BREAKAWAY BRANDS 2014

by Mich Bergesen and Hannah Foltz
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Breakaway Brands 2014
From digital to tangible

As the 2000s turned into the 2010s, tech startup brand strength was growing by leaps and bounds. Google, Facebook, and the like were the coolest innovators, and digital prowess was a strong differentiator. Today, however, with social media, apps, smartphones, and other smart devices as the norm, we are seeing a resurgence of consumer appreciation for more tangible experiences. While Internet brands are still leaders in their categories, a more down-to-earth crop of brands has built the greatest brand momentum in the past few years.

Every year, Landor measures sustained growth in brand strength over a three-year period using BrandAsset® Valuator (BAV) data. The 10 brands that make our Breakaway Brands® list show the greatest gains in relevance and differentiation, coupled with strong business performance (see Methodology sidebar).

By rethinking the way people experience their products and services, the Breakaway Brands of 2014 were able to stand out while forging stronger relationships with consumers. Positioning shifts and line extensions have helped this year's top 10 brands win over consumers by enriching their everyday lives, giving them more choices, enhancing their performance, and providing them exceptional branded experiences.

Enriching the everyday

Several of the brands on our list have shifted their positioning to reflect how a simple product can make life a little more enjoyable. Warm and sincere messaging reminds consumers that everyday goods help create the moments we cherish.

Keurig has been named a Breakaway Brand for the second time in three years. In 2013, we moved it to the Watch List after the expiration of its K-Cup patents, but Keurig came out on top. It expanded its foothold in the home beverage-making category despite the setback. The brand's current ad campaign, Brew the Love, emphasizes how a warm cuppa can bring people together. Keurig hasn't limited itself to warm beverages, however; it extended into the cold beverage market through partnerships with Coca-Cola, General Mills, and

Mich Bergesen is global director of financial services, based in Landor New York.

Hannah Foltz is marketing associate, based in Landor San Francisco.

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Breakaway Brands 2014

BRAND	GROWTH IN BRAND STRENGTH, 2010–2013
Samsung	146%
Chex	62%
Puffs	60%
Oakley	51%
MAC	49%
Keurig	46%
Kirkland Signature	45%
Lea & Perrins	34%
Bounty	32%
Under Armour	25%

Watch List

BRAND	GROWTH IN BRAND STRENGTH, 2010–2013
Gallo	71%
Super Bowl	33%
Xbox Live	33%
Kleenex	32%
Amazon.com	18%

METHODOLOGY Landor studied approximately 3,000 brands in Young & Rubicam Group's database, identifying those brands that exhibited the greatest increases in brand strength from 2010 to 2013. Growth in brand strength indicates how much the brand's raw strength score has risen over the past three years, expressed in percents.

Lipton. Keurig's brand strength rose from the 79th percentile (stronger than 79 percent of brands studied) to the 94th percentile (stronger than 94 percent of brands studied) between 2010 and 2013.

Bounty was the "quicker picker upper," centering its brand conversation on fixing mistakes. In 2010, however, its positioning took on a more positive tone as it encouraged families to "bring on the mess." Bounty became a brand that celebrates the little moments of joy that mothers share with their children. Bounty made moms part of the Bring It story by asking them to tweet #BringIt, and in return donating $1 to the Team USA Youth Sports Fund for each post. After the campaign went live, Bounty's differentiation jumped by 41 percent. In 2013, Bounty's sales grew 3.2 percent from the previous year despite sluggish category growth and a significant price premium.[1]

Since 2009, when Costco significantly increased the **Kirkland Signature** product line, the brand has been able to position itself as not just a private label, but also a premium private brand. Kirkland Signature placed its trusted mark on products ranging from swimsuits to champagne, reminding consumers that Costco provides reliable items to complement every moment. With its wordmark gracing a cornucopia of quality products, Kirkland Signature saw its differentiation jump from the 10th percentile in 2010 to the 49th percentile in 2013. The Costco stock price mirrored this leap, increasing in value by almost 65 percent since 2011.[2]

In the tissue category, like in many consumer packaged goods categories, differentiation is a real challenge. **Puffs** took on Kleenex by focusing on the product's functional benefits, especially for women. In 2010, it changed its tagline from *A nose in need deserves Puffs indeed*, to *A face in need deserves Puffs indeed*, emphasizing that the product's softness empowers a woman to put her best face forward, even when she has a cold. This simple, warm approach allowed the brand to connect more meaningfully with customers, leading to a spike in differentiation from the fifth to the 56th percentile. Despite a decrease in ad spending after the initial 2010 campaign, Puffs continued to experience elevated return on marketing invested (ROMI). This sustained bump suggests that the message resonated with customers long term.[3]

ABOVE Keurig's current campaign, Brew the Love, emphasizes how a warm cuppa can bring people together.

