WITH A LITTLE HELP FROM MY FRIENDS

Markenbeziehungen als Schlüssel zum Erfolg

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Successful Management of relationships with customers fosters long-term brand and company success
Brand Relationships vary – in strength, intensity and (emotional) quality
Relationships may change over time due to many reasons...

- Positive or negative **brand experiences** can be made
- **Life situation / living environment** may change
- **Image/WOM**
- Due to **marketing activities:**
  - Brand strategy / politics
  - News / communication
  - Pricing policies
  - Distribution / point of sale
  - Product (attributes)
"The ability to simplify means to eliminate the unnecessary so that the necessary may speak." — Hans Hoffman
INSIGHTS AND INTEGRATION

ADDED VALUE THROUGH INTEGRATION

- CONSOLIDATION of results
- See THE BIG PICTURE
- Generate NEW INSIGHTS
- Drive DECISIONS
Traditional Research Approaches fall short to address the complexity of customer brand relationships

To systematically manage and strengthen customer relationships, the brand management needs a valid (qual / quant) research approach

- allowing to measure **nuanced differences in quality and strength** of (multiplex) customer brand relationships,
- and **capture** especially the **emotional facets** of relationships to brands.
Our Solution:
Using Metaphors to measure Consumer-Brand Relationships

CONSUMER BRAND RELATIONSHIPS are very much comparable to HUMAN RELATIONSHIPS
The CBR Brand Relationships Map: A cross-cultural fixed relationship map as base for characterizing brand relationships

Our relationship map is based on a large scale basic research project across several cultures and industries.
Project Efficiency: Based on global CBR data from 2,000+ brands we have simplified the 27 RTs to 9 relationship classes

From 27 relationship types …

… to 9 response classes

- Complete stranger
- Acquaintance
- Affair
- Social circle
- Close friends/family
- Guru
- Conflicted relationship
- Dissolved friendship
- Enemy
These nine classes have been validated against market share and price premium.
Measuring the longer-term Brand Connections
GFK CBR® Brand Relationship: qualitative richness and quantitative precision

GFK CBR® Measuring Brand Relationship
based on robust scientific background

Relationship Classes
that quantify the level and kind of relationship with your brand

Relationship Strength KPI
that reflects the brands overall relationship potential

Brand Insights with qualitative richness and quantitative precision. Best Innovation Award at ARF 2013 in collaboration with Professor Susan Fournier from Boston University
Consumer Brand Relationships in the German Beer Market
Pils is becoming more and more unappealing. Consumers are less committed to their brand, less ready to invest although they are still intensively flattered.

The German „Pils“ Market:
Although still the largest segment in the beer market (share~58%) penetration and volume are now decreasing for a couple of years.

Advertising Spending
2013: 210 Mio. €
2012: 205 Mio. €
Global relationships patterns based on 1,800+ brands
## Strength and Quality of Relationships in the German Beer Market

<table>
<thead>
<tr>
<th>Relationship Type</th>
<th>Brand A</th>
<th>Brand B</th>
<th>Brand C</th>
<th>Brand D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stranger</td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Acquaintance</td>
<td>13</td>
<td>20</td>
<td>22</td>
<td>20</td>
</tr>
<tr>
<td>Affair</td>
<td>4</td>
<td>10</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Social Circle</td>
<td>18</td>
<td>20</td>
<td>14</td>
<td>13</td>
</tr>
<tr>
<td>Close Friend &amp; Family</td>
<td>49</td>
<td>38</td>
<td>31</td>
<td>25</td>
</tr>
<tr>
<td>Guru</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>On the Edge</td>
<td>6</td>
<td>4</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>Break-Up</td>
<td>5</td>
<td>3</td>
<td>5</td>
<td>30</td>
</tr>
<tr>
<td>Negative</td>
<td>6</td>
<td>4</td>
<td>10</td>
<td>7</td>
</tr>
</tbody>
</table>
Consumer Brand Relationship and Long-Term Brand Growth

Marketing Relevance  Marketing Impact  Marketing Reach

Different Relationships need to lead to …

… different purchase behavior  … different response to marketing activities  … reached through different channels

Insights on “From Relationship to Behavior”
Closer relationship = more buyers for Brand A

Type of Relationship …

Closer

More Distant

… and actual purchase behavior

Close Friend

Stranger

Marketing Relevance

6 x times higher penetration

Source: GfK Consumer Scan
Closer relationship = higher consumption for **Brand A**

