

TREND REPORT

Food And Beverage Brands Must Be Trusted And Essential

Technographics® TRUE Brand Compass: Food And Beverage Consumer Packaged Goods

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Summary

Forrester's research shows that consumers demand more from brands in the 21st century. Marketers now have a steeper hill to climb to earn consumers' brand preference, referral, and willingness to pay a premium price. This is the second in a series of reports that analyzes Forrester's new Consumer Technographics® TRUE brand compass data to reveal consumers' expectations of brands by category. This report shows what makes a strong trusted, remarkable, unmistakable, and essential (TRUE) brand in the consumer packaged goods (CPG) food and beverage category. Chief marketing officers (CMOs) and brand leaders of CPG food and beverage brands must begin their quest for mindshare and market share by earning consumers' trust, not by driving buzz.

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TRUST IS FUNDAMENTAL TO BUILDING A FOOD AND BEVERAGE BRAND

To win the critical battle for mindshare in the 21st century, marketers must build a strong brand that creates an emotional connection with their consumers. Forrester believes that to win this battle, CMOs must guide their brand with a brand compass that builds a strong TRUE brand — the right balance of being trusted, remarkable, unmistakable, and essential to the consumer:

- **Trusted.** Be transparent and accountable for your actions.
- **Remarkable.** Disrupt the market in a way that inspires conversation.
- **Unmistakable.** Be known as the one and only brand that does what it does.
- **Essential.** Become more irreplaceable in the lives of your consumers.

Consumer Research Proves Trust Drives Food And Beverage Brand Resonance

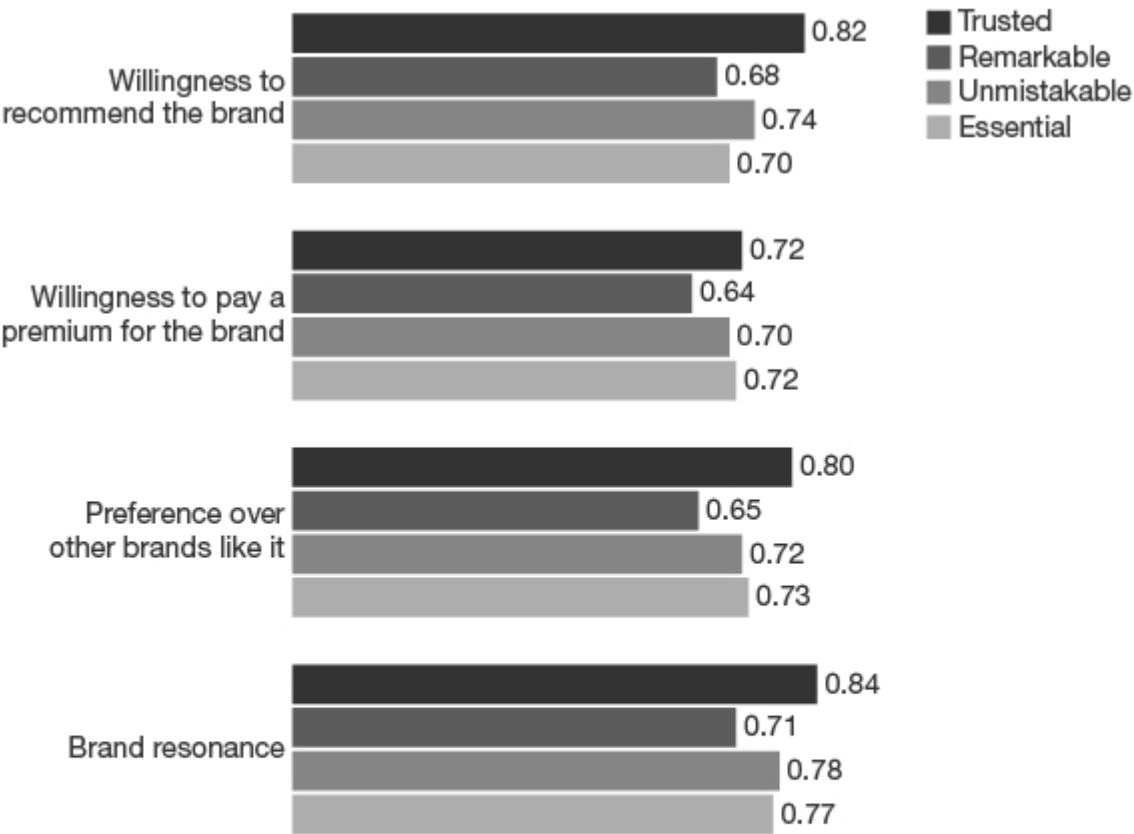
To guide marketers on their brand building journey, Forrester conducted new research to uncover the drivers of a TRUE brand. In February 2013, Forrester fielded the North American Technographics TRUE Brand Compass Online Survey, Q1 2013, to ask US adults about their attitudes toward 10 food and beverage brands. (see endnote 1) The research shows that for these brands (see Figure 1):

