

# CASE STUDY: TOILET TISSUE PAPER

**BVC Case Study showcasing Price Spotlight**

BRAND VALUE CREATOR



26 July, 2022

BRAND ACTIVATION STUDIO

GAME CHANGERS



# BACKGROUND TO THE CLIENT AND OBJECTIVES



THE MARKET COMPRISES EIGHT COMPETITORS IN THE BATHROOM TISSUE CATEGORY



Client brand is anchored in a long heritage of being an environmentally friendly company. The most widely distributed variant in their range includes a 'green' Enviro variant made of recycled paper; other lesser distributed variants in the range are not made from recycled paper.



The market leading brand is very dominant in this market and employs a relentless promotional strategy using price as the primary vehicle



The second player is a private label store brand, which is only available at a retailer that operates on the base of membership

# BACKGROUND TO THE CLIENT AND OBJECTIVES



CLIENT SEEKS TO GROW THEIR BRAND EQUITY AND POSITION IN THE MARKET...



But needs confirmation on where the focus of their efforts should be: especially given the market leading brand's relentless focus on price



Within the client business there are divergent opinions about how to grow the brand:

- There is a belief by the Brand and Marketing teams that **more promotional activity** needs to be implemented to gain sales
- The Trade teams feel that the everyday **price needs to be reduced** and that brand desire needs to be built to allow for brand growth



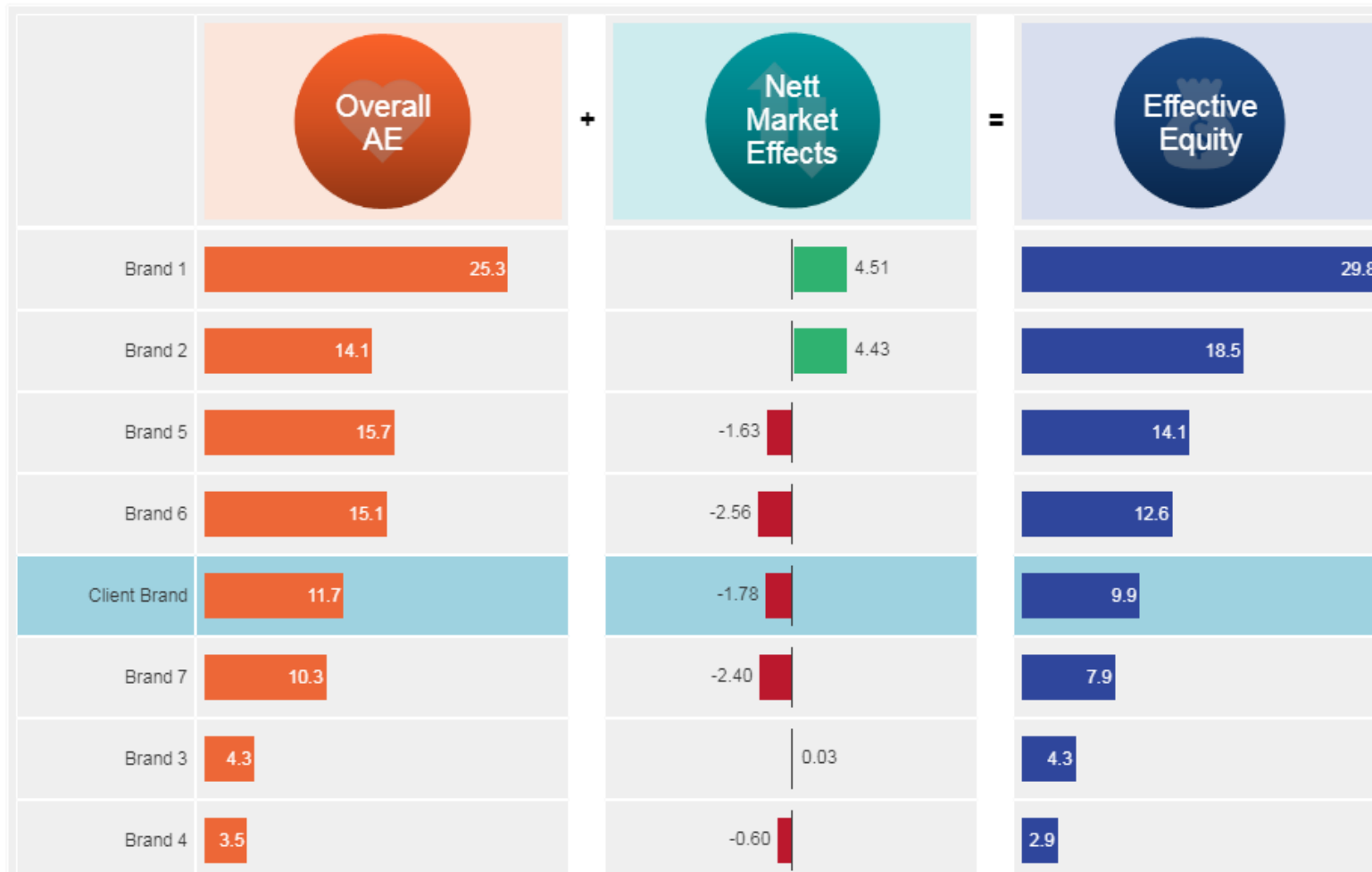
To address these objective, a BVC study including Price Spotlight was commissioned.

# EQUITY ANALYSIS



# BRAND EQUITY OVERVIEW (1)

Client brand is fifth ranked in this market and experiences share losses due to Market Effects



**Brand 1** is established and dominates with strong brand desire and positive Market Effects.

Second placed **Brand 2** is a private label store brand that has *lower* brand desire than Brands 5 and 6, but it's strong positive Market Effects push it to second position overall.

**Brands 5, 6 and 7** all experience quite substantial share losses due to negative Market Effects, which erode their overall equity and net position.

**Brands 3 and 4** are relatively small store brands.

# BRAND EQUITY OVERVIEW (1)

The Brand Spotlight measure of future growth potential indicates that Client brand is one of three brands that show growth potential



As expected, Brand Spotlight indicates the Market leader will remain **stable**, whereas there is a **small decline** potential for **Brand 2**.

Small **growth potential** exists for **Client Brand and Brands 6** (a *premium brand*) and 7.

Note: these brands may pose a competitive threat to Client brand as they are likely to jostle as they compete for more share within the toilet tissue repertoire.

