

Deep Consumer Insights, the Ultimate Guide to
Growth

Unlocking growth with data-driven
customer segmentation

The world of marketing has seen a shift in focus from quick wins to long-term impact. Companies adopting long-term growth strategies alongside short-term activations are set to achieve sustainable results.

This evolution has shifted the focus for market insight research: pivoting to ensure marketers can make bold, informed decisions on strategies that unlock maximum growth balanced between short- and long-term objectives.

This balanced approach to growth through marketing has seen higher adoption rates in Fast Moving Consumer Goods (FMCG) than in Tech and Durables (T&D). However, the long-term effects can be larger for T&D. This signals a large opportunity for Marketers in the T&D space to shift gears towards brand-building for higher growth.

At GfK we have pivoted our focus to ensure marketers can make bold, informed decisions on strategies that unlock maximum growth balancing both short- and long-term objectives.

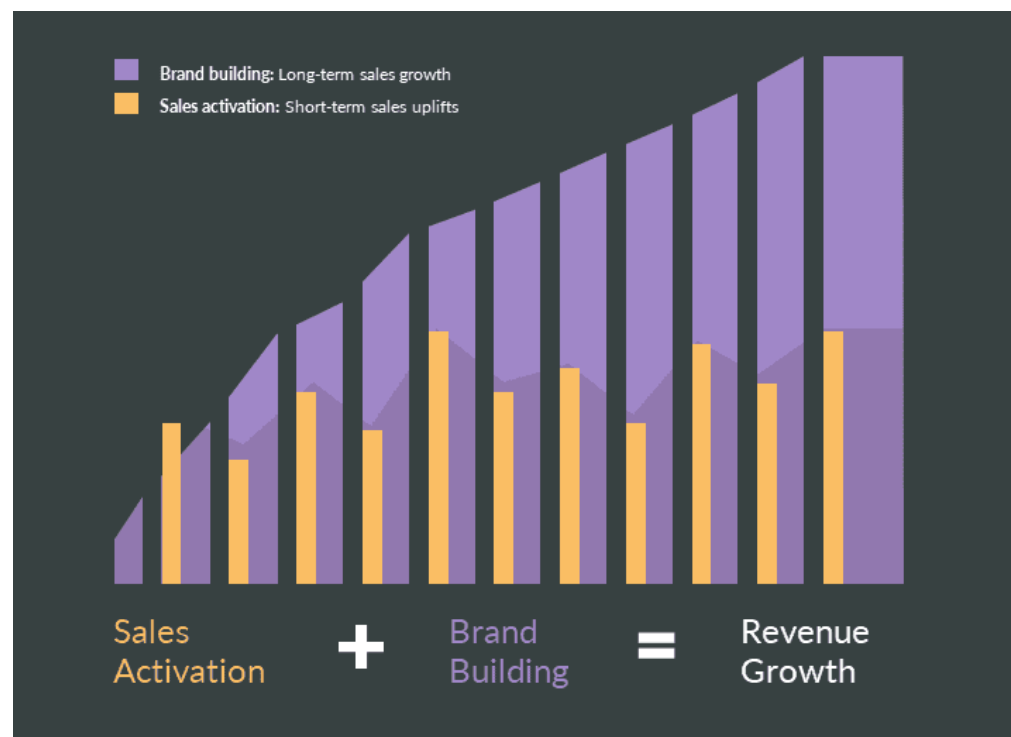
3.2x

Long-term effects on sales are 3.2x greater than short-term effects in T&D categories.

Source: GfK The Long and the Short of Media Effectiveness (in partnership with META). Covering a set of six key tech and durable categories and 24 brands.

Note: Figure not accounting for the impact on profitability through variables such as price elasticity.

'The long and the short' of marketing effects on growth



Source: Field and Binet – The Long and the Short of it



To deliver immediate and long-term growth, brands must engage in performance and brand-building efforts simultaneously. For marketers, this means developing dual consumer-centric strategies. A strategy that ensures success within high-value segments and persuades purchase, and a concurrent strategy that reaches a broader audience with the objective to build awareness and mental availability.