- **Preference, referral, and pricing power drive brand resonance.** To win the battle for mindshare, CMOs must build a brand that resonates with their consumers so that they "feel a connection or sense of community with the brand and they would miss it if it went away." (see endnote 2) Forrester's research shows that brand resonance is driven by three metrics: 1) preference (consumers choose the brand over all other brands); 2) referral (consumers recommend the products to friends and family); and 3) pricing power (the ability to command a premium price).
- **Trust drives brand preference, referral, and resonance.** Marketers have long believed that trust is an important aspect of building a strong, sustainable brand. At its core, a brand is a promise to a consumer. And consumers in turn trust that

brand to deliver on that promise. They trust the brand to do what it says it will do: to taste good or to be good for you. Forrester's research proves that trust is fundamental to food and beverage brands. It is a primary driver of brand resonance with a correlation of 0.84, of brand referral with a correlation of 0.82, and of brand preference with a correlation of 0.80. (see endnote 3)

- **Being essential drives pricing power and preference.** Essential brands have cemented themselves in people's lives. They'll go out of their way to buy a brand that is essential to them, and they are willing to pay more for that brand. Being essential has a 0.72 correlation with consumers' willingness to pay a premium price for a food and beverage brand and a 0.73 correlation with brand preference. (see endnote 4)

Figure 1: TRUE Brand Dimensions Drive Brand Resonance In Food And Beverage



Base: 4,575 US online adults (ages 18 to 88)

Source: North American Technographics® TRUE Brand Compass Online Survey, Q1 2013
Note: Data shows correlation of TRUE brand dimensions with willingness to recommend, willingness to pay a premium, preference over other brands, and brand resonance.

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Source: Forrester Research, Inc.

FAMILIAR FOOD BRANDS HAVE THE HIGHEST TRUE BRAND RANKING

The TRUE brand compass identifies which brands are winning the battle for consumer mindshare in food and beverage. The TRUE brand compass analysis has two core components: 1) An overall TRUE brand compass ranking gives a snapshot of a brand's resonance, and 2) the TRUE brand compass scorecard reveals a brand's progress along each of the four TRUE dimensions.

Old-Guard Food Brands Are More Trusted Than Upstart Brands

Longevity is critical to earn trust and secure brand leadership. As in personal relationships, a brand must earn consumers' trust over time. Brands that are winning the mindshare battle are ones that have forged a deep relationship with consumers over many years. In food and beverage, we see that (see Figure 2):

- **Leading brands are tried-and-true household names.** Established food brands that have been in the kitchens of American families for decades take the lead in food and beverage. Kellogg's, Heinz, Kraft, and Nestlé lead the way as strong TRUE food brands that are trusted and essential to consumers. Coke beat out long-time rival Pepsi for TRUE brand leadership in the soft-drinks category, consistent with its ranking as Interbrand's most-valued global brand in 2012. (see endnote 5)
- **Lagging brands are unproven.** Newer brands have not yet built their relationship with consumers. Vitaminwater, launched in 2000, earns a laggard brand ranking because it has yet to build a strong relationship with consumers. The TRUE brand compass scorecard for this relative newcomer to the competitive beverage field shows weak third quintile scores on critical brand building dimensions of being trusted and essential. (see endnote 6) However, the brand fares better with Gen Z and Gen Y; with these demographic groups, it ranks as a follower, driven primarily by stronger trust among men ages 18 to 39.

