

Any brand can win

On our mind



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What do Bacardi Breezers, Sun detergent tablets and Remia sauces have in common? They all belong to a group of brands that grew faster than their brand categories. In a Bain study of 524 brands in 100 consumer product categories—between 1997 and 2001—a total of 90 brands consistently outpaced their rivals, posting average annual revenue growth rates of above 10%. How did they do it?

Conventional wisdom holds that performance is correlated with brand size, maturity, category or leadership within a category. Unlike agile, little brands, the thinking goes, big old leaders in slow-growth categories are hard-pressed to post impressive growth rates. But our research found that winners were split between large brands and small brands, and almost two thirds belonged to slow growth categories like dishwashing detergent. Meanwhile category leaders, like L'Oréal in hair colouring, accounted for just a quarter of the winners.

What distinguished the winners were innovativeness and aggressive advertising. Brands that drew at least 10% of their 2001 sales from products introduced between 1997 and 2001 were 60% more likely to win. This held true whether they were mature, like Procter & Gamble's Old Spice, or new age, like Sun's all-in-one detergent tablets—which incidentally led to a 19% growth of Sun annual turnover in 2000, without cannibalising 'normal' Sun products.

Winners were also 60% more likely to outspend their category average on advertising. This doesn't mean that innovating and advertising guarantee profits—we've all seen

heavily supported products fail. But it does mean that these levers, used effectively, can improve a brand's odds of sustained revenue gains.

It should come as no surprise that innovation and advertising can boost sales—except to the surprising number of brand managers who complain that their categories are stale and their brands locked into historical growth rates by factors beyond their control. In our study, innovation shone through a variety of brands, expressed in a range of attributes: from new product formulas to new positioning to new packaging.

Take Bacardi-Martini. Today 50% of its turnover comes from products introduced after 1997, largely thanks to the introduction of Bacardi Breezer—the product that inaugurated the market for 'fresh alcohol'—and of Bacardi Limón that became a star in just months.

Without going as far as creating revolutionary consumer goods, just innovation in packaging can generate real growth. Dutch group Remia modified the packaging of its meat and fish sauces—from bottles to square boxes—and instantly sparked consumer interest, leading to impressive turnover growth.

The list goes on. Be it personal care items, snacks or detergents, innovative and aggressively advertised brand winners emerged in 55% of the categories examined. The products are diverse but the message is the same: Any brand can win. There are no tired brands, just tired brand managers.

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