



FEATURED INSIGHTS

DELIVERING CONSUMER CLARITY

WINNING PROPOSITIONS, WINNING BRANDS

THE SECRET TO CRAFTING SUCCESSFUL PRODUCT CONCEPTS

- **The Rule of 3:** Propositions that sell more than three benefits often fail because consumers struggle to see the main idea.
- Propositions that do a better job of convincing consumers of the product's inherent value, are seen to have higher success rates.
- Product endorsements by doctors, experts and medical associations are not as impactful as traditionally believed.

Few categories are as competitive in the Indian marketplace as fast moving consumer goods (FMCG). The sector is expected to reach over \$50 billion in terms of sales in 2016 as new entrants and old players jostle for favour with consumers. To stay on top of constantly evolving consumer needs, companies need to ideate and innovate smartly with streamlined internal processes that ensure that only the best ideas reach consumers.



PROPOSITION PLAYS THE DIFFERENTIATOR

Traditional marketing strategy typically involves using the “5-P framework of product, place, pack, promotion and price.” To this we add two more components that have now risen to prominence – People and Proposition. ‘People’ – perhaps the most complex of these elements, entails dealing with acquiring a thorough and complete understanding of the consumer segments a brand determines to serve. Equally “**Proposition**” is a vital component, especially in the hyper-competitive FMCG space. In an industry where establishing meaningful product differentiation is becoming more and more difficult, a winning proposition can drive initial momentum, long-term success and loyalty.

Crafting a simple, focused and clear winning proposition is easier said than done. Consequently, marketers across organisations strive to extract learnings from the past and drive bigger and better innovations for the future. In this scenario, by using the proprietary BASES Factors for Success™ framework, we were able to evaluate propositions for their in-market readiness and ensure that only the best ones go through.

SO WHAT DO SUCCESSFUL PROPOSITIONS DO DIFFERENTLY?

We analysed over 200 propositions that have been evaluated in India, across several disparate FMCG categories to see what made winning propositions tick. The success of new propositions can largely be attributed to three factors:

CONSUMER
TENSION



CONSUMER
BENEFIT



REASON TO
BELIEVE



1. POSITIONING THE CONSUMERS' PROBLEM OR THE 'CONSUMER TENSION' EFFECTIVELY

When introducing a product, it's important to identify a relevant consumer need or pain point, but positioning it appropriately is crucial. There are two things that need to be kept in mind while portraying the consumer tension - or the key issue that the consumer would like to address by using the product:



THE DEFINING TRAIT OF A WINNING PROPOSITION ISN'T THE INITIAL 'BIG IDEA' – IT REQUIRES A MEANINGFUL PRODUCT DIFFERENTIATION THAT ACTS AS AN ANCHOR FOR SUSTAINABLE SUCCESS BASED ON ENDURING LOYALTY.

a. The right balance between Functional versus Emotional: Propositions can be presented in either functional or emotional contexts. While pure functional benefits solve problems that consumers face, a good proposition will also connect emotionally with the consumer. While the first proposition below works because it highlights the problem purely from a functional perspective, the second one has a greater impact because it has an emotional tone in addition to serving a functional need.



“DIRT AND POLLUTION SETTLE ON YOUR SKIN LEADING TO VARIOUS SKIN PROBLEMS SUCH AS ACNE, AGEING AND DULL SKIN”.



“MY DAILY STRUGGLE TO SUCCEED IN LIFE MAKES ME TRAVEL IN AN ENVIRONMENT FULL OF DIRT AND POLLUTION AFFECTING MY SKIN AND LEADING TO SEVERAL PROBLEMS SUCH AS ACNE, AGEING AND DULL SKIN.”

b. Identifying the Right Emotion: While creating a proposition, it's important to steer clear of emotions that elicit negativity. Using emotions **of guilt, embarrassment or drudgery are likely to be** disconcerting because they seem to blame the consumer for shirking responsibility. For example, presenting a kitchen cleaner product by saying the following might put off the consumer:



“CLEANING UP THE KITCHEN IS TIME-CONSUMING AND BORING.”

However, presenting the same sentiment by evoking the emotion of “helplessness,” can be far more effective. Doing so establishes empathy by indicating that the consumer is doing her best but is still unable to overcome the situation. The following statement might generate better results:



“I TRY MY BEST, BUT IT OFTEN TAKES LONG TO CLEAN UP THE KITCHEN BECAUSE THE GREASE GETS STICKY.”