Figure 2: TRUE Brand Compass Ranking Of Food And Beverage
Leaders And Laggards



Base: 4,575 US online adults (ages 18 to 88)

Ranking legend

TRAILBLAZER

At the forefront of brand building with a unique and distinct brand identity that sets it apart from other brands

Very strong brand with a defined brand North Star and a

LEADER	Very strong brand with a defined brand North Star and a consistent brand experience
FOLLOWER	Strong brand direction but not standing apart from other brands
LAGGARD	Falling behind on the brand building journey
ASTRAY	Lost sight of the North Star; must recalibrate direction

Source: North American Technographics® TRUE Brand Compass Online Survey, Q1 2013

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Source: Forrester Research, Inc.

Gatorade Is On Track To Become A TRUE Brand Leader

PepsiCo repositioned the Gatorade brand in 2011 to refocus on its athletic roots and stay focused on its North Star to "enable athletes to always perform at their peak." The sports-drink brand's marketing strategy has a one-two punch of affiliating the brand with athletic performance backed by scientific research for its products through its Gatorade Sports Science Institute. These efforts have pulled the brand back from market share declines to garner a dominant 46% share of the global sports-drink market, \$3.3 billion in global sales, and \$4.7 billion in brand value. (see endnote 7) Gatorade is on the right track but has not quite moved into the elevated status of soft-drinks giant Coke. What's holding it back? A series of driver analyses of Forrester's Technographics TRUE brand compass research shows that:

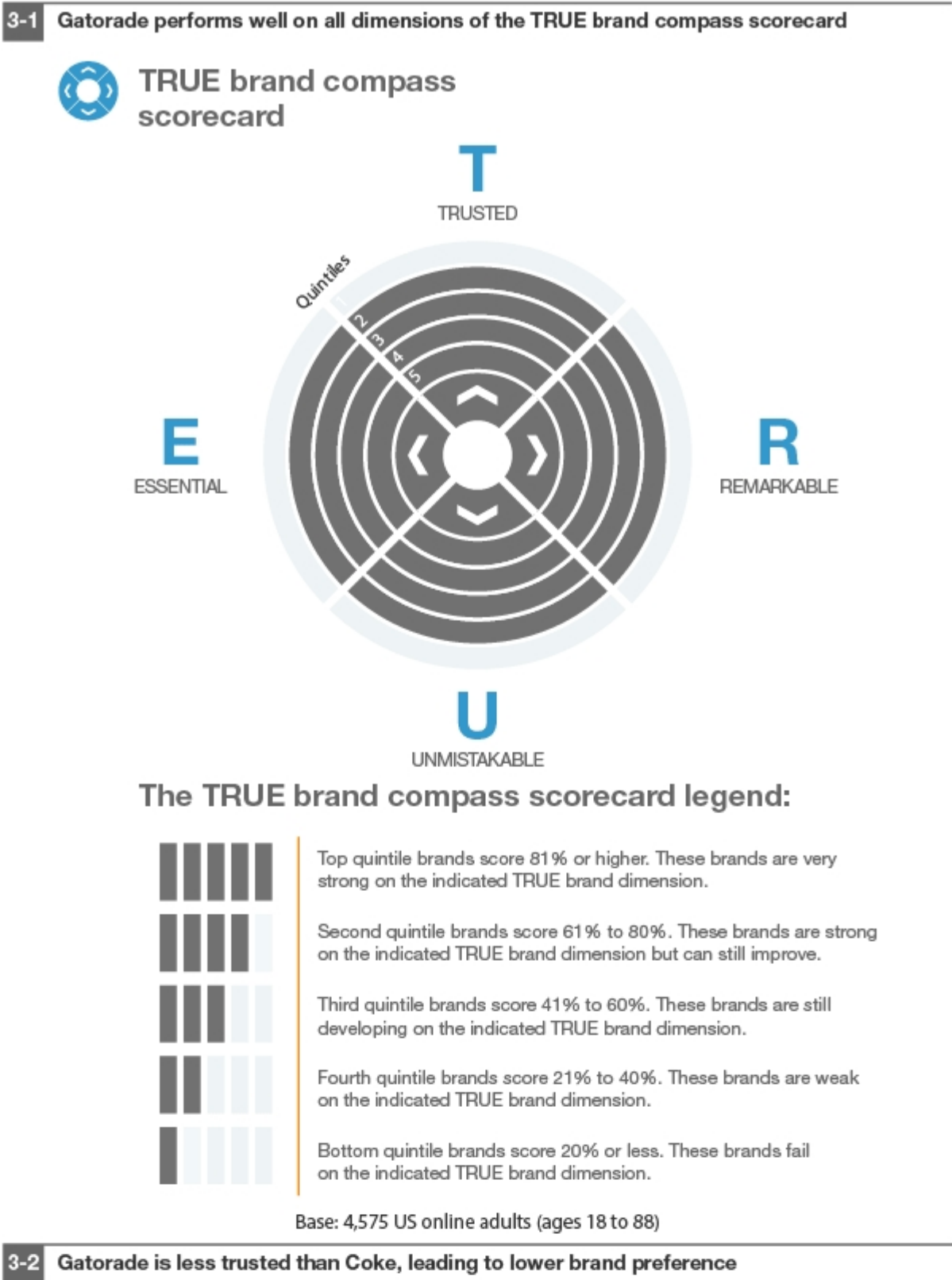
- **Gatorade is a follower, with good scores across all four TRUE dimensions.**