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A dual strategy is crucial to meet ever-demanding growth objectives. Today, marketers must win more valuable consumers by intimately understanding and delivering on their needs with remarkable products and experiences that consumers cannot live without. Simultaneously, they must invest deeply in creating unified, brand-building messages for broad audiences that futureproof growth by ensuring they win purchases by being top-of-mind in future category moments.”

Catherine Gibson, GfK Global Head of Landscaping & Segmentation

A balanced growth strategy at work: use cases

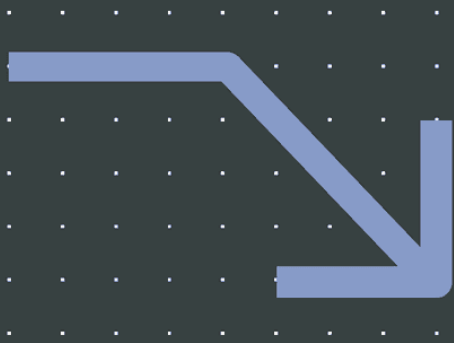
To see the full picture of growth, T&D marketing leaders must understand how short-term and long-term goals interact along a continuum: broader-perspective brand building led by global branding teams versus short-term product positioning that digs deeply into each category to uncover white spots at a local level. Let's take a closer look at two use cases.

Supporting you to see the full picture



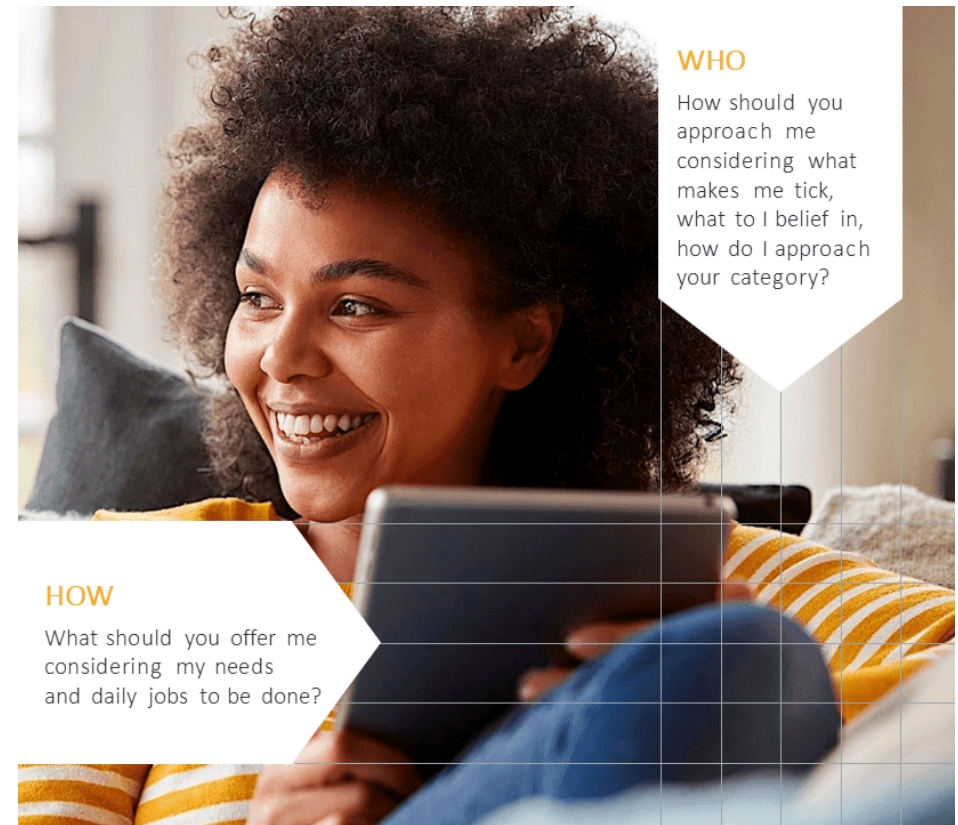
Use case one: Sourcing growth

Identifying new opportunities to
position product portfolios in line
with consumer needs and aspirations



Uncovering opportunities is critical to any strategy focused on maximizing growth. Access to data-led evidence enables patterning the market to reveal pathways to increased demand, revenue, and new territories. Mapping the market through a lens of quantified demand breaks the consumer landscape into meaningful parts, through a deep understanding of where consumers' mindsets and their Jobs To Be Done (JTBD) intersect. This structures consumers' worlds to reveal their demand entry points.