# BVC BRAND DASHBOARD: CLIENT BRAND (1)

Client brand is a repertoire brand that competes with 4.5 other brands on average. It is relevant to 60% of the market, but only 32% actually use it

**Client Brand** operates within a **repertoire** of 5.5 brands.

By virtue of their dominance, **Brands 1 and 2** will almost always be included in the consideration set, alongside two additional brands – hence Client Brand is in a **tough competition** for share. Reducing the repertoire size to three brands would be beneficial.

**Client Brand** performs on par with the market average on the Brand Relationship metrics but only 14% of its users and considerers believe it is the best (first ranked) brand. More than half (52%) of Client Brand's own users and considerers rank it **3<sup>rd</sup> or below!**



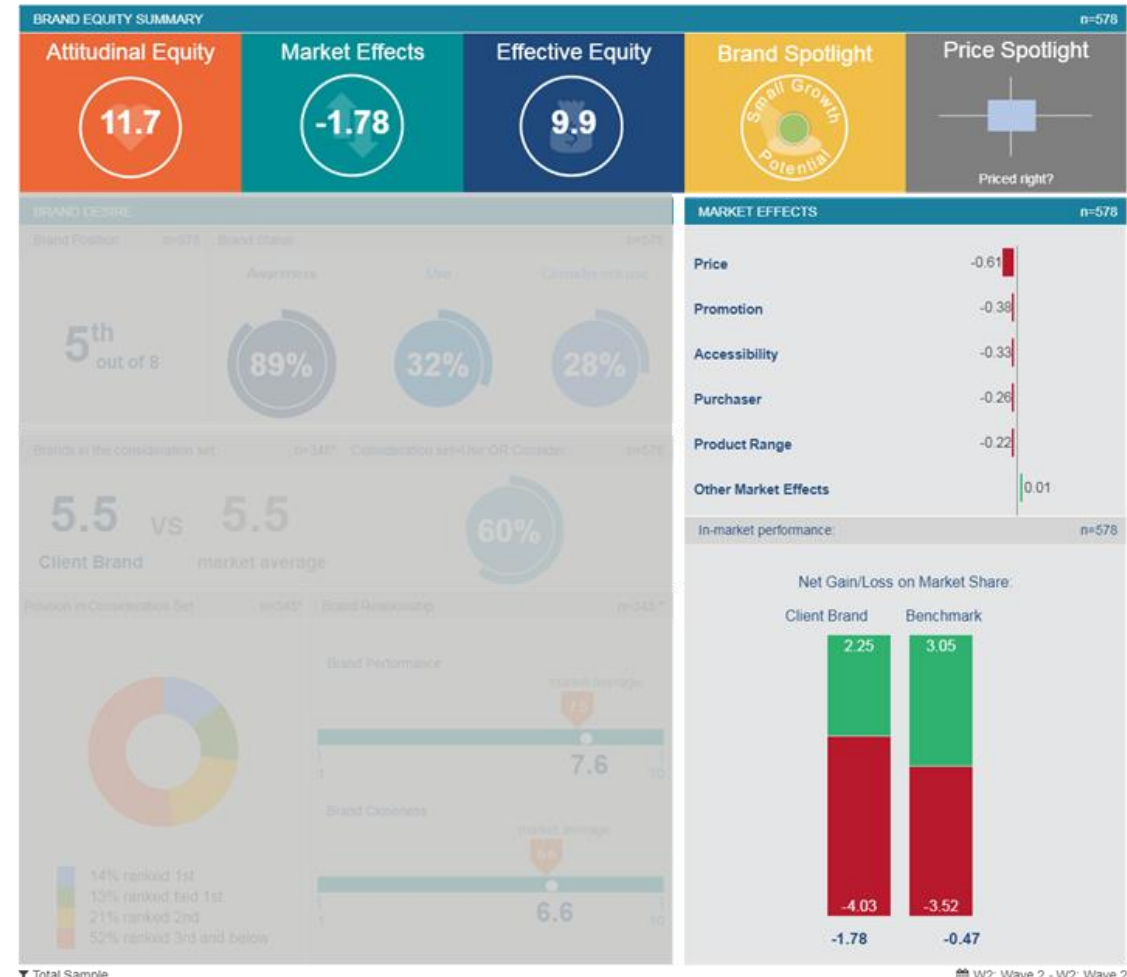
# BVC BRAND DASHBOARD: CLIENT BRAND (2)

Client brand experiences more substantial losses due to Market Effects than we would expect from a similar brand

The Market Effects most affecting **Client Brand** are **Price and Promotions**, with **Accessibility** to some degree.

However, **Price Spotlight** indicates that Client brand is probably at the **right price point**.

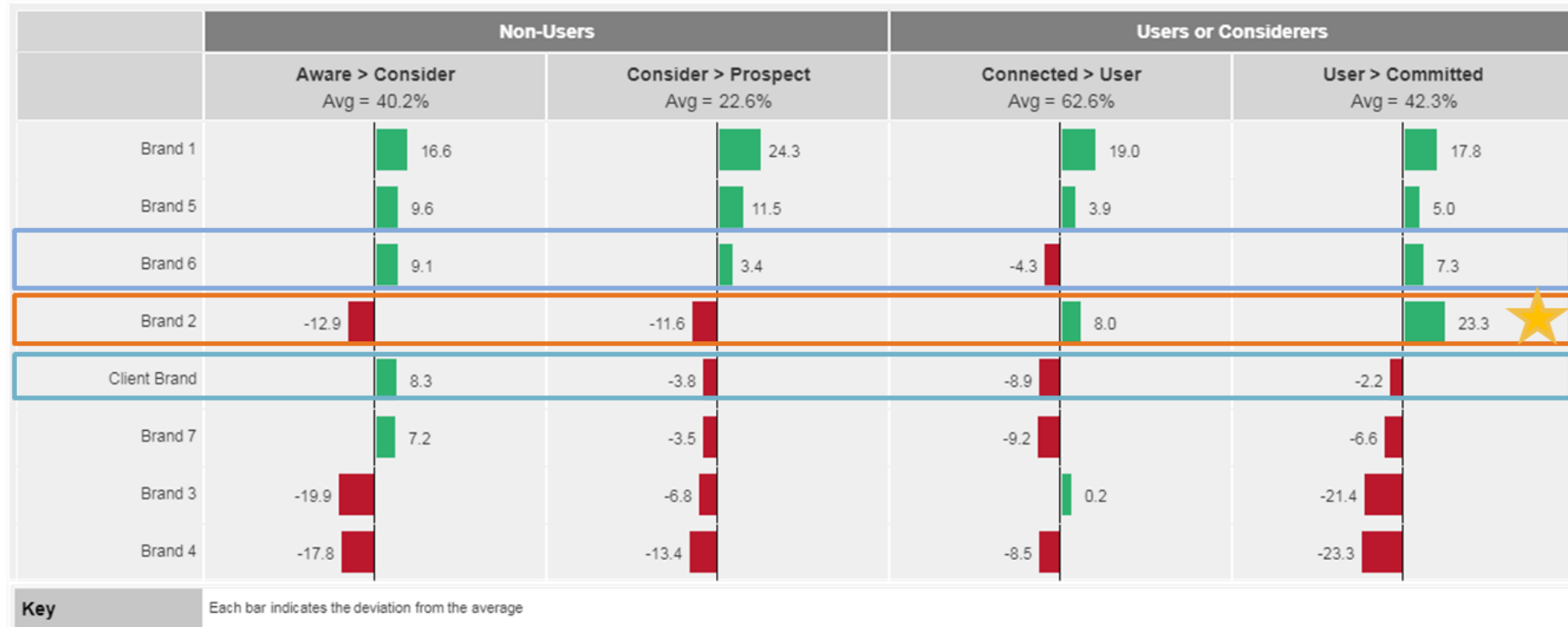
A more detailed exploration of Market Effects and in particular, price, promotions and accessibility will reveal the specific actions that are recommended to **achieve the growth potential** that exists.





