as likely to grow if...

They achieve increased consumption in new contexts (when, where, with who, with what etc...)

or if they find new needs or motivations for consumption (why)

New space can take many forms. It can mean appealing to more usage occasions, addressing more functional and emotional needs





FIND NEW SPACE IS A VARIED LANDSCAPE

Brands might Find New Space by taking a more expansive view. This involves exploring the more fundamental question of what business they are in by taking a holistic look at 'what', 'when', 'where', 'why' and 'with whom' - a wide definition of the category their products and services are relevant to - or could be. This results in broader horizons and stretching into adjacent or entirely new categories. In CPG, Dettol is a great example: a brand once known for medicated use on cuts and bruises expanded into a range that includes household cleaning and personal hygiene, where expertise in disinfection can be adapted in a relevant way.

Contrary to assumptions, range extension may not be the immediate answer: it could be renovation.

Lurpak butter is a great example, taking the place of cooking oil moments without extending the product range, by demonstrating the versatile use of butter in cooking through powerfully sensorial communications activity, inspiring more people to use Lurpak, in more ways.

Range extension within category could be the right option, by innovating and extending the range on offer, such as Dove and Dove Sensitive or Spotify offering Audiobooks.

A brand might extend into a new space defined by a premium price partition, like Diageo-owned Baileys Chocolat Luxe. Or appeal to price-conscious audiences by introducing a lower entry price, like the ad-supported streaming service layer now offered by Netflix and Amazon Prime.

Alternatively, a brand could Find New Space by taking existing products or services into new geographical markets, like Chase Bank outside of North America.

Ecosystem brands, such as Apple, exemplify how to Find New Space in this way with products and services that stretch into new, relevant categories, like AirPods or AirTags. This creates a network of natural bedfellows, bringing added benefits that make it easy to choose their brand when buying into a new category.

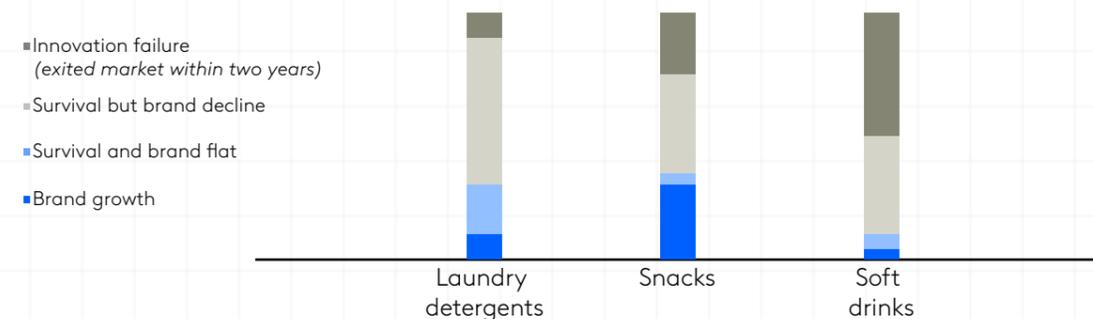
Whatever shape new spaces take, it's essential they are incremental to today, to lead to maximum growth. High-volume ideas, where the incremental gain is low, cause brands to shrink in over 40% of cases.

How your brand can **Find New Space** depends on its starting point – its size, and the strength and type of predisposition it currently has.

Biggest isn't always best- we need to include a measure of incrementality. Failure to do so carries a high risk of shrinking our business.

Beware of the cannibal

High volume and low incremental ideas can actually shrink your brand in **> 40%** of cases

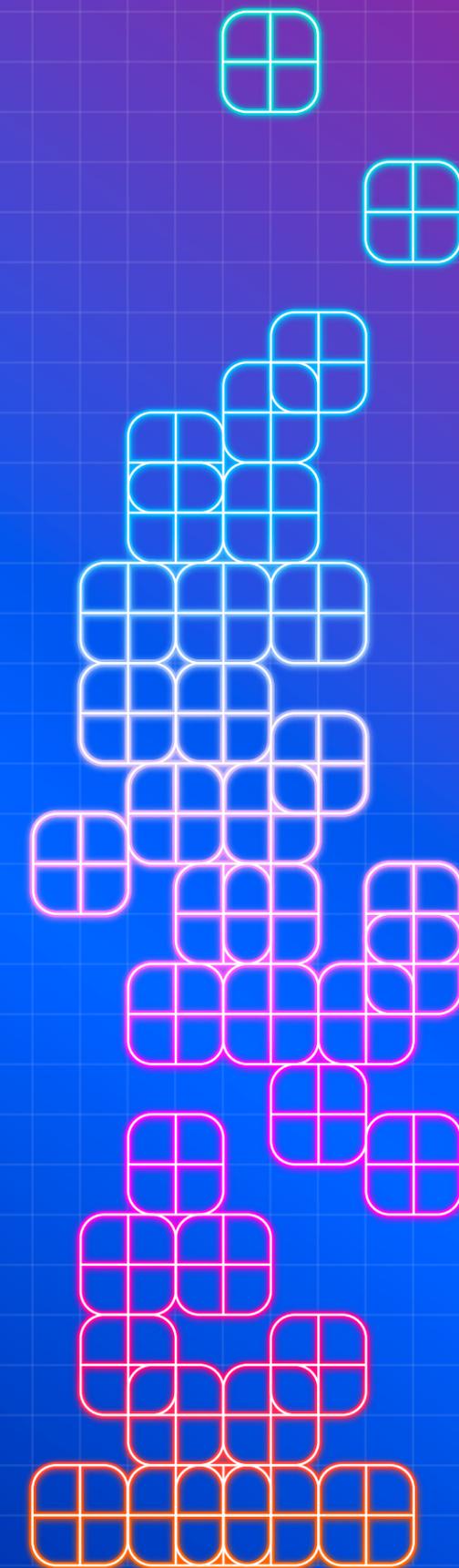


Source: * Based on in-market analysis of 4,000 launches in UK (Kantar Worldpanel) and USA (Kantar Shopcom)

High-volume ideas, where the incremental gain is low, cause brands to shrink in over