To foster growth, marketers must understand WHO they're targeting, and HOW to address their JTBD. Building connections that tap into consumer mindsets guides global brand positioning across a range of categories. Meanwhile, addressing their JTBD requires a laser-sharp focus on the short-term positioning of products and portfolios. It also ensures brands can effectively map their portfolios and product positioning against a clear, data-backed understanding of WHO consumers are, what they are looking for, and HOW to target them.



WHO

How should you approach me considering what makes me tick, what I believe in, how do I approach your category?

HOW

What should you offer me considering my needs and daily jobs to be done?

Decode the consumer

- to position your brand(s) in line with **consumers' aspirations**
- to steer product positioning & messaging, portfolio management and innovation in line with consumers' **'jobs to be done'**

Know WHO: Building an emotional connection by understanding consumers' mindsets

Segmenting audiences based solely on demographic data no longer delivers optimal sales and growth results. Instead, marketers need meaningful, business-relevant segments. Understanding how consumers approach your broader category (e.g. premium potential, category passion, leading-edge behavior, the role of a brand), and what they value in their lives (e.g. adventure or safety, environmental or social concerns), can bring clarity to your targeting decisions. The outcome? An actionable map of consumers to target.

WHO: Consumer segments in the Major Domestic category

GfK market segmentation at work in the Major Domestic Appliances category

Based on this approach, five major consumer segments can be defined as active in T&D Major Domestic Appliances (MDA) in Poland:

Achieving consumer centricity in all your actions with consumer segments based on

- category predispositions (e.g. premium potential, category passion, leading-edge behavior, role of brand, etc.)
- in combination with deeper underlying values that influence peoples' choices.



GfK Growth Architect case study in the MDA/washing machine category 2022 in Poland; n=1500 respondents

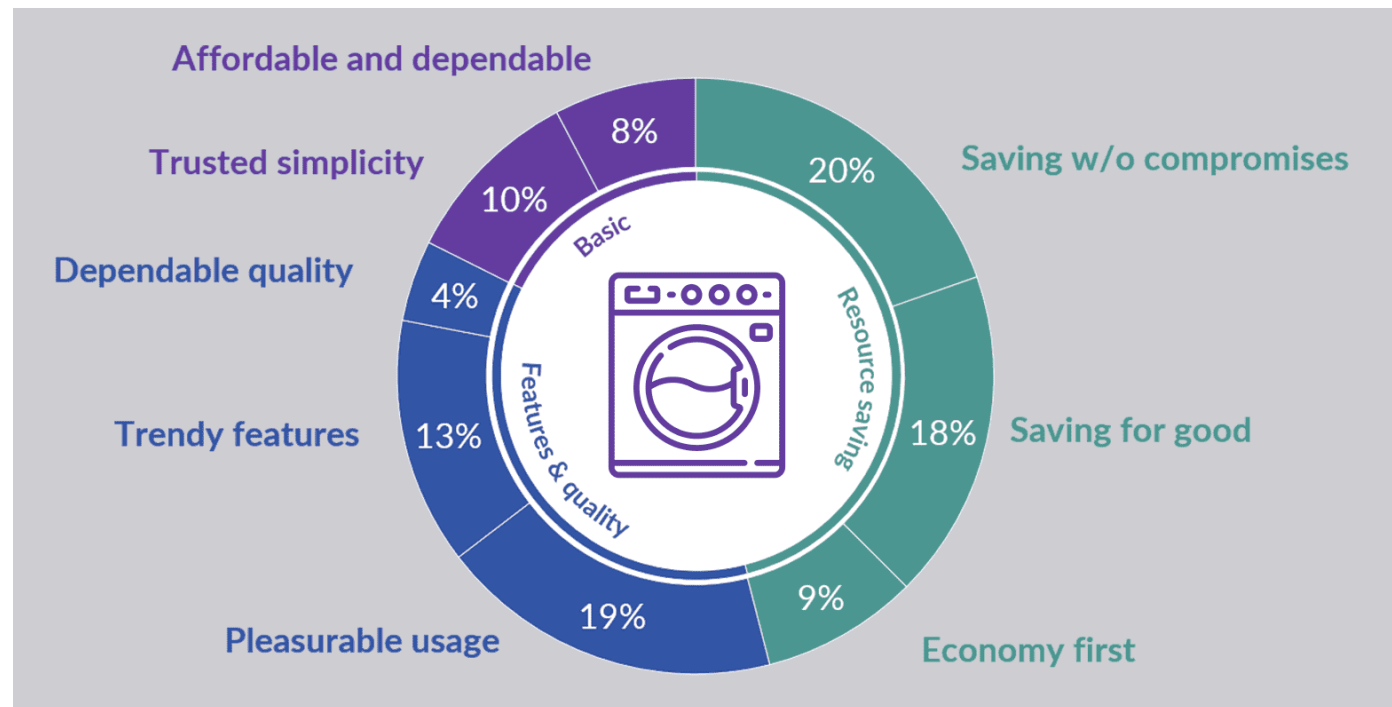
Know HOW: Deep category understanding to unlock the jobs that consumers are looking for in their daily lives

