

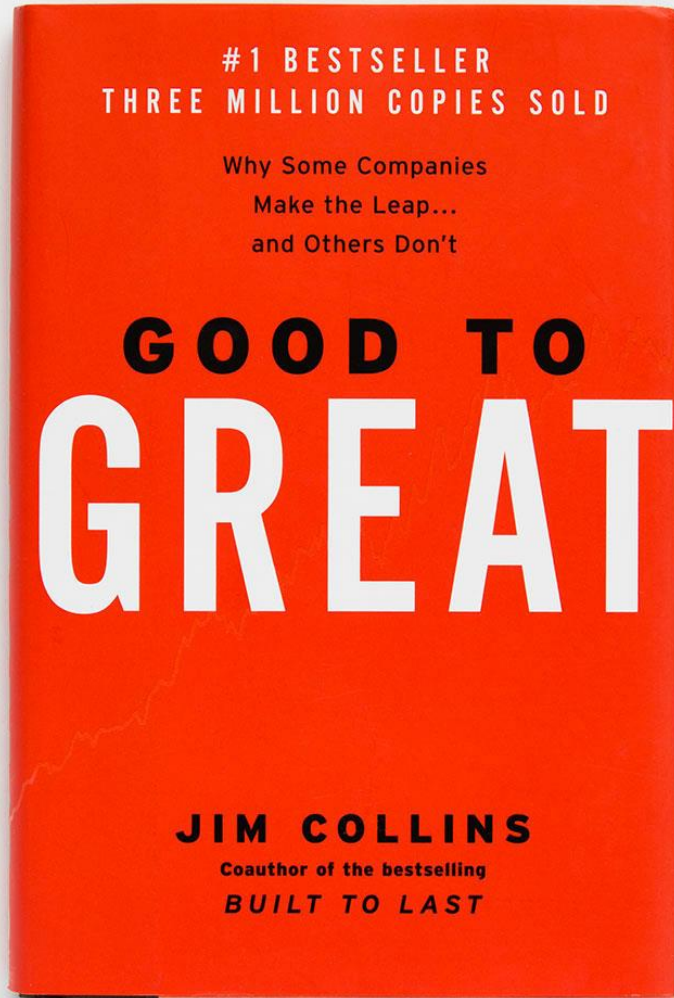
The Brand Growth Flywheel™
New Findings from the Study of
1 Billion Shopping Trips

Jared Schrieber

Founder of InfoScout,
Now Numerator



Inspiration & Approach



EXCEPTIONAL
GROWTH COMPANIES

PAIRED
LOSING COMPANIES



PHILIP MORRIS
INTERNATIONAL



R.J. REYNOLDS
TOBACCO

The Study

58 Winning
Brands



\$30MM+

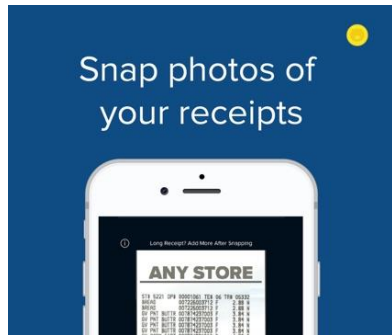
&

&

58 Matched
Losing Brands

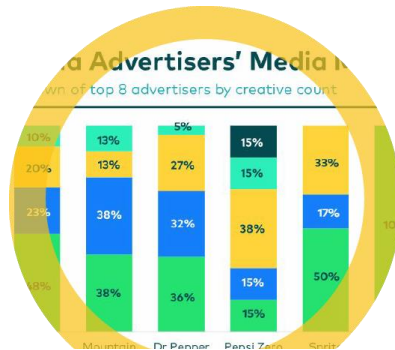
+1.5% Share

About the Data & Primary Sources



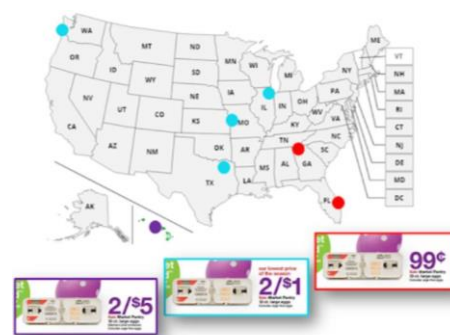
Numerator
OmniPanel

450k+ US panelists
1 billion+ trips captured
44k+ retailers tracked
- All B&M + eCommerce
20k+ brands tracked
2 million+ trigger surveys



Numerator
Ad Intel

22 media types
810k+ unique ads /yr
145M+ impressions /yr
\$150B+ in US ad spend /yr



Numerator
Promotions Intel

1,450+ retailers
1,100+ categories
200k+ circular ad blocks coded per week



BERA

4,000+ brands
200+ industry sectors
Continuous, syndicated brand equity measures



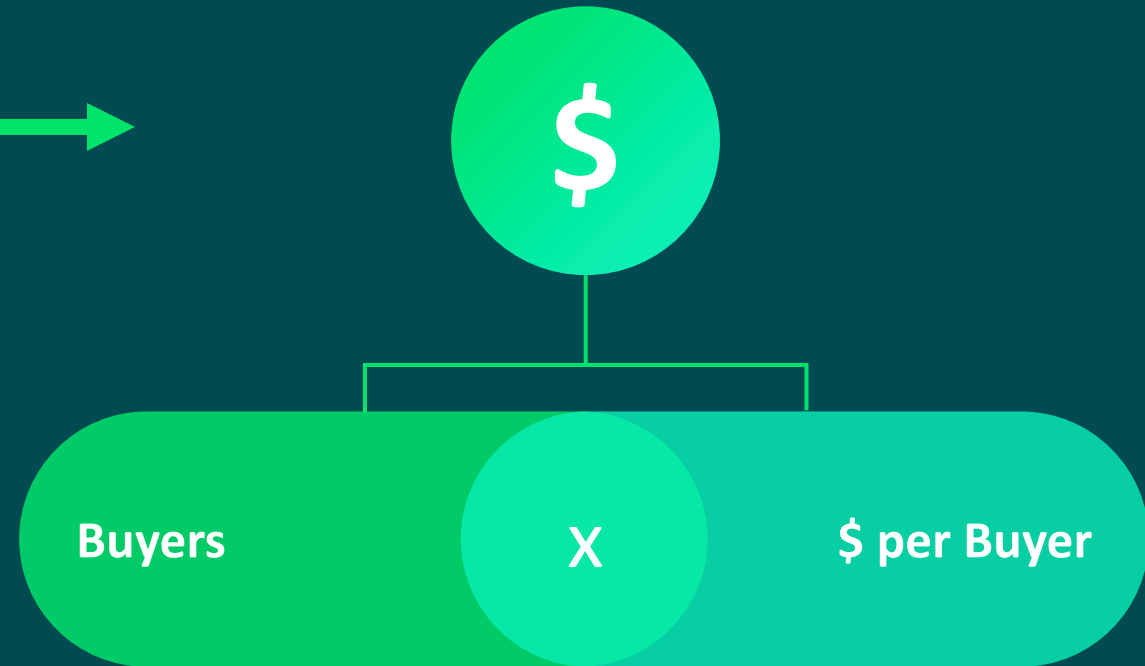
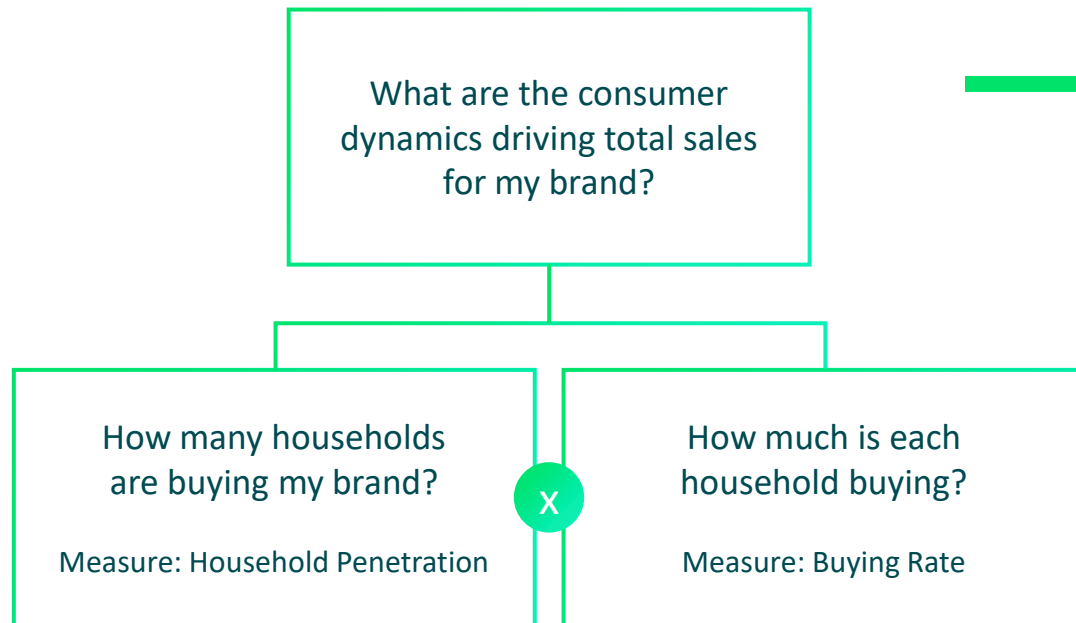
Lit. Review

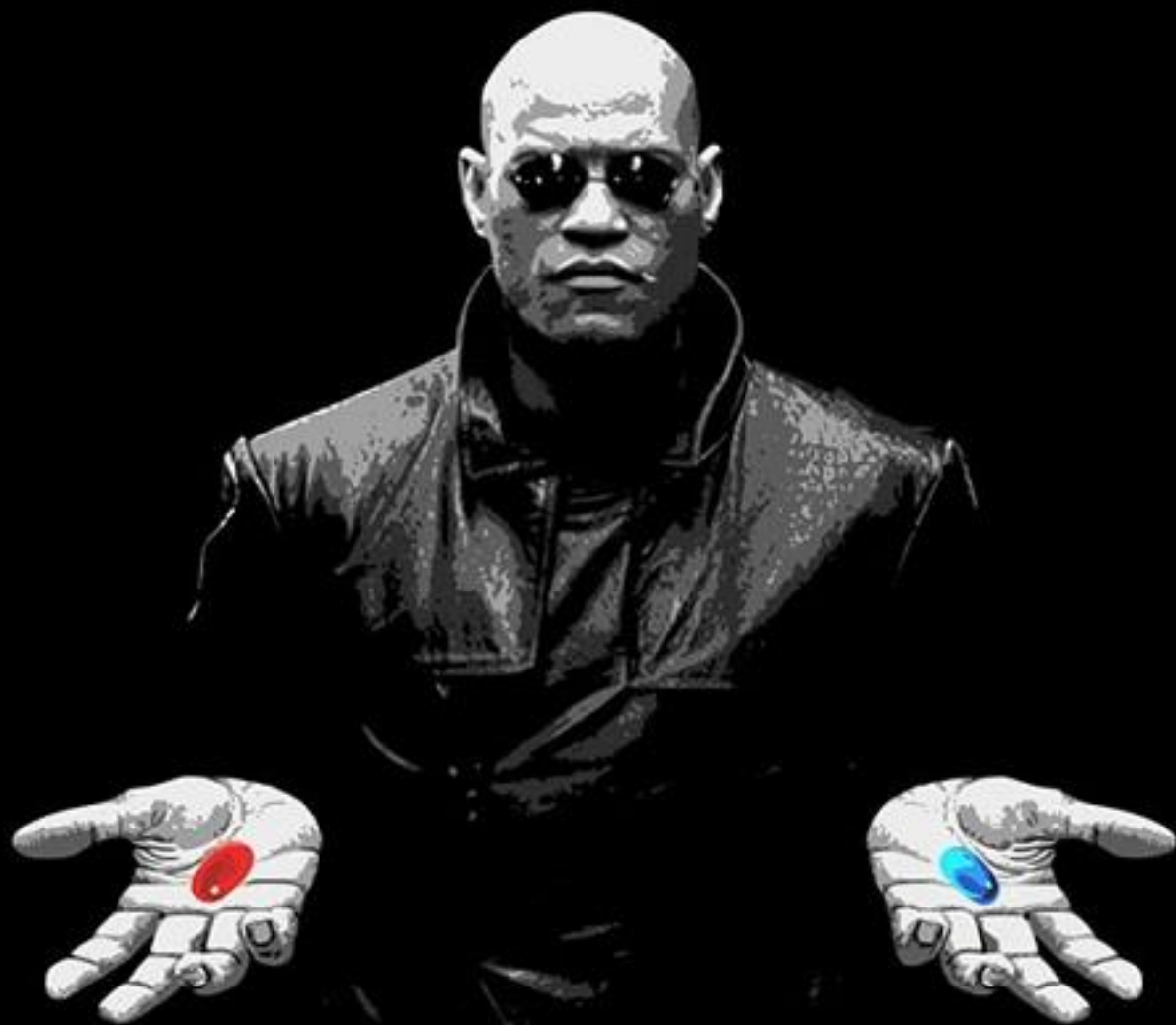
Peer-reviewed empirical research from leading journals
Case studies from books & industry publications

Every brand at every retailer with every ad and promotion

Today's Paradigm

Sales Decomposition Tree





ACQUISITION

LOYALTY

FALSE DICHOTOMY



THERE ARE MORE THAN TWO OPTIONS

Valid Approaches to Sales Decomposition



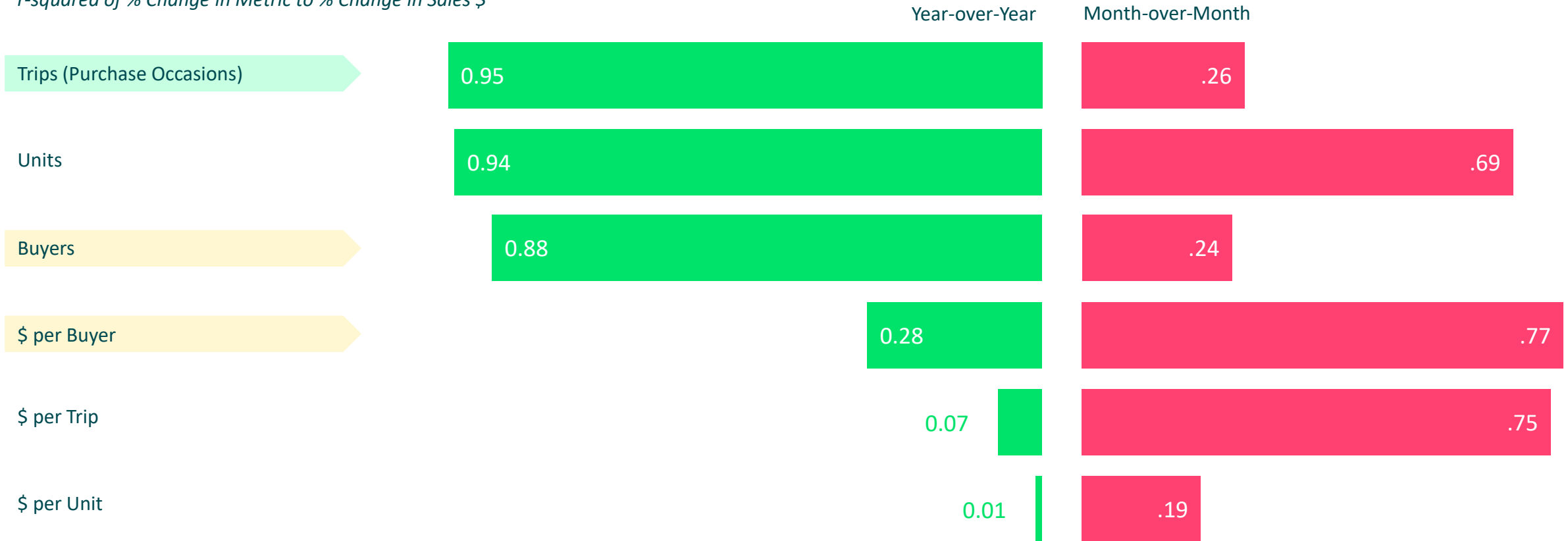
Which of these metrics best explain changes in brand \$ sales & market share YoY?

Buyers vs. Trips vs. Units Sold

Which metrics best explain changes in Sales \$ by time period studied?

58 WINNING & LOSING BRAND PAIRS from 2016-2019

r-squared of % Change in Metric to % Change in Sales \$



Source: Analysis of Numerator OmniPanel data. R-squared value for Buyers drops significantly when looking at all brands across categories versus just Winners & Losers

BYRON SHARP CLAIMS:

To date, nobody has seriously challenged his findings.





**OOOH, THE
ANTICIPATION!**

ANIMAL FARM

GEORGE ORWELL



**All animals are equal,
but some animals are
more equal than
others.**

George Orwell

CONSUMER FARM

JARED SCHRIEBER

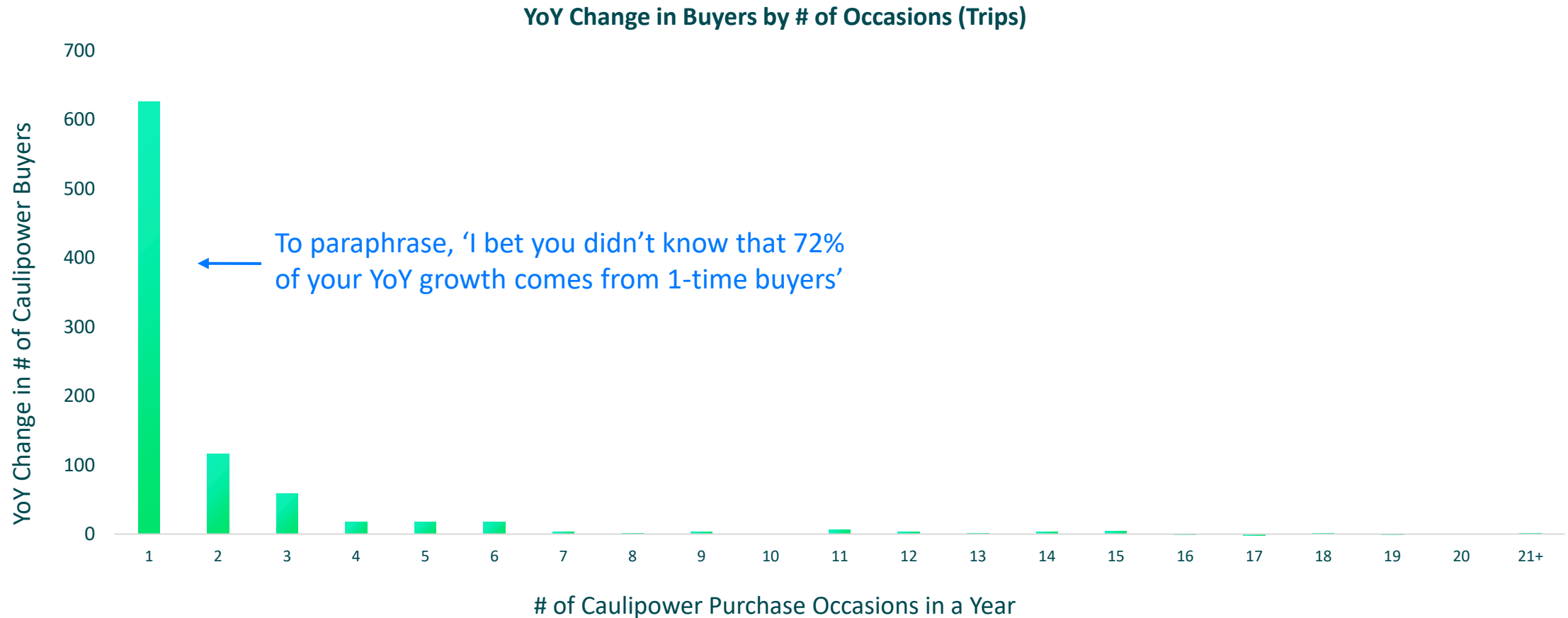
ALL CONSUMERS
ARE EQUAL, BUT
SOME CONSUMERS
ARE MORE EQUAL
THAN OTHERS.