40%

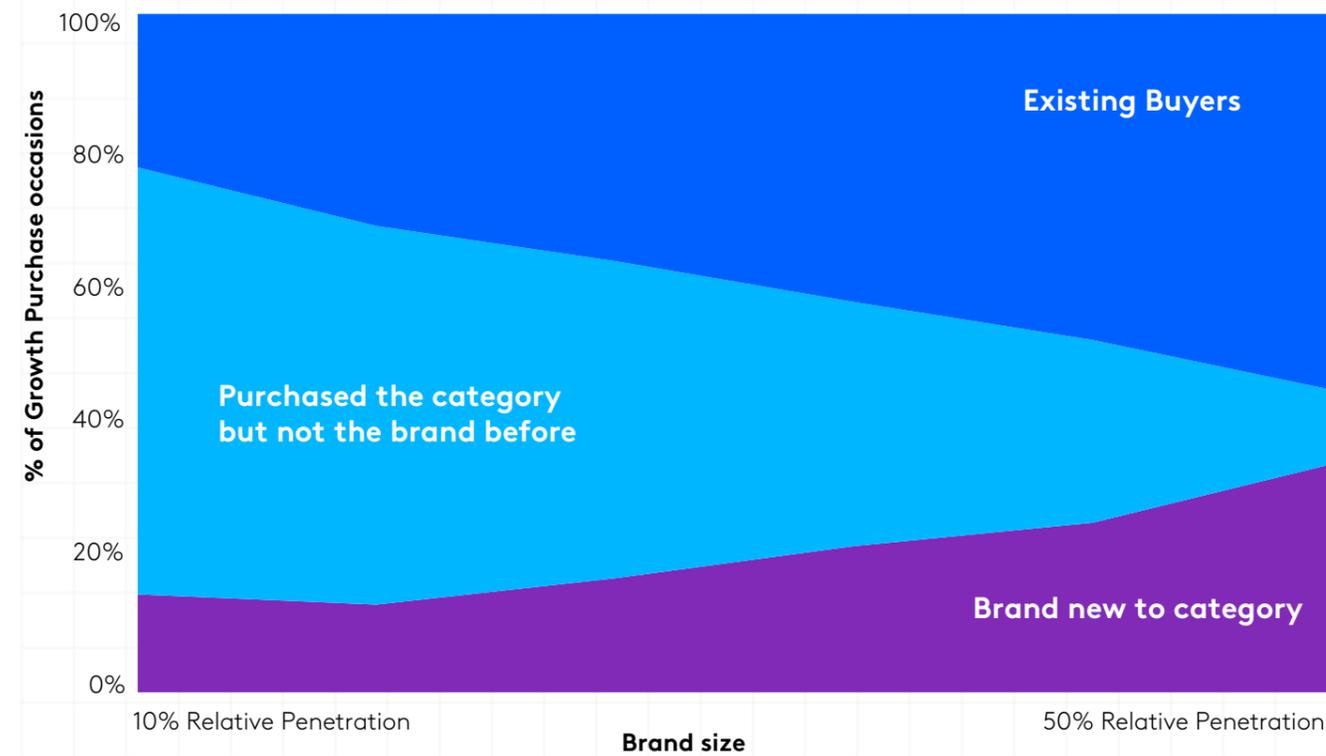
of cases.



SIZE DOES MATTER

Your brand size today is a key determinant of where you can most easily and effectively Find New Space. Evidence from 4,000 of the fastest growing brands (the top 25% fastest growing in 86 FMCG categories in eight countries) shows that smaller brands get about 80% of their incremental growth by acquiring more buyers who already buy the category, and stealing those purchases from competitors. Bigger brands get only one in ten of their incremental sales in this way. Their incremental growth relies on existing buyers buying more, and getting new people to shop the category for the first time.

When big brands grow, most of their increase in purchase occasions comes from buyers who have previously bought or buyers that are new to the category



Source: Europanel BG20 (a collaboration between Kantar Worldpanel and CPS GfK)

BREAKING HABITS VERSUS BREAKING BOUNDARIES

Small brands need to break habits, disrupt default behaviour, and steal from bigger brands: or provide what the category needs, but in a way that gets attention. Bigger brands need to break boundaries, push the definition of their category, spot the peripheral and future needs, and address them.

Critically, when it comes to the range of products and services on offer, 'less is more' for smaller brands, who will have a bigger impact on growth by focusing on hero products and making them more appealing or relevant to more buyers and occasions. Conversely, changing the number and type of products and services on offer, for bigger brands, is a helpful investment for growth.

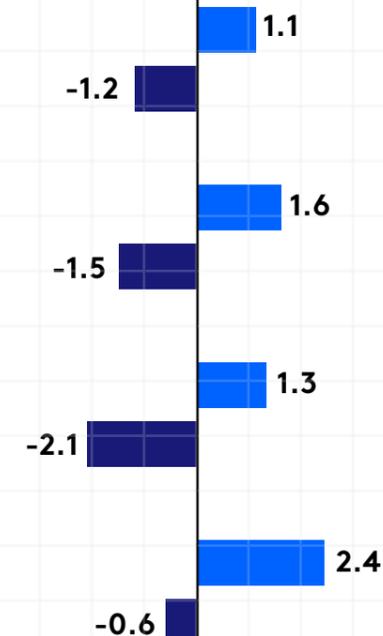
Innovation is a key differentiator between success and failure for big brands

Incremental Innovation is new products that adds to a brands assortment width in store (rather than replacing other products)

Incremental Innovation

■ 25% best growth ■ 25% worst decline

Low Penetration



High Penetration

Source: Europanel BG20 (a collaboration between Kantar Worldpanel and CPS GfK)





Brands with the strongest excess predisposition for their brand size have a

4x

likelihood of future sales growth

SIZE DOES MATTER... BUT IT'S NOT THE ONLY THING

As important as brand size is to how and where you might Find New Space, your brand size today is not the best predictor of its chances of growth tomorrow. A much better predictor is the strength of predisposition your brand has, relative to the amount you'd expect given its size today. This excess of predisposition creates potential. Brands with the strongest excess predisposition for their brand size have a 4x likelihood of future sales growth, compared to those where predisposition lags behind brand size.

Brands with the most successful new innovations tend to have strong excess predisposition in their current category. We extracted Kantar BrandZ equity scores for brands listed in the top 10 launches of 2022 in the UK from Kantar Worldpanel. Most of the brands who generated highest incremental sales from their innovations had a strong tailwind of growth in their category. They were primed for growth and their launches helped to unlock the potential.

So, marketers should also understand the potential any new space has to strengthen brand predisposition. Not all innovations are right for all brands.

You should understand whether an innovation idea has potential, whether it is authentic and appropriate, and will contribute to making the brand more Meaningful and Different. In concept testing, over half of concepts with the strongest potential are not predicted to have an impact on the strength of brand predisposition. If you decide only on the short-term potential of a concept, the longer-term brand gains of launching an innovation will be limited.

WINNING HEARTS AND MINDS

Finding new space isn't all about rational spaces for functional new products; emotion should play a key role. Understanding what is wanted or functionally needed matters, but digging deeper to understand the role that identity and emotion play in affecting motivation, context and choice can broaden the boundaries you play in, and provide strong guardrails.

Baileys is a brilliant example of this. They landed on a powerful insight that their chocolate liqueur was 'Part booze, part cake, pure pleasure'. This was a breakthrough moment that opened a world of possibilities way beyond the current boundaries of their thinking. It expanded their horizon to the world of treats, and led to new ideas for flavours and products, as well as redefining how and when the core product could add pleasure to people's lives.