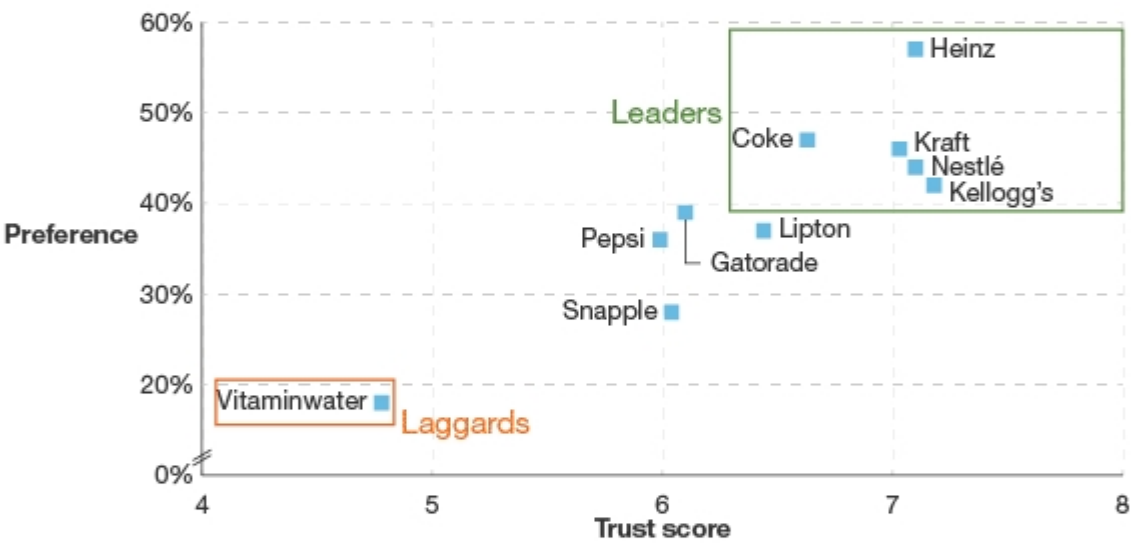
Gatorade ranks as a TRUE brand compass follower along with other beverage brands Lipton, Pepsi, and Snapple. Gatorade's TRUE brand scorecard shows that it has strong second quintile scores on all TRUE dimensions (see Figure 3-1). And Gatorade is solidly in the competitive pack of beverage brands such as Lipton, Pepsi, and Snapple that all have similar trust scores, but it lags behind category leader Coke (see Figure 3-2).

- **Gatorade beats out Coke to win top honors with young men.** Coke's broad demographic appeal secures overall brand leadership across total adults through top quintile scores on dimensions of being trusted, remarkable, and unmistakable. But Gatorade wins the race with its core target audience of 20-something men. The sports drink ranks as a trailblazer among men ages 25 to 29 — far ahead of Coke and other beverage brands — driven by top quintile scores across all TRUE dimensions.