LEFT A significant product line increase means the Kirkland Signature wordmark now graces items from bourbon to swimsuits.

ABOVE By anticipating the gluten-free craze and launching a line extension, Chex experienced a 10 percent sales growth.

BELOW Staying true to its brand history has been central to Lea & Perrins' marketing, even as it launched a large portfolio expansion strategy.

Offering more to explore

One way for brands to increase their brand strength is to expand their offers. By extending their lines, three of our Breakaway Brands have shown that a wealth of possibility exists within their brand universes. Providing more choice not only attracts different segments, but also solidifies existing customers' loyalty.

The **Chex** brand has succeeded because of its wide variety of products and its foresight about nutritional trends. Despite a slump in the cereal category in recent years, Chex anticipated the gluten-free craze and launched a seven-product extension to capture the new segment. By aligning itself with the gluten-free movement, Chex has experienced a 10 percent sales growth.[4] An entirely different set of shoppers is reached with the snack food Chex Mix, whose advertising encourages consumers to "Pick Your Mix" from the line's 21 varieties.

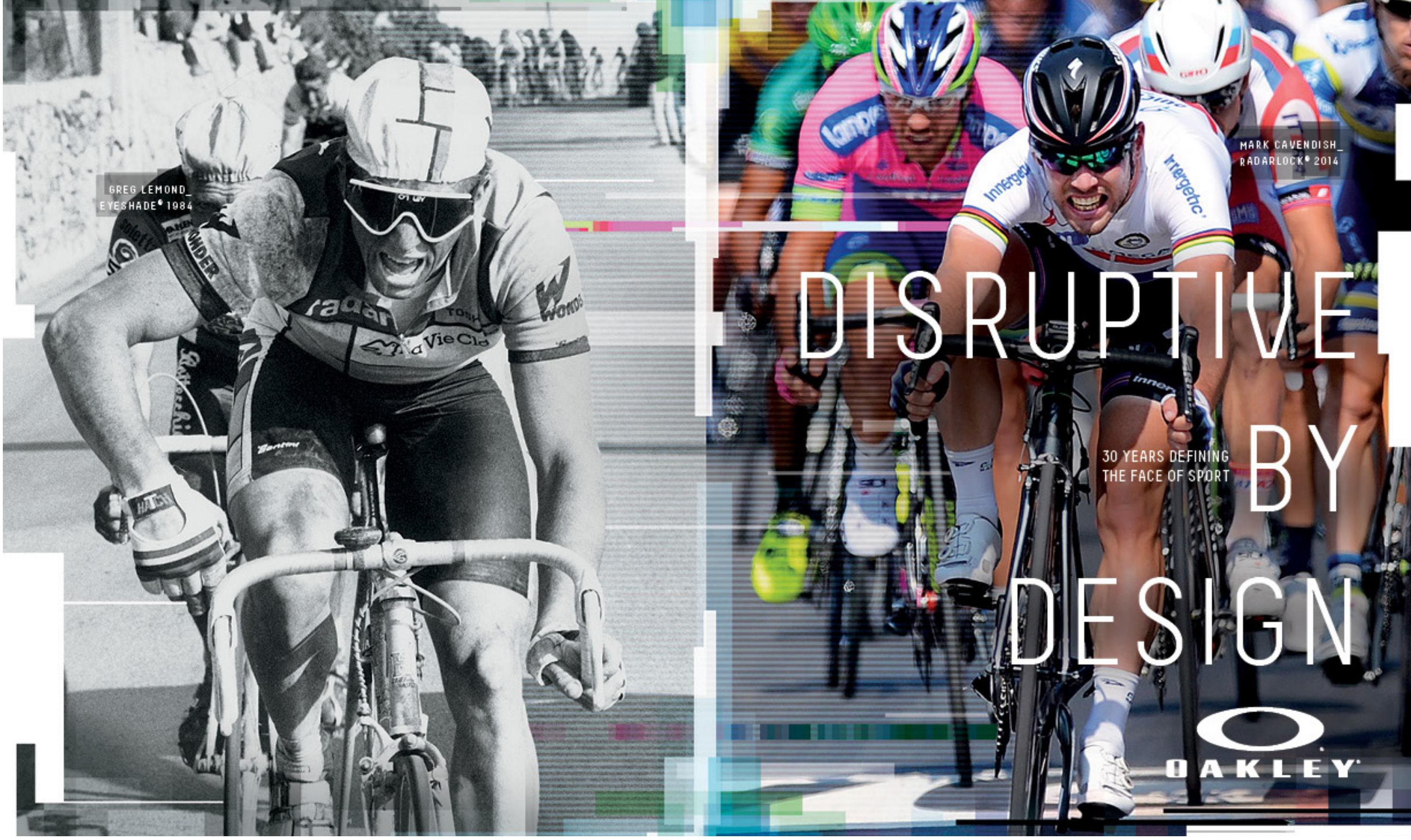
You don't often think of sauce as telling a story, but **Lea & Perrins** has done just that by infusing its heritage into its brand touchpoints. From the product's classic paper wrapping to the packaging's prominent display of the brand's 1835 founding date, Lea & Perrins drives home to consumers that it is the "original and genuine" Worcestershire sauce. Staying true to the brand's history has been central to its marketing, even as it launched a large portfolio expansion strategy near the beginning of our measurement period. Consumers have responded to the fresh options such as the Marinade-in-a-Bag line, delivering sales increases and an impressive gain in differentiation.