All consumers are
equal, but some
consumers are more
equal than others.

Jared Schrieber

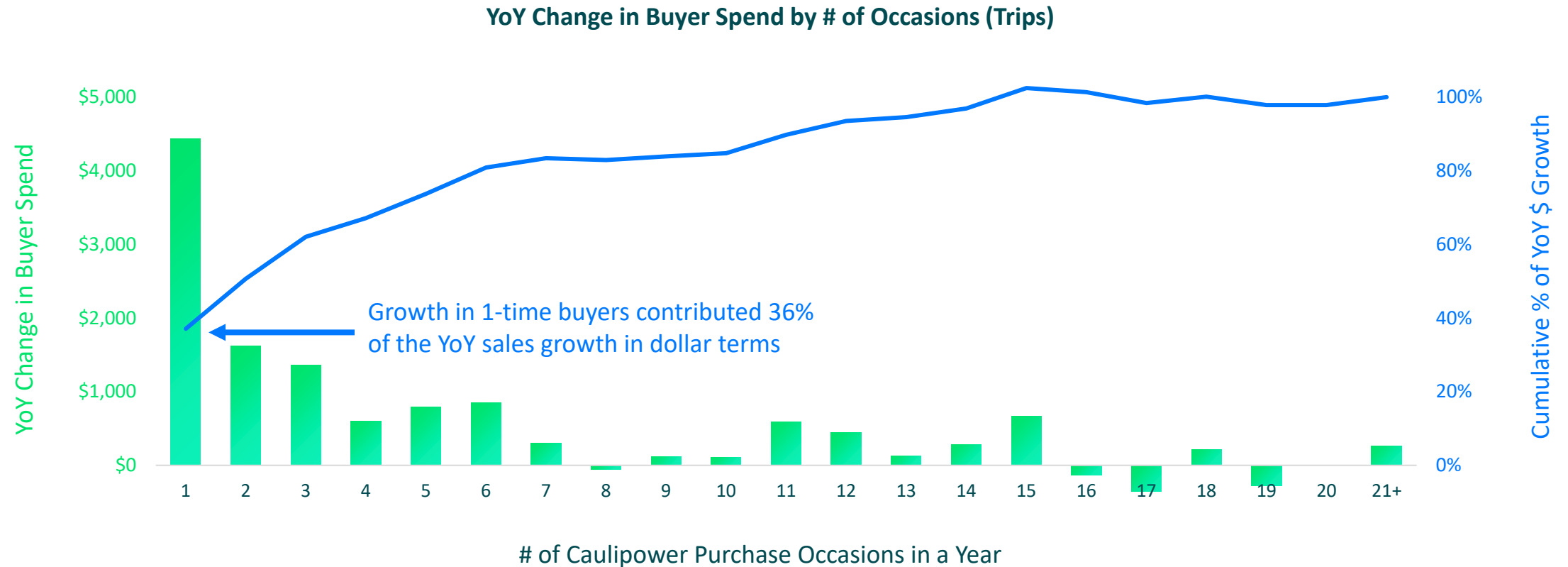
Re-creation of Byron Sharp's 'Growth via Light Buyers'



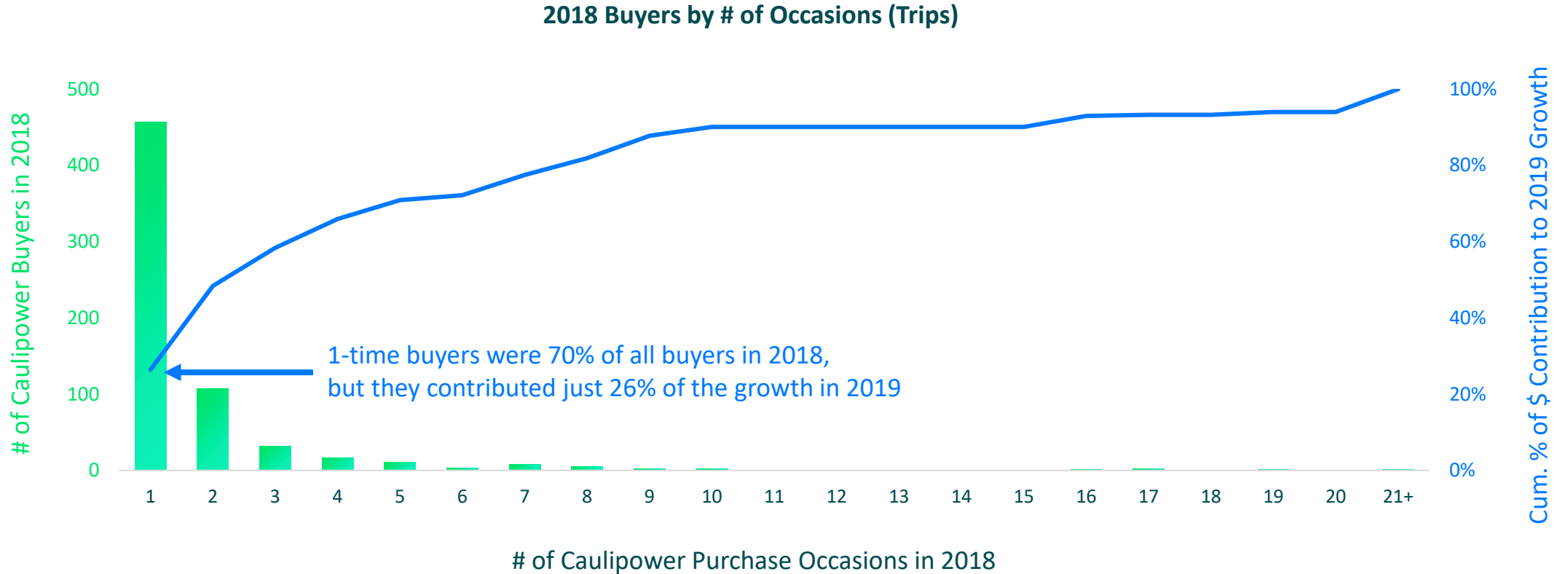
Source: Analysis of raw data from Numerator OmniPanel - Caulipower Frozen Pizza from 2018 to 2019



What is the \$ contribution of those light buyers?



How did buyers in 2018 contribute to 2019 \$ growth?



Are light buyers equally important to win?

	Proportion of Buyers	% of Spend in 2018	\$ per Buyer in 2018	\$ per Buyer in 2019
One-Time Buyers in 2018	70%	35%	\$7.17	\$3.05
Repeat Buyers in 2018	30%	65%	\$32.08	\$20.28
			4.5X	6.6X



But how can we
know in advance which
buyers will become repeat,
heavy buyers of our brand?



Are all prospective buyers really equal?

Heavy category buyers were **2X** more likely to convert and spent **3.3X** more than Light category buyers

	Proportion of Category Buyers in 2017	% of Caulipower Buyers in 2018	% of Caulipower Spend in 2018
Heavy Category Buyers in 2017	33%	41%	52%
Light Category Buyers in 2017	33%	21%	16%
		2.0X	3.3X

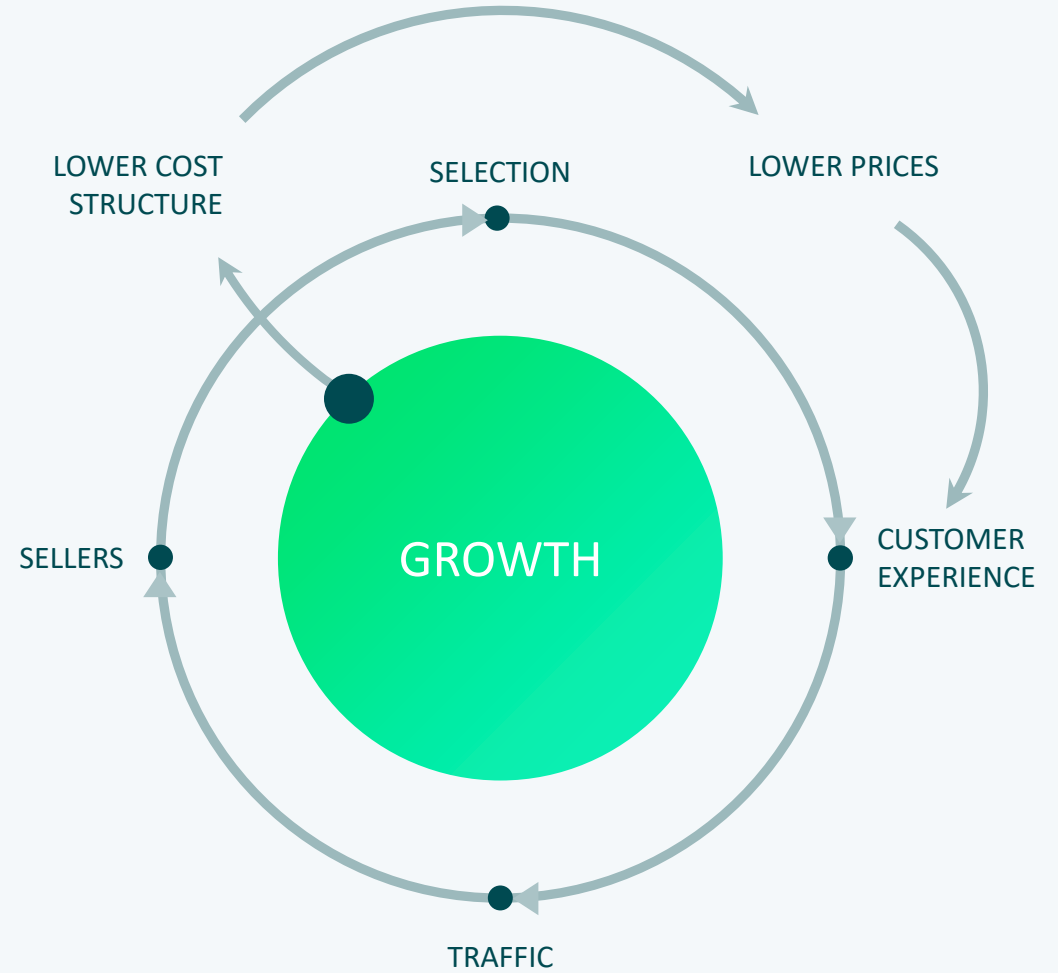
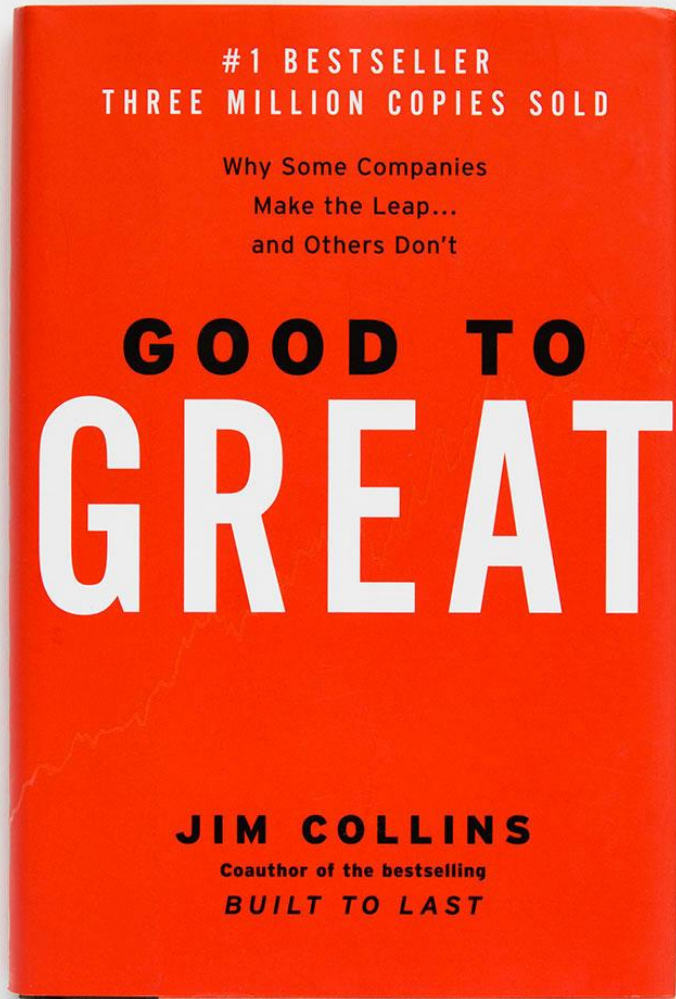
Note: These same ratios are nearly identical when comparing 2018 to 2019 as well. Similar ratios found for other brands & categories.

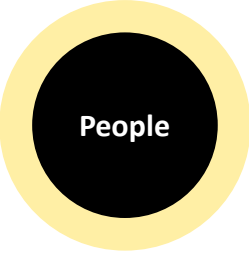











The Brand Growth Flywheel™


The Flywheel Effect





PSYCHO-GRAPHICS
The study of people's...

 Lifestyles	 Attitudes	 Interests	
 Beliefs	 Emotions	 Values	 Aspirations


©2019 Numerator  Numerator







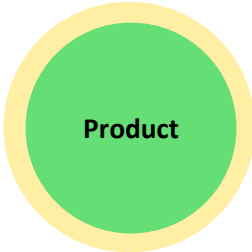
Key

● People



 **BEYOND MEAT**

-  99% LESS WATER
-  93% LESS LAND
-  90% FEWER GHGE
-  46% LESS ENERGY

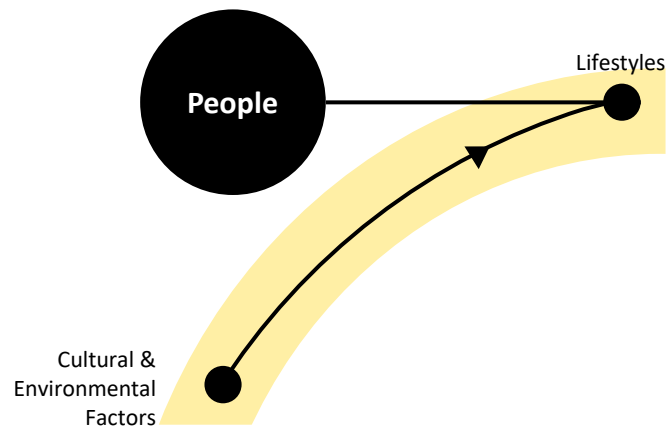


Key

● People

● Product





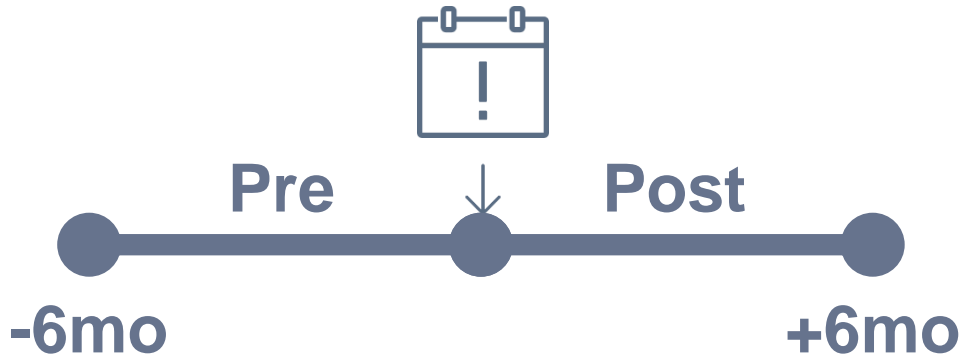
Key

● People

● Product

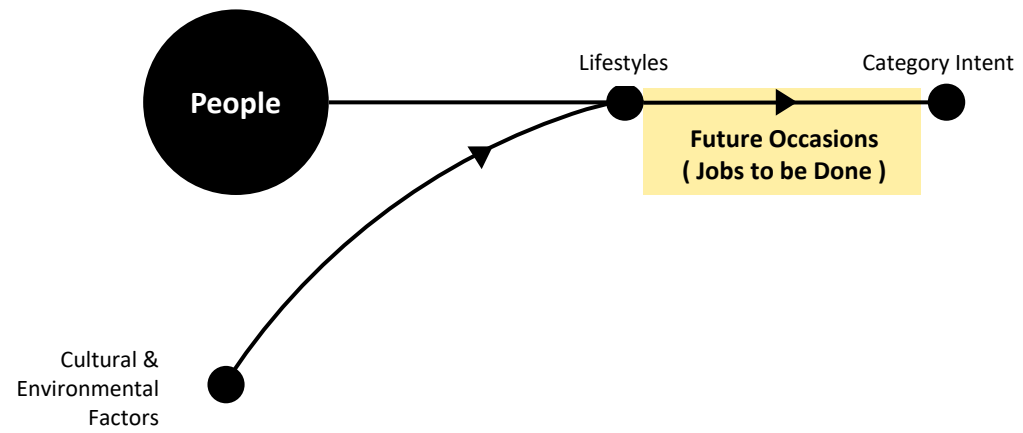


Lifestyle Changes



$$\text{Index} = \frac{\text{Post}}{\text{Pre}} \times 100$$

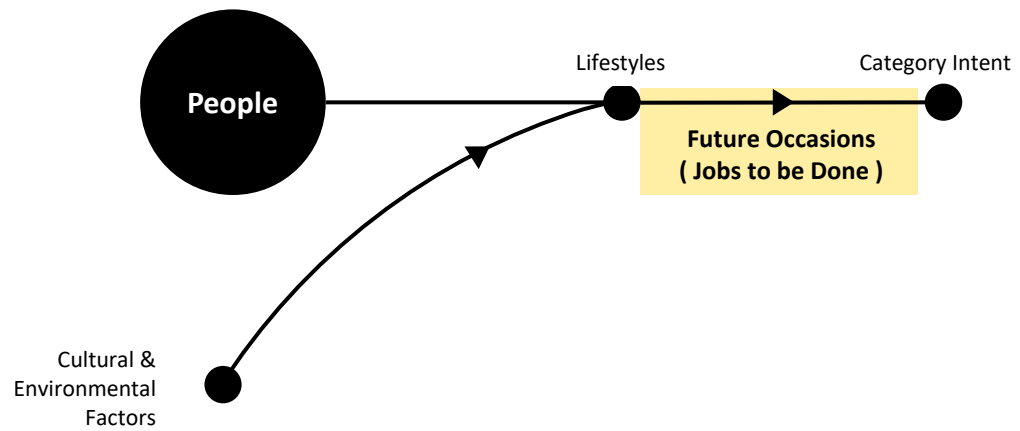
	Amazon Spend Index (Pre-Post)
Had/Expecting my first child	146
Stopped Dating someone	144
Bought my first house/condo	130
Got Divorced	120
Upsized: Moved into a larger place (house, condo, apt)	112
Started School	112
Got my first job	101
Received a promotion	98
Had/Expecting another child	97
Started Dating someone	94
Got Married	94
Child moved out of house	92
Faced major financial hardships	91
Got a new job	86
Downsized: Moved into a smaller place (house/condo/apt)	84
Became an empty-nester (all kids out of house)	75
Moved >50 miles away	74
Went on Maternity/Paternity leave	73
Retired from work	55