- **Gatorade delivers on category drivers.** Gatorade is ranked strongly by consumers on critical category trust drivers of "having products/services that consistently deliver on their promises" and "having products/services that meet my needs." But consumers are hungry to have more "good information online about the brand and its offerings," creating an opportunity to improve the attribute, which could bolster trust in the brand for Gatorade fans (see Figure 3-3).

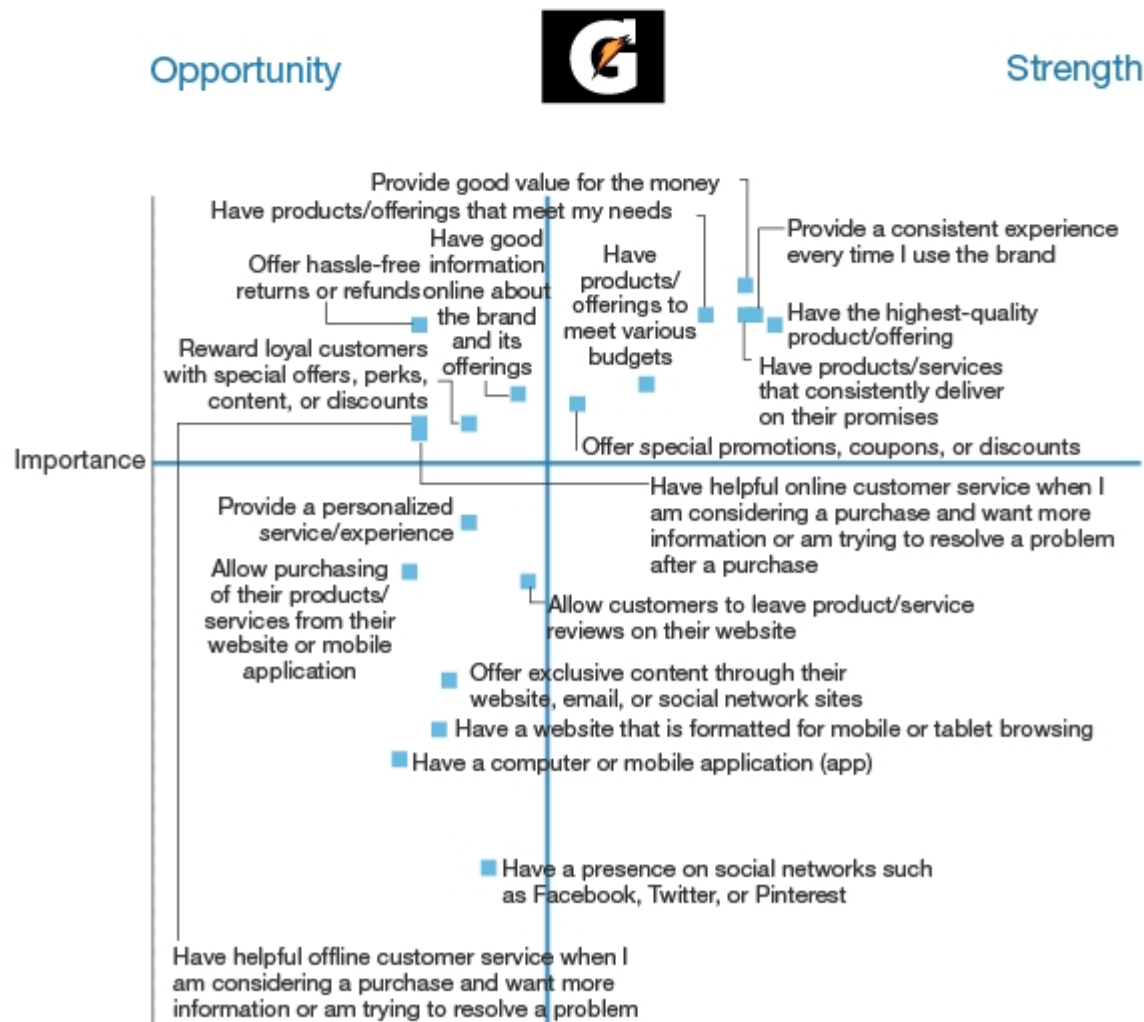
Figure 3: A TRUE Brand Compass Analysis Of The Gatorade Brand

