

HOW CONTEXT CAN INSPIRE BRAND GROWTH

Shaping brands through
contextual insights

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INTRODUCTION

Brands can grow by reshaping expectations in response to the dynamic context in which people are making choices.

People typically have expectations about the brands they are familiar with. These include what they believe the brand can do for them, and how it will make them feel. Brands are more likely to be chosen when they succeed in reshaping these expectations in a way that resonates. But how can brands identify which beliefs and feelings resonate most?

Many brand growth models try to answer this question with static solutions, using generic key performance indicators (KPIs). However, in reality, people's brand choices do not take place in a vacuum, they are very much influenced by context – what is going on in someone's life, as well as in the world around them. Indeed, brand choice involves a complex interaction of factors that are influenced by the micro and macro contexts in which decisions take place:

- **Micro elements** that influence our brand choice include factors like our decision-making habits, our location and company at the time of choosing a product or brand, the specific occasion, and even the weather.
- **Macro context** includes the economic and socio-cultural environment in which we live, covering the many prevalent topics, issues and themes that are at the forefront of our society – for example, concern for the environment, the desire for a more inclusive society, or the state of the economy.

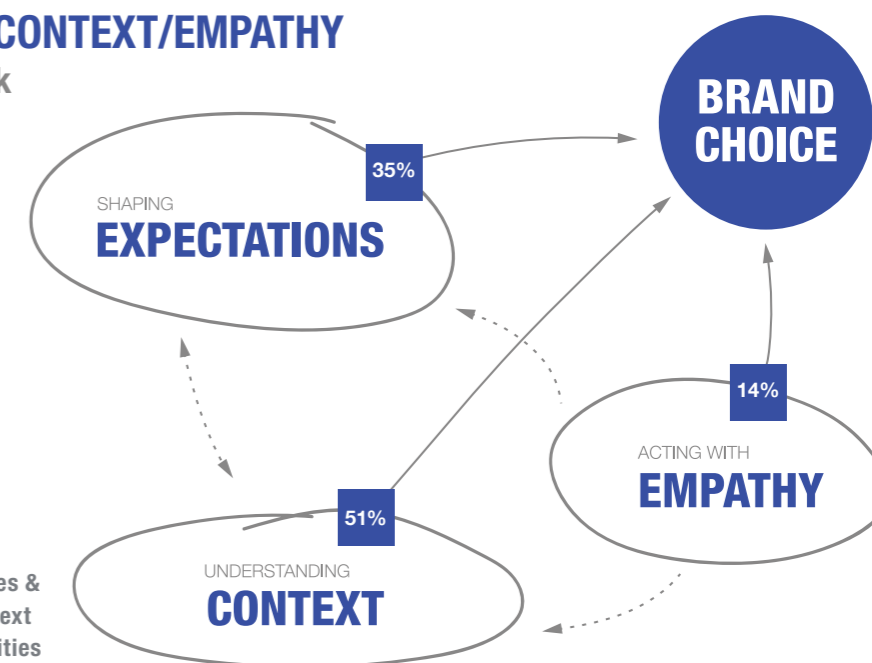
Ipsos research reveals that both macro and micro contextual elements significantly impact people's decision-making processes. Specifically, our research¹ indicates that contextual influences account for over 50% of brand choice drivers, depending on category (see Figure 1). This is why we believe that we should move away from static brand growth models towards more dynamic contextual brand choice models that respond to the ever-changing context in which brands and their consumers are living.

Figure 1: Context is key to understanding brand choice

EXPECTATIONS/CONTEXT/EMPATHY

Three keys to unlock brand success

- Direct influence
- - - Indirect influence
- % Influence scores



R&D across various categories & markets illustrates how context can inspire growth opportunities in multiple ways

Source: Ipsos R&D 2023 (N=17,386). Category Users/Buyers in UK, USA, Japan, France, Mexico, Colombia, Chile, Brazil, South Africa and Germany across streaming, banking, credit cards, sparkling water, beer, retail, analgesics, money management platforms, skincare, automotive and white goods.