Key

● People

● Product

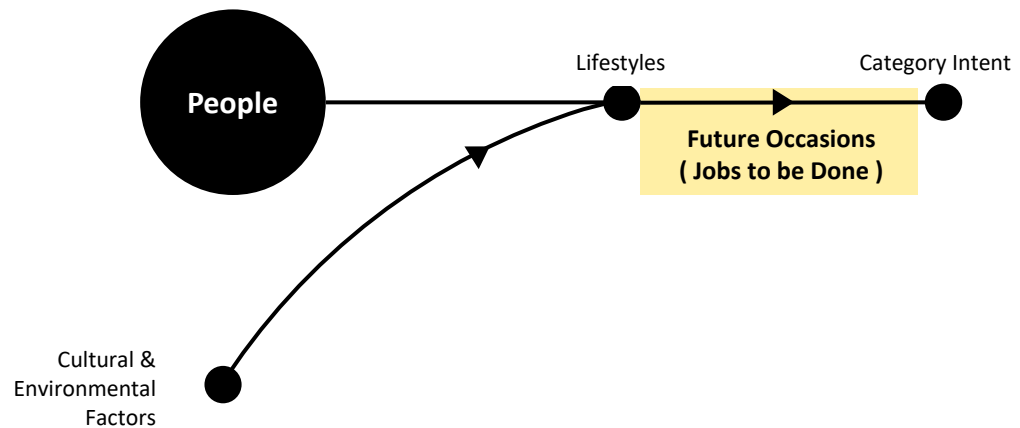


Key

● People

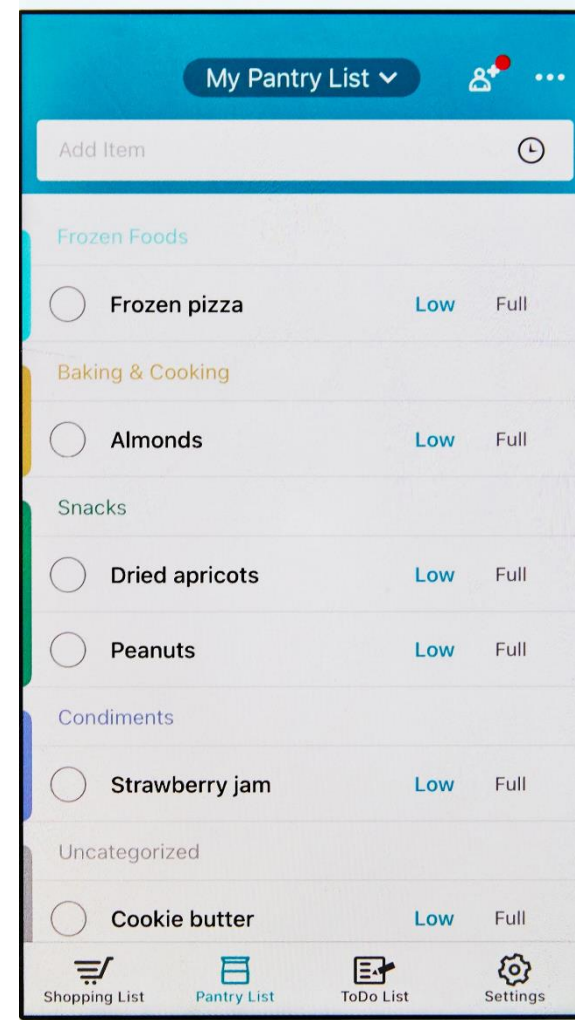
● Product





Key

- People
- Product

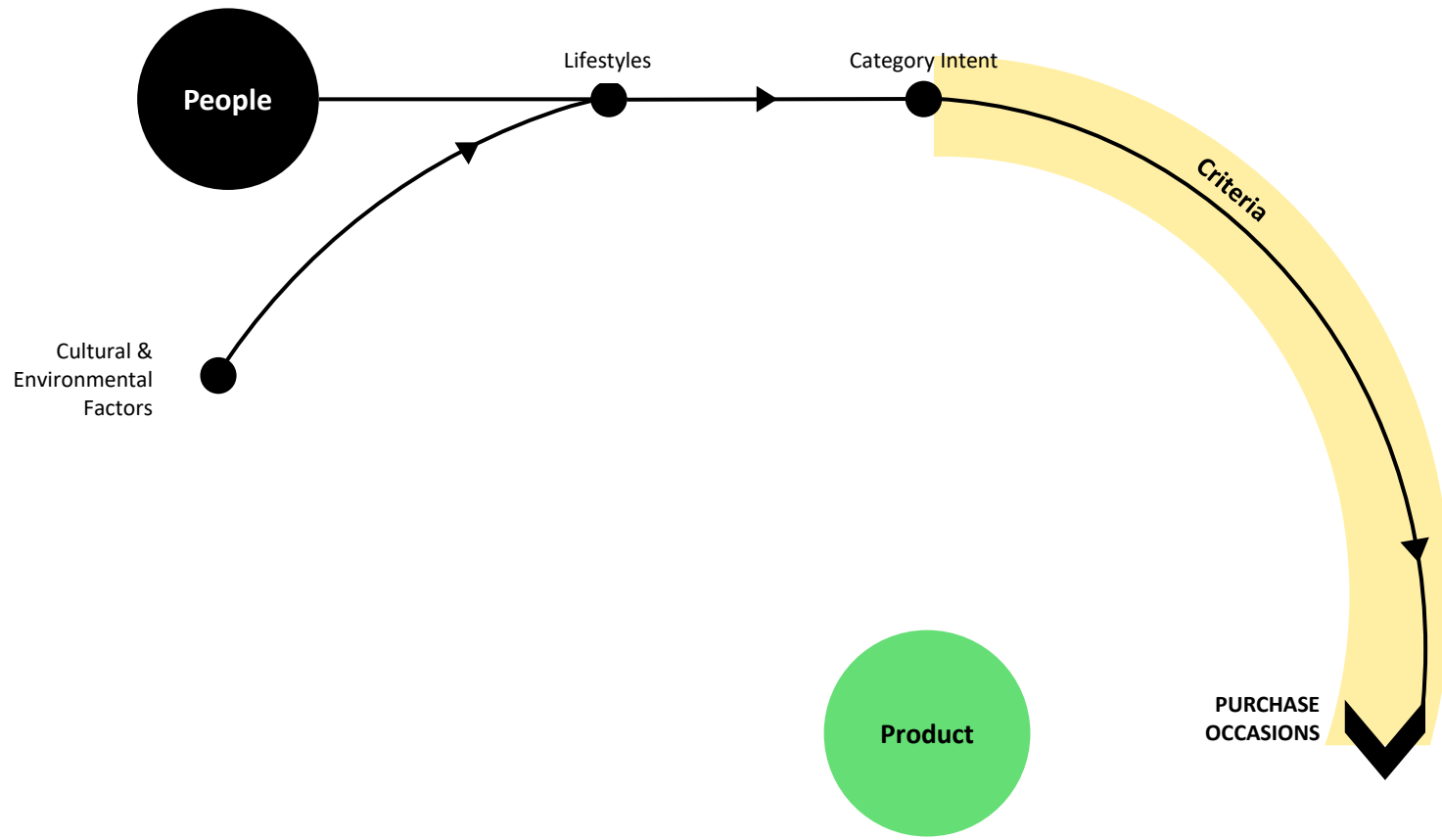


Installs
5,000,000+

Consumers don't *intend* to buy brands...



Source: Top 1000 most common shopping list entries in the Out of Milk app. Size = Frequency of occurrence. Colors = Product Category, Generic Brand representing a category, or Specific Brand.



Key

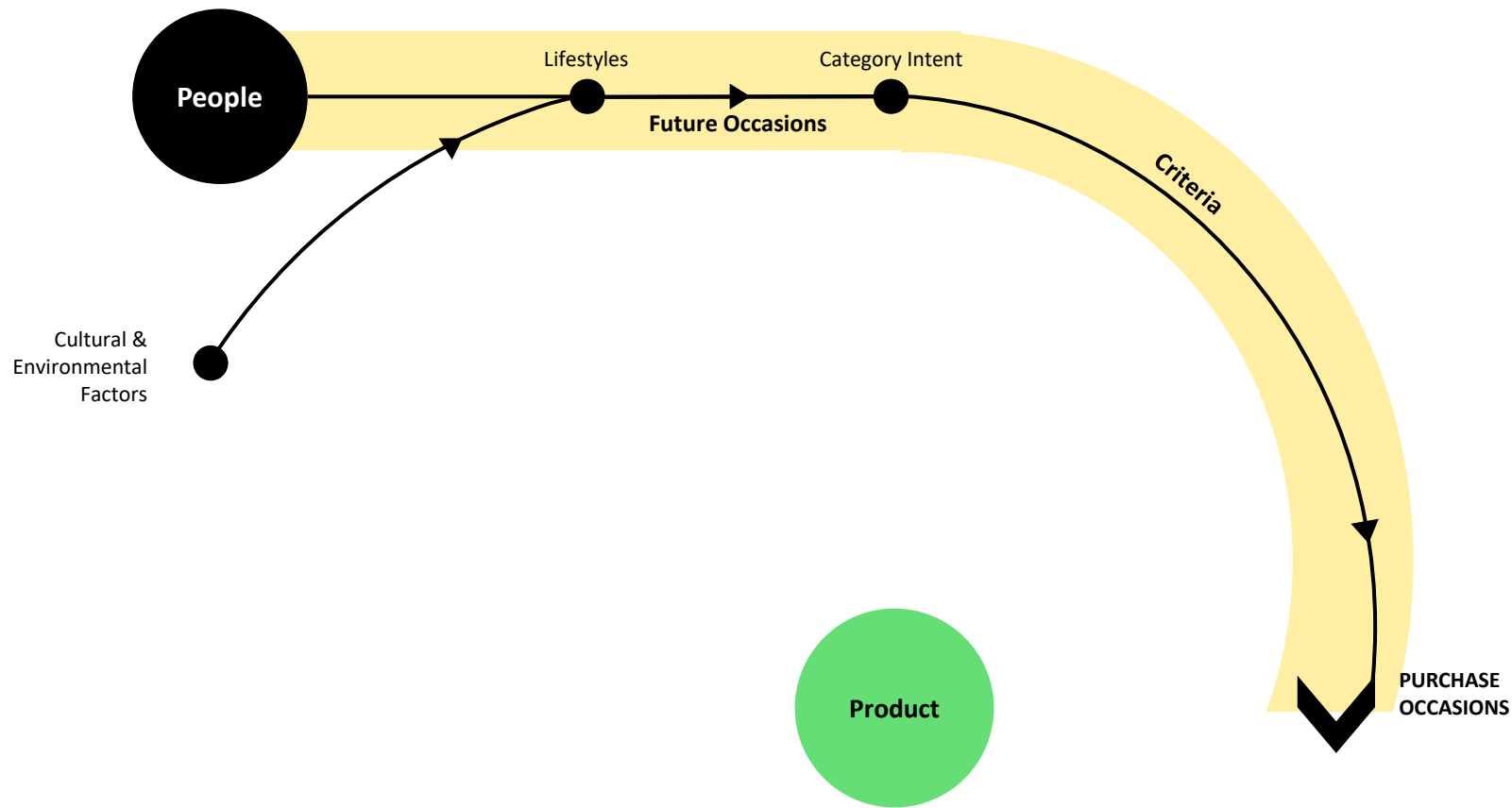


People



Product





Key

- People
- Product

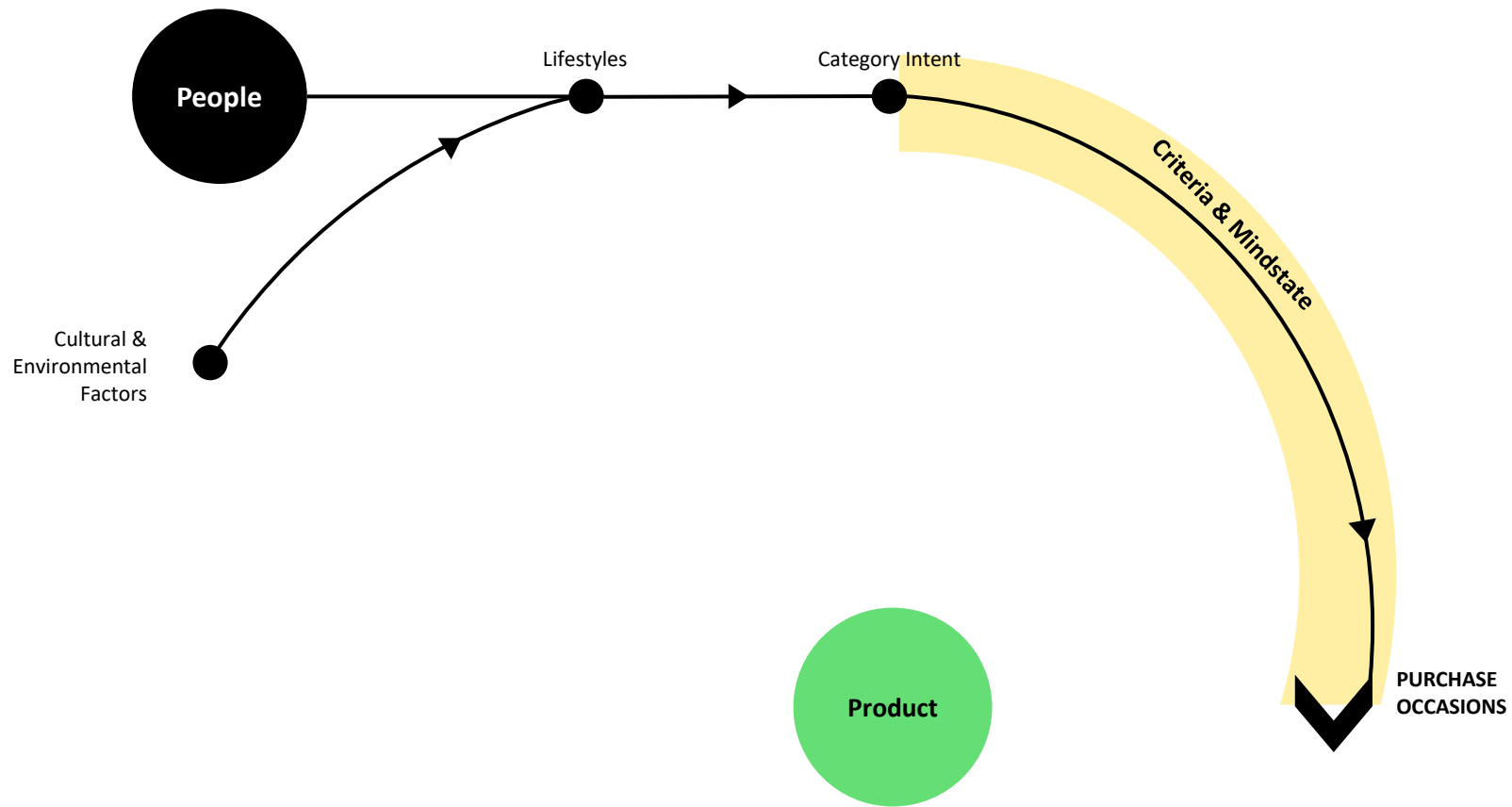
Winning Brands Attract 43% More New Category Buyers Than Their Fair Share, but Steal Smaller Shares From Big Brands





Key Takeaway

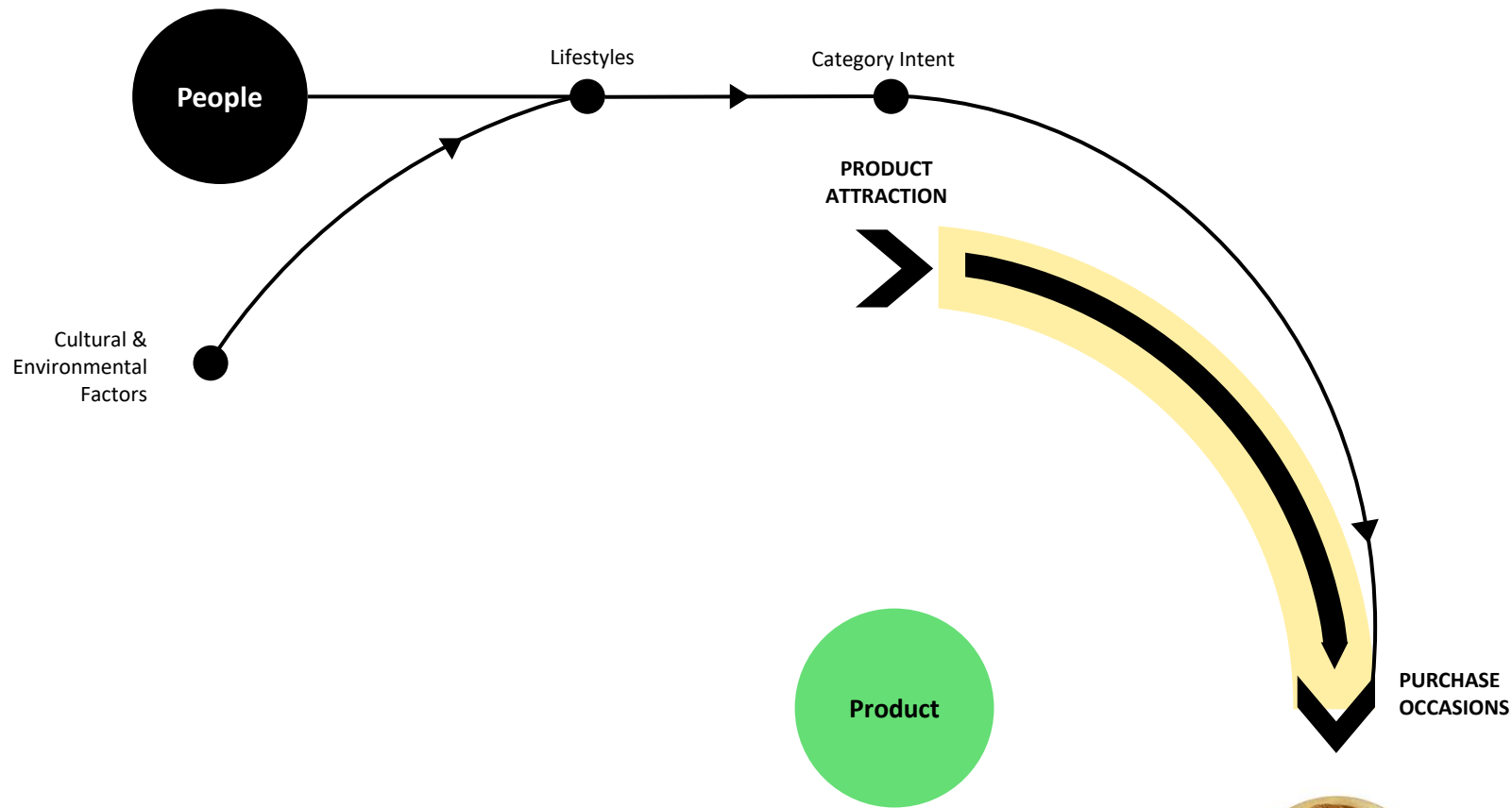
**Winning Brands Win Occasions
That Grow Categories**



