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FMCGe News Article

Brands Rule! Is It Already Time To Get Bolder Again?

Wed 25th March 2009

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There's a certain sense of ironic satisfaction that the latest industry sales figures are showing that brand sales have increased at a higher rate than own label sales (value and volume). It seems that rather than consumers switching out of brands and into own label that they have been actually switching out of premium own label and into brands. Although still early days in 2009, these initial indications back-up the hypothesized belief and predictions at the end of 2008 that decades of brand equity and trust developed from billions of marketing and innovation investment will help carry brands, nee even prosper, in the recession.

This is music to the ears of all of us who support FMCG manufacturers in advertising, marketing services and market research.

So is it too early to sit back and relax (yes)? Moreover, is it actually time to capitalise on this initial trend and be more bullish about brand stretch? For those who want to venture down the latter route, here are a few tips:

1. Brand stretch not brand lurch

There have been many business school case studies demonstrating how to (or not to) leverage brands between categories, or even between industry sectors. When is a brand stretched too far? Simply sticking the brand logo on a line of clothing because it does well as a food product is too simplistic, somewhat arrogant and heading for failure.

The subtleties of brands' values interlinked with consumer benefits and associated usage occasions all need to be thoroughly understood before exploring what, and how, these can be potentially leveraged into other sectors.

2. Trust me, I'm a brand

An exciting project would be to screen the 'neighbouring' categories that you operate in and identify whether there is a fit between your brand values and current consumer needs for reassurance, trust and affordable quality. It might be that there are some 'obvious' new opportunities to leverage the brand. This is a research initiative that The Oxford Research Agency would love to have a look at with you!

3. Take a '360 degree' view of the field of play

Increasingly, we are assessing the needs of stakeholders at pre-launch and early post-launch. This is to identify any potential risks of failure. This means evaluating a new brand stretch with shoppers, consumers and even staff. Ideally, all the ducks will have been lined up pre-launch but sometimes it is more appropriate to get into the market with a trial launch in selected stores. Either way, a '360 degree' holistic evaluation of the launch will allow issues identification and optimisation diagnostics.

For example, integrating trial stores sales data with in-store evaluation of the display, pack standout and price plus range, product and packaging usage testing will come together to provide a full assessment of what needs to be 'fixed' or can be optimised for full launch.

The Oxford Research Agency is quite unique in that it offers a truly bespoke and holistic approach to brand stretch development and launch evaluation. Please contact Andrew Tharme, Joint Managing Director (andrew.tharme@tora.co.uk or call 01865 728272 / 07970 962091), to further advice.