After evaluating the brand fit against consumer mindset segments, the focus turns to identify HOW best to win them in each category. This means uncovering functional and emotional JTBD and consumers' usage and life context.

HOW: Consumer needs in the washing machine category

Uncovering opportunities to update your portfolio and product positioning in line with consumers' daily jobs to be done

- Functional and emotional needs
- optionally enriched with consumers' life context (e.g., general usage behavior, living context)



GfK Growth Architect case study in the MDA/washing machine category 2022 in Poland; n=1500 respondents

Growth Landscape: Turning the WHO and HOW into efficient, targetable demand

Combining the WHO and HOW dimensions into one consistent framework surfaces the opportunities worth pursuing. **GfK Growth Architect** is a powerful framework that intersects consumers' mindsets with the consumers' JTBD. When these two dimensions are layered, high-reward growth spaces are revealed – opening different perspectives to brand, communication, and product stakeholders, and unlocking the positioning insights they need to drive growth.

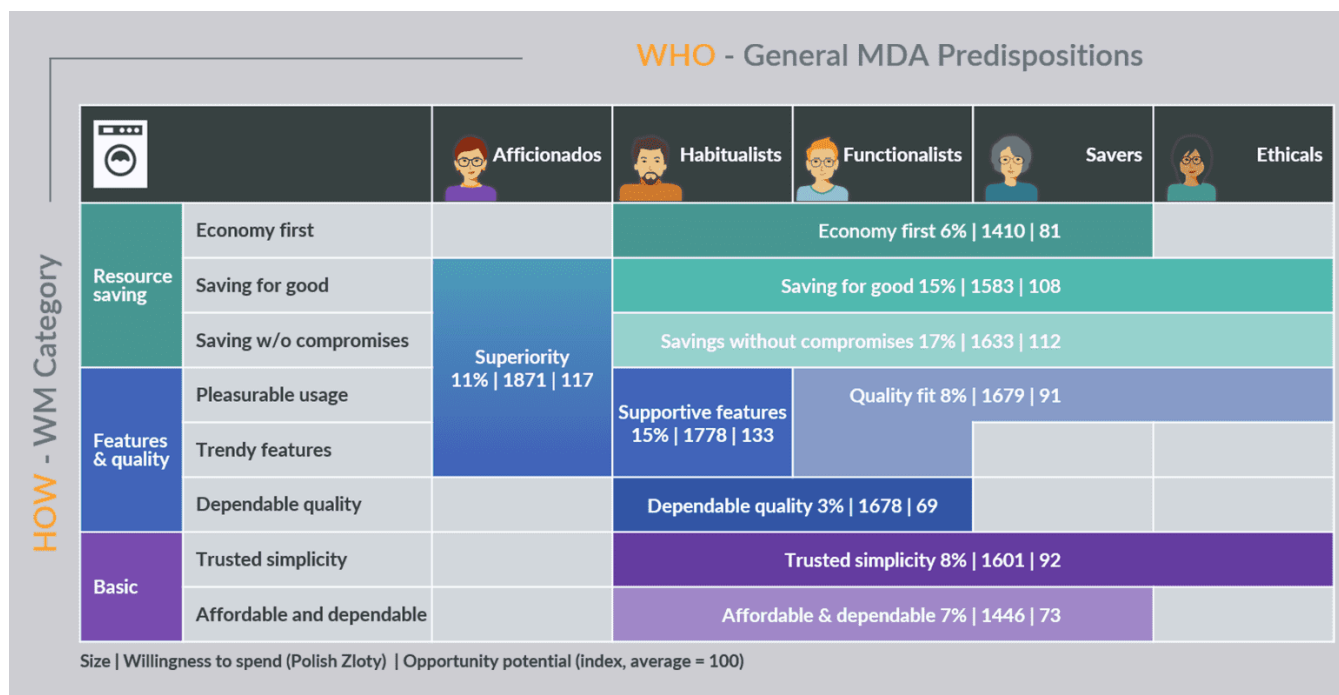
Growth Landscape in the washing machine category