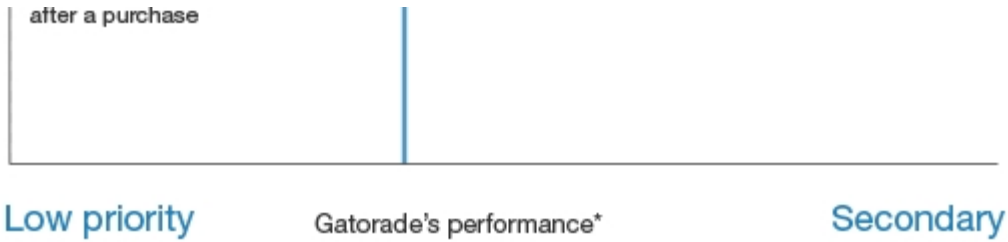




Base: 4,575 US online adults (ages 18 to 88)

3-3 Gatorade has strong brand performance on key brand drivers





Base: 4,575 US online adults (ages 18+)

*Base: 467 US online adults (ages 18+) who were assigned to and aware of Gatorade

Source: North American Technographics® TRUE Brand Compass Online Survey, Q1 2013

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Source: Forrester Research, Inc.

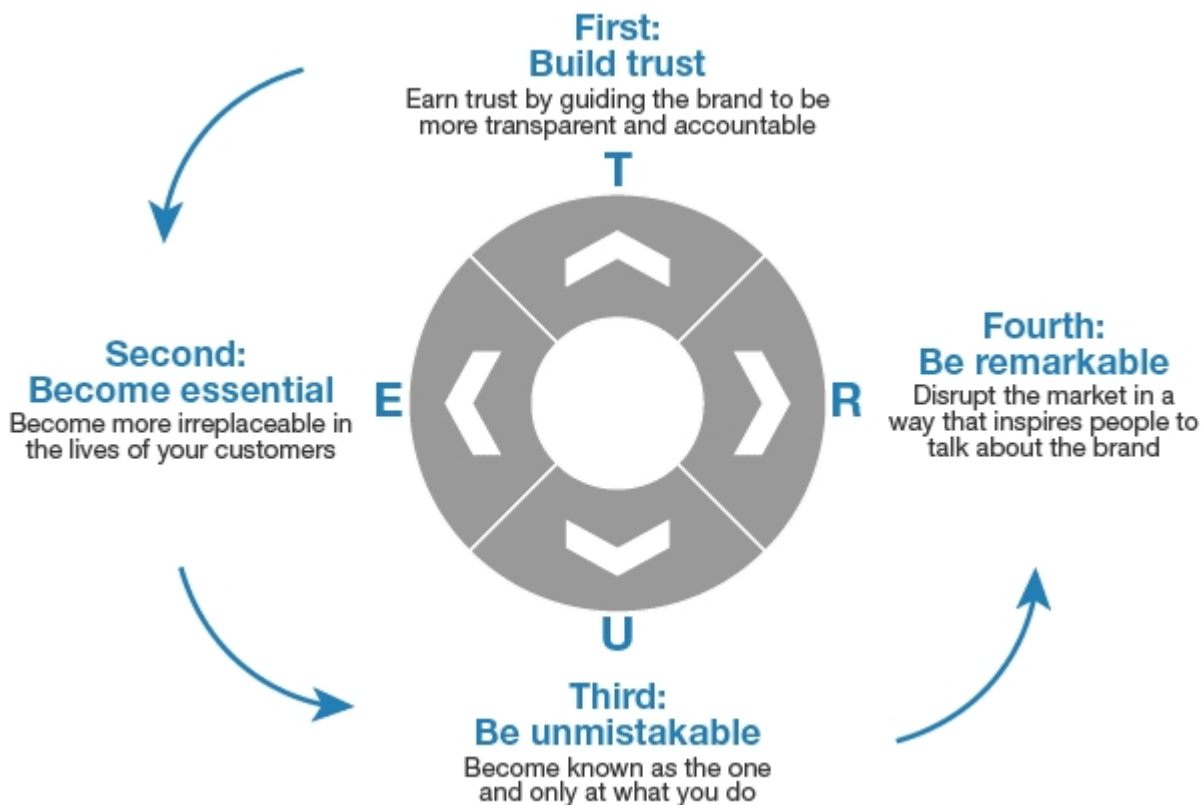
FOOD AND BEVERAGE BRANDS MUST BUILD TRUST OVER BUZZ

Strong, sustainable brands are built over time, not overnight. While buzz may be the icing on the cake, trust is the batter that makes it rise. But too many brands today are caught up in the need for creating buzz — gathering likes and social marketing cooler talk — at the expense of building a critical foundation of trust. Forrester's research shows that there are four steps to building a healthy sustainable TRUE brand in the food and beverage category (see Figure 4):