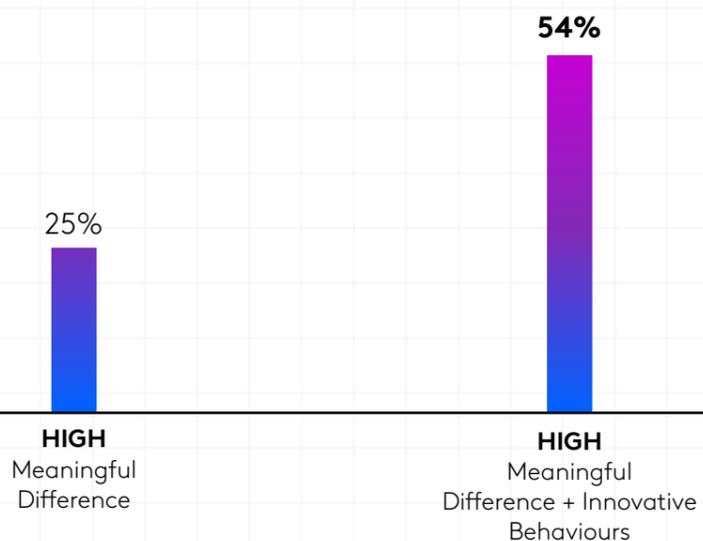
INCREMENTAL INNOVATION AND CATEGORY GROWTH

Innovation is a proven **facilitator for growth**: when brands are perceived to be Meaningfully Different by people, they unlock more growth. But when they are Meaningfully Different and perceived to demonstrate consistent innovative behaviour, they unlock even more - twice the brand-value growth.

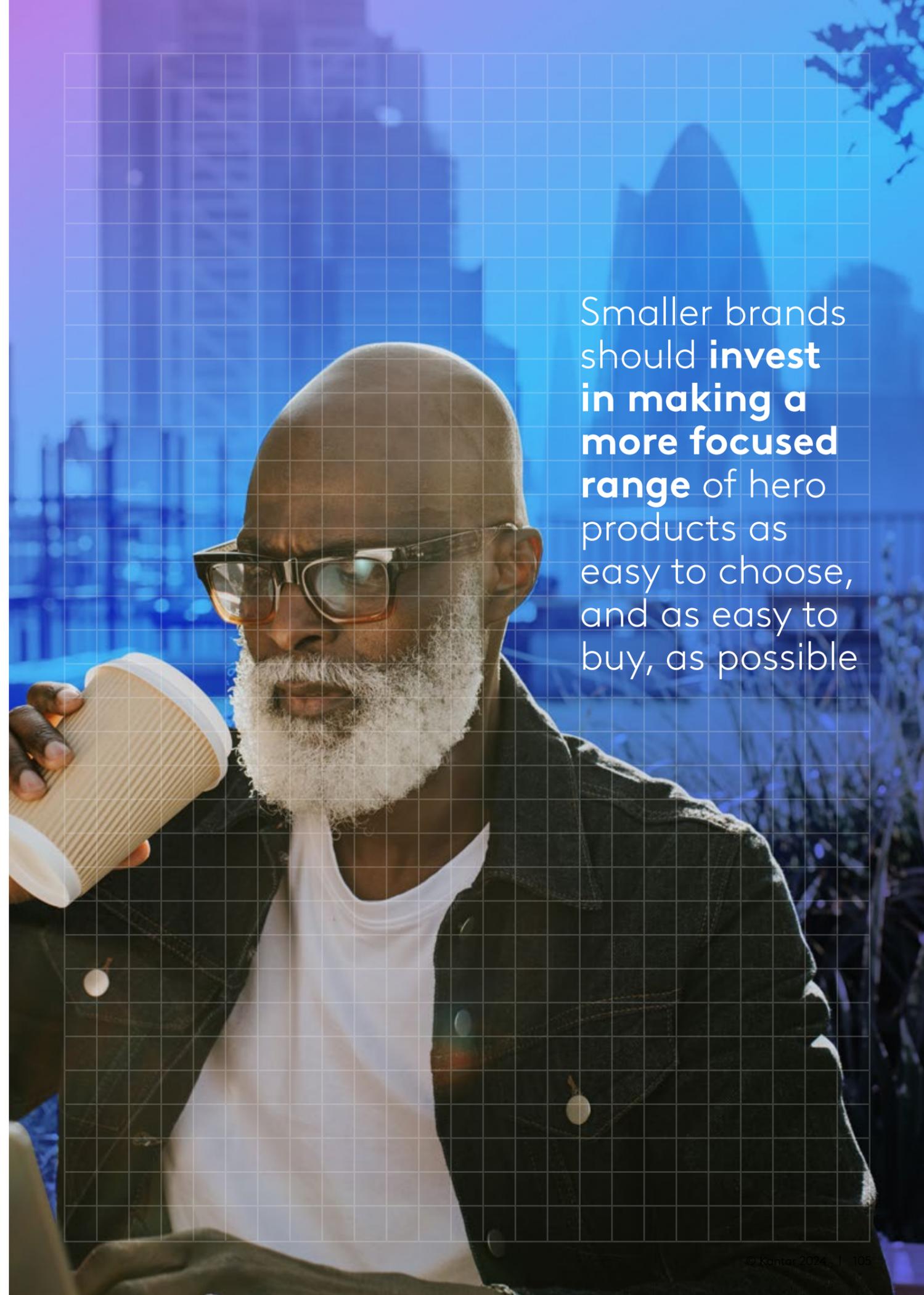
But a one-size-fits-all approach to innovation won't do. The role of innovation for smaller brands is critical. If you're going to break habits and disrupt default behaviour, you must make a splash with a new way of satisfying an existing need. Smaller brands should invest in making a more focused range of hero products as easy to choose, and as easy to buy, as possible. Smaller brands that have strong perceived relative difference, compared to competitors, have the best chance of growth.

Brands perceived as meaningful and different and demonstrate innovative behaviours are 2x more likely to drive growth than brands that are meaningful and different alone