Key

- People
- Product





Key

● People

● Product

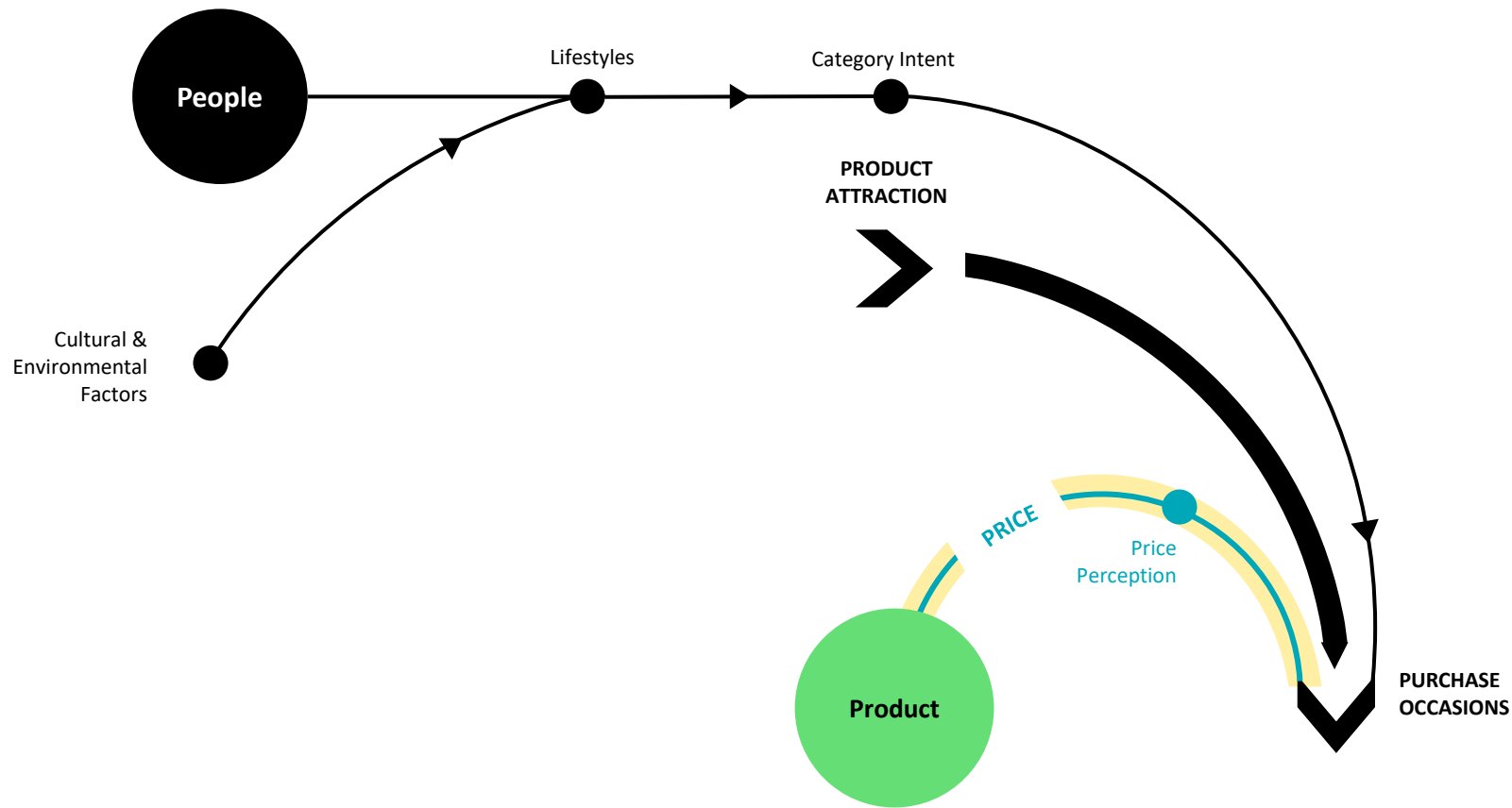


*Will this get the job done?
aka
Utility Satisficing*



*Behavioral
Economics*





Key

- People
- Product
- Price

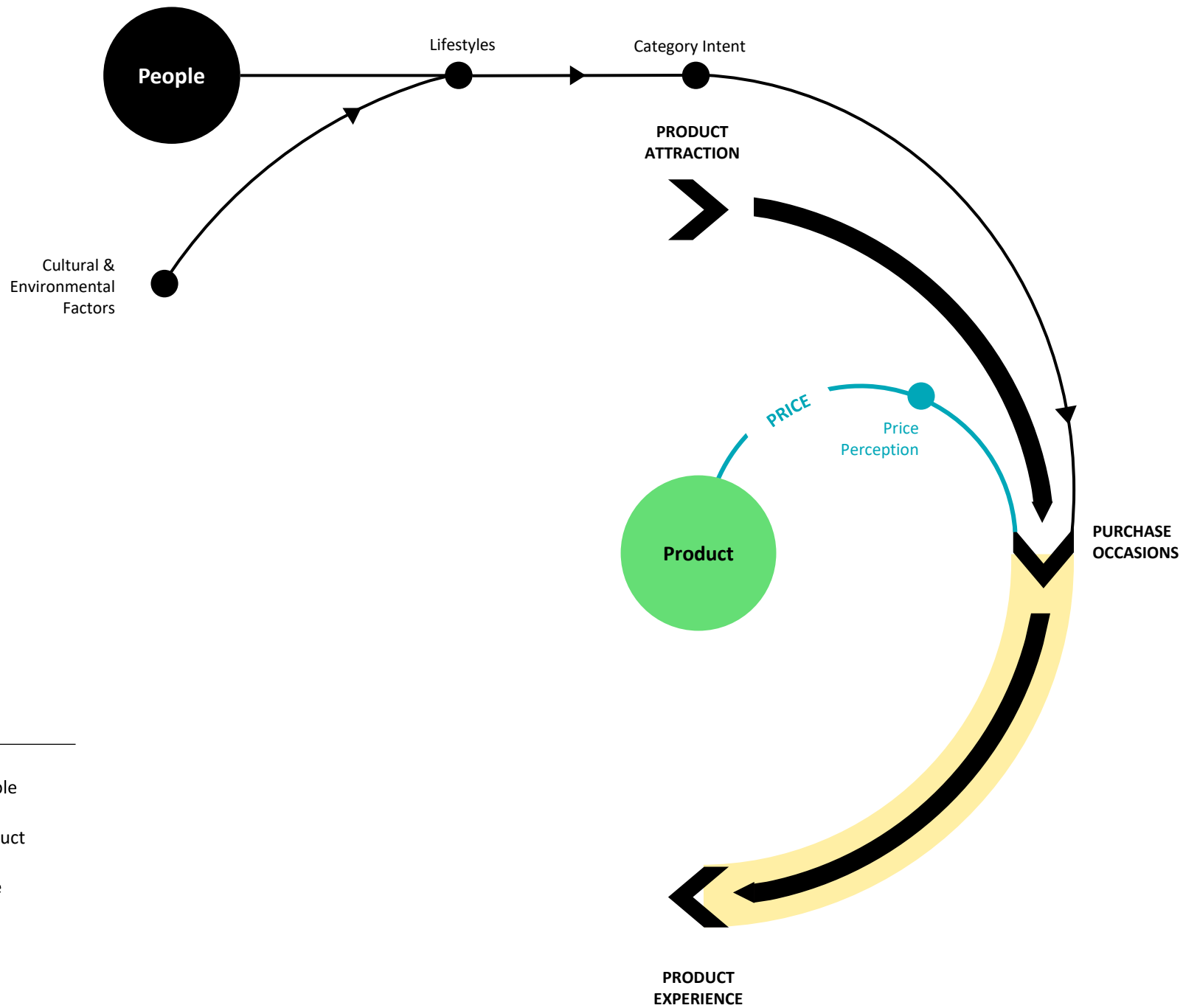
**Pricing is NOT a growth lever, but
Winning Brands can command
a higher price.**

Anchor

	16 GB	32 GB	64 GB
WiFi	\$499	\$599	\$699
WiFi + 3G	\$629	\$729	\$829

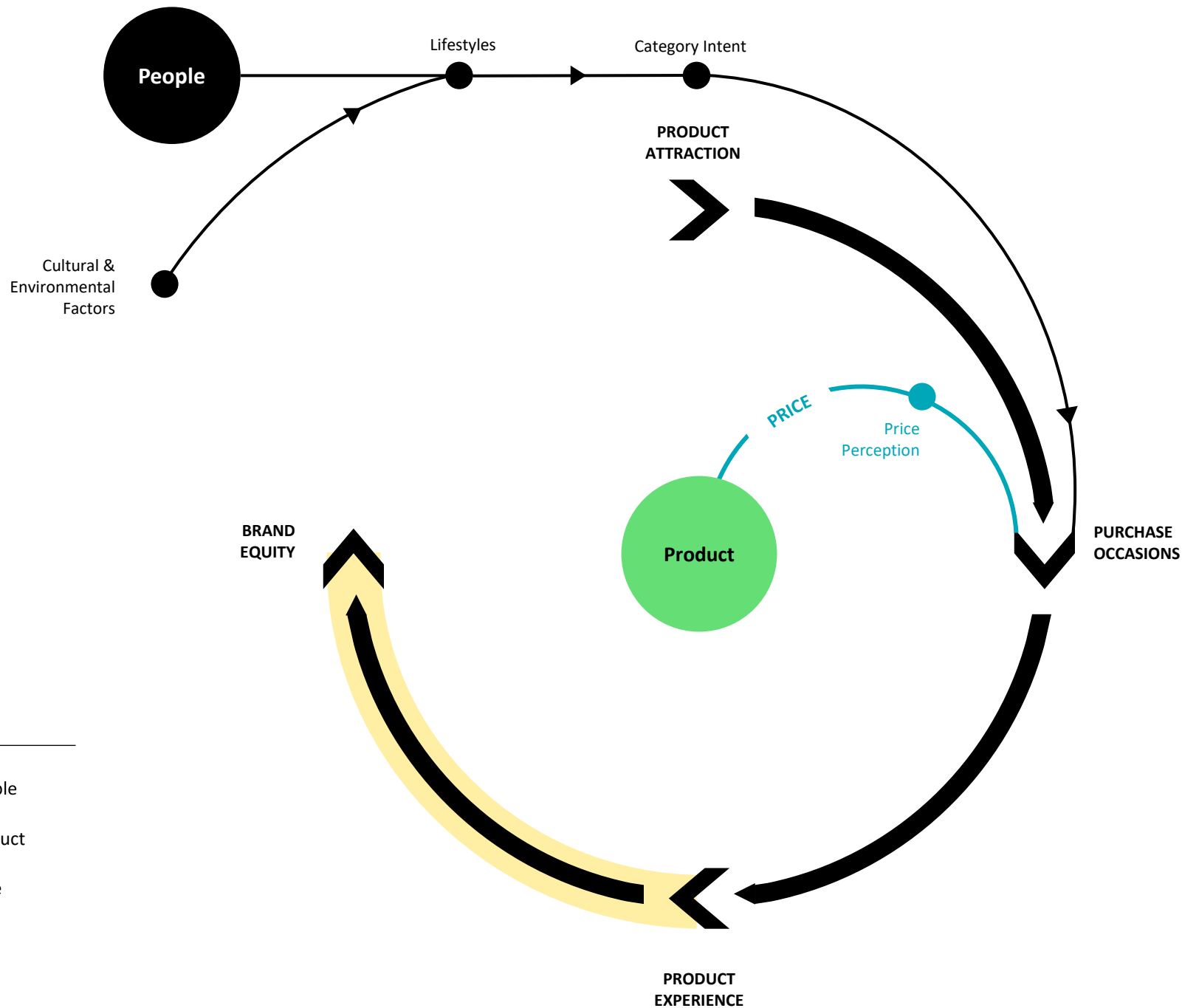


Source: BERA Brand Equity Surveys of Willingness to Pay More; Avg Percentile Difference Between Matched Winners & Losers from Q1'2017 through Q4'2019