Ipsos leverages its expertise in brand growth modelling to identify and capitalise on contextually inspired brand growth opportunities. By systematically analysing potential contextual drivers, we help uncover actionable insights that serve as inspiration for brands to rethink

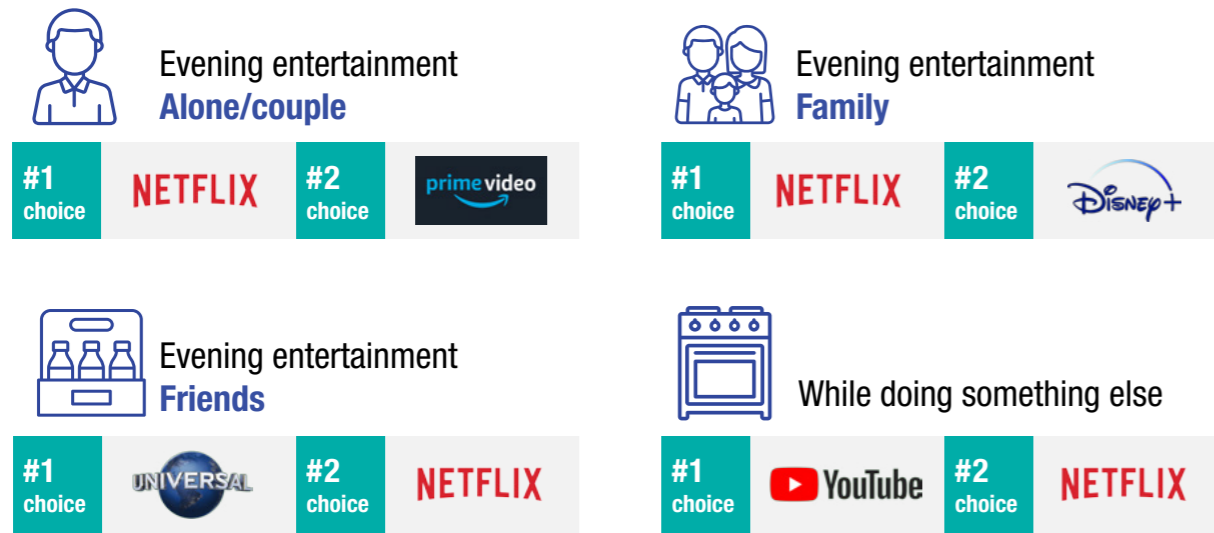
their value proposition and reshape consumer expectations. By understanding context, brands can identify their true competition, understand how consumer decision-making habits influence brand choice, and contribute to socio-cultural forces in a positive way.

CONTEXTUAL UNDERSTANDING CAN IDENTIFY YOUR TRUE COMPETITION

Let's start with an example from media streaming in France where, on the surface, Netflix is dominating the market². When, however, we focus on specific usage occasions, we find that Netflix does have important competition that should not be overlooked (see Figure 2 on next page). For an evening with family, Disney+ is a key competitor. And when people are streaming while doing another activity, they are more likely

to turn to YouTube than to Netflix. With this more granular understanding of where Netflix is facing competition, they can reshape expectations for the brand in order to become more relevant across different occasions. For example, offering more content specifically aimed at moments where people are streaming while doing another activity, such as the 'Fast Laughs' feature, or music.

Figure 2: Identifying competition through an occasions-based lens – top two considerations



Source: Ipsos

Figure 3: Behavioural triggers & barriers

SWITCHING FRICTION				
	TYLENOL	Advil	BAYER	STORE BRANDS
Convenience (easy to find)	●	●	●	●
Familiarity	●	●	●	●
Satisficing	●	●	●	●
Brand loyalty	●	●	●	●
Money saving	●	●	●	●
Cost of change	●	●	●	●

● Above average ● Average ● Below average

n=1000 category buyers in the US

Source: Ipsos

DECISION-MAKING HABITS CAN BE IMPORTANT BARRIERS THAT STOP PEOPLE FROM SWITCHING BRANDS

Recent Ipsos R&D in the painkiller category illustrates the impact that decision-making habits have on the choices we make. Consider for example ‘satisficing’, the decision-making strategy where consumers choose a product or brand that meets their minimum requirements or criteria, rather than pursuing the best possible option. This behaviour occurs when individuals consider an adequate solution that satisfies their needs or preferences as satisfactory, and do not expend additional time or effort in seeking and evaluating alternatives which could provide a higher level of satisfaction.