# CONVERSION RATIOS: UP THE EQUITY CHAIN (CLIENT)

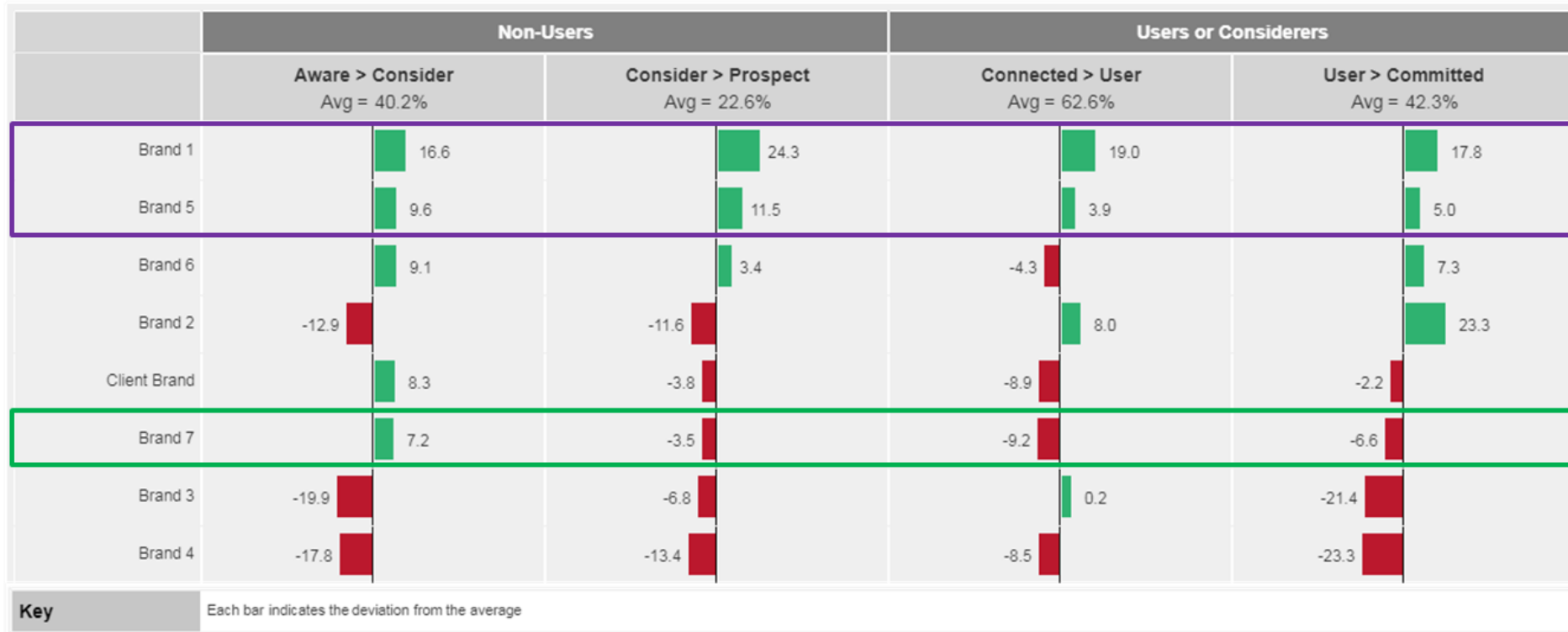
Client Brand is good at converting people from being aware of it to consider the brand. Building brand desirability and initiating trial will support the brand in continuing up the equity chain



Second in the market, **Brand 2** (store brand) offers Client Brand an opportunity in it's weakness at generating consideration and desire among non-users, but it has the most committed user base, so it does well at creating quality usage. While the struggle **Brand 6** (a premium brand) has with converting desire into usage among users and considerers offers Client Brand further potential in its equity growth pursuits.

# CONVERSION RATIOS: UP THE EQUITY CHAIN (COMPETITORS)

Brand 7 has a similar equity profile to Client Brand meaning they have the same conversion opportunities in their equity chains



**Brand 1** and **Brand 5** are the competitors successfully converting people up their respective equity chains, but Brand 5 has some Market Effect challenges making it harder for it to grow its users