Similarly, propositions around **convenience and time saving have not been very successful**. If a proposition is to be built around these aspects, it will be **important to clearly link the benefit to an emotional consumer pay-off, such as spending the time saved with children, or using the effort saved on enhancing one's own skills or prospects**.



PROPOSITIONS WITH AN EFFECTIVE EMOTIONAL HOOK HAVE A 33% HIGHER RATE OF SUCCESS THAN PURELY FUNCTIONAL PROPOSITIONS.

As a rule of thumb across categories, positive contexts set around emotions of joy or delight, work well with consumers. Take the following statement for example:

“I TAKE PRIDE IN WATCHING MY KIDS PLAY AND FLOURISH; HOWEVER, THIS ALSO INVOLVES THEM CREATING A MESS SOMETIMES”

2. CRAFTING AN ‘UNCROWDED’ COMPELLING CONSUMER BENEFIT

The consumer benefit needs to be at the heart of the proposition and be plainly communicated. While a simple, coherent story around the end benefit is non-negotiable, “throwing in” too many benefits may be counterproductive. We have seen that propositions that sell over three benefits at once often fail as consumers struggle to see the key benefit of the proposition.

Moreover, when introducing innovations either through new packaging options or newer product formats, it is imperative to ensure the link to an end consumer benefit.

An interesting example here is in low penetration FMCG categories that have been striving to get a foothold in the Indian market. For instance, fabric conditioners and hair conditioners have not had much success in India since they struggle to establish a clear benefit for a product that consumers see as a confusing add-on to critical products, which in this case are detergents and shampoos respectively. Given the high usage of hair oil in India, it has been difficult to justify the need for an additional product for hair management, though that is now beginning to change. With fabric conditioners too, marketers are yet to convince consumers to use the products routinely for the entire laundry basket.

However, when it comes to hand sanitisers, brands have simply and clearly been able to present product benefits to consumers while addressing their constraints. The message is that a sanitiser allows you to keep your hands clean even when water and soap are not available. This is a great example of a convenient format being well-linked to a benefit which solves a consumer problem.

Another important aspect of the price-sensitive Indian market is the need for a proposition to demonstrate value explicitly. There are a few ways in which this can be done. Propositions with explicit assurance on economy of usage are seen to have higher success rates. For example, in the detergents category, expressions such as “needing just one capful” or “one scoop” illustrate this aspect.

“

IT IS ADVISABLE TO KEEP THE PROPOSITION SHARP AND FOCUS ON THE KEY SELLING MESSAGES AND REFRAIN FROM THE TEMPTATION OF TRYING TO PACK IT WITH TOO MANY BENEFITS.

”



THINK ABOUT HOW YOUR PROPOSITION WILL DELIVER VALUE TO THE CONSUMER AND HOW THAT CAN BE DEMONSTRATED CLEARLY.

Additionally, initiatives with an entry-point pack or trial pack are seen as more attractive and likelier to succeed. By inducing consumers to try out a product with minimal payout, combining a trial pack with a compelling proposition is also able to reduce the risk associated with trying something new.

3. PRESENTING A PERSUASIVE REASON TO BELIEVE

Consumers need to be convinced about the claims made in a proposition. This is where leveraging an effective reason to believe becomes critical. A reason to believe is an ingredient or a process that explains why the product should work effectively in delivering the benefit it promises. For instance, leveraging neem, a known herbal remedy for bacteria, as an ingredient for an anti-bacterial product could work well. There are multiple ways to effectively use reasons to believe in a proposition.

a. **Use reasons to believe that consumers can relate to and ensure an explicit link to the benefit:** Phrases such as “chlorine for purification,” or “aloe vera for skin cooling” and so on are easily comprehensible ingredient-benefit links. On the flipside, merely stating “active formula” and expecting consumers to associate it with thorough cleaning in a hand wash, is too ambiguous, making it a difficult link to establish.

b. **Use a reason to believe with a mode of action:** The presence of a reason to believe is important, but linking it to a **mode of action** that explains how the ingredient works to unlock the benefit, significantly increases the chances of the concept’s success. For example:



“Beads that dissolve completely in water and penetrates into the fibre to leave clothes 2x softer.”