Enhancing personal performance

In the age of Nike Fit and wearable tech, even the casual athlete wants to use the most advanced sportswear. The following Breakaway Brands have tapped into that desire by empowering us to push ourselves to the limit.

Oakley's brand strength has grown dramatically since 2010, largely thanks to its recommitment to innovation in performance eyewear. Moving away from lifestyle products and back to athletic gear clarified Oakley's benefit to consumers, leading to a 50 percent increase in differentiation. The brand's current campaign, Disruptive by Design, is bringing more athletes into the fold by highlighting how Oakley's heritage has influenced the history of sport. In 2010, only 10 percent of consumers considered Oakley innovative, but after its performance-centric campaigns, that number has lifted to 90 percent.

Under Armour's distinctiveness has always come from its moisture-wicking workout wear, but until recently it did little to show how its technology benefits all athletes, not just those in the upper echelon. By slowly phasing out its previous tagline, *I will protect this house*, and replacing it with the universal *I will*, Under Armour is better communicating that it is a brand for everyone. Under Armour has gone to extra lengths to attract women, introducing the I Will What I Want campaign, featuring top female athletes kitted out in Under Armour. As the brand's relevance has increased, so have its profits. The brand's three-year revenue growth rate is an impressive 22.6 percent.[5]



ABOVE Oakley's Disruptive by Design campaign is bringing more athletes into the fold by highlighting how Oakley's heritage has influenced the history of sport.

LEFT Under Armour has gone to extra lengths to attract women, introducing the I Will What I Want campaign, featuring top female athletes, such as Misty Copeland.

A brand that not only promises great things, but also delivers tangible experiences is one that is remembered.

Focusing on experience

A brand that not only promises great things, but also delivers tangible experiences is one that is remembered. The brands in this section have become top of mind by creating high-quality experiences in the store and on the shelf.

Samsung's colossal marketing budget ($14 billion a year globally) has allowed it to go to great lengths to curate a more controlled brand environment.[6] In 2011, it had no branded point-of-sale locations in the United States; by the end of 2012, it had more than 10,000.[7] Samsung then partnered with Best Buy to develop a store-within-a-store concept called the Samsung Experience Shop.[8] By increasing its touchpoints, Samsung has become not just a brand that sells a product, but also a brand that provides a shopping experience. It has experienced dramatic growth in all four pillars of brand strength and maintained its position as the No. 1 seller of mobile and smartphones.

MAC, the cosmetics brand, already had high differentiation because of its bold, edgy style, but between 2010 and 2013 it saw its relevance skyrocket. MAC accomplished this feat by creating an environment in which consumers can write their own stories. Like Samsung, the company focused on increasing its branded distribution channels. While competitors are found only in cosmetics stores, MAC has opened 149 freestanding boutiques that immerse customers in MAC culture—from bumping music to advice from highly trained makeup artists. MAC stores' exciting atmospheres helped its brand strength jump from the 40th percentile to the 82nd percentile.

The Watch List

Although the brands on the Watch List have the brand strength required to be a Breakaway Brand, we were uncertain about their category's strength or the sustainability of their leadership positions. We're carefully monitoring these brands to see if they'll sink or swim.

Amazon.com has made the Breakaway Brands list since 2010, but this year its failure to reliably produce net income prompted us to move it to the Watch List. The brand is among the strongest we monitor and still shows upward momentum, expanding into new categories such as groceries, home and garden supplies, and video streaming. Our question: Will investors tire of its inconsistent profit margins?

Kleenex saw a spike in differentiation after it launched its tissue boxes in a wide range of colors, designs, and shapes. However, only a year after its peak in the 51st percentile, its differentiation dropped by 20 points as other brands introduced fashionable containers. Our question: Will Kleenex be able to find another, more sustainable method of differentiation or has it hit a rough patch?

