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The Innovation and Brand Research Specialists

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## Win the Battle for Market Share

### How to Optimize Brand Strategy and Predict Share Growth

Building market share is one of the chief objectives for Marketers of consumer goods products. This is no easy task given the increasingly competitive nature of the consumer packaged goods market, the rapid evolution of digital marketing, and the growing sophistication of consumers who now have more tools for seeking and sharing information about brands and more channels from which to choose brands than ever before.

In order to build market share, the Marketer first needs to identify which category drivers to leverage in order to do so. The challenge is to determine exactly how to uncover the true drivers of consumer choice. Should brands be evaluated on functional attributes, emotional attributes, or both?

The Marketer's next step is usually to employ a simulation tool to determine the best marketing strategies for achieving optimal share based on the identified drivers. The frustration the Marketer often faces during this phase is that many simulators do not reflect what the real changes in the market will be. The changes predicted by a simulator are frequently exaggerated, and the Marketer can use the results for directional guidance only.

Recognizing the limitations of current brand research frameworks, Ipsos Marketing, Consumer Goods embarked on an extensive, multinational R&D study to uncover better ways to understand how consumers connect with brands. Our goal was to build the foundation for a **more comprehensive and consumer-centric approach to brand research**.

Our findings resulted in a new framework for determining which brand components drive consumer choice as well as a more accurate method for conducting market simulations for optimizing brand share.

The author would like to thank and acknowledge Lee Markowitz, Global Chief Research Officer, Ipsos Marketing, Consumer Goods, for contributing research and writing support for this piece.

April 2009

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## Current Brand Frameworks Fail on Three Levels

While Marketers have a wide selection of brand models from which to choose, most of these models do not provide a holistic view of the brand and do not offer solid recommendations for driving brand growth into the future.

Marketers should ask themselves if the brand research model they are currently using has any of the following problems:

- |   | Yes                      | No                       |
|---|--------------------------|--------------------------|
| 1. The framework fails to capture all the ways a consumer connects with a brand.            | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. The framework does not provide an understanding of the future direction of the brand.    | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. The simulator does not realistically predict the impact of changes to brand positioning. | <input type="checkbox"/> | <input type="checkbox"/> |

If the answer to one or more of the above questions is “Yes,” then the brand model is not providing the best possible method for deciding which strategies should be deployed to increase consumer share of brand choice.

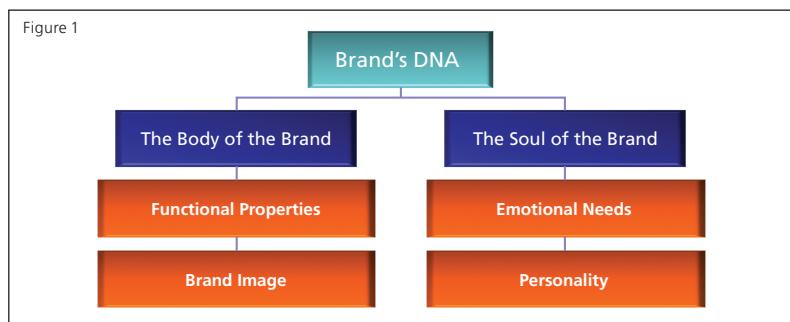
What follows are the solutions we developed to each of these problems based on our brand research R&D.

## Problem #1: Failure to Capture All the Ways a Consumer Connects with a Brand

The core challenge a Marketer faces when embarking on brand research is identifying the brand components that drive consumer choice. Some research approaches focus on functional aspects while others focus on emotional aspects. Still other approaches focus on very specific aspects, such as brand personality. Indeed, to develop a holistic understanding of what drives brand choice so that a successful marketing strategy can be implemented, a brand framework must focus on *all these aspects*.

### The Solution: Understand Your Brand’s Body and Soul

The premise of our brand research is that, just like humans, a brand has a DNA with a **Body** and a **Soul** (Figure 1). The Body and the Soul of the brand help connect it to the mind and heart of the consumer. This connection is formed through various consumer interactions with the brand, thus creating a brand experience.



#### The Body of the brand must include the following components:

**1 Functional Properties:** These represent what the brand is good at, or the competency of the brand. Functional properties may be “good taste” for a food brand, “rich lather” for a soap brand, or “effective at removing dirt” for a household cleaner brand. Functional benefits are the prerequisite for success for any brand. *Febreze® Fabric Refresher™* succeeds because it offers a unique functional benefit: it clears away odors from household fabrics such as upholstery, curtains and carpets.