# ATTITUDINAL EQUITY OVERVIEW

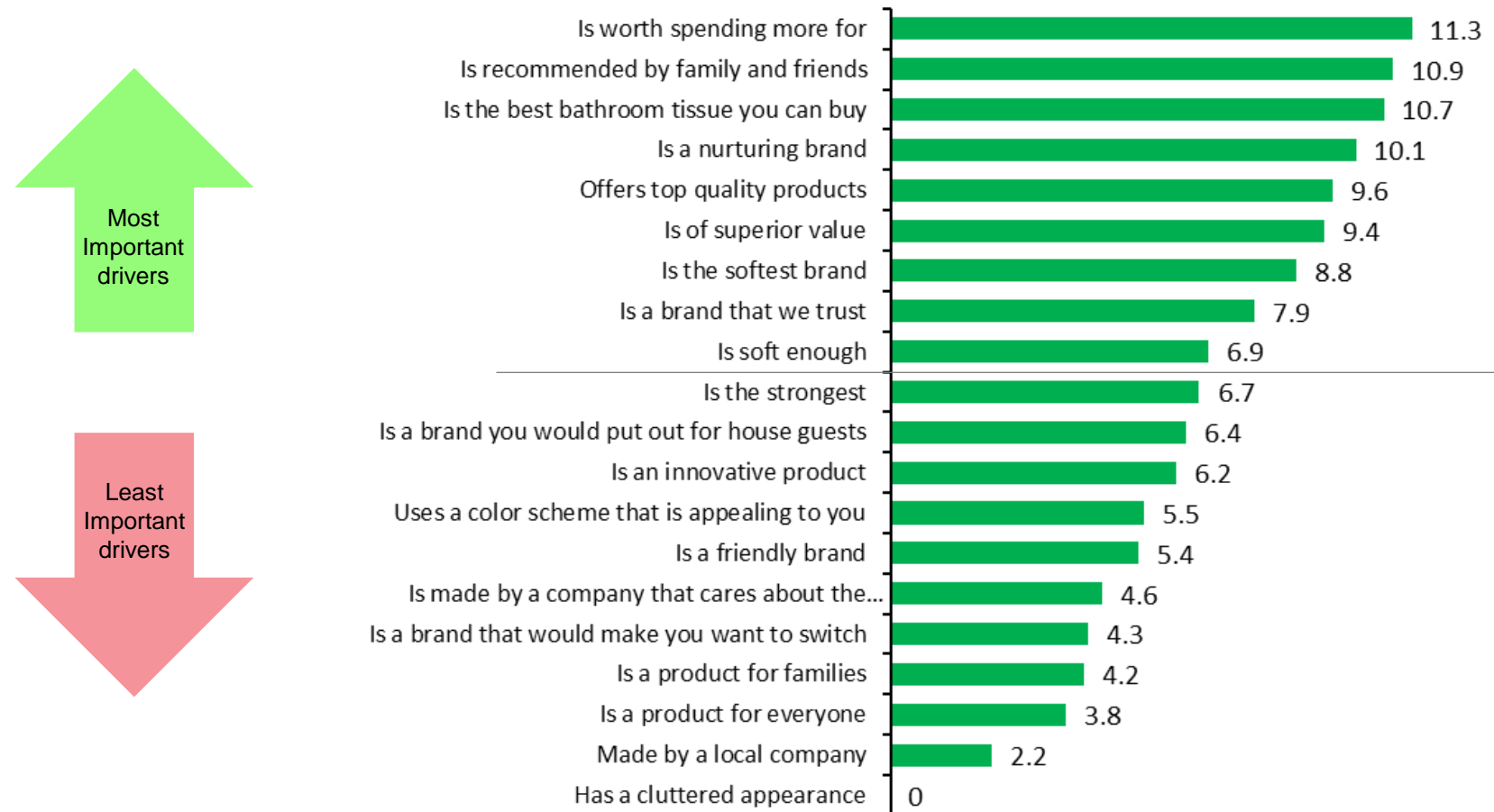
Client brand has the second highest number of considerers (after Brand 7) indicating that there is potential to grow the brand by driving trial

	% Unaware	% Aware, not consider	Consider, Don't use/buy			Considerer AE	Use/buy			User AE	Overall AE
			% AE: 1-20 Low	% AE: 20-40 Reasonable	% AE: 40+ High		% AE: 1-20 Low	% AE: 20-40 Reasonable	% AE: 40+ High		
Brand 1	0.5	12.3	9	6	1	21.0	28	20	23	30.9	25.3
Brand 5	1.8	24.9	16	8	1	16.9	26	14	9	23.7	15.7
Brand 6	1.4	29.6	21	5	2	17.1	20	11	9	25.4	15.1
Brand 2	19.9	35.2	12	11		10.8	11	6	15	40.0	14.1
▶ Client Brand	11.0	29.4	22	5	1	13.1	19	5	8	25.2	11.7
Brand 7	3.6	32.9	24	4	1	13.8	22	9	3	18.2	10.3
Brand 3	16.8	49.4	11	11		11.1	17	2	2	13.7	4.3
Brand 4	23.6	47.0	12	10		9.5	13	2	1	13.6	3.5

However, the level of brand desire amongst considerers (13.1) is not particularly strong when compared to most desired **Brands 1 & 5**, and premium **Brand 6**. Just 8% of the market is highly committed to **Client Brand** (a benefit over Brand 7), compared to 23% for **Brand 1** and 15% for **Brand 2**. Building desirability for Client Brand is paramount. **A thorough imagery analysis is required to pinpoint the route.**