To understand what is driving consumers to your brand's products, marketing leaders must question:

- Which benefits and features are driving choice?
- How do these benefits differ across the consumer landscape?
- Where new market needs can be found that offer the brand an opportunity?

Learn how to win within your core segments and beyond

- Target your core consumer segments (WHO) with different products
- Reach various consumer segments with the same product benefits (HOW)
- Map your portfolio to maximize demand



GfK Growth Architect case study in the MDA/washing machine category 2022 in Poland; n=1500 respondents

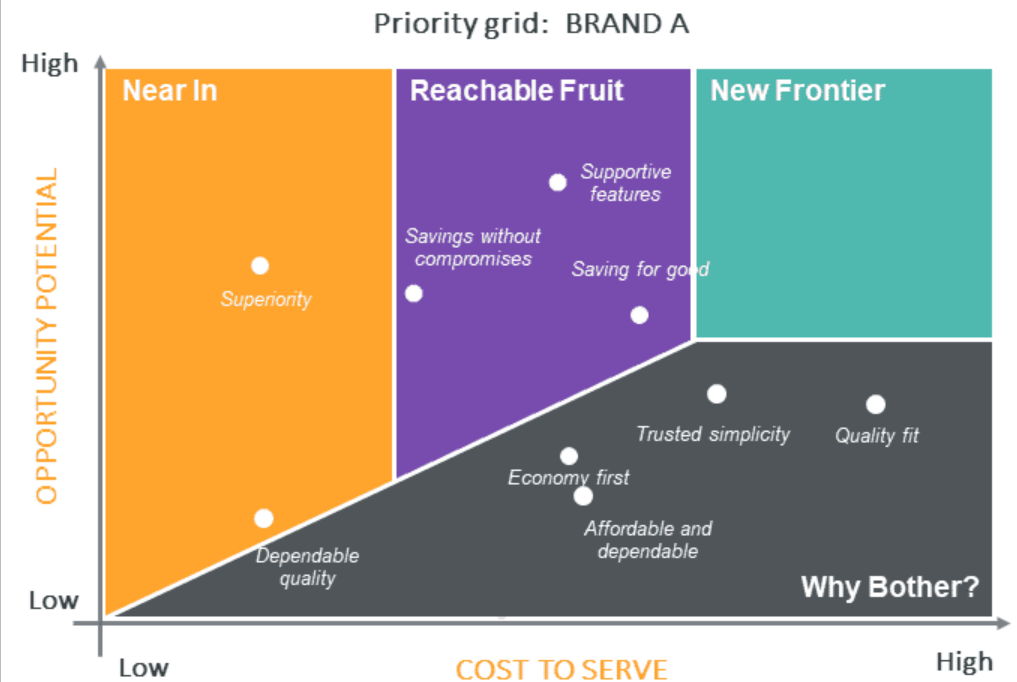
Diving deeper: Prioritizing and sequencing to target the opportunity spaces that matter

To make smart choices, marketers need data-led cost-benefit analysis that backs up prioritization decisions with evidence. Each growth opportunity must be quantified in terms of the potential value it offers, and the brand's current position or 'right to play' in the space. This brings clarity of action: helping marketers identify both the highest growth targets and the lowest-hanging fruits that can be activated in the context of lower marketing budgets. The result? A clear path to the highest, short-term sales potential.