*Type of Relationship …*  

Closer  

More Distant

*… and actual *purchase behavior*

**Close Friend**

**Stranger**

4 x times higher consumption

Source: GfK Consumer Scan
Closer relationship = higher loyalty for **Brand A**

<table>
<thead>
<tr>
<th>Type of Relationship</th>
<th>... and actual purchase behavior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closer</td>
<td><img src="Stranger.png" alt="Image of close friends" /></td>
</tr>
<tr>
<td>Close Friends</td>
<td>More Distant</td>
</tr>
<tr>
<td>Stranger</td>
<td><img src="Stranger.png" alt="Image of stranger" /></td>
</tr>
</tbody>
</table>

*Marketing Relevance*

7 x times higher loyalty

Source: GfK Consumer Scan
Strategy Map – Precision Marketing for Driving Long-Term Brand Growth

Source: GfK Consumer Scan
Linking core marketing goals with Consumer Brand Relationship

Strategic Priority

Penetration

Penetration & Intensity

Loyalty

Intensity

Penetration

Source: GfK Consumer Scan
How do Advertising Copies work for different brand relationships?
Copy Strategies – What is the right approach to achieve my marketing goals?
Image Copy especially effective in winning new consumers and increase intensity amongst buddies

Average increase in the number of purchase for households with Ø ad contact vs. households without contact | Source: GfK Media Efficiency Panel
What are the right topics to communicate?
Actualization Copy especially drives loyalty amongst Close Friends

Brand A

**Penetration**  **Penetration & Intensity**  **Loyalty**

Average increase in the number of purchase for households with Ø ad contact vs. households without contact | Source: GfK Media Efficiency Panel
**Promotion** Copy especially effective winning new consumers within more **distant relationships**

Average increase in the number of purchases for households with Ø ad contact vs. households without contact | Source: GfK Media Efficiency Panel
How do you reach them through different ad channels?

<table>
<thead>
<tr>
<th>Close Friend</th>
<th>Affair</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay-TV</td>
<td></td>
</tr>
<tr>
<td>TV News</td>
<td></td>
</tr>
<tr>
<td>TV Sport</td>
<td></td>
</tr>
<tr>
<td>Print Men</td>
<td>e.g. FHM, Playboy, GQ</td>
</tr>
<tr>
<td>Print Women</td>
<td>e.g. Jolie, Joy, Glamour, InStyle, InTouch</td>
</tr>
<tr>
<td>Print Finance</td>
<td></td>
</tr>
</tbody>
</table>

Source: GfK Consumer Scan, Media Usage Survey
How do they react towards **In-Store** activities? Where do they **shop**?
In-Store activation important for all relationships … also relevant for keeping friends

Average increase in the number of purchase for households with price promotion vs. households without price promotion | Source: GfK Media Efficiency Panel
But Occasion matter …
At special events, **Close Friends** buy THEIR brand without price incentive …

<table>
<thead>
<tr>
<th>Volume</th>
<th>Promotion Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ø Aug - Nov</td>
<td>57%</td>
</tr>
<tr>
<td>Ø Dec</td>
<td>57%</td>
</tr>
<tr>
<td>Ø Jan - Apr</td>
<td>58%</td>
</tr>
</tbody>
</table>

Source: GfK Consumer Scan, Aug 2012 to Apr 2013
… whereas Affairs buy at special occasions with price incentives

<table>
<thead>
<tr>
<th>Volume</th>
<th>Promotion Share</th>
</tr>
</thead>
</table>
| Ø Aug - Nov | 65%  
| Ø Dec | 79% |
| Ø Jan - Apr | 64% |

**Brand A**

+ 57%  
+ 22%

Source: GfK Consumer Scan, Aug 2012 to Apr 2013
Aligning promotion activities with marketing targets – where to promote when …

Retailer Preference Map – Index Category Share of Requirement by retailer

Here you reach Affairs

Here you reach Marktkauf

Here you reach Close Friends

Here you reach both

Source: GfK Consumer Scan, Aug 2012 to Nov 2013
Study summary
**Takeaways**

- Different Relationship types show significant differences in their buying behavior, especially with respect to penetration and loyalty.

- Different communication strategies applied in the German beer market resonate with different relationship types.

- By identifying a strategic relationship target group for the future, recommendations can be derived with respect to the right communication strategy.

- but also regarding content and tonality.
Takeaways

✓ Brand relationship should complement existing marketing KPIs to drive long terms growth potential.

✓ Holistic (positive vs. negative, intense vs. weak), dynamic (relationships change over time) and …

✓ … highly actionable for marketing
  
  ➢ Marketing Relevance: Captures different consumption levels
  ✓ Marketing Impact: Sensitive to different marketing activities
  ✓ Marketing Reach: Different channels to reach relationship types
THANK YOU FOR YOUR ATTENTION!

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