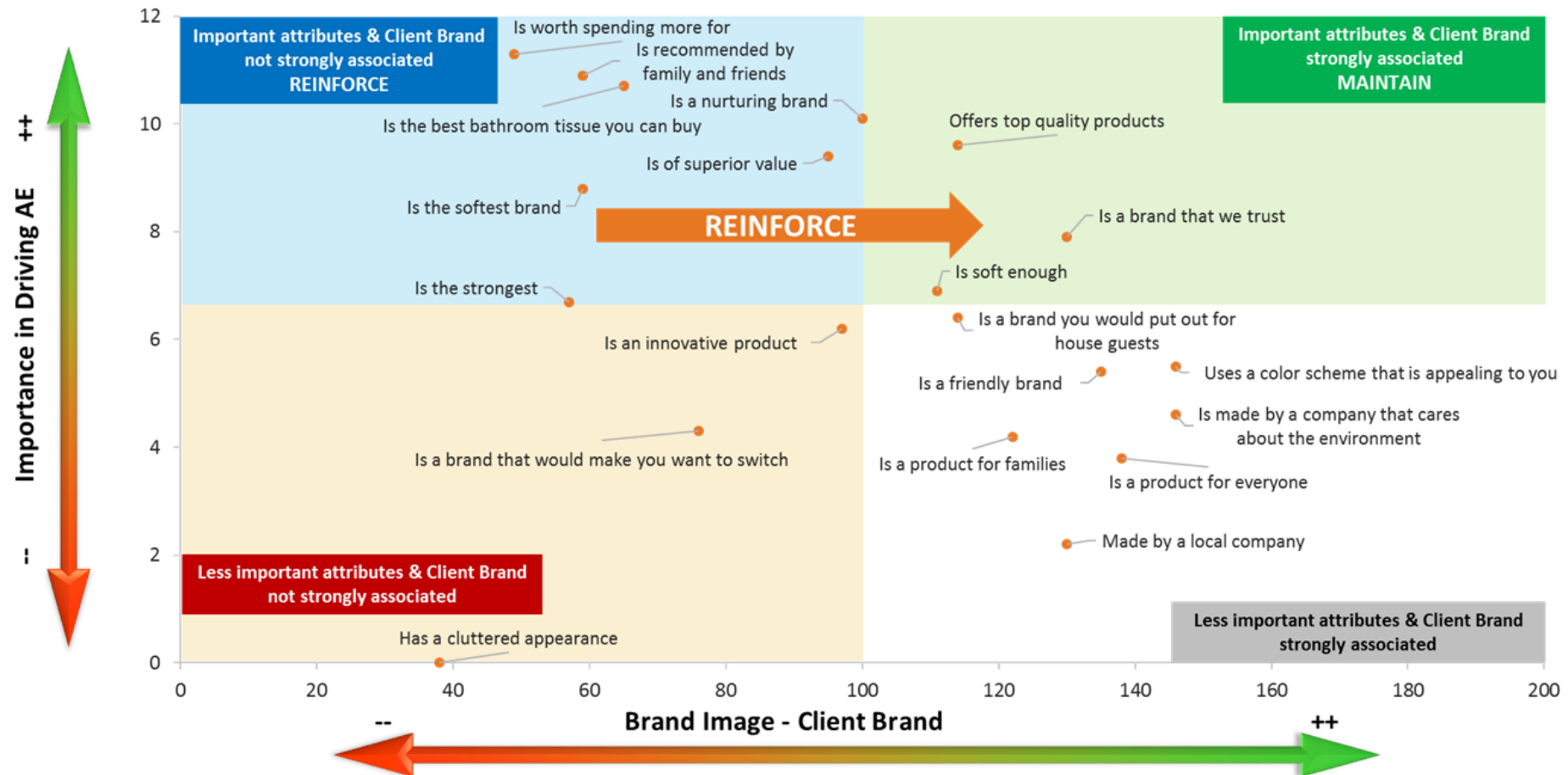
# IBN CATEGORY DRIVERS OF BRAND DESIRE

The most important drivers are a mix of extrinsic factors including worth paying more for, nurturing, quality and value, but softness is a key intrinsic attribute



# OPPORTUNITY MATRIX: CLIENT BRAND

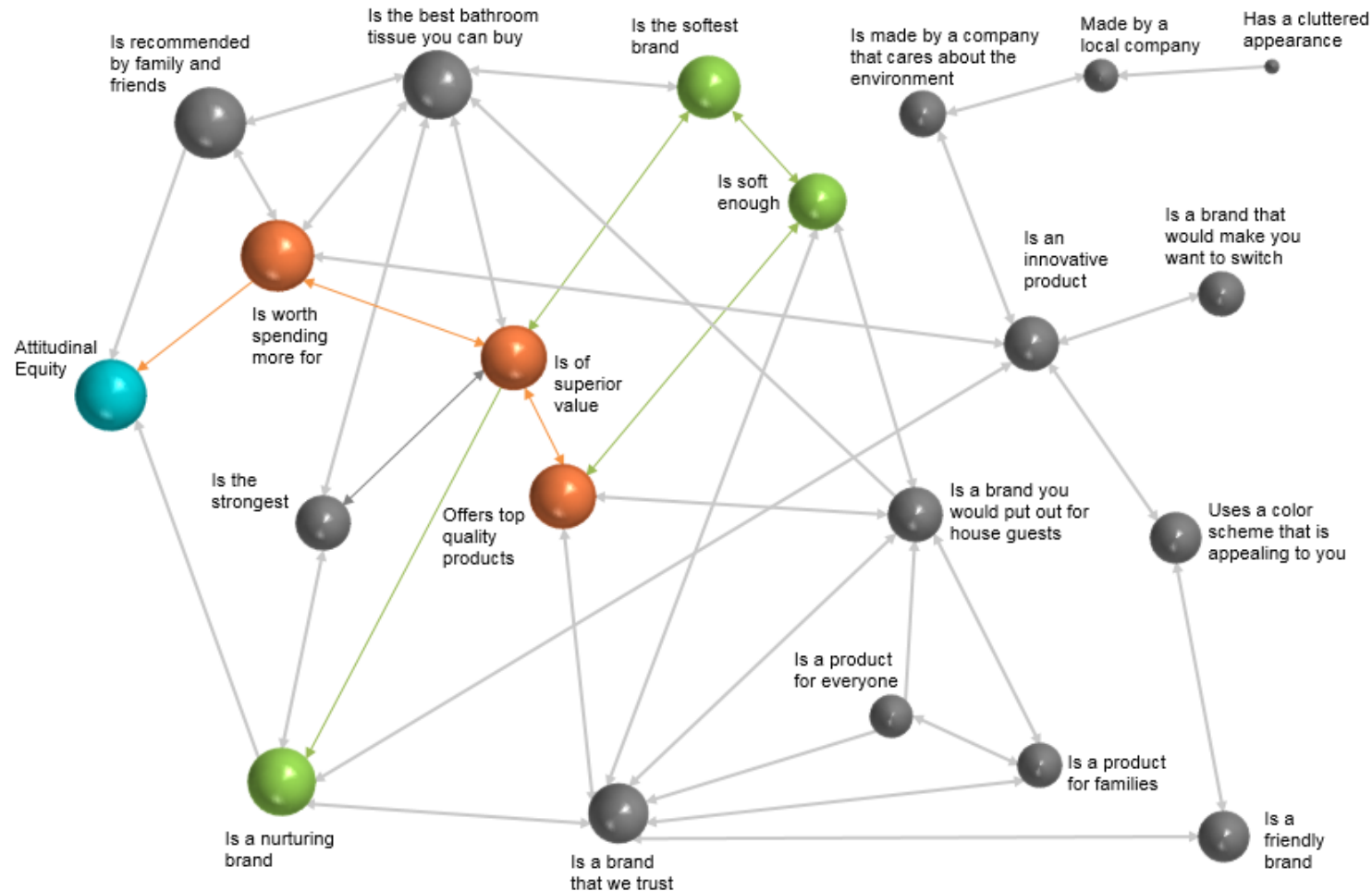
Although Client Brand is associated with a quality brand that you can trust, it does not perform well on the key drivers of AE: worth paying more for, value, nurturing, best, softest: these must be reinforced in marcoms





# CATEGORY IBN STRUCTURAL MAP

Leveraging softness in communication initiatives will have an impact on value and quality, which in turn will justify it being worth paying more for



Green attributes can be activated through marketing and communication initiatives and that are important to drive brand desire:

- **Softness:**
  - Softest brand
  - Soft enough
- **Nurturing**

→ None of the brands are highly associated with softness relative to their other attributes... perhaps an area to own?