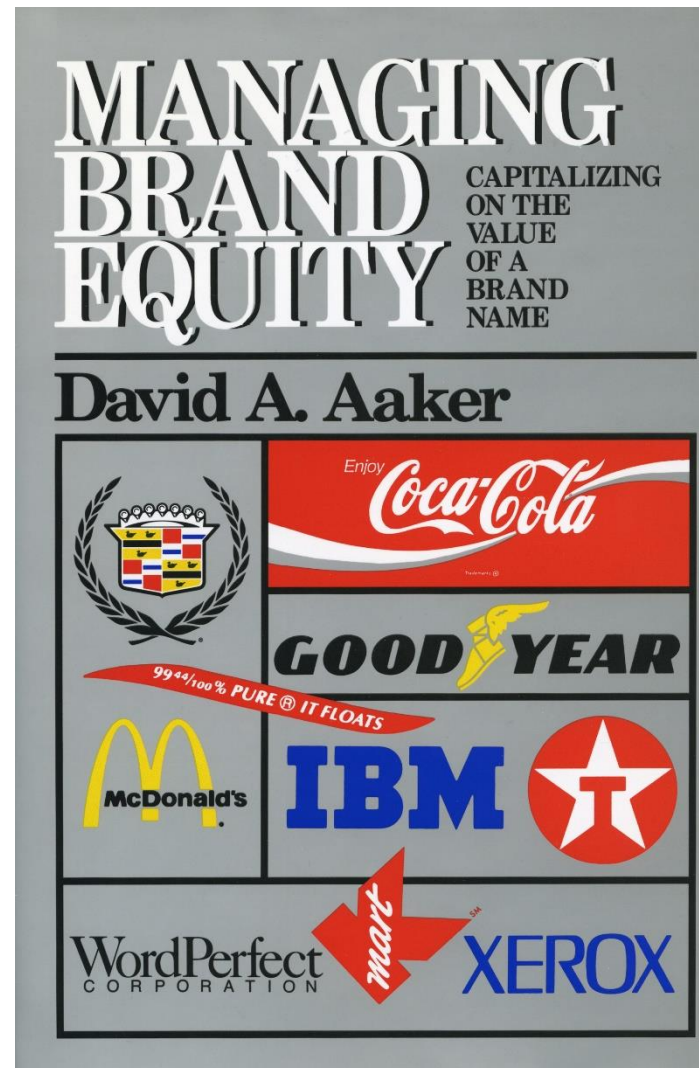
Performance against
Decision Utility





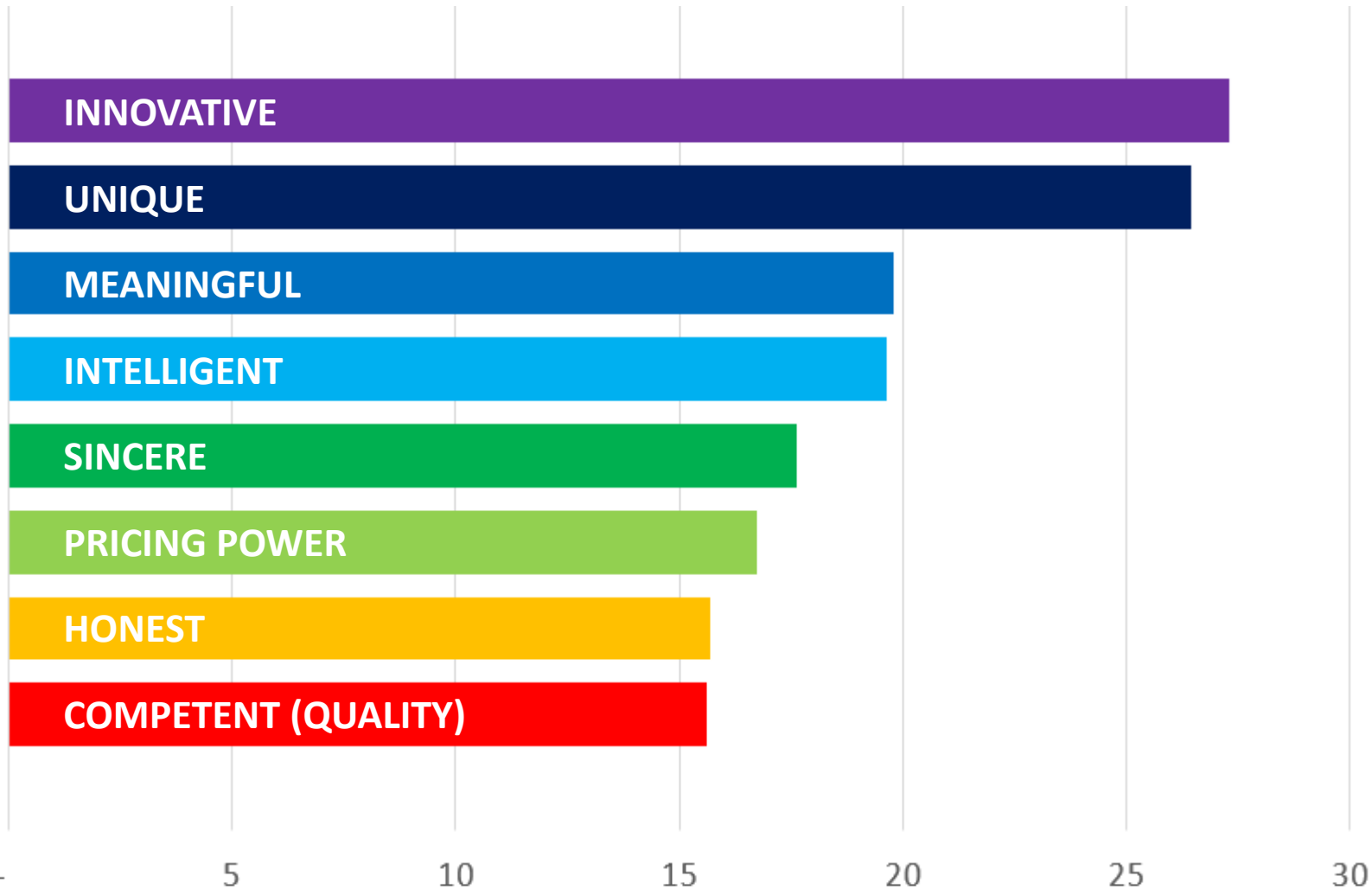
Key

- People
- Product
- Price



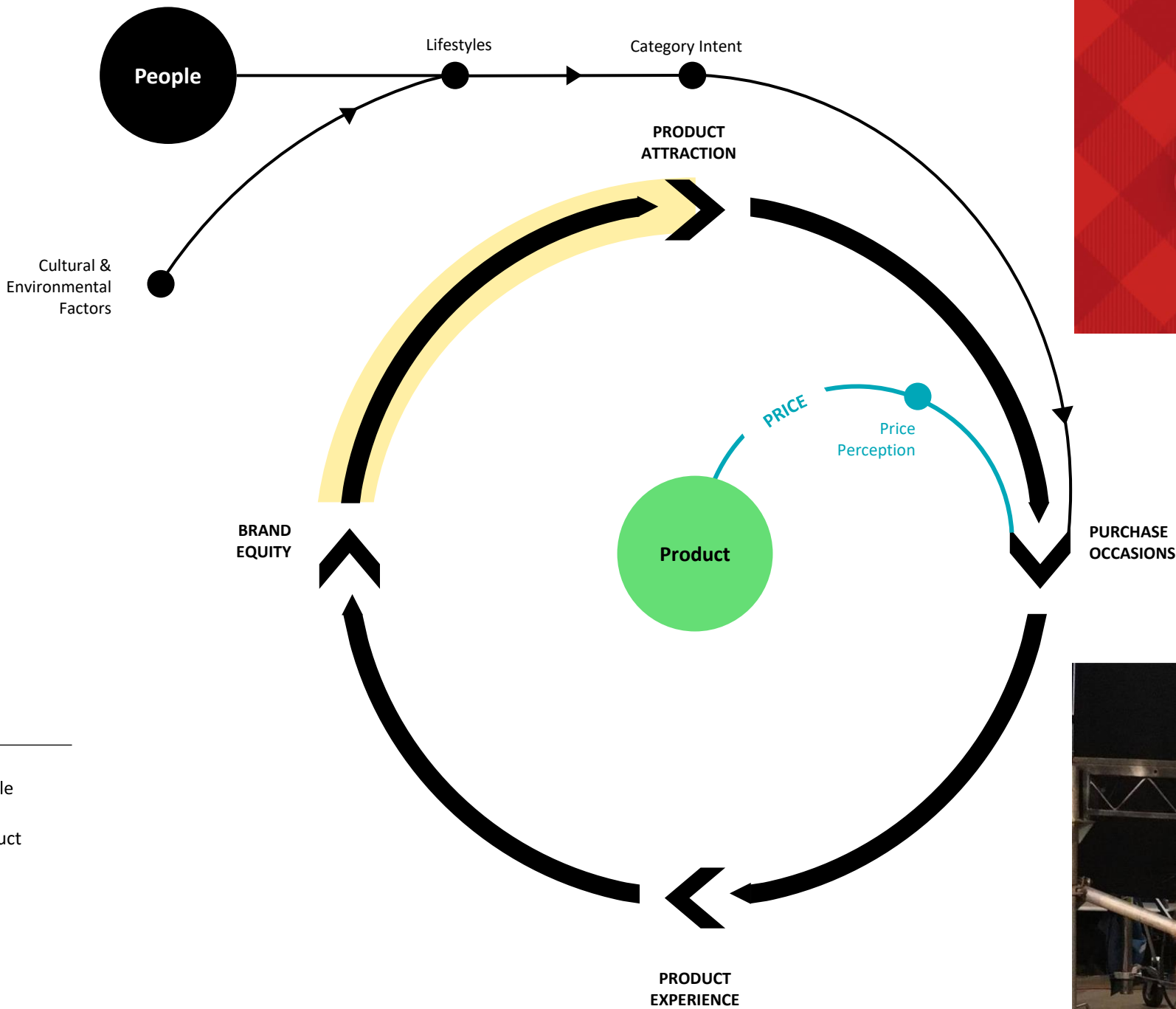
- ✓ Awareness
- ✓ Quality
- ✓ Salience
- ✓ Associations
- ✓ Familiarity
- ✓ Preference

Brand Equity Drivers: Differences Between Winners & Losers



- Differentiated Products & Value Propositions
- Show Understanding of Desires, Lifestyles & Occasions
- Make Trustworthy Claims & Deliver Upon Them
- Offer Superior Value (not cheap, but worth more)

Source: Analysis of BERA metrics; Average Percentile Difference Between Matched Winners & Losers from Q1'2017 through Q4'2019



Key

- People
- Product
- Price

With a name like

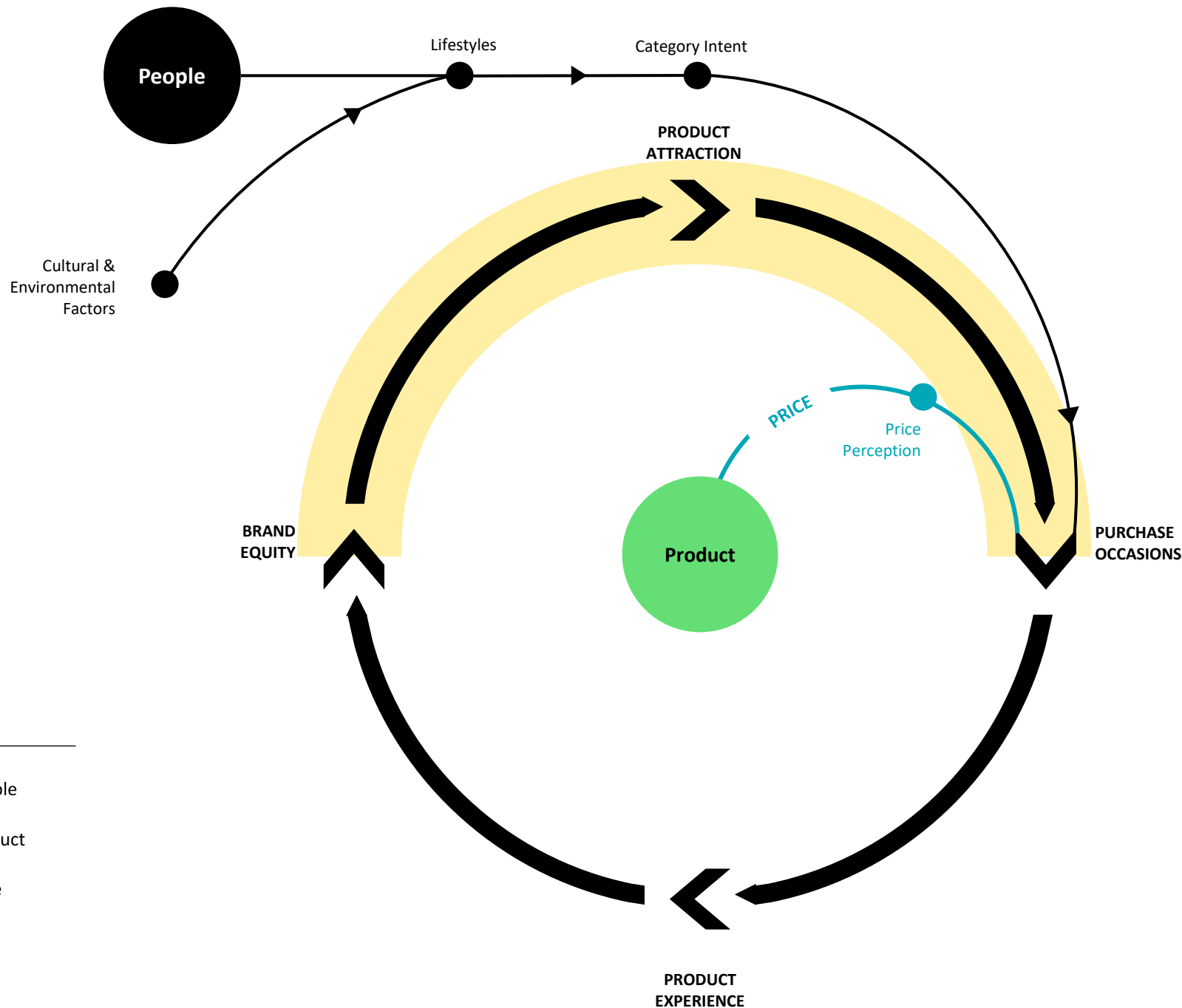


it has to be good.

“the perceived utility and desirability a brand name confers on a product”

- Dr. Lassar





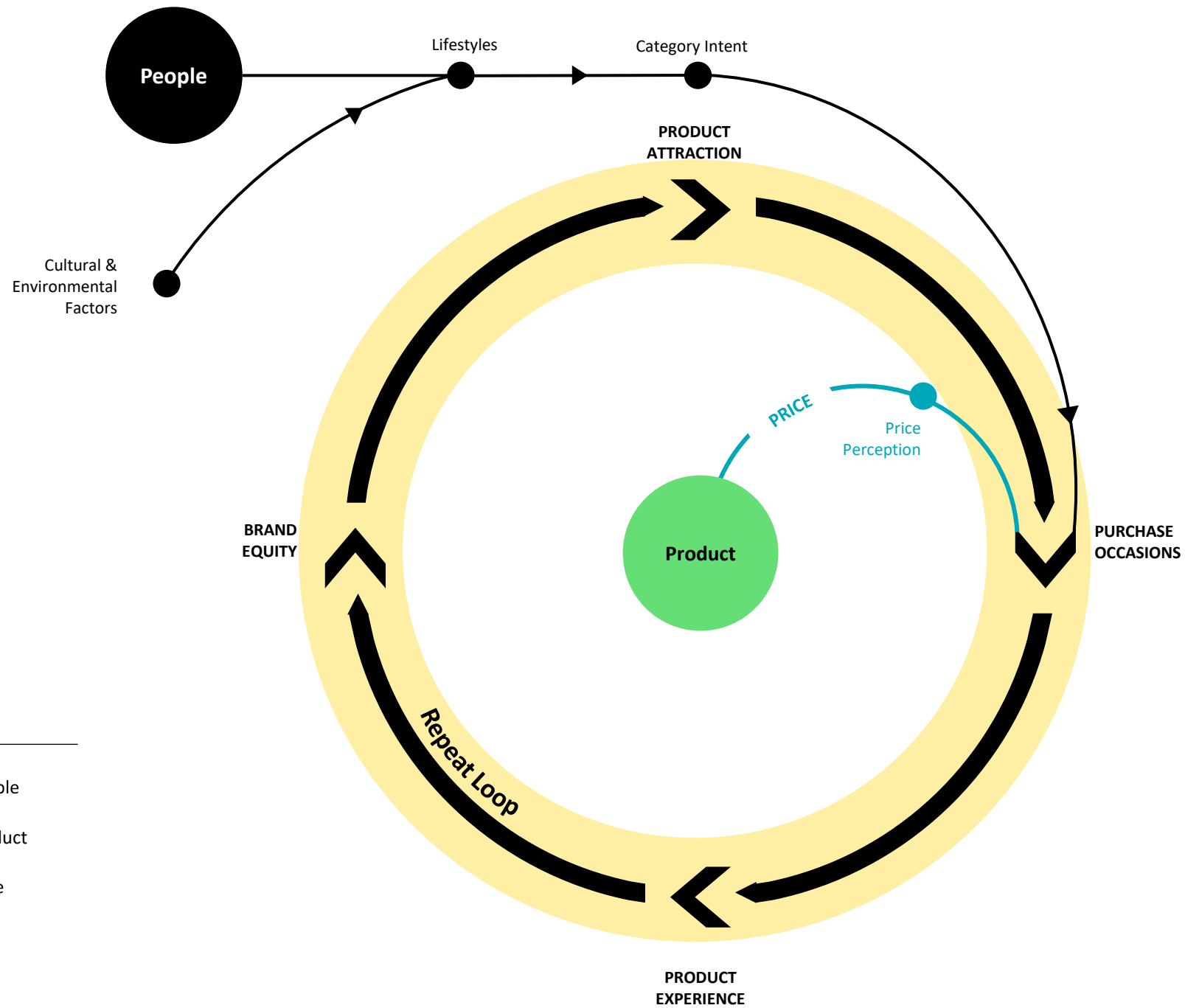
$$R = 0.92$$

The correlation between
Top of Mind Awareness
 +
Unaided Awareness
 relative to Trip Share

Key

- People
- Product
- Price

Source: Survey of N = 2415 Numerator Test Panelists across 8 categories combined with Trip Shares from Numerator OmniPanel. Excludes Private Label brands.



Key

- People
- Product
- Price

Consecutive Repeat Rates

Winners

vs.