Using the GfK Growth Architect Priority Grid, marketers can clearly map:

- **Prioritization and sequencing** of growth initiatives according to their prospective payoff, in line with brand positioning
- **Opportunity potential**, identifying the most attractive growth spaces grouped by considering current and future growth indicators
- **Right to play**, revealing the effort it will take to serve this target groups as a brand, based on current brand fit and positioning

Prioritize and sequence Identify the opportunity spaces that really matter



GfK Growth Architect case study in the MDA/washing machine category 2022 in Poland;
n=1500 respondents

Category Growth outcome and insights

Strategic positioning of product portfolios based on consumer needs and aspirations can be achieved by systematically finding new opportunities.

Leveraging GfK Growth Architect insights for targeting strategies

GfK Growth Architect reveals growth spaces with the most potential to maximize returns. By ensuring prioritized growth spaces are strategically relevant and cover a significant market share, Growth Architect ensures marketers carve out unique growth territories while mapping product portfolios to position for future growth and avoid cannibalization.

Optimizing product strategies using GfK Growth Architect insights

GfK Growth Architect gives marketers and stakeholders the deep insights needed to take action. Detailed insights on what to offer (product), how to position communication and messaging (marketing), and to benchmark brand performance against competitors, give brands a comprehensive roadmap on what it takes to win a growth space.





Use case two: The bigger brand picture

Increasing brand strength and reach

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A recent study conducted in partnership with META found a significant cumulative impact on long-term sales uplift from Brand Building campaigns. ‘The Long and the Short of Media Effectiveness’ covered a set of six key Tech and Durables categories and 24 brands, finding 76% of sales uplift was driven by long-term campaigns.”

Alexandra Chirilov, Head of Global Marketing Science, GfK

Reaching more consumers to grow in the long term



The significant impact on long-term sales uplift is due to three aspects of brand building: Through repetitive lasting messages, successful brand building inflates the perceived size of the brand, making it more memorable in the future buying moment; emotional and culturally relevant messaging effectively captivates consumers' attention; and messages have universal appeal, widening the net to maximize sales from everyone, everywhere.

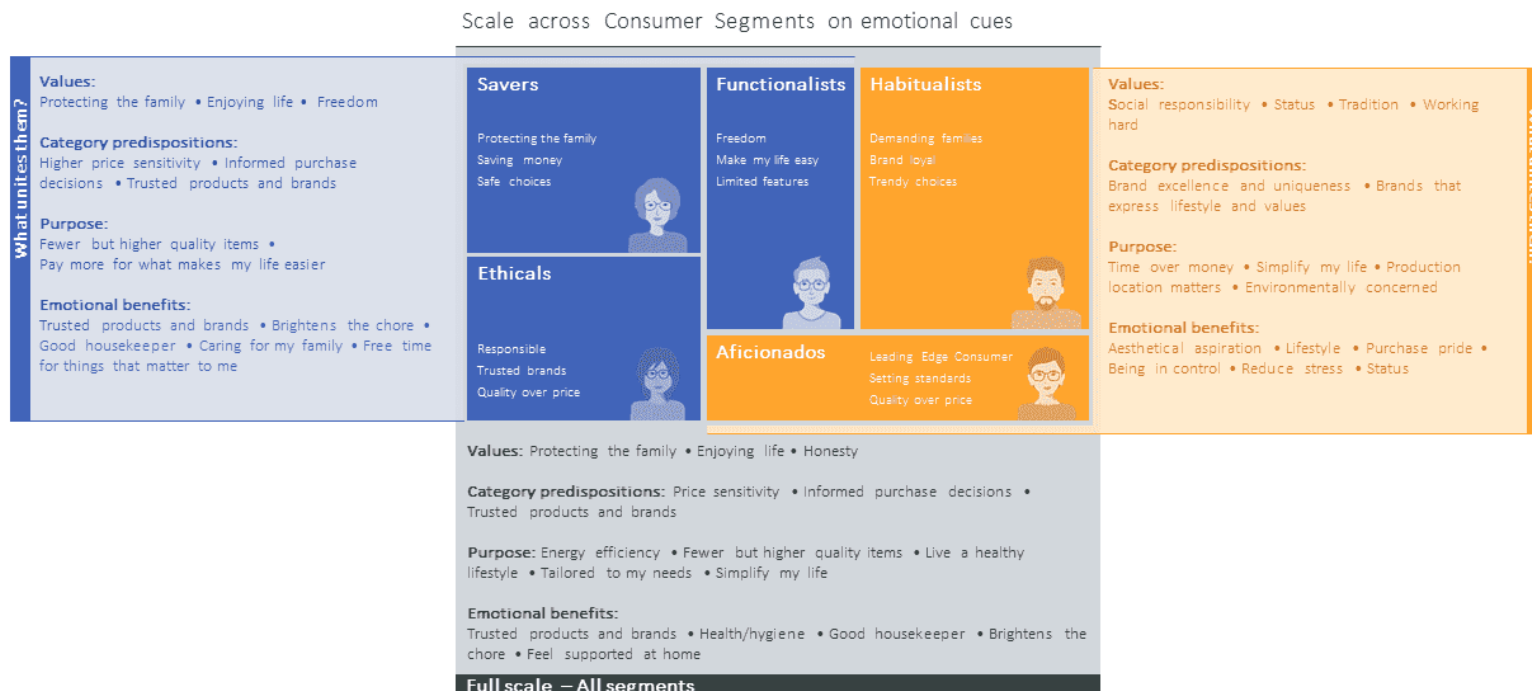
To surface the insights needed to craft a legendary brand strategy, marketers must switch gears: from finding differences between segments that pull consumers apart to focusing on similarities across segments that unite them.