# NON-USERS: BARRIERS TO CONSIDERATION

All brands besides the market leader suffer from a fair degree of non-consideration: almost 1/3 of the market do not consider Client Brand; 35% do not consider Brand 2. Is this surprising given it's committed users?

	% Unaware	% Aware, not consider
Brand 1	0.5	12.3
Brand 5	1.8	24.9
Brand 6	1.4	29.6
Brand 2	19.9	35.2
Client Brand	11.0	29.4
Brand 7	3.6	32.9
Brand 3	16.8	49.4
Brand 4	23.6	47.0

- Too expensive
- Not stocked where I shop
- Not often on promotion
- Too expensive
- Not used to buying this brand
- Not stocked where I shop
- Poor quality
- Not premium enough
- Not soft enough
- Not used to buying this brand

But this is primarily due to store **Brand 2** only being available at membership based stores.

Other store **Brands 3 and 4** suffer from similar distribution issues and notably, they lack intrinsic qualities and this counts against their ability to gain salience.

**Client brand**, along with **Brand 5** and **7**, are not considered primarily because of **price, lack of promotions** and people simply **not being used to buying the brand**.

Importantly, Client Brand and Brands 5 and 7 do not suffer from negative quality or intrinsic associations; people simply **need encouragement** to try these brands.

# BARRIERS TO CONSIDERATION

All brands besides the market leader suffer from some degree of non-consideration, especially surprising for Brand 2 given it's committed users

	% Unaware	% Aware, not consider	Not stocked where I shop	Poor quality	Too expensive	No pack size I want	Rarely on promo	Feel ashamed to buy	Don't like packaging / logo	Not premium enough	Rolls are not big enough	Not safe for septic tanks	Not soft enough	Not used to buying
Brand 1	0.5	12.3	0.5	0.8	4.4	0.7	1.5	0.3	0.2	0.7	0.0	1.0	0.0	3.6
Brand 5	1.8	24.9	1.8	1.1	9.5	1.1	3.8	0.4	0.2	1.2	1.5	0.8	0.7	7.4
Brand 6	1.4	29.6	1.6	1.8	11.0	1.0	4.3	0.8	0.9	0.7	0.8	3.9	1.9	7.7
Brand 2	19.9	35.2	13.8	4.9	2.3	1.6	1.9	2.0	2.3	3.4	2.0	0.9	3.7	7.8
▶ Client Brand	11.0	29.4	2.1	1.3	10.4	1.0	4.1	0.7	1.9	0.9	1.8	0.4	1.8	10.6
Brand 7	3.6	32.9	2.1	1.6	10.6	1.6	6.1	0.3	0.6	0.6	1.0	1.3	1.4	11.0
Brand 3	16.8	49.4	9.1	11.9	3.3	4.4	3.3	1.8	3.0	7.5	4.6	0.6	8.6	17.9
Brand 4	23.6	47.0	9.6	10.4	2.7	2.8	2.3	1.6	3.6	6.7	4.1	0.6	8.6	16.0

But this is primarily due to this store brand only being stocked in membership based store outlets. Other store **Brands 3** and **4** suffer from low quality perceptions, not premium and not being soft enough. **Client brand**, along with **Brand 7** and **5**, are not considered primarily because of **price, lack of promotions** and people simply not being used to buying the brand. Importantly, Client Brand does not suffer from negative quality or intrinsic associations

# MARKET EFFECTS

# SUMMARY OF MARKET EFFECTS: CLIENT BRAND

Client Brand's negative Market Effects are primarily due to Price perceptions; promotion and accessibility albeit to a lesser extent



Question: Is the negative impact of price perceptual? When people aren't able to buy Client Brand due to **price perceptions, promotion** and **accessibility**, most people buy **Brand 1** instead. These three elements need to be addressed to initiate trial and obtain greater usage. If the **price** issue is perceptual, it may be remedied by a communications strategy that centres on **value**, and on communicating it **softness**: people may not be prepared to pay the price for the enviro range of Client brand they don't believe delivers on that key element



# SUMMARY OF MARKET EFFECTS: BRAND 5

Brand 5' biggest area of loss is again around Price and Promotion to some degree



**Question:** Is the negative impact of price perceptual? If Brand 5 was to address it's market share losses due to these factors, it would also focus on **price** and **promotion**: **Client brand** may have to shout loudest in the crowd to be noticed and heard; as the key competitors might all do the same things!

# SUMMARY OF MARKET EFFECTS: BRAND 6

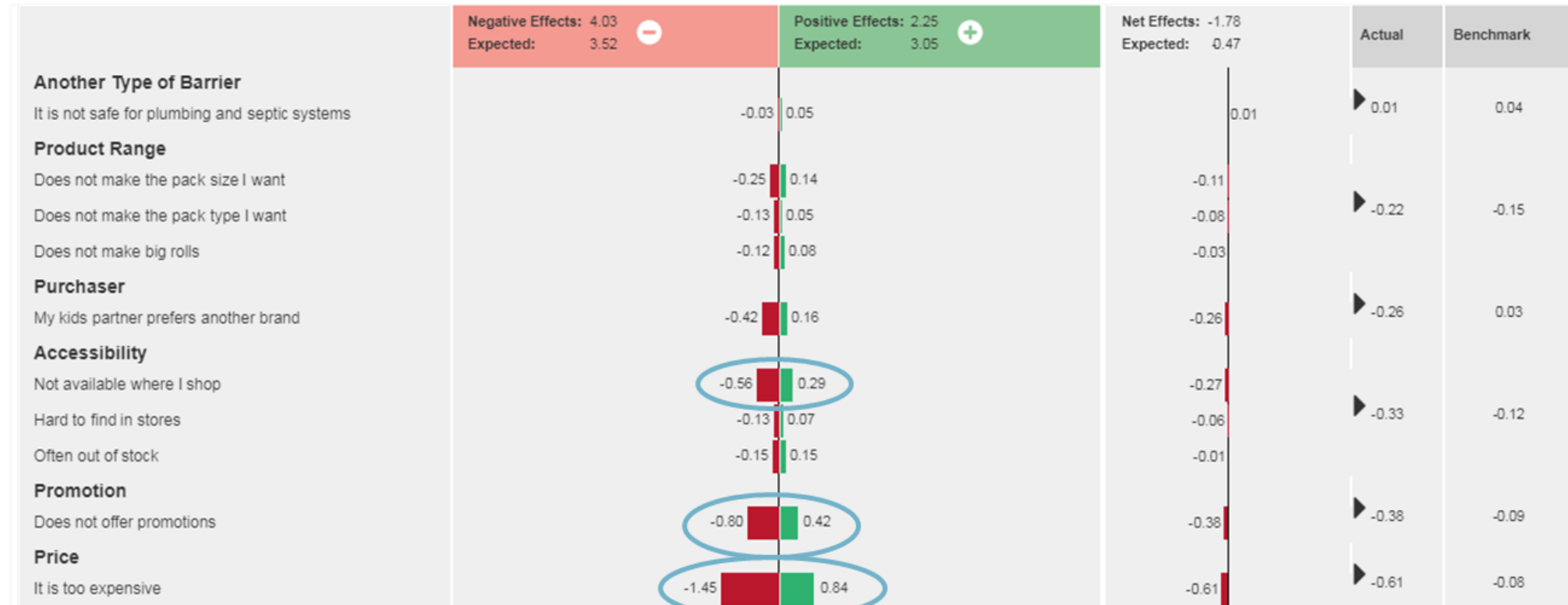
Not surprisingly for a premium brand, Brand 6's main Market Effect losses are primarily due to Price and then Promotion