In the US painkiller category, we see that brands like Tylenol, Advil and Bayer consistently outperform store brands in terms of expectations (see Figure 3). They have consistently better perceptions on all functional (except value for money), emotional and societal

drivers that we included in our research. But where we do see a key difference is in the importance of satisficing for store brands. Next to affordability, this is the single most important driver that explains why people choose store brands. With this information, rather than investing more money in convincing people about the superiority of their product, national brands should instead invest in identifying different ways in which they can reduce the impact of satisficing. National brands can, for instance, invest in a disruptive promotion in order to break routine behaviour, or create more exclusive access through a direct-to-consumer approach. National brands can also stress the important societal impact they have. And, of course, investing in innovation remains an important strategy in offering people the opportunity to think about alternative painkiller brands.

CHANGES IN SOCIO-CULTURAL OR ECONOMIC CONTEXT CAN INSPIRE NEW WAYS FOR A BRAND TO GROW

Brands do not just live inside the confines of the category they operate in. Brands often become part of cultural movements in society. In recent years, we increasingly see that people expect brands to help overcome some of the bigger tensions we are facing in society, as demonstrated by our Ipsos Global Trends research.³

This is also confirmed by recent Ipsos R&D. If we model what we call societal expectations – positive ways for brands to have impact beyond the category – we see that they are almost equally important to functional and emotional expectations (see Figure 4 on next page). And this is a consistent pattern across the many countries and categories we included in the research.

Figure 4: Relative importance of functional, emotional and societal expectations

BRANDS SHOULD NO LONGER IGNORE SOCIETAL EXPECTATIONS



Source: Ipsos

What this means for brands is that societal expectations around having a positive impact on planet or society offer a possible alternative route for brand growth. It doesn't mean that every brand needs to embrace societal impact, nor that only having societal impact is sufficient. But what it does show, is that when you do have positive impact, it can contribute to your overall equity.

Consider the example of South African lager brand Carling Black Label, and how they responded to the unfortunate (occasional) correlation between drinking alcohol and gender violence. To help address this issue, Carling Black Label started the award-winning #NoExcuse campaign, where they addressed the fact that many men use alcohol as an excuse for turning violent. This also included a group of women performing a well-known football anthem at the start of an important local

football game but changing the lyrics in order to advocate for women's rights and against domestic violence.



Source: Carling Black Label's #NoExcuse campaign⁴, YouTube

Ipsos R&D demonstrates how this campaign has resulted in Carling Black Label being seen as a brand that takes a stand, an important driver of choice in the South African Beer category.

LEVERAGING CONTEXT TO DRIVE BRAND GROWTH

As we navigate the ever-evolving landscape of brand growth, the insights from our research highlight the undeniable influence of both micro and macro contexts in shaping consumer decisions. Whether you're steering a global giant or nurturing a startup, understanding and adapting to these dynamic contexts is not just beneficial – it's essential.

As a brand manager, this process starts with contextualisation. We are often told that context matters, but we need to begin with a strong hypothesis about how specifically context can contribute to brand growth. The questions shown here offer a starting point for contextualisation.

We encourage you to actively engage with these questions, as a deeper understanding of context can reveal untapped avenues for your brand's growth.

1. What are the **current expectations of our consumers** regarding our brand and category and how have these evolved in recent times?
2. What are the **key societal, cultural, and economic trends** that could impact our brand, and how are we addressing them?
3. In what ways do we see brands in other categories **leveraging context in their strategies**, and what can we learn from them?
4. How do our **customers' decision-making habits influence their brand choices**, and how can we adapt our marketing to align with these habits?
5. What **specific usage occasions** offer the most growth potential for our brand?

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This paper forms part of our three-part series on **understanding the impact of context on brand choice**. The series focuses on the importance of identifying the context in which consumers make brand choices and using these insights to drive brand growth. Understanding context should be a high priority for marketers – they need to find ways to capture context in their research, interpret it, and leverage it to their advantage. This series of papers aims to help marketers address these challenges and think about brand research in new ways.



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