How Brands Really Grow

Faced with the challenge of growing market share it is tempting to look for an easy answer. Unfortunately, it probably does not exist. Unless your brand has the potential to be seen as meaningfully different from its competition, our analysis suggests your chances of growing market share are low.

Nigel Hollis
Chief Global Analyst
nigel.hollis@millwardbrown.com
www.mb-blog.com

Audi, Chipotle, sports clothing brand Under Armour, Japanese water brand I Lohas, and the iconic iPhone. What do these brands have in common? The answer is that all five enjoyed strong market share growth during the recent recession. Each one gained share at the expense of their competition. Unlike McDonald's, Aldi or Amazon, which also grew, they are not well known for offering low prices. So how did they grow share? They took what made them different from the competition and made it meaningful and salient to a wider audience.

Audi, Chipotle, Under Armour, I Lohas and the iPhone are just a few of the 2301 brands examined in a recent analysis of the BrandZ database. The analysis took brands that were measured in 2007 or 2008 and compared their scores then with how the same brands performed five years later.

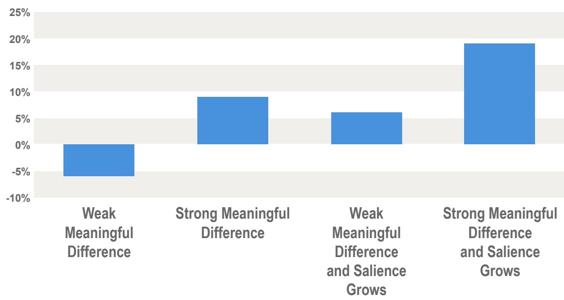
SIZE ALONE IS NO GUARANTEE OF BRAND GROWTH

Unfortunately our first finding from the analysis is a sobering one, particularly if you manage a big, well-established brand. On average the brands with survey-based market shares in the top quarter of those measured in 2007 or 2008 declined by an average of 4% over the next five years. By contrast, the brands with market shares in the bottom quarter by size grew by 11%. This finding should not be a surprise. Many big, salient brands have a nasty habit of declining in the face of new, innovative competition (think Nokia phones, MySpace or Circuit City).

MEANINGFULLY DIFFERENT BRANDS GROW FASTER

The preceding finding poses a challenge when it comes to identifying the causes of brand growth. Given that brands that decline tend to be large and brands that grow tend to be small we need to take the influence of size out of our analysis. The end result is the chart shown (below) which shows the percentage growth in survey-based market share growth of the most meaningfully different brands in our 2007/8 BrandZ database compared to the least meaningfully different brands. We have taken care to strip out the effects of brand size by comparing meaningful and difference scores to their expected levels based on current market share and calculating the difference or "excess." "Strong" is defined as top quartile deviation from expected. "Weak" is bottom quartile.

% GROWTH IN SURVEY-BASED MARKET SHARE OVER 5 YEARS



Source: 2012/3 compared to 2007/8 for 2,301 brands measured in BrandZ

The conclusion is simple. Brands with strong meaningful difference tend to grow, while those lacking meaningful difference tend to shrink. The data also confirms that on average, brands which grow salience also grow market share, however, it is difficult to separate the chicken from the egg. We might expect an increase in brand salience to prompt an increase in market share but buying a previously unknown brand will also make it salient to the buyer. That said, meaningfully different brands benefit from growing salience twice as much as those lacking meaningful difference.

INVEST IN MEDIA TO GROW FASTER STILL

If meaningfully different brands want to accelerate that growth, then media pressure is a great way to achieve this. Of those brands with an excess of meaningful difference in 2007/8, it is the ones that also achieved an excess share of communications awareness (the attitudinal equivalent of "excess share of voice") in that year which grew the most over the next five years. They also enjoyed the highest growth in brand salience. Unfortunately, our analysis suggests that excess share of communications awareness was not enough on its own to stem share decline for brands that lacked meaningful difference.

TO GROW FIRST IDENTIFY WHAT WILL MAKE YOUR BRAND DIFFERENT

Creating a meaningfully different promise for your brand is the foundation for growth. If your brand is not already perceived as different then you need to identify what could make it be seen as such. Our definition of different embraces both uniqueness and trend setting but remember, meaningful difference does not depend on product innovation alone – although that might be the most powerful source – depending on the product category it could be a purposeful positioning, a radical design or espousing a popular trend. To be a valuable asset, the differentiation created by the brand needs to be potentially meaningful to the target audience, sustainable and easily appreciated. Trivial line extensions or facelifts may be easily appreciated but they are unlikely to be meaningful or sustainable.

THEN AMPLIFY WHAT YOUR BRAND STANDS FOR ACROSS ALL TOUCH POINTS

It is tempting to interpret our analysis as suggesting that all you now need to do is invest in above the line media, spending enough to ensure a share of voice greater than share of market. Reality is again more complex. Investing in above the line advertising which breaks through the clutter to reach all potential buyers and establish motivating and brand-linked impressions is important. However, Millward Brown's Crossmedia studies also find that point of sale has a huge influence on keeping a brand salient, not just triggering a sale. Critical to all media or retail channels is ensuring that your brand is easily recognized and triggers instant meaning, a task that is far easier if you know what aspects of the brand cue recognition. When it comes to communications a brand needs to be more than just distinctive – although that is a plus – it requires careful integration into the content to ensure the brand is not just noticed but remembered.

It is time to stop looking for easy answers when it comes to growing market share. To make the most of their budget, marketers must first step back and identify what will create the potential for their brand to be seen as meaningfully different before making the brand salient.

Key Takeaways

- **Brands that grow salience also grow market share**
- **Meaningfully different brands benefit more from growing salience**
- **Meaningful difference is the foundation for growth**