It is unlikely, given the premium nature of Brand 6, that it would employ a price reduction strategy to address its losses on this dimension: but it may compensate by upping its **promotional** activity in-store. **Product Range** factors (including pack size and type) enter as the third largest loss for Brand 6.

# DETAILED MARKET EFFECTS: CLIENT BRAND

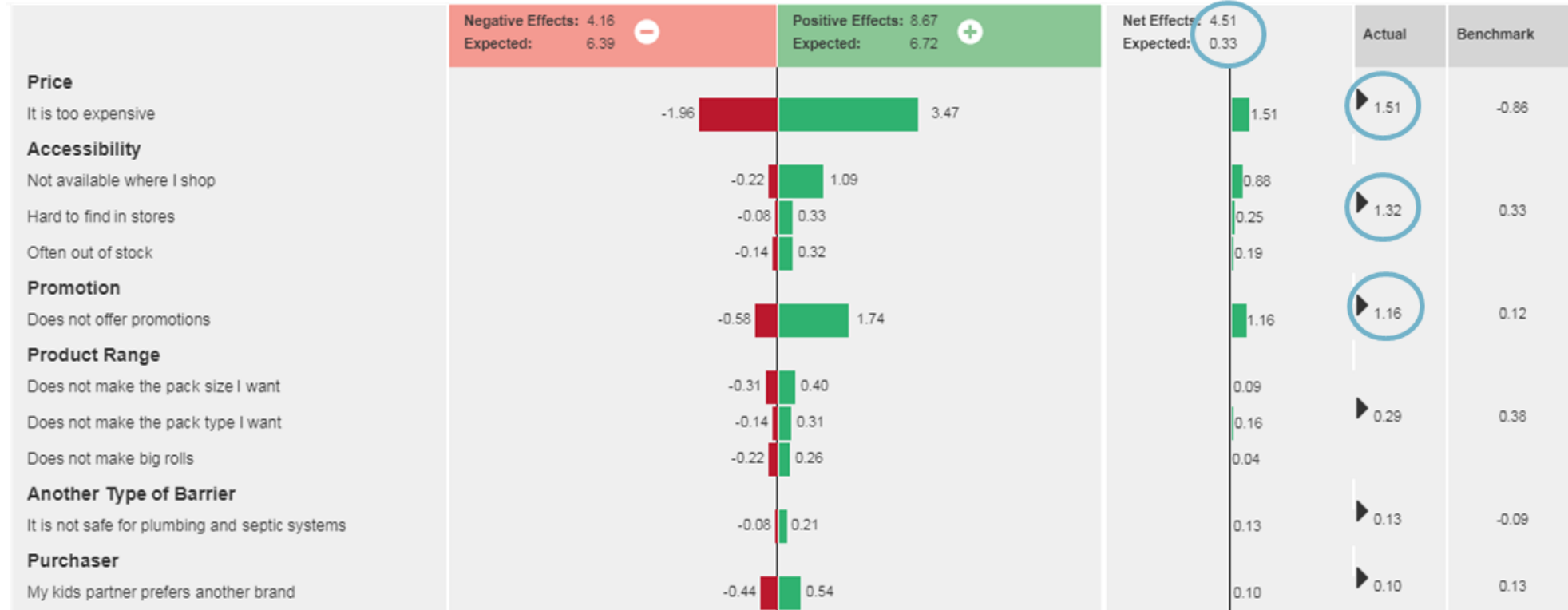
The marginal gains Client Brand enjoys as a result of other brands being too expensive and not on promotion are outweighed by the brand's own losses on these areas. And being available is a crucial precursor



Client brand performs worse than we'd expect on all these key areas than a brand of similar size, especially on **Price**. But does this confirm that the price needs to be reduced?

# DETAILED MARKET EFFECTS: BRAND 1

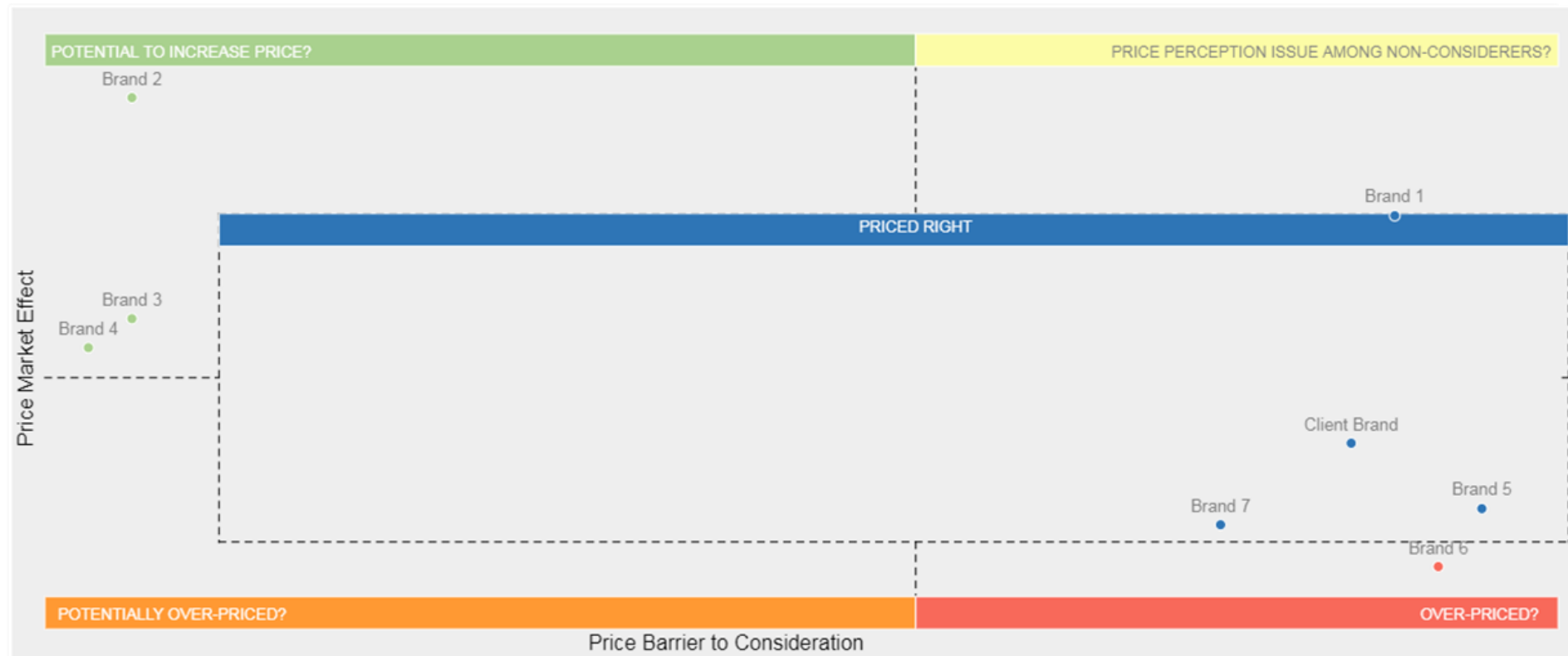
Market Leader Brand 1 gains substantially more market share than we would expect from a brand of similar size due to positive Market Effects