Losers



36%
19%



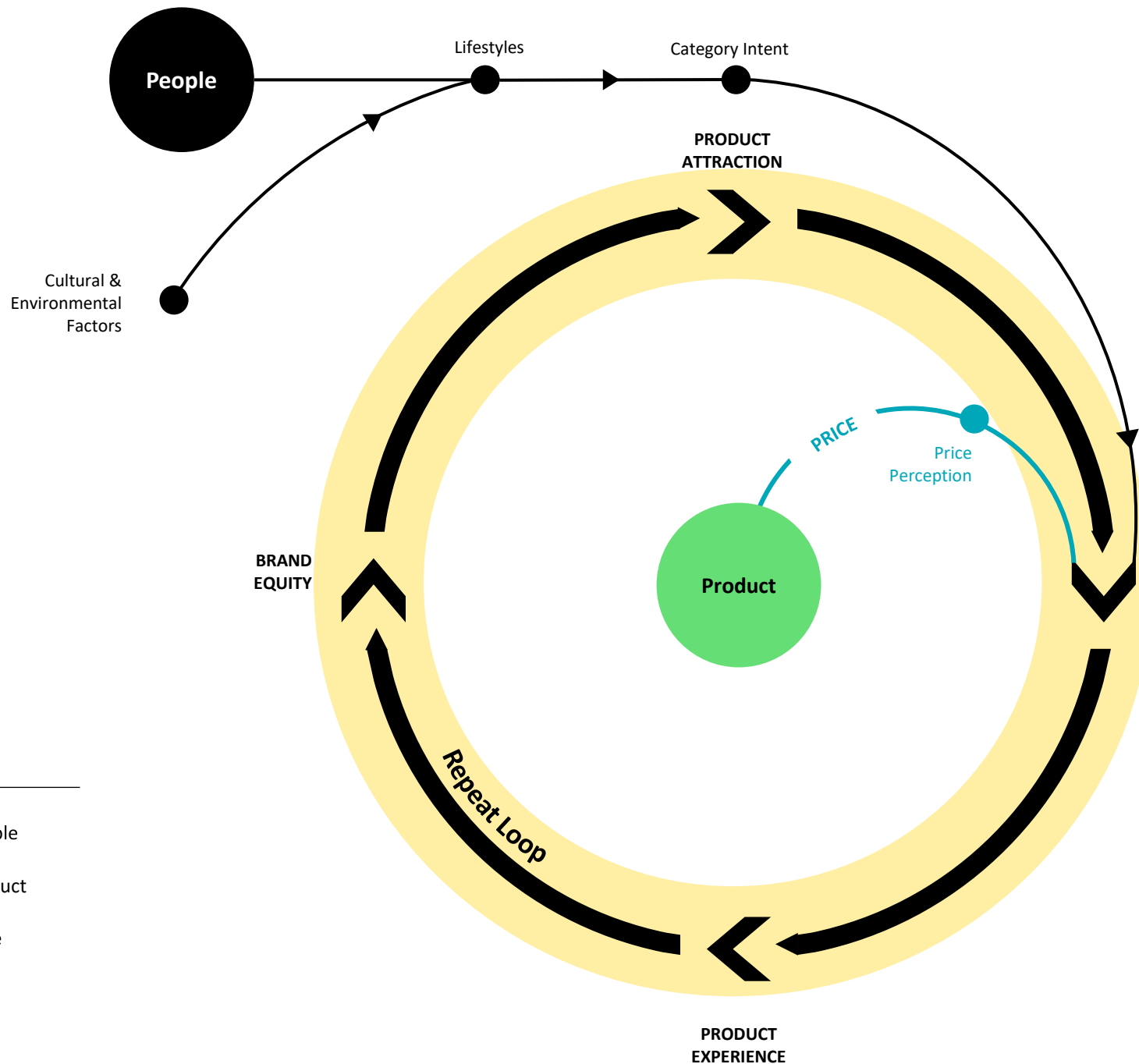
42%
25%



57%
32%

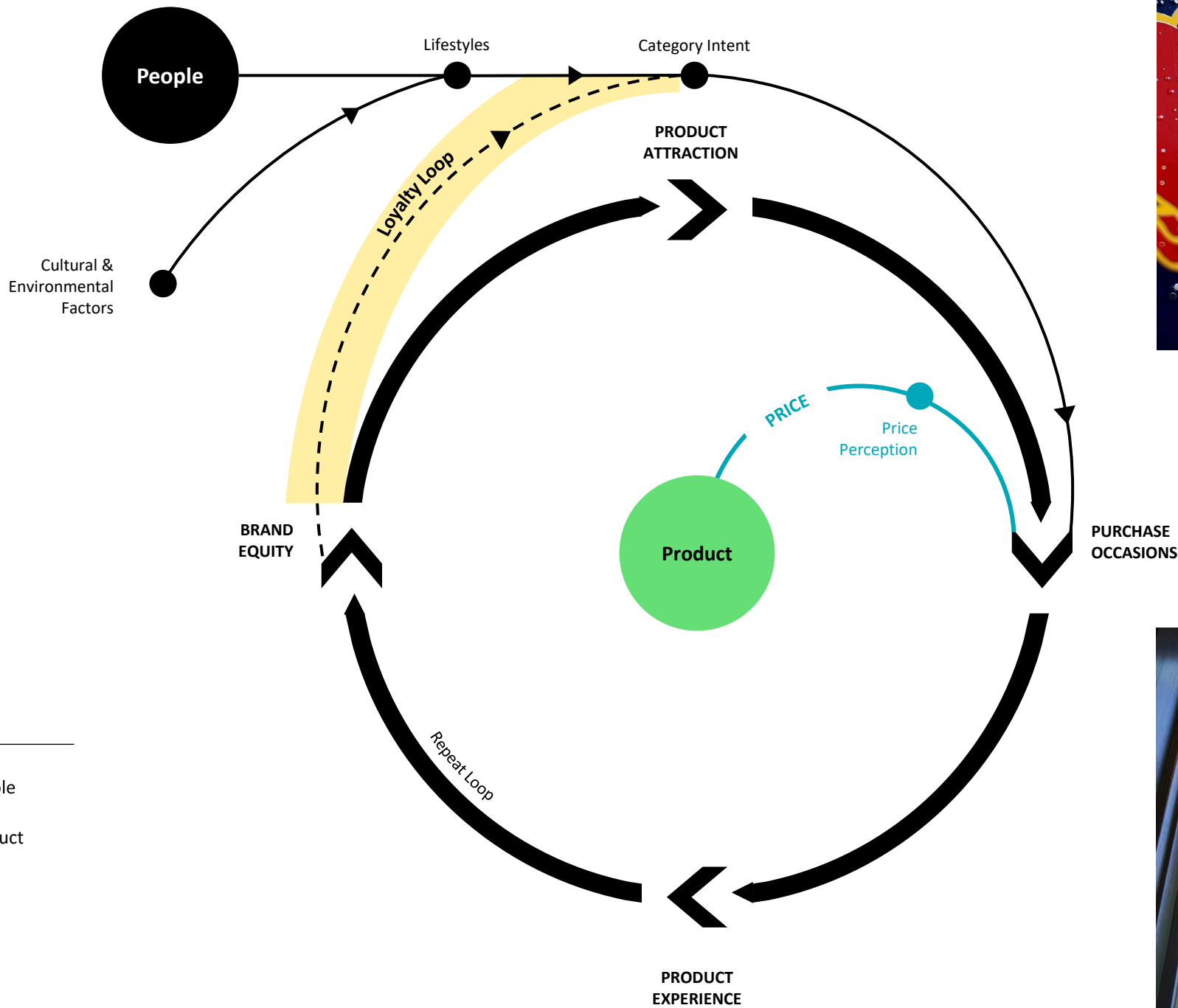


35%
28%



Key

- People
- Product
- Price



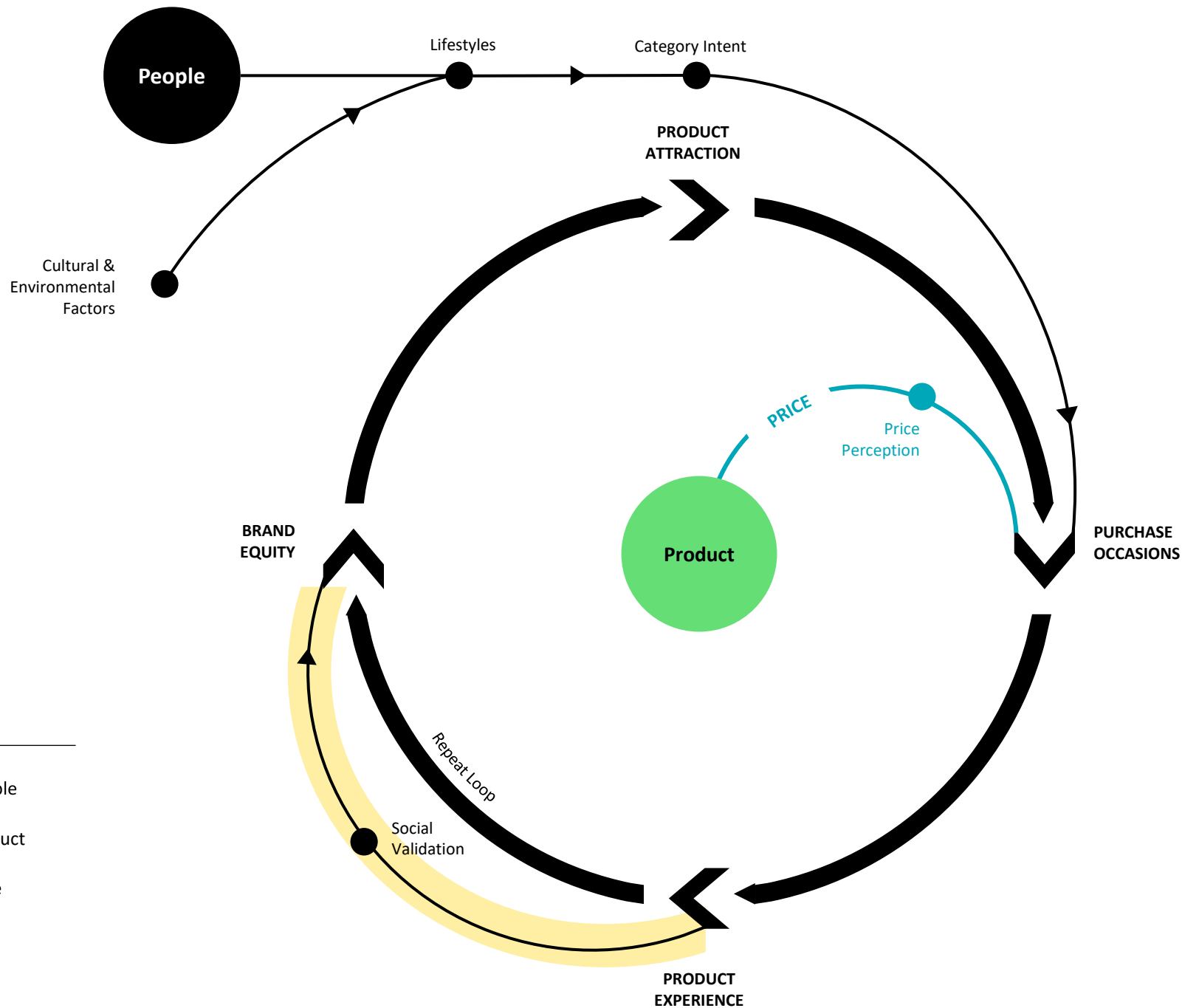
Key

- People
- Product
- Price



“True loyalty is more than preference. It’s when a brand defines the category”





Key

- People
- Product
- Price

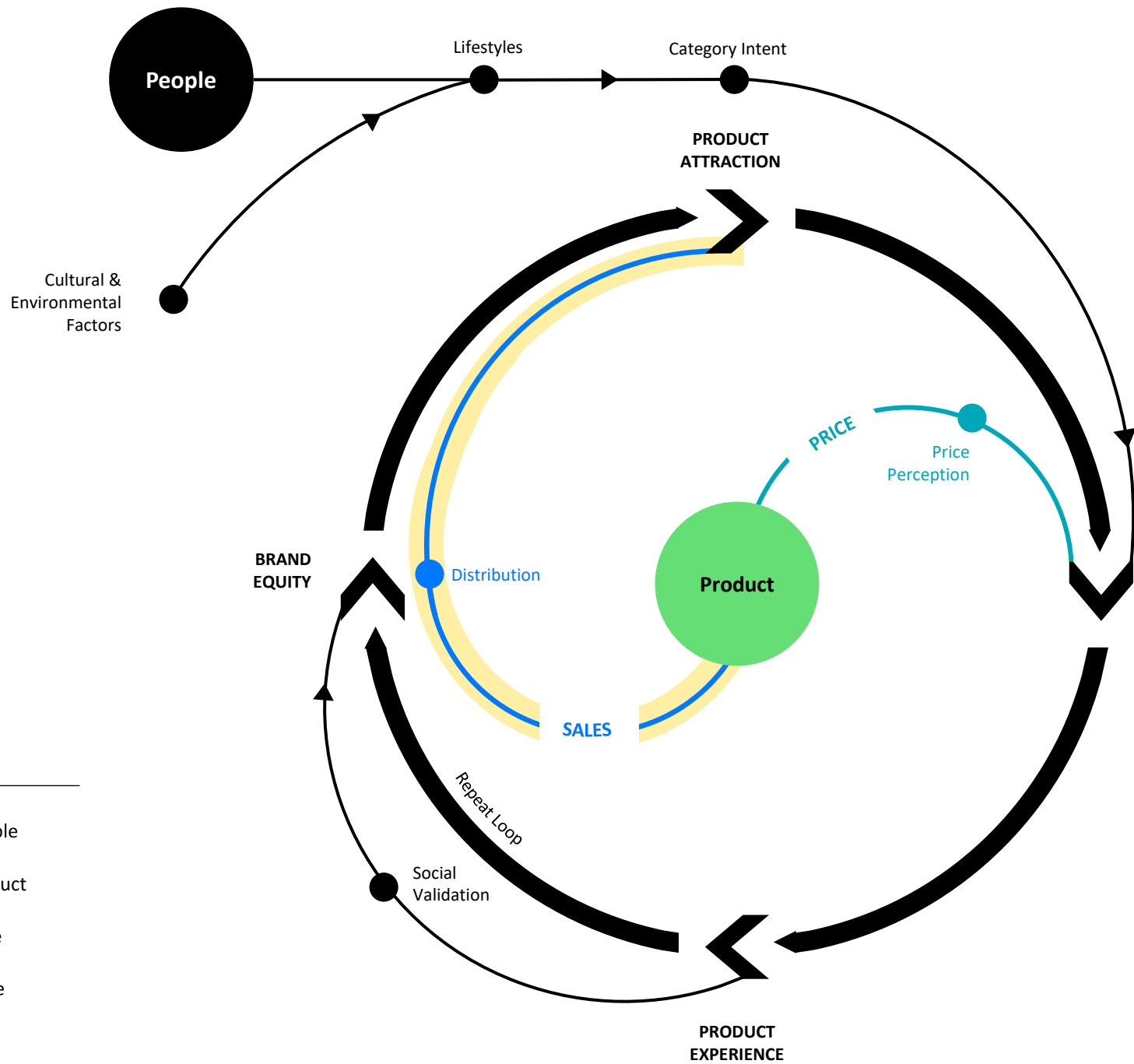
Best Seller



Premier Protein 30g Protein Shake, Caramel, 11.5 Fl Oz, Pack of 12
 11.5 Fl Oz (Pack of 12)

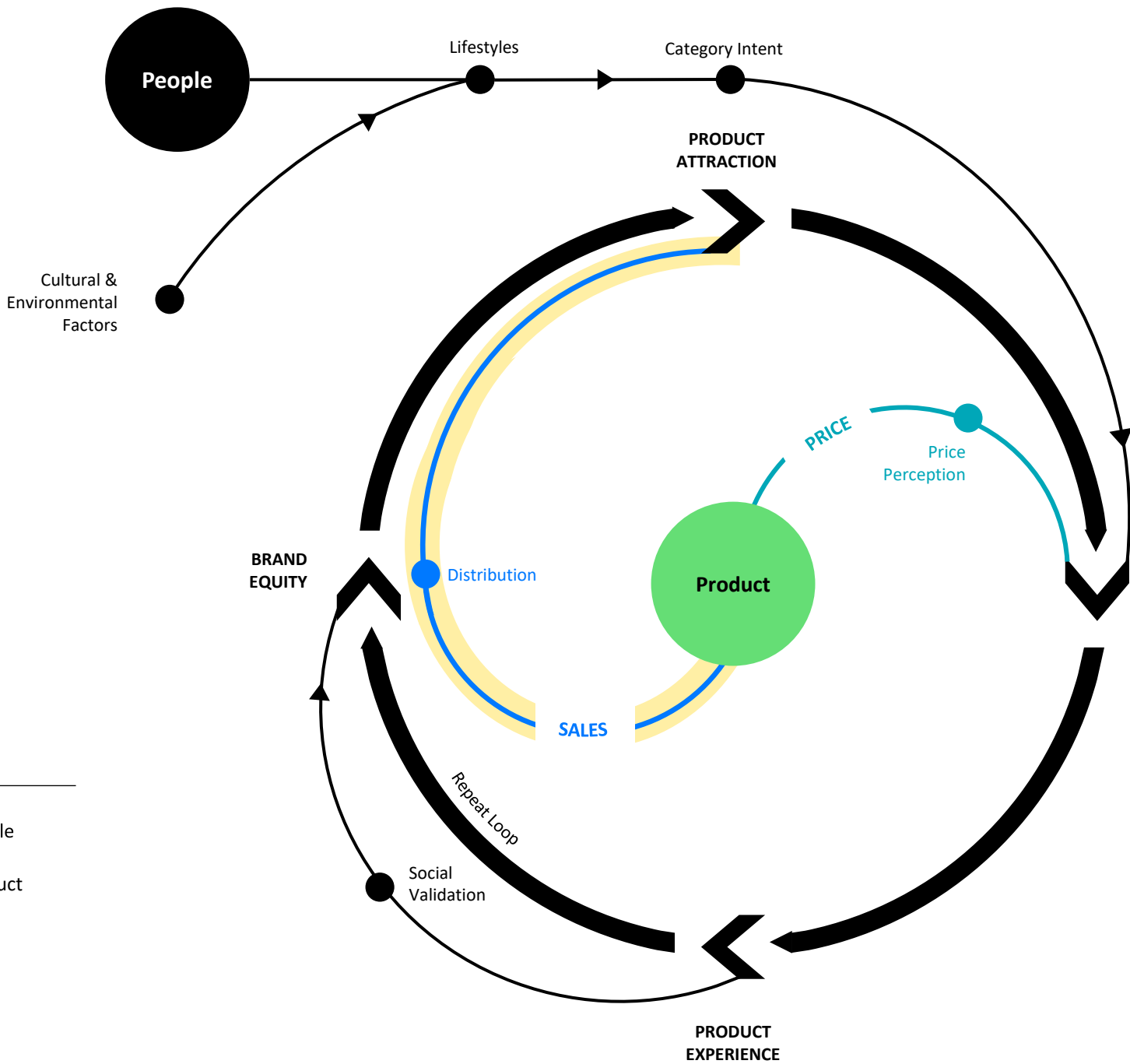
★★★★☆ ~ 51,986





No Distribution
means
No Attraction





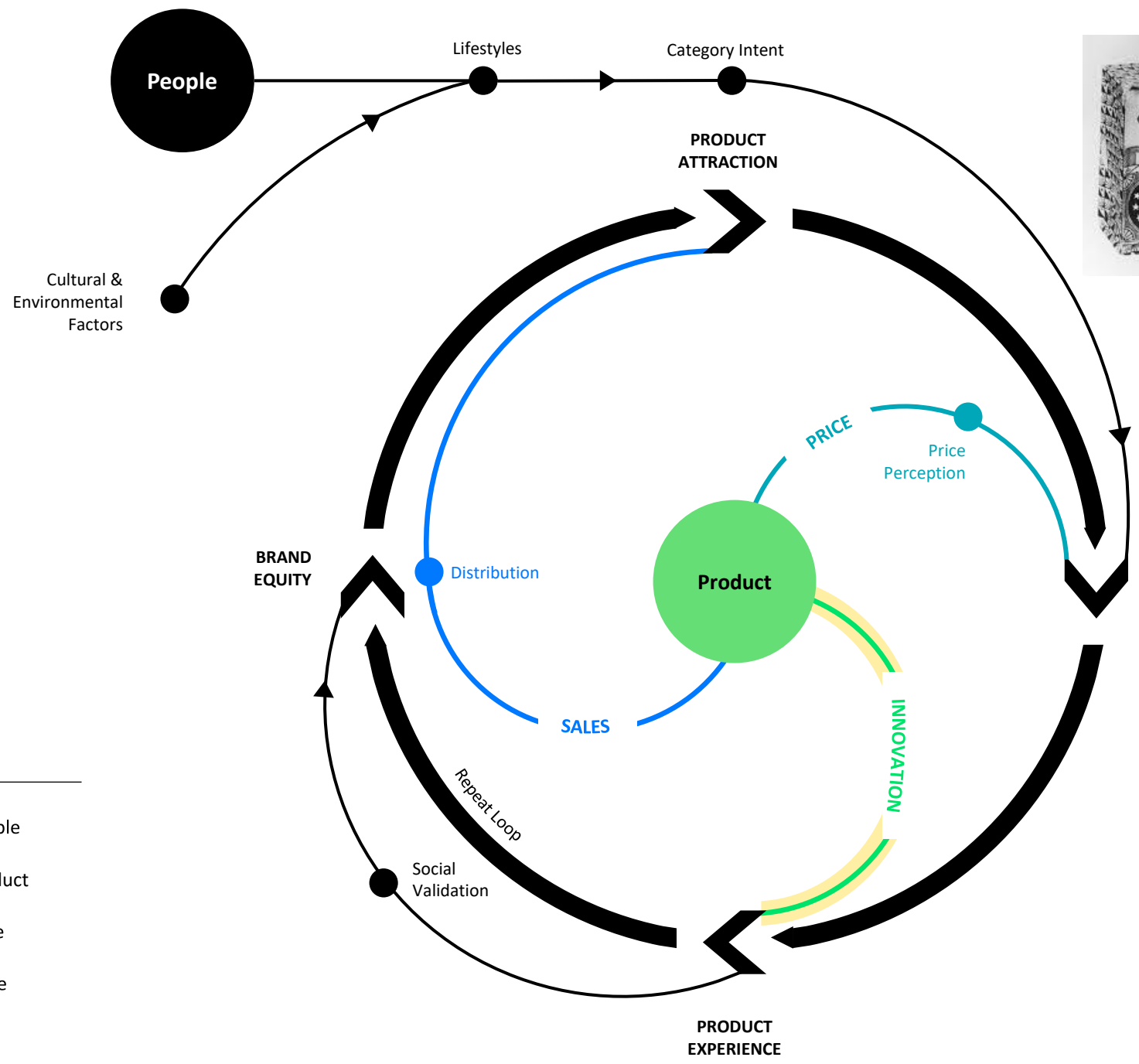
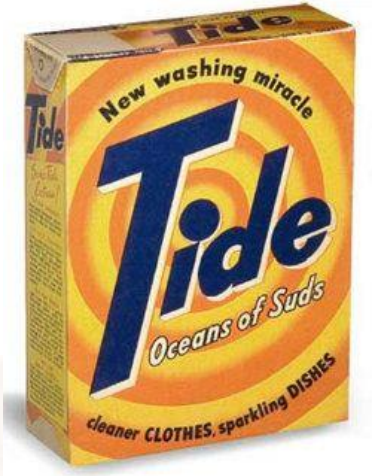
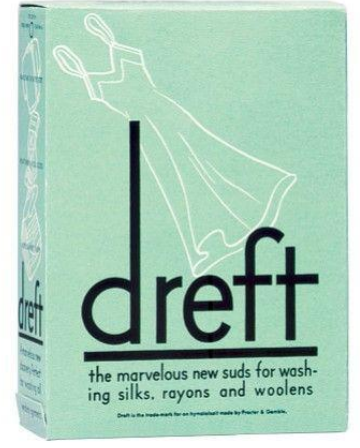
Key