**2 Brand Image:** This refers to what the brand stands for, and what kind of image the brand conveys. Brand image is important because it helps differentiate the brand from other brands. A brand may have an image that is innovative, traditional, authentic, or prestigious, to name a few. For example, *Coke®* is known as a cool brand, *Mr. Clean®* stands for toughness, and *Dove®* has an image of gentleness.

#### The Soul of the brand must include the following components:

**3 Emotional Needs:** These represent the *feelings* evoked by the brand and measure how the brand makes the user feel and what the brand helps the user to achieve. Examples of emotional attributes are excitement, fun, and well-being. *Oil of Olay®* makes women feel beautiful by helping them improve the appearance of their skin.

**4 Personality:** These attributes help us understand the character of the brand and what the brand says about the user. Personality is important because it helps the consumer identify with the brand. Examples of personality attributes are cheerful, intelligent, and successful. *Ben & Jerry's®* ice cream exudes a light-hearted and humorous personality, with such flavors as *Chunky Monkey* and *Berried Treasure*.

These four components of Body and Soul comprise the brand’s DNA. They drive the implicit value or strength of the brand in consumers’ minds and represent **Brand Equity**.

### The Four Components of Body and Soul are Validated to Be More Predictive

We have seen from our R&D that each of the four components of Body and Soul, by itself, can explain fairly well what drives the equity of the brand. Hence, frameworks focusing on only one or two of the four components are not wrong; however, they are not complete. If we had only one of the four components in our framework, we would predict at most 60% of consumers' brand choices. However, when we consider all four components of Body and Soul and the interactions among them, we are able to predict 85–95% of consumers' brand choices.

Another important conclusion from our R&D is that functional and emotional components are interlinked. Any brand positioning or communication emphasizing functional benefits also impacts emotional benefits.

As stated earlier, the four components of Body and Soul drive Brand Equity. Brand Equity, in combination with a brand's price, drives **Brand Value**, which reflects consumers' share of choice of brands. Based on our R&D, we were able to develop a model that incorporates the four components, along with price, to predict Brand Value (Share of Choice). We have validated that our Brand Value model produces results that are very close to actual market shares.

*"...when we consider all four components of Body and Soul and the interactions among them, we are able to predict 85–95% of consumers' brand choices."*

### Problem #2: The Brand's Future Direction is Not Considered in the Model

Many models only measure the present strength of the brand. However, Marketers need to understand how connected their buyers are to their brands to predict whether their brands are likely to increase or decrease their market share.

### The Solution: Use Affiliation to Measure Connectedness to a Brand

Through our R&D, we were able to derive a measure we call Affiliation. Affiliation, also known as Loyalty, is a measure of the likelihood of consumers to stay with a brand in the future. Affiliation is obtained by considering Brand Value in combination with barriers – factors that make it difficult to switch brands. For example, once a mother starts her baby on a specific brand of baby formula, it is difficult to switch the baby to another formula brand. The barrier is the risk that the new formula will not be agreeable to the baby. Affiliation has been validated to be reflective of future consumer behavior.

An understanding of Affiliation helps Marketers identify consumers who are not well-entrenched with the brand – even if they are using the brand. Strategies can then be devised to increase the loyalty of these consumers. Equally important, core consumers who are loyal to the brand can be identified and then nurtured with strategies to reinforce and retain their loyalty.

### Problem #3: Brand Simulators that Do Not Make Realistic Predictions

One of the key applications of brand research is to simulate different marketing strategies with the goal of optimizing brand share. Unfortunately, current simulators used to estimate market share often do not reflect what the real changes in the market will be. One of the main reasons for this failure is that the full range of drivers of choice is not covered in the simulator. Another important reason is that individual-level data is not used.

### The Solution: Predict Share Growth with an Individual-Level Simulation Model

All of the components of a brand's Body and Soul (and their interactions) should be captured in a brand simulator. Moreover, brand simulators should be based on individual-level data. Why? Because every consumer is unique and has different needs. Individual-level models help in evolving the science of brand equity from a brand-centric to a consumer-centric approach. The result is more realistic simulations. Our R&D has shown that individual-level models are at least 30% more accurate in predicting consumer behavior.

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<sup>1</sup>Manners, Tim. Relevance: Making Stuff that Matters. Penguin Group. 2008.