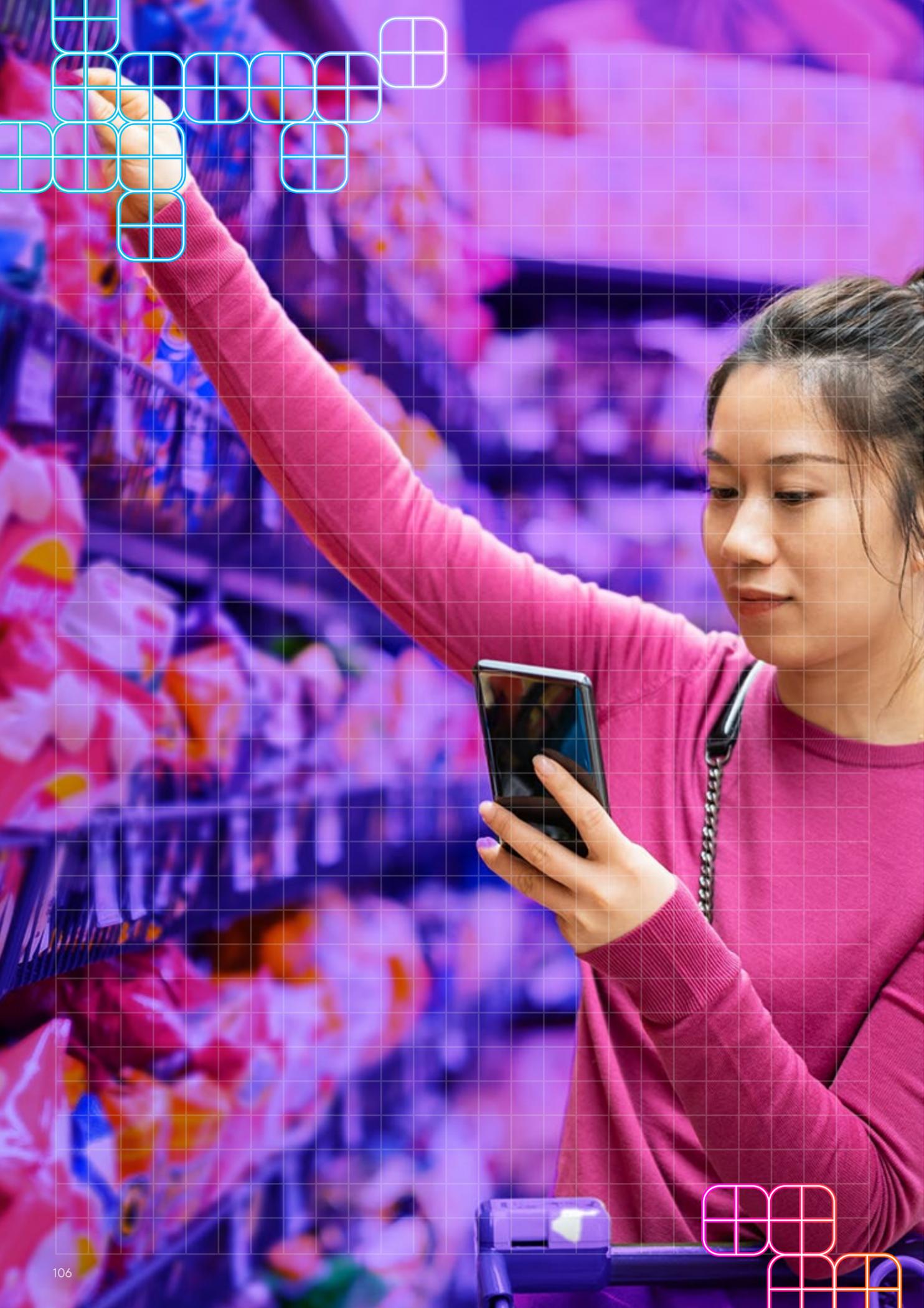
Brand Value Growth



Source: Kantar BrandZ 138 brands valued in 2019 and 2023
 Innovative behaviours: Shaking things up and/or well-designed products



Smaller brands should **invest in making a more focused range** of hero products as easy to choose, and as easy to buy, as possible

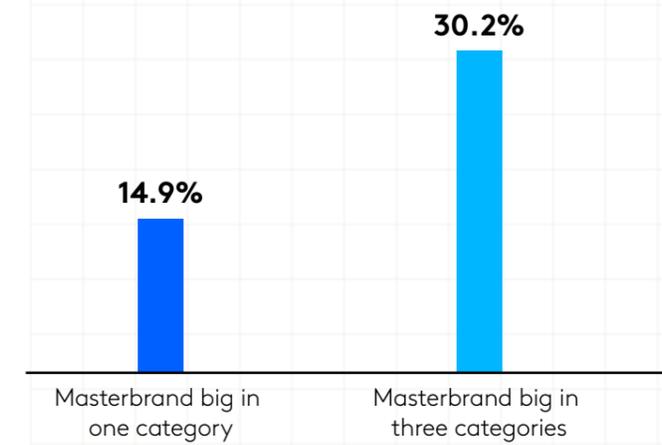


Once a brand is more established, investment in a wider range available helps you Find New Space in a way that secures more purchases from existing buyers – a source of incremental growth that bigger brands increasingly use.

There's a right time to expand your range and Find New Space by stretching into new categories. The timing depends on the relative penetration and strength of your brand today.

Brands that are big in three or more categories obtain double the amount of growth from cross-sell, compared to those that are only big in one category

% Contribution to growth of cross-sell



Cross-sell is defined as the percentage of growth coming from buyers purchasing in more than one category where the brand is present

Source: Analysis of master brands from Europanel BG20 data in the USA
Big defined as >5% relative penetration

FINDING NEW SPACE REQUIRES INSIDE-OUT AND OUTSIDE-IN THINKING

Les Binet said:

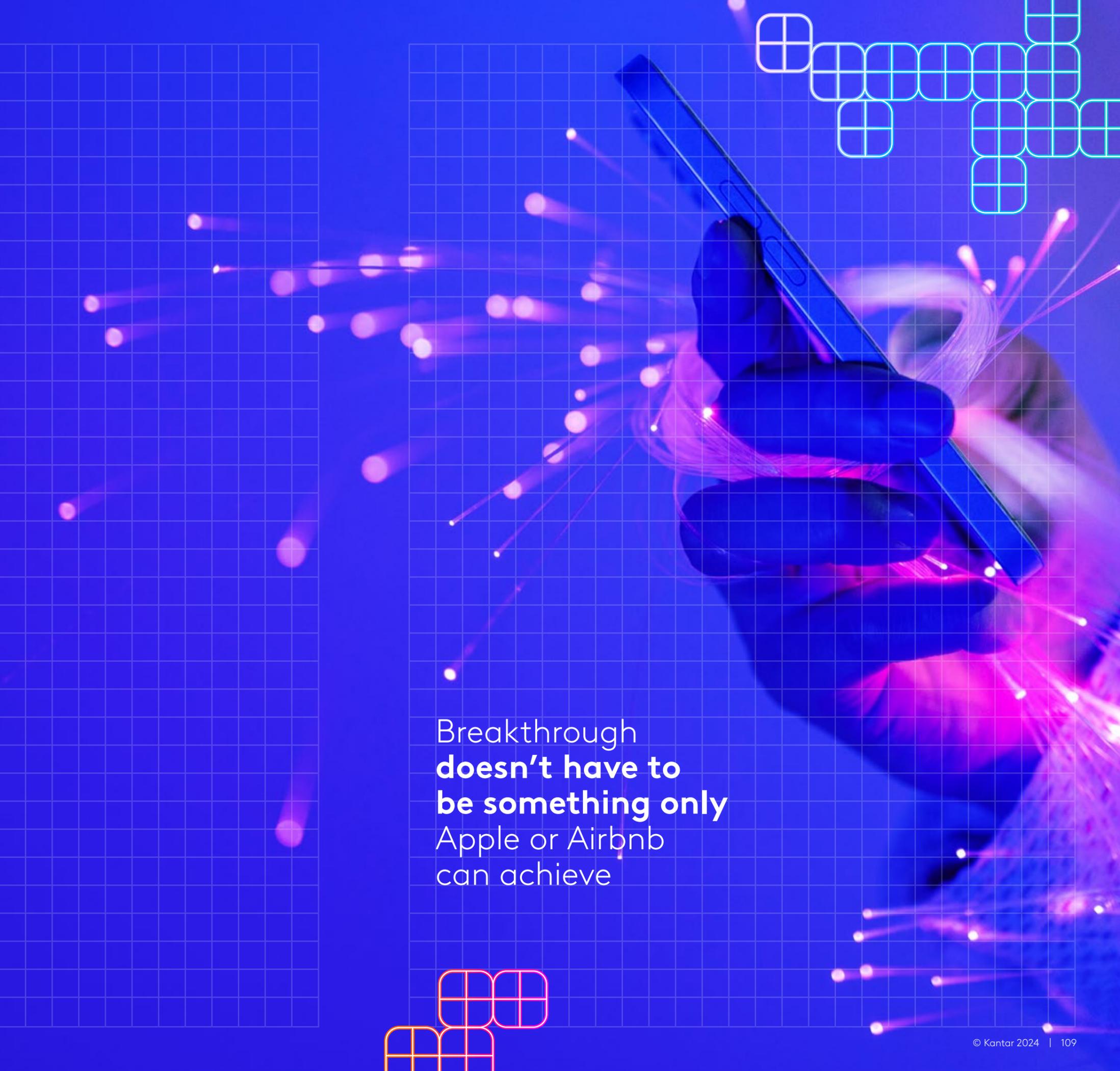
"Minor innovation
is **worse than no
innovation at all**"