- **First, build trust.** Trust must be built slowly over time. Dartmouth College's Kevin Lane Keller observes that trust is based on repeated positive experiences that deliver on expectations. What does that mean for you? Every contact a consumer has with your brand can positively or negatively affect your brand. Positive interactions slowly build up your equity reserve, but any transgression will rapidly deplete that hard-earned investment. Alan VanderMolen, Edelman's vice chair, distinguishes between brand reputation, which he defines as how you are perceived today, and trust, which he defines as expectations of future performance based on past performance.
- **Second, become essential.** Become irreplaceable in the lives of your consumer. To do this, you must satisfy emotional and functional needs and engage around shared values. For example, cereal brand Cheerios' messaging around heart health seeks to cement the brand into its consumers' daily routine. With its unique proposition, targeted male consumers are less likely to switch between Cheerios and other cereals at breakfast time, securing greater mindshare and — through more frequent usage — market share.

- **Third, be unmistakable.** Be known as the one and only brand that does what it does. This can be done through any marketing levers such as packaging, product, messaging, or brand experience. Coke burnishes it hard-earned iconic status through its distinctive packaging, consistent red and white brand look and feel, as well as single-minded focus on "opening happiness."
- **Fourth, be remarkable.** Disrupt the market in a way that inspires conversation. To build its brand in the UK, Doritos set out to create an experience around the brand North Star that "Doritos means good times." It did this through a social media campaign created by agency AMV BBDO that enabled its young male consumers to invite a mariachi band to their party; the campaign increased brand favorability and sales.

Figure 4: Food And Beverage Brands Must First Build A
Foundation Of Trust To Build A TRUE Brand



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Source: Forrester Research, Inc.

RECOMMENDATIONS

set a path for your brand building journey

Equip yourself with Forrester's TRUE brand compass to embark on your brand building journey, and then create a road map to guide your way: (see endnote 8)

- **Go beyond product benefits to build an emotional connection that engenders trust.** For everyday replenishment products like food and beverage, a trusted brand name is a shortcut to getting on the weekly shopping list. Adam Lavelle, iCrossing's chief strategy officer, notes that products that you and your family eat and drink must pass the highest bar for trust. For example, consumers will trust the branded Board's Head turkey at the deli counter more than the unbranded product, and they'll pay a premium price for it.
- **Ensure that you have a clear and bright North Star.** A brand's North Star is a guiding principle that keeps everyone on track to the brand's destination. The strongest brands always have a clear direction that guides brand behavior within the company as well as shapes the brands' external identity. Oreo's North Star of "celebrating childhood" shines through in its TV spots, which celebrate a moment between children and their parents or grandparents. Red Bull guides its remarkable branded content around its North Star of "giving wings to people and ideas," such as the brand's sponsorship of Felix Baumgartner's 2012 world-record-breaking extreme free fall from the edge of the earth's atmosphere. Ensure that your North Star is honest, inspiring, strategic, and concise. (see endnote 9)
- **Create a brand MAP.** Align your messages, actions, and products (MAP) to your TRUE brand compass with Forrester's brand MAP. What products will make you essential? What communications will help build trust? Coca-Cola's 2012 Olympic music- and athlete-themed campaign was unmistakably Coca-Cola. The broad-reaching campaign covered TV, cinema, digital, and social, but Coke's red and white branding was a unifying theme across every touchpoint.