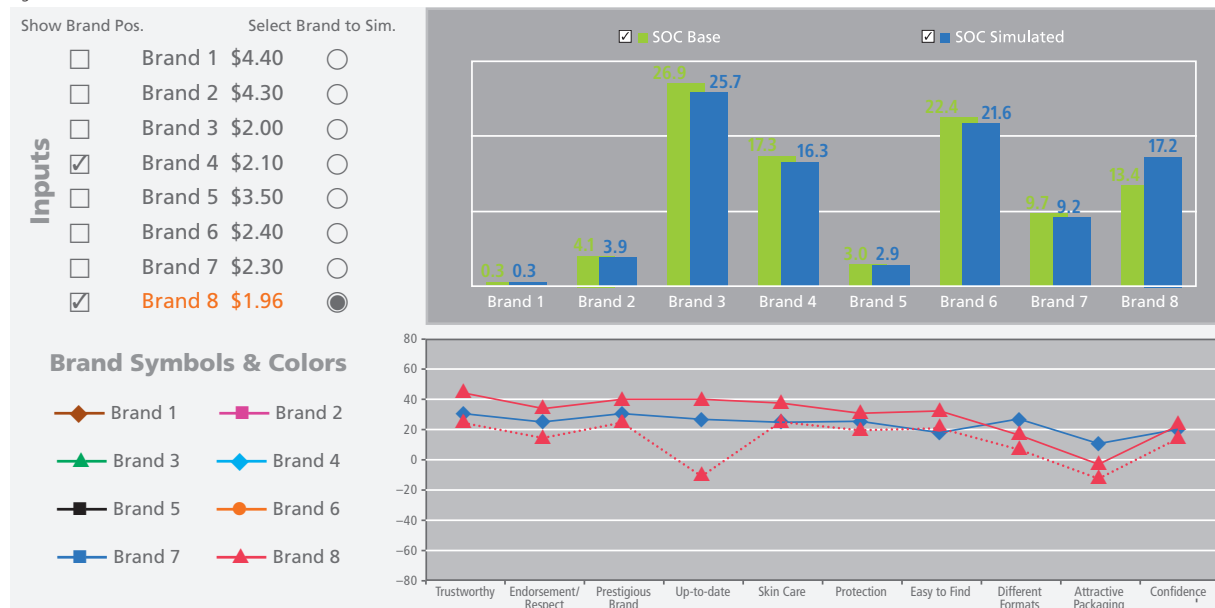
# Win the Battle for Market Share

Figure 2 shows an example of a simulation that incorporates the four components of Body and Soul and uses individual-level data. In this case, the performance of Brand 8 is simulated.

The simulator provides a line chart in which the dotted red line represents the current performance of Brand 8 on the key category drivers. The solid red line represents an improved performance on those drivers that the Marketer of Brand 8 would like to simulate. The blue line represents the performance of Brand 4 given the simulated improved performance of Brand 8.

The simulator then provides a bar chart that shows the impact of Brand 8's improved performance on share of choice in the category. The current share of choice for each brand is shown (in green) along with the simulated share of choice (in blue), given the simulated improved performance of Brand 8 on the key category drivers. As Brand 8's performance improves, the shares of choice for competitive brands decline. The size of Brand 8's share increase, as well as the sizes of competitors' share declines, is reflective of what would actually happen in the market.

Figure 2



## The Ultimate Solution: A New, Comprehensive Brand Framework—PERCEPTOR®Plus:

Based on our R&D, we have developed a new brand research tool, **PERCEPTORPlus**, which helps Marketers meet the key challenges they face when trying to leverage brand research to optimize their strategy and predict share growth.

Specifically, **PERCEPTORPlus**:

- Captures all the ways a consumer connects with a brand by evaluating the brand's Body and Soul.
- Provides an understanding of the future direction of the brand by measuring Affiliation.
- Employs an individual-level model to accurately simulate market share.

The full **PERCEPTORPlus** framework is summarized in Figure 3.

What makes **PERCEPTORPlus** unique is its ability to integrate virtually *all* relevant drivers of brand choice – in essence, the Body and Soul of a brand – into a comprehensive framework that can be used by Marketers to determine Brand Equity, Brand Value (Share of Choice) and Affiliation (Loyalty). Marketers can also leverage **PERCEPTORPlus**' simulator to predict the impact of different strategies on market share. Because the simulator covers the Body and Soul of a brand and is based on validated, individual-level modeling, Marketers can be well-armed to go into the battle for market share...and win.

Figure 3