- People
- Product
- Price
- Place

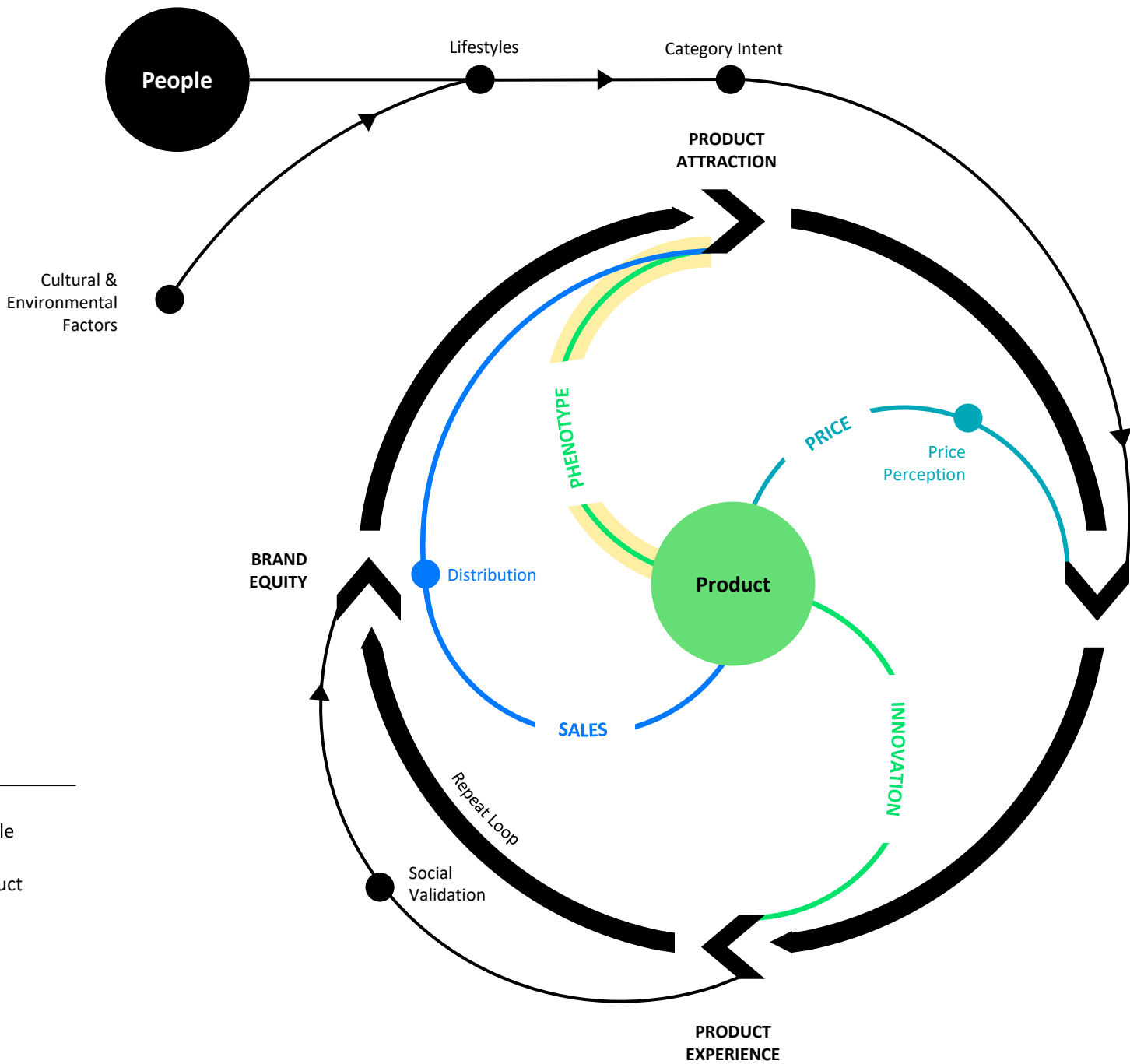


#1 Way to Grow
 $r = 0.93$





- Key**
- People
 - Product
 - Price
 - Place



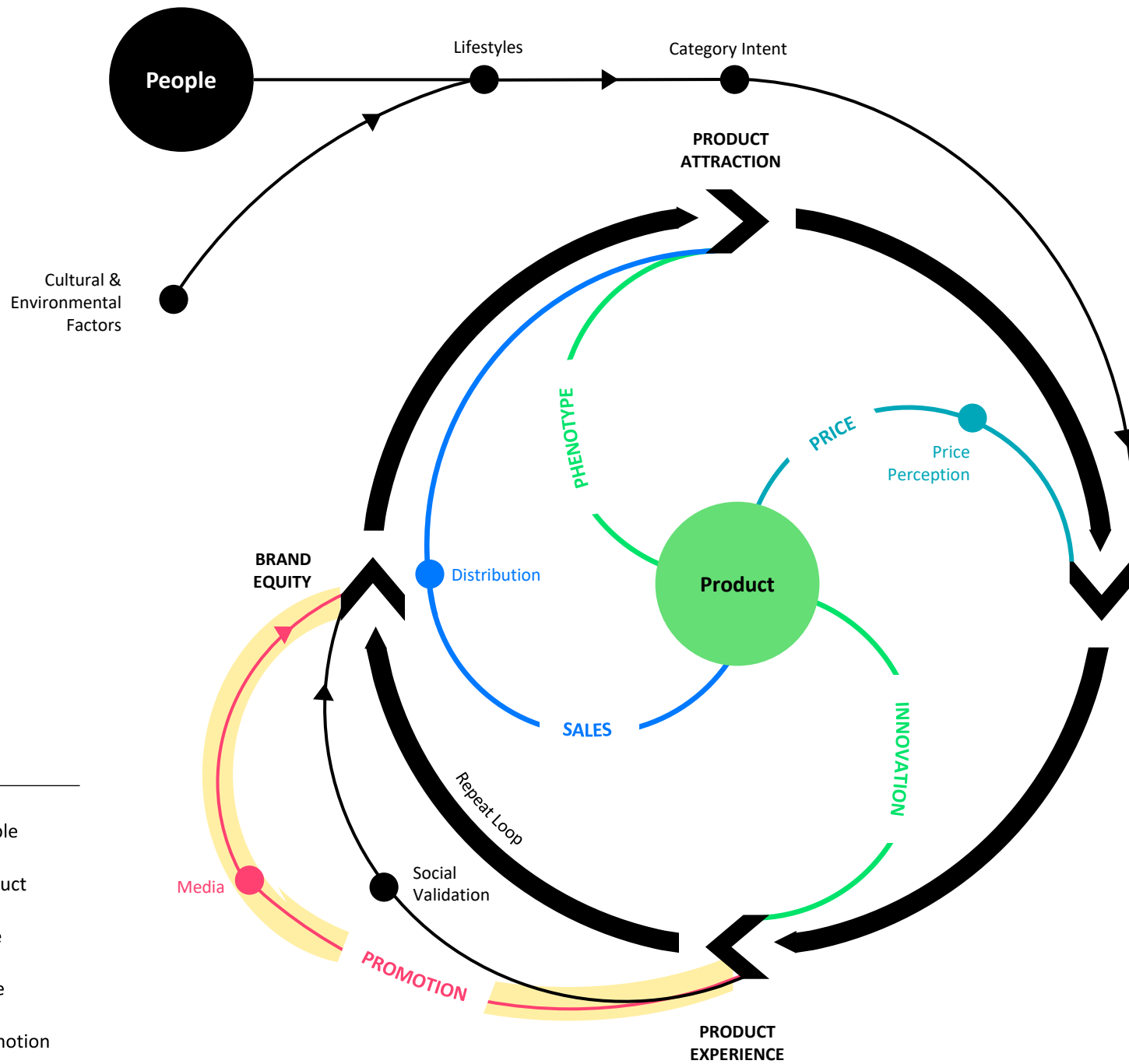
Key

- People
- Product
- Price
- Place



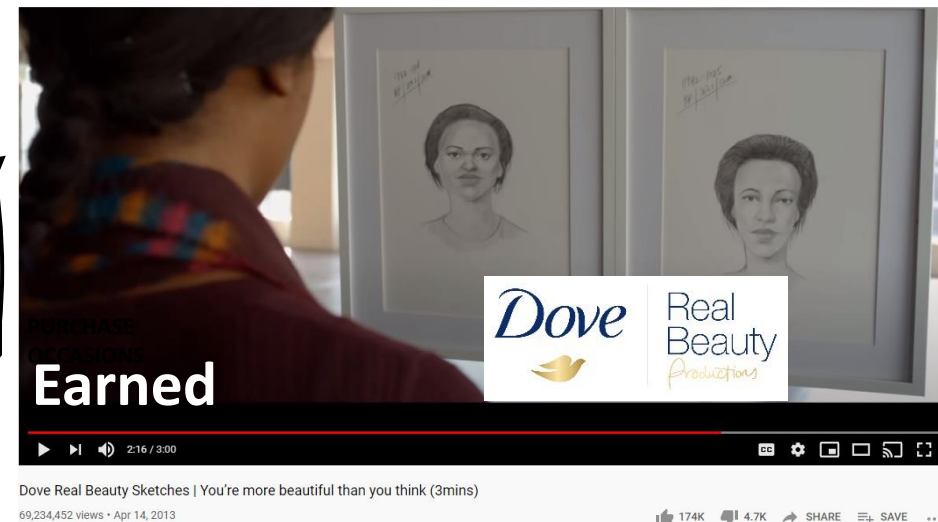
Product Phenotype
 Package Visible
 Product Attributes
 That Shoppers Notice





Key

- People
- Product
- Price
- Place
- Promotion





WRIGLEY'S
JUICY FRUIT
CHEWING GUM
Real Fruit

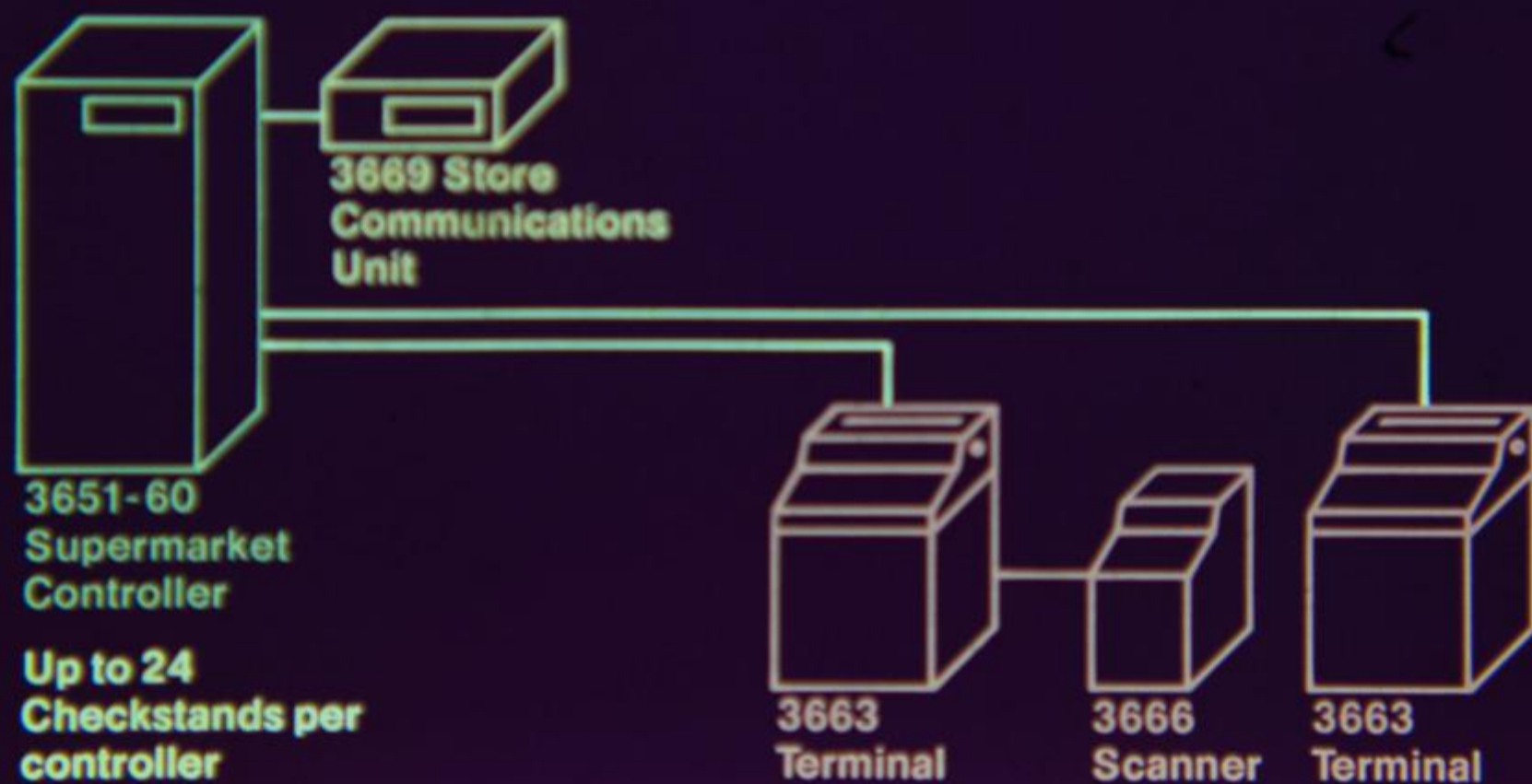
1974

WRIGLEY'S

IBM



3660 Supermarket System Configuration —



NIELSEN SURVEY



Number

GG-50X-TJ

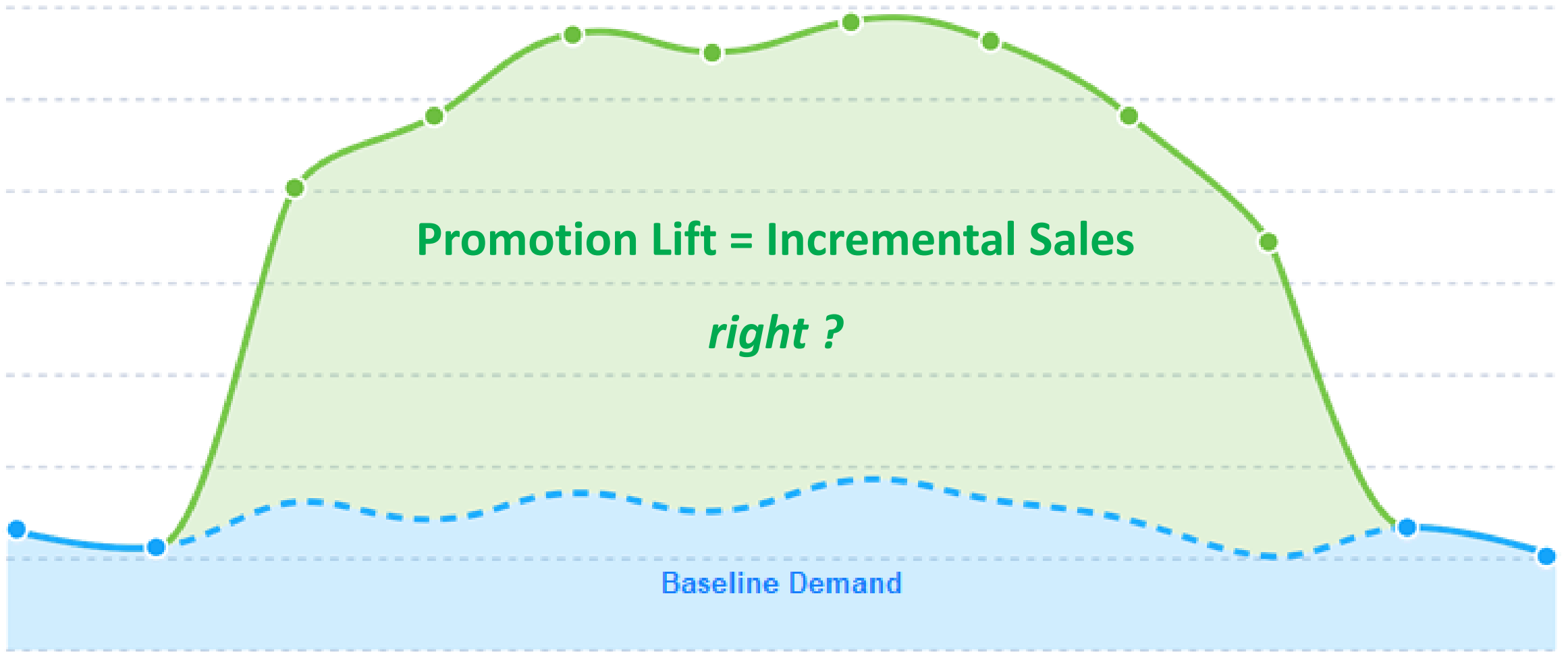


AC Nielsen

Syndicated POS Data

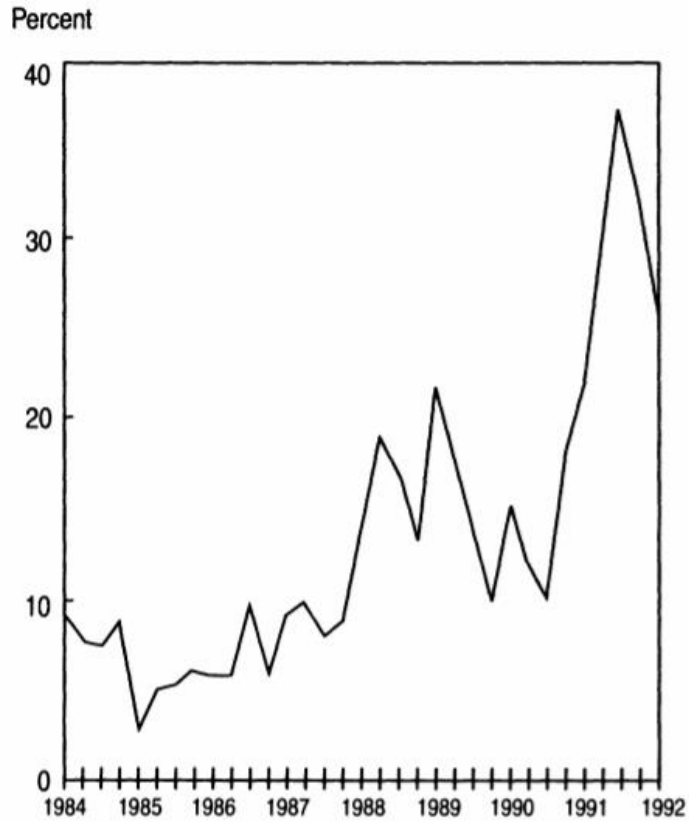
Store

Consumer-level Measurement of Trade Promotions

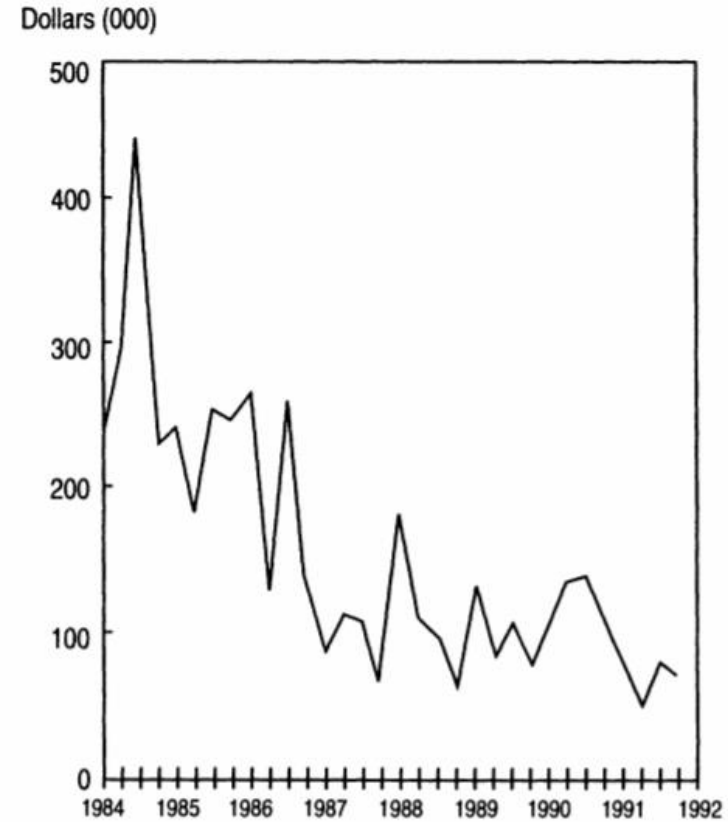


CHANGES IN CATEGORY MARKETING ACTIVITY

Frequency of Discounts



Advertising



47%
Trade

% of 2019
Marketing
Budgets

13%
Ads*

Sources:
The Long-Term Impact of
Promotion & Advertising;
Cadent Consulting Group
2020 Marketing Spend Study

Ads* = Traditional Advertising



One Hundred Billion Dollars

What kind of “Promotion” grows brands YoY?