Breakthrough innovations will lead to more incremental growth, but there's a reason they don't happen very often; they're hard to come by.

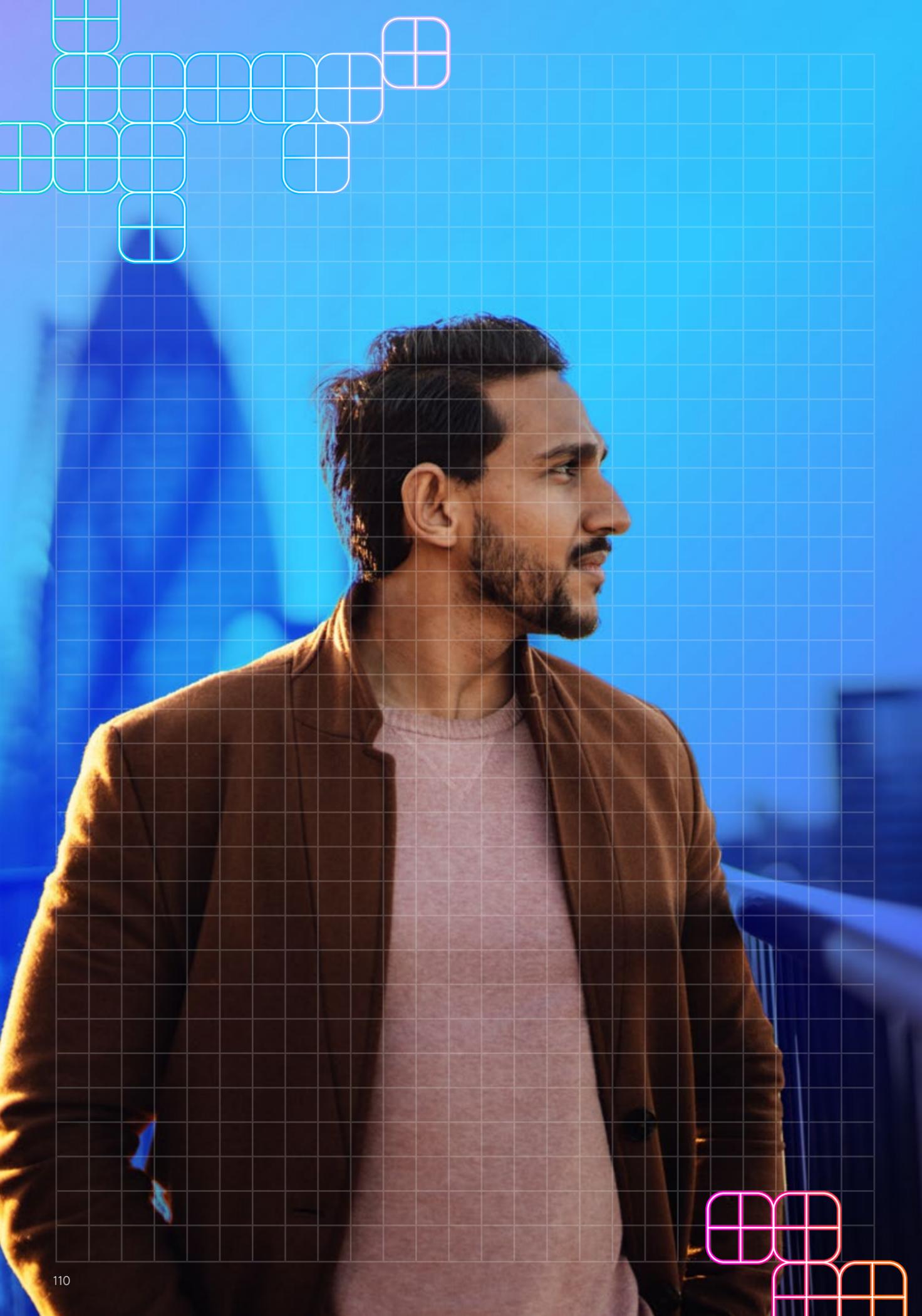
Breakthrough doesn't have to be something only Apple or Airbnb can achieve. Brands like Oatly were able to disrupt the dairy category with non-dairy alternatives to create a rich new space, by being Meaningful and Different to consumers.

To achieve breakthrough innovation, brands need to practise two modes of thinking to explore new spaces. They need inside-out thinking - a deep understanding of what's happening in the market landscape, what consumer pain-points exist and what workarounds consumers are already creating to navigate those. They also need outside-in thinking - exploring the future and culture, challenging the definition of the category to optimise what foresight or trends can inform how needs might change and how innovation might be the solution.

This 360-degree thinking, alongside strong brand strategy, will lead to rich new spaces for breakthrough innovation.



Breakthrough
**doesn't have to
be something only
Apple or Airbnb
can achieve**



FIND NEW SPACE BEHAVIOURS

CONSISTENT:

For your expansion into new space to succeed, you need to provide the same level of marketing support in year two as you do in year one. Products that show a sales decline in year two have halved their year-one spend, on average.

CONNECTED:

Innovation should flow through the marketing toolkit - when innovation and creative development teams came together early in the process, one brand saw a 33% uplift in creative performance.

OPTIMISED:

Use emotion: expanding into new space successfully goes way beyond finding the right new product or service to fill a gap. Optimising the role emotions play as early indicators of potential success is key. In the snacking category, the perception of how exciting an innovation is, has more impact on trial than the credibility or clarity of the idea. In the alcohol category, the extent to which the pack makes people like the brand predicts 80% of purchase intent.