Despite being the largest winery in the United States in terms of market share, few consumers felt that **Gallo Family Vineyards** was unique. Then, in 2013, the brand experienced a big jump in brand strength when it introduced a campaign that linked Gallo wine with family gatherings. Rather than extolling wine's highbrow attributes, the brand became more approachable as it embarked on a journey to educate all types of families on how

Breakaway Brands study

Landor's annual Breakaway Brands® study measures sustained growth in brand strength over a three-year period using data from Young & Rubicam Group's BrandAsset® Valuator (BAV), the world's largest database of consumer and brand behavior. This year's top brands achieved the greatest increases in brand strength from 2010 to 2013.

2014's top 10 brands

BAV has collected consumers' brand perceptions via survey **every quarter for the past 20 years**. Each year's Breakaway Brands are chosen based on United States data covering:

17,000 CONSUMERS

3,000 BRANDS

FOUR PILLARS

72 MEASURES OF BRAND HEALTH

- [x] HIGH QUALITY
- [x] GOOD VALUE
- [x] TRENDY
- [x] HELPFUL
- [x] LEADER
- [ ] SIMPLE
- [x] TRADITIONAL
- [ ] RELIABLE

ABOVE After broadening its offer to appeal to a wider audience, Xbox Live increased its subscriptions by 18 percent in 2013.

OPPOSITE Kleenex saw a spike in differentiation after it launched a line of fashionable boxes, but other brands quickly followed suit.

wine complements meals. Gallo was careful not to become *too* relaxed, however, and launched a line of more expensive wines, leaving room to grow in that price bracket. Our question: Has Gallo become a top-of-mind wine or will its spike in differentiation be short lived?

The **Super Bowl** is an iconic part of American sports that has increased its appeal beyond the traditional viewer. It has partnered with Spanish-language networks and digital streaming services and produced increasingly spectacular halftime shows. Advertising costs continue to grow, hitting $4 million for a 30-second spot in 2014.[9] Our question: Will American football be able to attract audiences outside the United States?

As **Xbox Live**'s functionality increased, it was able to broaden its offer so that it appealed to a wider audience. The Microsoft-powered platform now includes not only games, but also entertainment and social media connectivity. Xbox Live's boost in relevance can be seen in its rising subscriptions; in 2013 alone subscriptions grew 18 percent to reach 46 million.[10] The only caveat about Xbox Live's success is that it is built largely on functionality. Our question: Will the brand be able to create a personality that resonates with consumers?

Listening, evolving, leading

The Breakaway Brands of 2014 are reaping the rewards from listening to consumers and adapting to shifting market needs. They identified opportunities to enhance people's experiences with their products and services and in so doing, created deeper, more complex relationships with customers. By taking considered risks, the Breakaway Brands have significantly increased their brand strength in just three years.

Although Internet brands fell off our list this year, if they can harness today's tangible trend and penetrate the market with the "Internet of things," we expect their quick return to the Breakaway Brands top 10. ■

Endnotes

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8 See note 6.

9 Brian Steinberg, "Super Bowl ads: Fox seeks $4M for 30-second slot in big game," *Variety* (22 August 2013), variety.com/2013/tv/news/super-bowl-ads-fox-seeks-4m-for-30-second-slot-in-big-game-1200586371.

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Methodology

First published in 2004, Landor's annual Breakaway Brands® study provides a unique look at brands that have exhibited sustained, quantifiable increases in brand strength over a three-year period.

Brand strength is determined using three years of consumer survey data from the BrandAsset® Valuator (BAV) U.S. database (we compared results from 2010 to 2013 for this study). Landor analyzed data for approximately 3,000 brands across industries, based on interviews with more than 17,000 consumers annually, evaluating against 72 different measures of brand health.

By comparing brand performance on key measures that drive consumer preference and choice—specifically, the brand's differentiation (including its distinctiveness, innovation, and dynamism)—and the brand's relevance (how appropriate it is to a consumer's life), we identified those brands that increased their scores most dramatically. When a brand grew significantly on both measures (an indication of true brand strength) and these numbers were sustained over the three-year period, they became candidates for the Breakaway Brands list.

Later, Landor consultants partnered with students from Wake Forest University's Graduate School of Business to conduct secondary research on key actions undertaken by brand owners to enhance performance and identify the strategies and initiatives employed to sustain brand growth over three years. The selected finalists are therefore not necessarily the biggest brands, but brands that proactively built their brand strength most consistently over time.

With more than 20 years of consumer data, BAV is the world's largest and most enduring study of brands. Polling consumers in the United States on a quarterly basis for their perceptions of brands, it identifies and analyzes brand strength and trends based on four pillars of brand building: *differentiation*, *relevance*, *esteem*, and *knowledge*.

To date, BAV tracks brands in 51 countries, covers some 52,500 brands, has conducted interviews with more than 985,000 consumers, and includes dozens of brand metrics and attitudinal questions. BAV is part of Young & Rubicam Group, a partnership of companies that includes Landor.

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