Trade Promotions



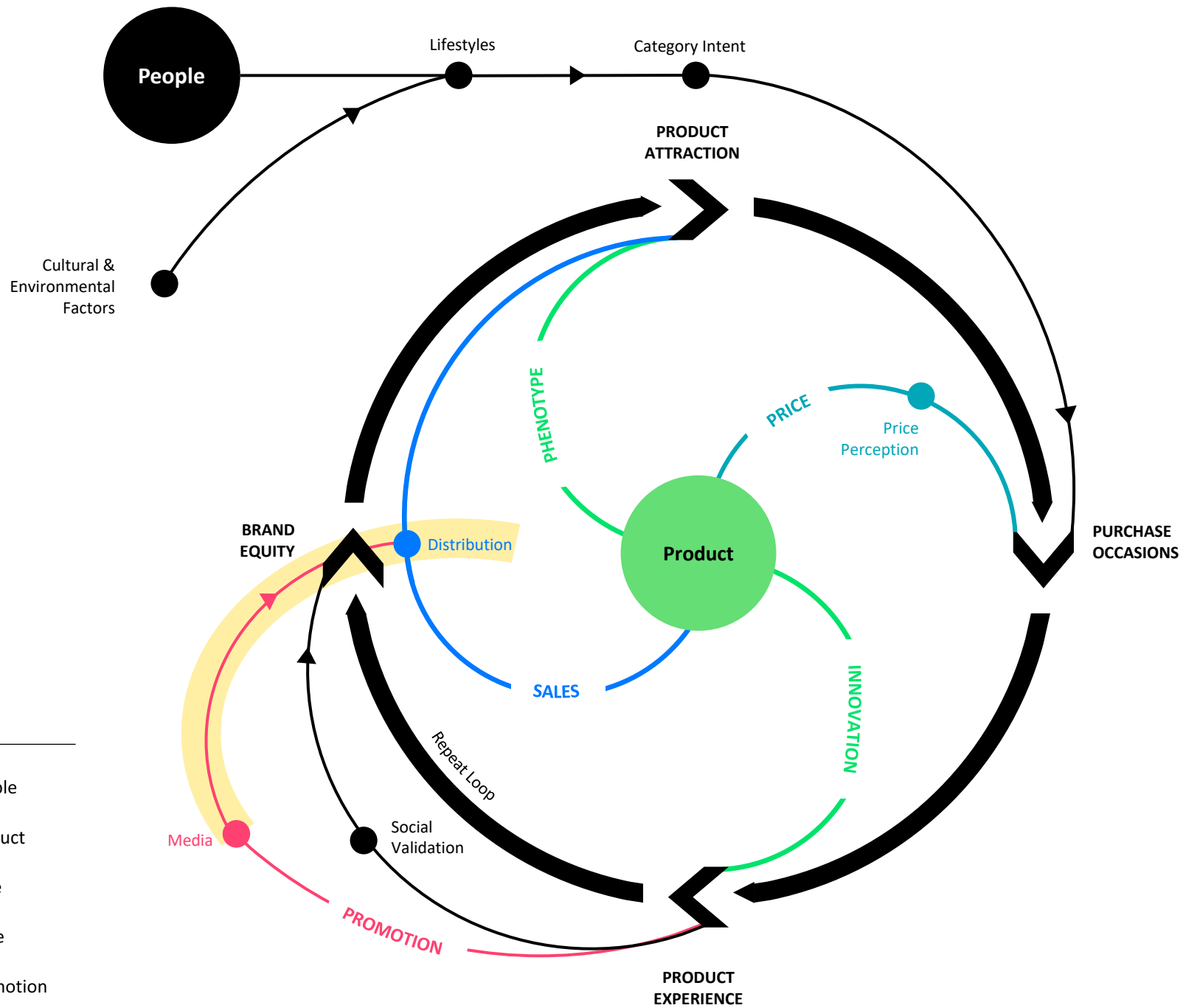
$$r \approx 0$$
$$e = 0 \text{ (-)}$$

vs.

Brand Advertising



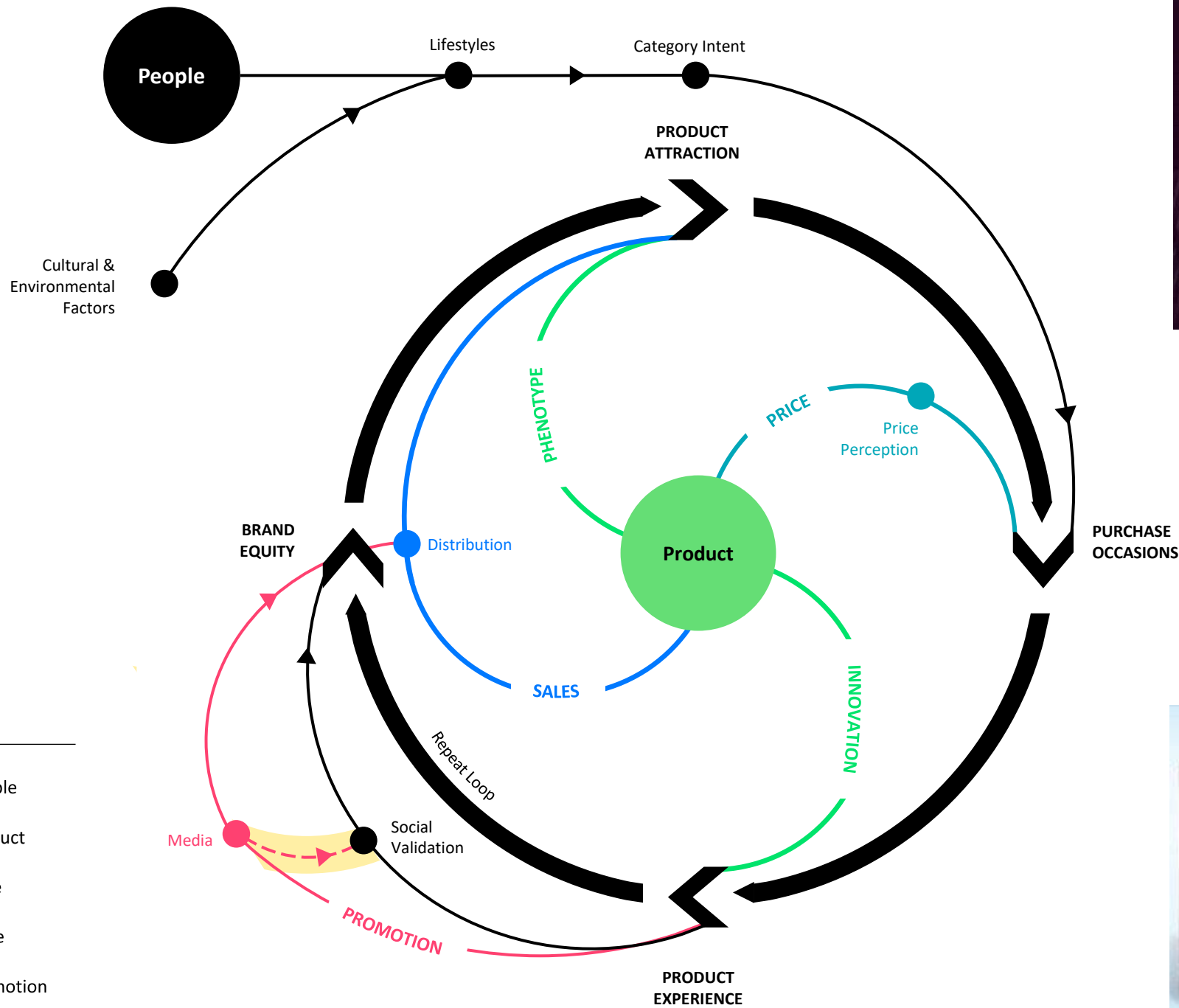
$$r = 0.5$$
$$e = 0.3$$



MEDIA PLAN OF THE YEAR

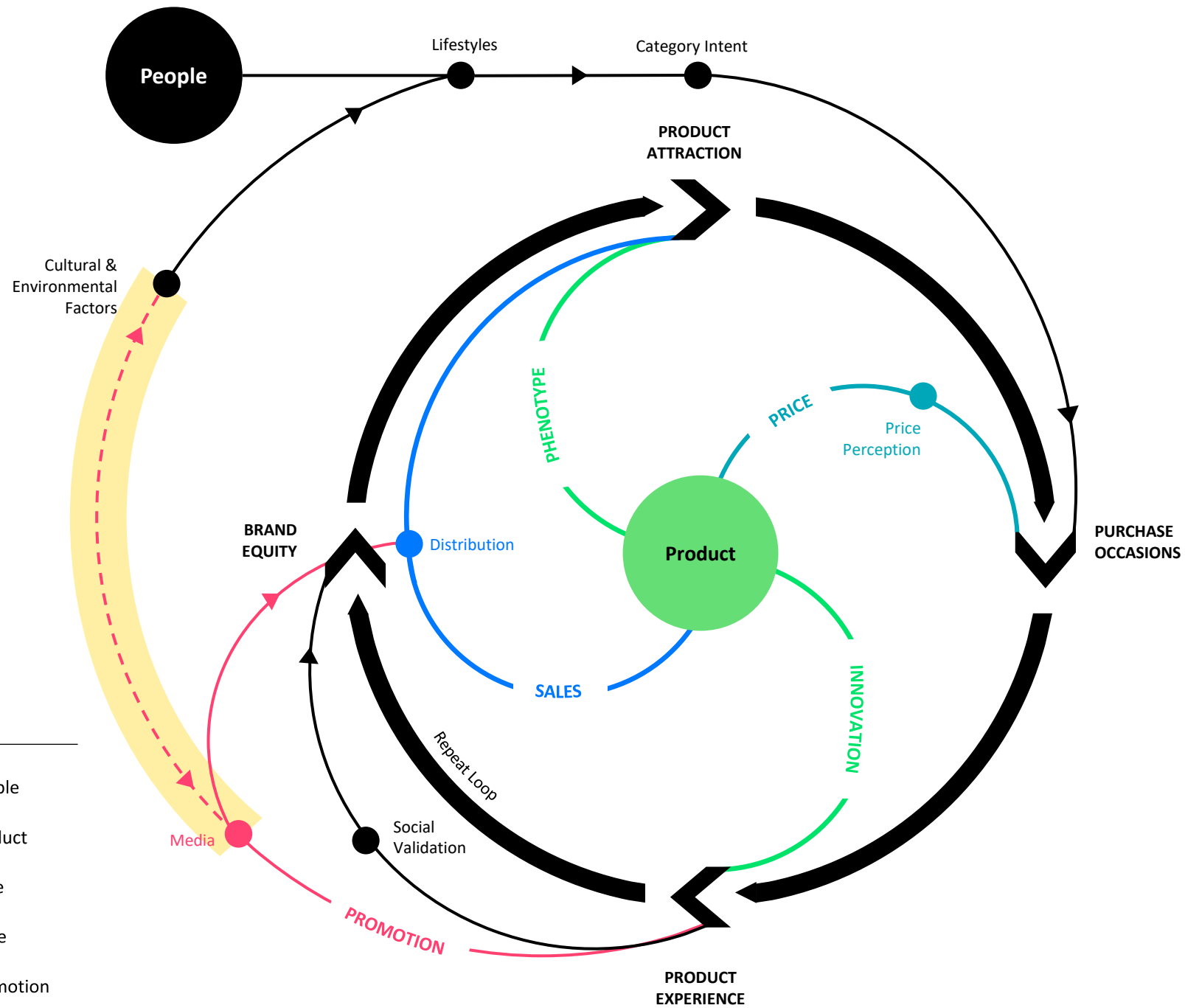
Selling In
&
Selling Through

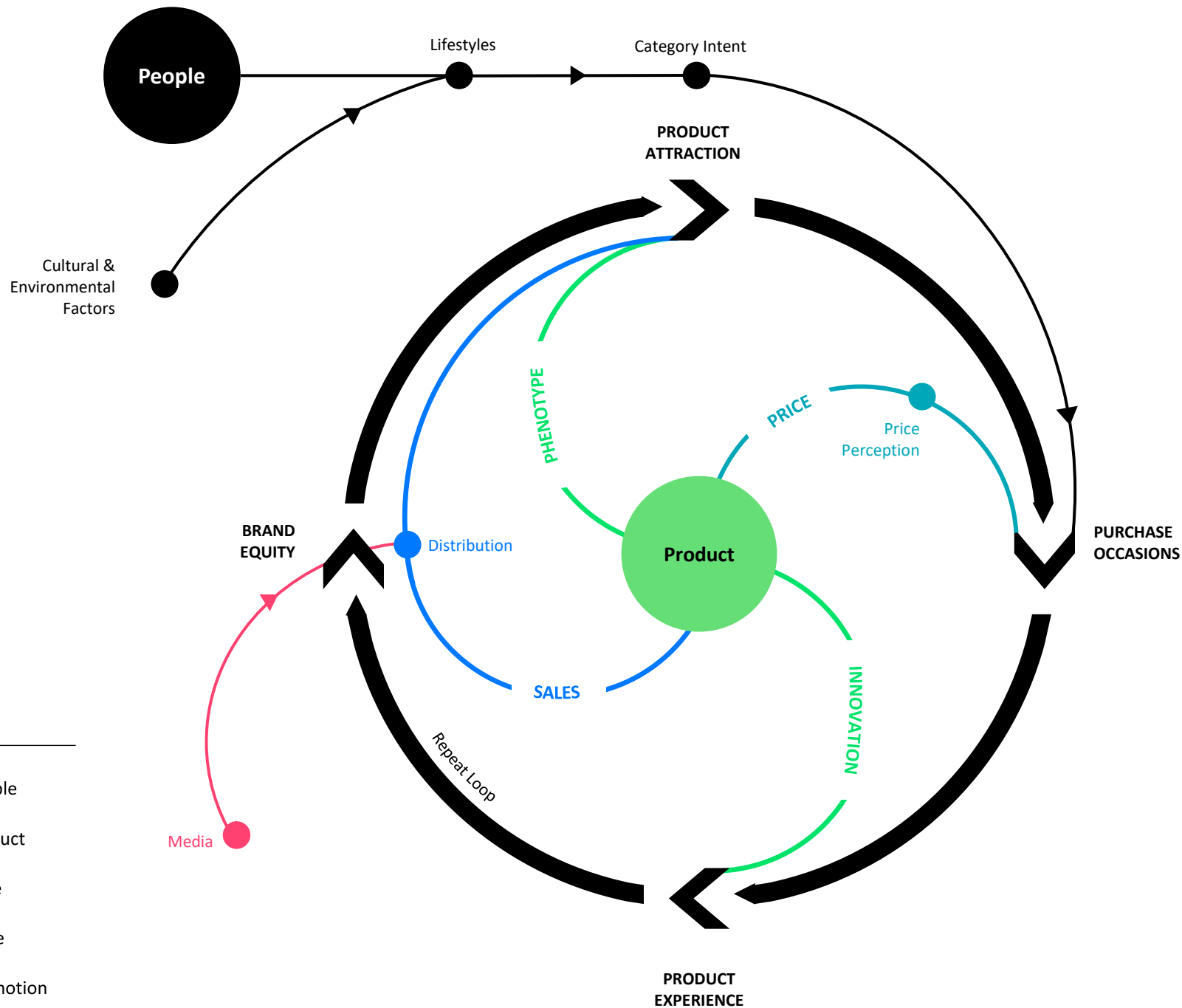




Media offers a back door to Social Validation







If you remember
just one thing:

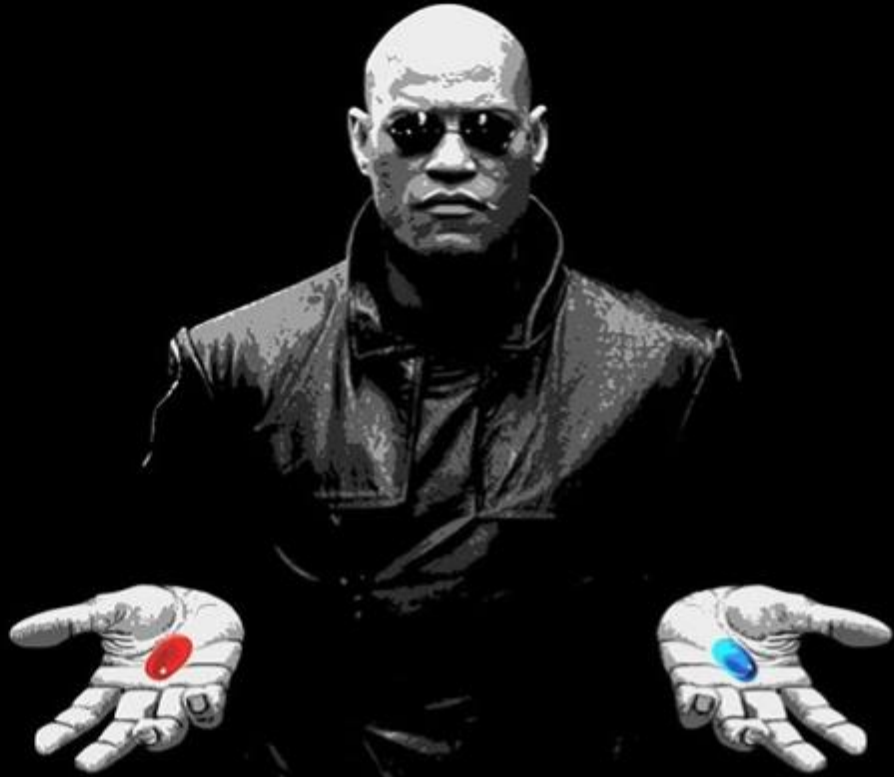
*Winning Brands,
Win Occasions.*

Key

- People
- Product
- Price
- Place
- Promotion



**The Reasons People Try
Are the Reasons People Buy**



ACQUISITION

LOYALTY



**ACTUALLY, I'LL
CHOOSE OCCASIONS**



Thank you!

Visit

www.BrandGrowthFlywheel.com

for research updates & first access to the book

Moderated Interview

Joanna O'Connell

Vice President, Principal Analyst
Forrester



**SUBMIT YOUR QUESTIONS VIA THE
Q&A BOX**



A screenshot of a web form titled "Q&A". It features a large text input area, a smaller input field with the placeholder text "Send us your questions and insights, using this Q&A box.", and a blue "Submit" button.

JOIN THE DEBATE ON SOCIAL:

#MarketingGrowthDebate

Audience Q&A

Marc Vermut

Vice President, Marketing Solutions
Neustar



**SUBMIT YOUR QUESTIONS
THROUGH THE Q&A BOX**

A screenshot of a web form titled "Q&A". It features a large text input area, a smaller input area with the placeholder text "Send us your questions and insights, using this Q&A box.", and a "Submit" button.

**ALL QUESTIONS & RESPONSES
WILL BE POSTED HERE:**

mmaglobal.com/thegreatdebate



A screenshot of the "The Great Debate Q&A" page. The page title is "The Great Debate Q&A". It lists several questions and their corresponding answers. The questions are: "How does this work for financial services where 'repeat rate' isn't applicable?", "Why was ROAS selected as the main KPI for success when many brands are shifting to TV as a stronger metric for media performance?", "What data sources do you need to be able to target the 'movable middle' for a particular brand?", and "Can you share a bit about differences between categories of goods? For example, is this principally about FMCG or does the thesis apply equally across many sectors?". Each question and answer is accompanied by a profile picture and name of the user who asked the question or provided the answer.