WHAT DO CMOS NEED TO CONSIDER?

FIND NEW SPACE

1 CHALLENGE THE BUSINESS YOU THINK YOU ARE IN:

Monitor the context to identify new spaces. Create a nearly always-on, occasion-based data engine that links behavioural data to brand equity and performance, to identify threats and growth opportunities.

2 YOUR FIND NEW SPACE STRATEGY WILL DEPEND, PARTLY, ON YOUR BRAND SIZE:

Smaller brands should focus on expanding and amplifying into more moments for more people within category, while larger brands should focus on stretching and redefining their category and expanding into adjacent ones.

3 ENSURE STRETCH OPPORTUNITIES ARE APPROPRIATE AND AUTHENTIC:

They need to relate to your brand's existing motivations or contexts. This will make them more effective.

4 INNOVATION IS FUNDAMENTAL TO OPENING UP NEW SPACES:

Brands need to focus on identifying Meaningful and Different innovations that bring short term incremental growth and long-term brand equity.

5 TAKE AN INSIDE-OUT AND AN OUTSIDE-IN APPROACH:

Identify the best spaces and innovations to bring the most growth. Only by applying these different lenses will you identify the right spaces.

CASE STUDY:

FIND NEW SPACE ADOBE

Adobe is a hugely successful US tech company that dominates its software category in publishing and multimedia creativity. As a brand it has everything: it is Meaningful, Different and Salient, with near-universal penetration. It has needed to find new spaces to grow, such as extension into cloud-based solutions and, most recently, Firefly GenAI in collaboration with Alphabet's Bard.

Adobe

B2B scores - USA
(average brand = 100)

Penetration - current users

87%

Future Power index

131

STARTING GRID

HOW TO MAKE... FIND NEW SPACE WORK FOR YOU

The key question to answer here is where to best find incremental growth. The brands in the category are mapped combining brand size today (penetration, or a relevant surrogate measure), and a validated prediction of future growth, based on the brand's strength today (Future Power):

What your brand should do next when finding new space will vary, depending on your brand's size, its starting point and future growth prospects.

Brands that are already large but don't have a strong prediction of future growth (**bottom right**), need to take stock. They could be out of touch with what consumers want and where the category is going. They may need a range or portfolio audit. They may need to rediscover their hero SKUs and find ways to come back simpler and stronger.

Brands with headroom in penetration and strong potential for future growth (**top left**), need to convert the momentum and make reaching future buyers a priority. Expanding the range might not be the best course at this stage. Instead, finding ways to continue their commitment, stand out and disrupt, will be paramount.

Brands with low penetration and low potential for future growth (**bottom left**) need a reset. These may not be new brands: they may be established brands that have lost relevance or well-known brands that have hit a penetration ceiling. Exploring the barriers to purchase, including which category entry points and consumer needs they are or aren't winning in, is a good start.

What about brands that are already big and have future growth potential (**top right**)? They need to look up and look out, asking some big questions that expand their horizons. What business are they actually in? What's happening where their category ends and adjacent ones begin? What pain points or workarounds exist today that could be a breakthrough innovation tomorrow?

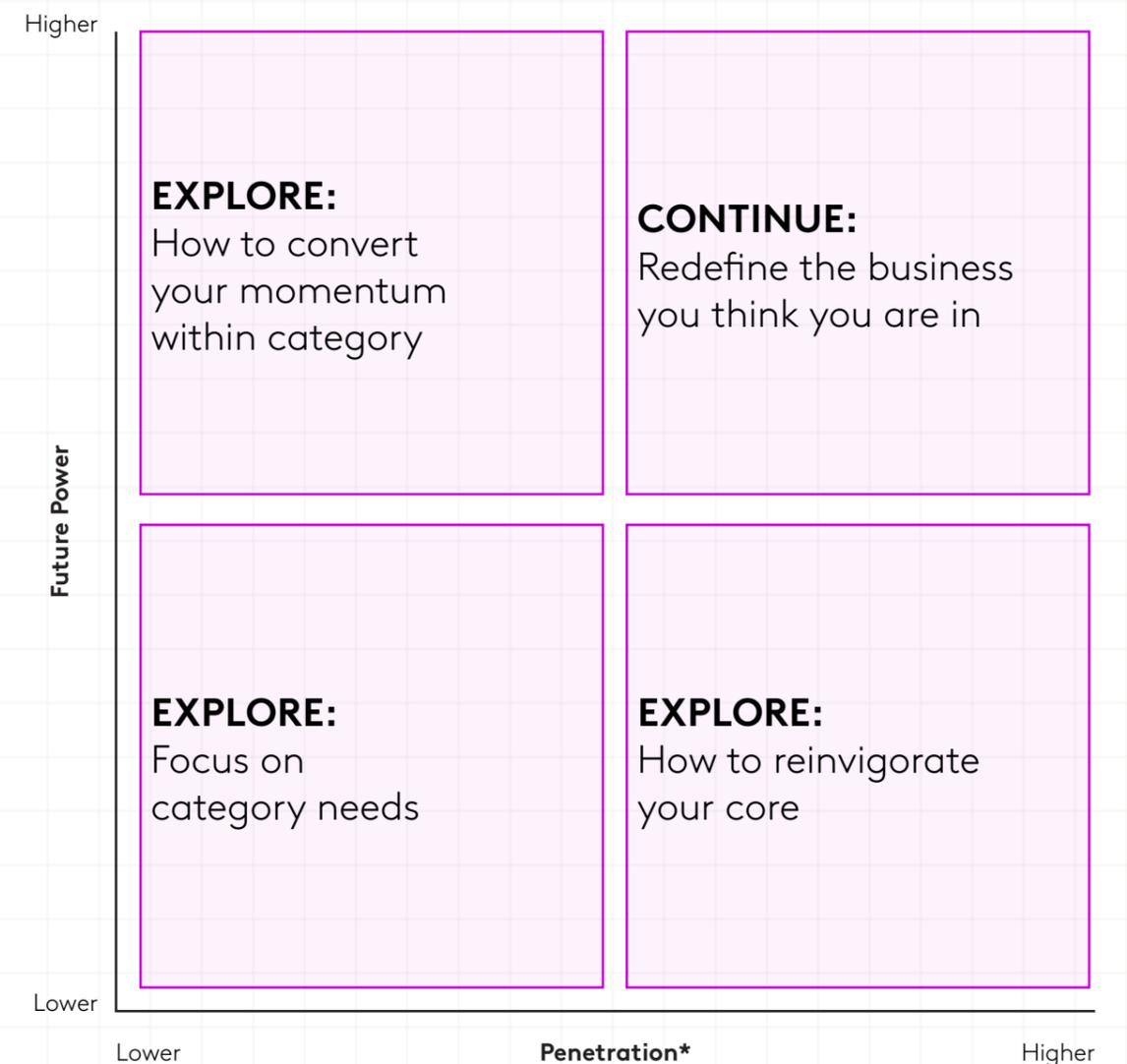
Strategic implications of this macro view include:

- portfolio (extension or simplification)
- range (focus on hero SKUs/extending range)
- category stretch
- geographical footprint
- eco-system product architecture
- brand positioning
- pricing strategy
- innovation strategy, culture and capabilities
- organisational structure and capabilities

Key question to answer:

Where might you best find future growth?