These common themes are not identified via a market average. Instead, marketers must use segmented results to embrace and respect each consumer group's diversity. The next step? Find connected themes that consumers resonate with universally across segments.

Diving deeper: Generating broad appeal with unifying brand messages for a global MDA washing machine brand

Broadening brand reach from center to periphery creates clear associations to a wider space of relevant category entry points that helps to win consumers' future purchases.

Linking your brand with unifying human truths across all consumers



Consumer Segmentation Growth Architect 2022, MDA – Washing machines, Poland n=1000

Instead of treating segments in isolation, Growth Architect looks for upscaling opportunities for targeted activation by considering the appeal in neighbor segments. This helps brands to enrich their targeted efforts with topics of broader appeal that communicate efficiently to a future target audience.

Discovering themes that consumers across segments value can deliver a net-positive impact across the market. Building a brand famous for its purpose and values, by aligning the brand WHY with where consumers see value, generates a higher brand worth.



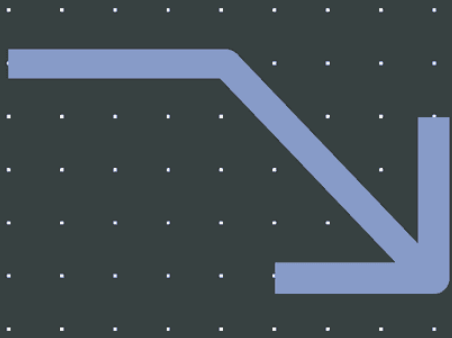
The outcome: Increasing brand strength and reach

Keep sight of the bigger brand picture to deploy an effective brand-building strategy that leverages segmentation and delivers long-term growth. How? In four steps:

1. Redefine the horizons to appeal to a wider WHO audience and discover how to up-scale messaging to include them.
2. Get inspiration for key positioning messages that create overarching appeal and align the brand with consumers' WHY.
3. Link themes to business strategy and short-term activations to ensure strategy alignment and consistency. Bring the brand strategy into action through repeated reinforcement of consistent messages in every touchpoint.
4. Ensure success by defining KPIs that will track and guide course corrections, in the long term.



Unlock the deep
consumer
insights you need
to grow



Get data-driven customer segmentation that keeps consumers at the center of business decision-making

Activate growth across the funnel and reap sustainable gains through razor-sharp brand positioning that keeps consumers engaged. GfK Growth Architect aids decision-making so you can invest in a dual growth strategy leveraging intelligent data-backed segmentation.

Focus your segmentation and targeting to embrace consumer complexity

Learn how Growth Architect can help you segment consumers to grow over the short- and long-term. Visit gfk.com/gfk-growth-architect.



Thank you for reading

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