SUPPLEMENTAL MATERIAL

Methodology

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Forrester conducted the North American Technographics TRUE Brand Compass Online Survey, Q1 2013, fielded in February 2013 of 4,575 US individuals ages 18 to 88. For results based on a randomly chosen sample of this size (N = 4,575), there is 95% confidence that the results have a statistical precision of plus or minus 1.5% of what they would be if the entire population of US online individuals (defined as those online weekly or more often) ages 18 and older had been surveyed. Forrester weighted the data by age, gender, income, broadband adoption, and region to demographically represent the adult US online population. The survey sample size, when weighted, was 4,574. (Note: Weighted sample sizes can be different from the actual number of respondents to account for individuals generally underrepresented in online panels.) Please note that this was an online survey. Respondents who participate in online surveys have in general more experience with the Internet and feel more comfortable transacting online. The data is weighted to be representative for the total online population on the weighting targets mentioned, but this sample bias may produce results that differ from Forrester's offline benchmark survey. The sample was drawn from members of an online panel managed by MarketTools, and respondents were motivated by receiving points that could be redeemed for a reward. The sample provided by MarketTools is not a random sample. While individuals have been randomly sampled from MarketTools' panel for this particular survey, they have previously chosen to take part in the MarketTools online panel.

For Technographics Clients: How To Get More Technographics Data Insights

Forrester's North American Technographics TRUE Brand Compass Online Survey, Q1 2013, fielded in February 2013 of 4,575 US individuals ages 18 to 88 includes many additional questions and parameters by which you can analyze the data contained in this report. If you wish to subscribe to Forrester's Consumer Technographics services, please contact your account manager or data@forrester.com. If you are an existing Technographics client, please contact your data advisor at consumerdataadvisor@forrester.com. We can provide additional insights about:

- **Attitudes.** These are drivers of brand resonance, preference, referral, and willingness to pay a premium. They indicate category importance versus brand performance and drive trust, remarkable, unmistakable, and essential elements of the brand compass.
- **Brands.** These include Coke, Gatorade, Heinz, Kellogg's, Kraft, Lipton, Nestlé, Pepsi, Snapple, and vitaminwater.

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Companies Interviewed For This Report

- AMV BBDO
- Edelman
- iCrossing
- MePlusYou

Related Research Documents

- [Navigate To A 21st Century Brand With The TRUE Brand Compass](#)
- [Four Steps To Build Your Brand Experience](#)
- [Chart A New Course For Your Brand](#)

Endnotes

1. To learn more about Forrester's TRUE brand compass analysis framework, see the July 8, 2013, "[Navigate To A 21st Century Brand With The TRUE Brand Compass](#)" report, and see the July 15, 2013, "[Trust, Not Buzz, Builds Health And Beauty Brand Resonance](#)" report.
2. Professor Kevin Lane Keller of Tuck School of Business defines brand resonance as the most intense form of brand loyalty. Source: Kevin Lane Keller, "Building Strong Brands: Three Models for Developing and Implementing Brand Plans," Carlson School of Management, May 2006 (<http://www.csom.umn.edu/Assets/75894.pdf>).
3. Trust still holds as a key driver of brand preference, referral, pricing power, and resonance, even when controlling for the influence of the other components.
4. Essential also holds as a key driver of brand preference, referral, pricing power, and resonance, even when controlling for the influence of the other components.

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5. Source: "Interbrand Releases 13th Annual Best Global Brands Report," Interbrand press release, October 2, 2012 (<http://www.interbrand.com/en/news-room/press-releases/2012-10-02-7543da7.aspx>).
6. The TRUE brand compass scorecard illuminates the drivers of the TRUE brand ranking by scoring brands against each of the TRUE dimensions on a quintile scale. To learn more about Forrester's TRUE brand compass analysis framework, see the July 8, 2013, "[Navigate To A 21st Century Brand With The TRUE Brand Compass](#)" report, and see the July 15, 2013, "[Trust, Not Buzz, Builds Health And Beauty Brand Resonance](#)" report.
7. Source: Forbes (<http://www.forbes.com/companies/gatorade/>); Millward Brown (http://www.millwardbrown.com/BrandZ/Top_100_Global_Brands/Categories/food_and_drink/Soft_Drinks.aspx).
8. To learn more about creating a brand building road map, see the October 3, 2012, "[Four Steps To Build Your Brand Experience](#)" report.
9. To learn more about Forrester's North Star and other brand navigation tools, see the August 1, 2012, "[Chart A New Course For Your Brand](#)" report.



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