GROWTH ACCELERATOR: FIND NEW SPACE



Source: Kantar

*Penetration - Actual household penetration from behavioural data (preferred) or a penetration surrogate from survey data, depending on data availability

HOW CAN KANTAR SOLUTIONS HELP?

At Kantar, we shape brands, using our expertise, amplified by technology. Our brand, shopper, media, creative, innovation and CX solutions are clearly connected to the creation of brand value and underpinned by our unique Meaningfully Different and Salient (MDS) Framework.

Our high-quality panels and world-leading platforms offer human insights at scale and speed, and we use AI, underpinned by our rigorously managed survey data, to reach our predictive solutions.

Our solutions support each growth accelerator. We highlight some key solutions, but there are many more to suit your brand's specific situation.

To find out more about how you can understand your brand's starting point and make the most of the Blueprint for your brands, and how Kantar solutions can help, please visit kantar.com/blueprint.

BE MEANINGFULLY DIFFERENT TO MORE PEOPLE

How do I diagnose, design and monitor Meaningful Difference and behavioural outcomes for my brand?

- BRANDEVALUATOR
- BRANDHEALTH
- BRANDDYNAMICS
- BRAND STRATEGY
- WORLDANEL PURCHASE & USAGE
- WORLDANEL PANELVOICE

PREDISPOSE MORE PEOPLE

How do I optimise marketing ROI through media, creative, sustainability and customer experience ?

- LINK+
- LIFT+
- LIFT ROI
- SUSTAINABILITY SECTOR INDEX
- EXPERIENCESTRENGTH
- WORLDANEL PURCHASE
- WORLDANEL PANELVOICE

BE MORE PRESENT

How do I gain in-market insights for my brand, and optimise my pricing?

- EXPERIENCETRANSFORM
- WORLDANEL PURCHASE
- WORLDANEL PANELVOICE

FIND NEW SPACE

How do I know where to stretch my brand and if it's having the intended impact?

- GROWTHFINDER
- CONCEPTEVALUATE
- WORLDANEL PURCHASE & USAGE
- WORLDANEL PANELVOICE

POWERED BY THE MEANINGFUL DIFFERENT AND SALIENT FRAMEWORK AND MOST MEANINGFUL DATA

GLOSSARY

MEANINGFUL DIFFERENT AND SALIENT FRAMEWORK:

Meaningful: The extent to which brands build a clear and consistent emotional connection and are seen to deliver against consumer needs.

Different: The extent to which brands are seen to offer something that others don't, and lead the way.

Salient: The mental availability of the brand: how quickly and easily it comes to mind when making a purchase or usage decision.

Meaningfully Different: The quality of a brand of being both Meaningful and Different.

Predisposition: A sense people have that your brand is the right choice, a positive bias that gives it a head start. It's the ability of a brand to contribute to business revenues by influencing penetration, volume sold, price charged and value share growth in the future. Simply put, predisposition is brand equity: Demand Power, Pricing Power and Future Power.

Demand Power: Our measure of consumer demand for the brand, which gives us a prediction of the brand's volume share or penetration, based purely on perceptions of the brand. Brands with high Demand Power drive market share and penetration. High Demand Power brands capture 9x higher volume share and 5x higher penetration, compared with low Demand Power brands.

Pricing Power: Our measure of the ability of a brand to justify a price premium relative to the category average, based purely on consumers' perceptions of it. On average, brands with high Pricing Power can charge more. Our validation proves that consumers spend 2x more on the brands that have high Pricing Power, compared with low Pricing Power brands.

Future Power: Our measure of the probability that the brand will grow value share in the next 12 months, based purely on current perceptions people have of it. Brands with high Future Power are 4 times more likely to grow value share than Low Future Power brands.

Activation Power: Our measure of the ability of a brand to capture maximum sales through factors outside of brand perceptions, using available resources in the market to facilitate sales by being more present. It gives us a prediction of the brand's volume share if predisposition were equal for all brands.

KEY BEHAVIOURAL MEASURES:

Assortment share: The number of SKUs of a brand (or company) bought in any store compared to the total number of SKUs in the category over a specified time period.

Average price: The average amount paid by a shopper per specified unit of volume (e.g. price per pack, KG, litre etc).

Base sales: An estimate of the counterfactual: what sales we expect today if marketing influences that are about to influence it are removed.

Category Presence: A panel estimated measure of weighted distribution. The proportion of the category a brand was found to be present over a defined time period (as measured by seeing sales of brand in the store in a week).

Consecutive Repeat purchase: The percentage of buyers who, on their next purchase, buy the same brand or product.

Consumer reach points: The number of households in the country x penetration x purchase frequency of the brand buyers in a year.

Demand moment: A combination of motivation to consume a product/service and the context in which it is consumed (where, when, what with, with who)

Growth of cross-sell: The growth from selling related, supplementary products or services based on the customer's interest in, or purchase of, a product or service.

Incremental sales: The component of sales driven in the short term by marketing and promotional activities, and variations in price, distribution, brand equity and other factors; as opposed to base sales.

Incremental (sales) innovation: An estimate of the Incremental sales to the category, retailer and manufacturer specifically from the introduction of a new launch initiative.

Market share (volume): The share for a given brand of all units sold e.g. packs, litres, grams in a category in a given time period.

Market share (value): The share for a given brand of the total money spent in a category in a given time period.

Penetration: The percentage of the population (households or individuals) that bought the product, brand or category at least once within the specified time period. *e.g. An annual household brand penetration of 10% says 1 in 10 of a countries households have bought at least once in a year. 9 in 10 have not.*

Purchase frequency (per buyer): The average number of shopping trips that a buyer of the brand or category purchases during a given period. *e.g. An annual purchase frequency of five says the average brand buyer will buy the brand on five separate shopping trips over the year.*

GLOSSARY

KEY BEHAVIOURAL MEASURES:

Relative Penetration: Buyers that bought the brand at least once within the specified time period as a percentage of the buyers who bought the category at least once over the same time period. *e.g. An annual household brand relative penetration of 10% says 1 in 10 category buyers have bought the brand at least once in a year. 9 in 10 category buyers have not.*

Repeat purchase: The act of buying the same brand or category in two different time periods typically measured over the same duration e.g. last year versus this year. 'New' buyers are ones who have bought the brand in the later period but not the first. 'Lost' buyers are the opposite to new buyers.

Sales value: Actual sales revenue achieved for the brand in a defined time period. Note revenue over a time period can be broken down into the following: population size x penetration x purchase frequency per buyer x average price paid per pack.