“Beads that make clothes 2x softer.”

c. The best way to bolster credibility in a proposition is to leverage the brand equity of a **parent brand**. **Extending the already well known characteristics of a parent allows for instant comprehension and believability.**

d. Contrary to traditional belief, endorsements by doctors, experts and medical associations are seen to play a less significant role in driving success versus propositions that use the other elements of creating a compelling proposition well.

CHALLENGES THAT PROPOSITIONS FACE

In India, the inability to arrive at a **distinct benefit** and **being relevant** have been found to be the key barriers to a proposition's success.

DRAWBACKS OF UNSUCCESSFUL PROPOSITIONS

	READY	NOT READY
DISTINCT PROPOSITION	66%	34%
ATTENTION CATCHING	79%	21%
MESSAGE CONNECTION	98%	2%
CLEAR AND CONCISE	82%	18%
RELEVANCE	60%	40%
ADVANTAGE	83%	17%
CREDIBILITY	77%	23%
VALUE	79%	21%

Source: Analysis of over 200 propositions tested in India

Within the FMCG space, the highly commoditised “foods and refreshments” category is one of the most difficult spaces to identify winning propositions in. The fact that the category is nuanced and prone to influence by a wide, heterogeneous palate makes it difficult to identify a need. Moreover, the existence of a wide array of homemade substitutes has added to the complexity.

DRIVING SUCCESSFUL PROPOSITIONS

In sum, there are a few key themes that marketers can bear in mind when creating winning propositions:

- Strive to achieve sustainable differentiation in your proposition. It is important to be relevant yet clearly distinct from competition.
- Differentiation should be achieved using the benefit and not just the format. For instance, black toothpaste would stand out but wouldn't really offer a distinct benefit.
- Present your proposition in an emotional manner while anchoring on a strong functional point of consumer tension. While solving consumers' problems, adopting a positive tonality works best.
- Use a compelling 'reason to believe,' that credibly communicates the benefit of the product.
- Less is more! Focus on a few, sharp selling points to drive your story home.
- Ensure that the promises you make to consumers are not just delivered but exceeded through strong product performance.

ABOUT NIELSEN BASES FACTORS FOR SUCCESS™

THE 12 THINGS EVERY NEW PRODUCT MUST DO TO SUCCEED



Success is defined as the consumer adoption of the initiative, and the costs and risks of achieving it... in other words, the way marketers think about success.

Paired with information on Volume & Strategy, this system is a powerful decision making tool.

A SINGLE RECIPE FOR SUCCESS ACROSS ALL GEOGRAPHIES AND CATEGORIES.

TANGIBLE BENEFITS

IN-MARKET SUCCESS IS NOT ABOUT DOING ONE THING EXCEPTIONALLY WELL; IT IS ABOUT DOING ALL 12 THINGS SUFFICIENTLY.

A comprehensive framework measuring what matters when it matters

- Understand and manage performance versus the competition
- Focus on becoming “ready” at every step of the consumer adoption process
- Results in the context of success in today’s market
- Leverage consistency across the new product development process
- Adopt robust action standards & scorecards

PROVEN R&D

THE PRODUCT OF A MULTI-MILLION DOLLAR R&D INVESTMENT

Nielsen reviewed the SCAPE components of over 20,000 concepts, then tracked 600+ in-market launches to understand the link between study performance and in-market success. The result is a much more predictive model of success, leveraging BASES extensive database, which is unmatched in the industry.

Successful initiatives are defined as those that have satisfactory performance on all the measures of BASES Factors for Success™.

CONSUMER ADOPTION

+

VOLUME POTENTIAL

+

STRATEGY

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ABOUT NIELSEN

Nielsen Holdings plc (NYSE: NLSN) is a global performance management company that provides a comprehensive understanding of what consumers watch and buy. Nielsen's Watch segment provides media and advertising clients with Total Audience measurement services for all devices on which content — video, audio and text — is consumed. The Buy segment offers consumer packaged goods manufacturers and retailers the industry's only global view of retail performance measurement. By integrating information from its Watch and Buy segments and other data sources, Nielsen also provides its clients with analytics that help improve performance. Nielsen, an S&P 500 company, has operations in over 100 countries, covering more than 90% of the world's population.

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