The brand's known trade strategy is clearly reflected in the results: Brand 1 gains on **price** due to other brands being more expensive, it gains due to its wide **distribution** and on **promotional** activities.

# PRICE ME AND PRICE BARRIER TO CONSIDERATION

Client Brand is placed in the Priced Right segment, along with Brand 1 and key competitors 7 and 5: the everyday price of Client Brand is alright



**Brand 6** is possibly over-priced, but being a premium toilet tissue, this is not unexpected. **Brands 2,3** and **4** show potential to increase price; these are store brands, so not an unexpected result and it is unlikely they will change their price given their intrinsic shortcomings. Changing the everyday price is **not the main route** to market share gains for **Client Brand**; it should focus on the other identified routes to brand growth instead



# SUMMARY AND RECOMMENDATIONS

# CLIENT BRAND

- Client Brand shows future growth potential so it is important to act on the right strategies to realise that potential. Most of this growth potential is likely to come from the 60% of the market who do not currently use Client Brand. This 60%, is evenly split between those people who consider using the brand (30%) and those who don't consider using Client Brand (30% are aware but do not consider it). Getting more users to the brand is crucial and the right strategies to do this would include initiating trial and building desirability
- Initiating trial
  - ✓ Market Effects present low-hanging fruit: share gains are to be had by improving promotional activity and accessibility thereby getting more users and initiating trial
  - ✓ Although Client Brand loses market share due to Price, the everyday price is about right, suggesting that price rather be used as a vehicle in promotional activity to achieve increased trial, as is communications on value for money – and on communicating and even demonstrating via promotions its soft qualities
  - ✓ Non-considerers aren't used to buying this brand and don't consider it due to price and of lack of promotions (and not because of its intrinsic virtues), so more incentive is needed to encourage trial amongst this group
- Building desirability
  - ✓ The Client Brand is one brand in a repertoire of 4.5 other brands, and which only performs on par with the average on the brand relationship metrics.
  - ✓ Client Brand is not the number 1 rated brand for more than  $\frac{3}{4}$  of its users and considerers, so improving its appeal is paramount. Dialling up communication on softness, nurturing and value for money are crucial in driving brand desire

# KEY COMPETITOR BRANDS

- Key competitors 5 and 7 are in a similar position to Client brand and suffer from the same Negative Market Effects and barriers to consideration. These three brands are likely to jostle amongst each other in the pursuit of growth
  - ✓ Although Brand 5 is likely to remain stable in the next year, Brand 7 shows future growth potential
  - ✓ Market Effects analysis suggest these brands should focus on the same in-trade strategies as Client Brand
  - ✓ Notably, Client Brand has an advantage over Brand 7 in that it has higher equity amongst its current users – BUT with the possibility of these brands employing similar strategies to grow their own share, Client Brand might have to employ some creative promotional concepts to stand out in the quest for improved salience
- Second ranked overall, Brand 2 is a store brand that shows future decline potential and suffers most from limited membership-based retailer distribution, presenting a good opportunity for Client Brand to attack
  - ✓ However, this brand benefits from a highly committed user base, suggesting that Client Brand promotional activities are best placed in retail outlets where Brand 2 is not distributed
- Premium Brand 6 shows future growth potential but is hampered most substantially by the Market Effects of price and promotion. Unlikely to change it's price due to its premium positioning, Brand 6 may also embark on promotional activities, thus also competing for in-store attention salience



# MARKET LEADER AND STORE BRANDS

- Market Leading Brand 1 dominates on brand desirability and Market Effects and its relentless price and promotional strategies, as well as its wide distribution, are evident
  - ✓ Although Brand 1 converts people above the average across all the equity thresholds, its future growth prospects are stable as we might expect of a market leader
  - ✓ Brand 1 enjoys a highly committed customer base and is the brand that benefits most from the other brands' weaknesses in the trade
- Almost half of the market do not use or consider store Brands 3 and 4: the biggest reasons are for the perceived lack of quality and softness, not being premium enough, not stocked where people shop and because they are simply brands that aren't salient for a majority of people
  - ✓ Whilst Price Spotlight indicates there may be potential to increase Price, with the lowest levels of brand desirability amongst their respective users and overall, coupled with their lacking intrinsic values, a change in their price is unlikely





# FINAL CONCLUSION

## A final word to the brand and marketing teams

1. There is a belief by the Brand and Marketing teams that more promotional activity needs to be implemented to gain sales

**Creative promotional strategies are needed, especially in outlets where store Brand 2 is not present. Consider the use of price (and softness?) as a promotional tactic and ensure that the brand is well distributed to support the strategy of inducing trial**

2. The Trade teams feel that the everyday price needs to be reduced and that brand desire needs to be built to allow for brand growth

**The everyday price of your brand does not need adjustment, but brand desirability needs to be built further for your brand to gain higher appeal within the repertoire by focusing on softness, nurturing and value for money**





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ACT  
SMARTER.**

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**GAME CHANGERS**



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