SpreadScore: The number of demand moments where a household uses your brand as a percentage of the total number of demand moments within the category.

Volume per trip: The average volume e.g. packs, litres, grams, purchased on the category or brand on a particular shopping occasion.

Value per buyer: The same as volume per buyer but calculated from the average price paid for the particular brand/category or product.

Volume per buyer (aka AWOP, Average Weight of Purchase): The amount of a brand or category that the average buyer of that brand or category will purchase in a given time period. *e.g. An annual volume per buyer of ten litres says the average brand buyer has bought 10 litres in total over the year. It could be on one trip or five.*

Weighted Distribution: The percentage of relevant outlets, weighted by the overall value share of the retailer, where the brand is available to buy.

DIFFERENCE VS DIFFERENTIATION:

Difference: A property of the brand as it exists in the mind of the consumer - the degree to which its associations stand out relative to the competition, on things that matter to consumers.

Distinctiveness: A property of an asset or stimulus - it makes it easy to recognise and link to the brand, triggering mental associations

OTHER:

CPG: Consumer Packaged Goods.

Creative quality: The overall effectiveness of a piece of content. Kantar defines and measures Creative Quality as the ability of a piece of content to deliver branded engagement, to drive short-term sales with persuasive messaging and to build long-term brand equity by amplifying a brand's Meaningful Difference.

Cumulative growth: A percentage of increase over a set period of time.

Gross margin: Expressed as a percentage, the difference between revenue and cost of goods or services sold, divided by revenue.

ROI: Return on Investment. An approximate measure of an investment's profitability.

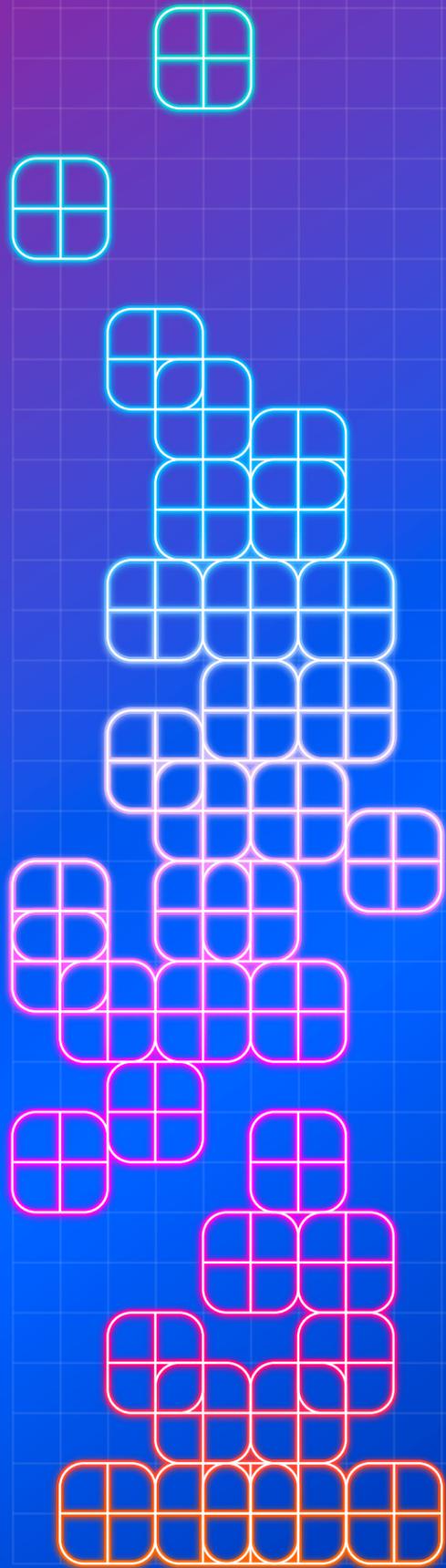
ROMI: Return on Marketing Investment. Calculates how much profit marketing efforts generate compared to the marketing spend.

SKU: Stock keeping unit. A unique identifier used in retail and manufacturing associated with a particular product item to help identify and track it.

KANTAR SOURCES

Kantar Worldpanel data: Covers most CPG categories (Kantar Worldpanel), streaming providers (Entertainment on Demand), mobile phones, tablets, wearables (ComTech). Additional client sources of data are required for other categories.

Kantar BrandZ: Kantar BrandZ provides industry-leading brand valuations, powered by research from the world's most extensive brand equity study: over 4.2 million consumer interviews covering 21,000 brands across 540 categories in 54 markets.



STRONG

Our thanks to the many experts and teams across Kantar who have been involved in the herculean task of producing the Blueprint for Brand Growth.



Jane Ostler
EVP, Global Thought Leadership

Mark Visser
Global Consulting Lead

CORE TEAM

| | |
|--------------------|------------------|
| Adele Jolliffe | Leila Buckley |
| Chris Jansen | Mark Chamberlain |
| Debora Mondella | Nick Ross-Gower |
| Emma Jones | Paul Murphy |
| Gonzalo Fuentes | Rob Wade |
| Graham Staplehurst | Ted Prince |
| Jonathan Lamb | Tom Wynter |
| Jorge Alagon | |

CONTRIBUTORS, INCLUDING:

| | |
|----------------------|---------------------------|
| Adhil Patel | Karlene O'Hara |
| Amelia Abel | Koen de Rooij |
| Anna Rawlings | Lee Smith |
| Anne Rayner | Lorcan McHarry |
| Ashruti Singh | Luisa Marquez |
| Ben Ballensiefen | Luz Piedad Narvaez |
| Brian Shin | Maria Teresa Ortiz |
| Carol Horsley | Mariana Carmona |
| Christoph Prox | Martin Guerrieria |
| Chuck Brinker | Mary Kyriakidi |
| Claire Spaargaren | Meena Sayal |
| Dale Smith | Nigel Hollis |
| Dom Boyd | Nuria Moreno |
| Dr. Nicki Morley | Pushkara Parthakudi |
| Duncan Southgate | Ranjiv Gill |
| Ernesto Padilla | Ruth Symonds |
| Filippos Kaliakatsos | Satya Menon |
| Geoffrey Ferlay | Saurabh Nandkishor Tekale |
| Horacio Gonzalez | Scott Spence |
| J. Walker Smith | Sherri Stevens |
| James Potter | Simon Buckley |
| Jon Puleston | Soumya Mohanty |
| Justin Cook | Tim Kelsall |
| Karen Georgiades | Vikash Chiriki |
| Karen Paterson | |

Our thanks also to the many contributors from the following teams:

Global Creative Team,
Kantar Marketplace,
Internal Communications, Marketing,
and Learning and Development.

BLUEPRINT FOR BRAND GROWTH

KANTAR

Kantar is the world's leading marketing data and analytics business and an indispensable brand partner to the world's top companies, including 96 of the world's 100 biggest advertisers. We combine the most Meaningful attitudinal and behavioural data with deep expertise and technology platforms to track how people think and act. We help clients develop the marketing strategies that shape their future and deliver sustainable growth.