



Say yes to the stretch?

Unlock CPG growth potential through category expansion

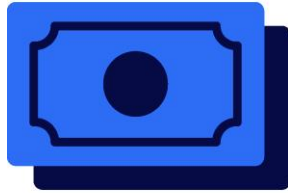
Brand Stretch Analysis

NIQ BASES

When looking to expand your brand outside existing categories, consider these key questions



Which new categories do consumers give my brand *permission to stretch* into?



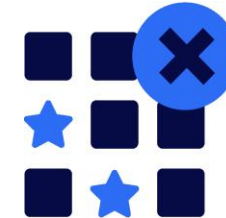
Which categories will consumers likely *purchase* from my brand?



Can my brand deliver *new benefits* in the category?



Do expected usage occasions for these categories *align with my brand*?



Which *category barriers* exist?



How do I position my brand for *incremental growth*?

To demonstrate brand stretch in action, we evaluated 6 competitor snack brands to provide relative comparison

- Why snacks? Not only is it a growing super-category, but our Innovation Measurement database shows it is also *one of the top 5 categories for brand extensions in the U.S.**
- For the purpose of this case study, we'll focus on a *baked goods* brand ("Brand A") to illustrate the approach.

*Source: NIQ BASES Innovation Measurement, U.S.



We selected 14 expansion categories based on evaluated brands and adjacency

Expansion categories are typically selected according to company strategy and goals and other factors, such as level of category growth, consumer input, or competitive action.

Breakfast Bars

Brownie-Cookie Brittle

Cake Mix

Frozen Edible Cookie Dough

Frozen French Toast

Frozen Ice Cream Bars

Frozen Ice Cream Cones

Frozen Ice Cream Sandwiches

Frozen Yogurt

Non-Chocolate Candy

Packaged Ice Cream

Pudding Cups

Sweet Snack Mix

Toaster Pastries



Question 1: Which new categories do consumers give my brand permission to stretch into?

Strength of Association | Brands for which types of products would be purchased

	Brand A	Brand B	Brand C	Brand D	Brand E	Brand F
Breakfast Bars	++		--			
Brownie-Cookie Brittle	+	--	--			++
Cake Mix	++	--	--	++		
Frozen Edible Cookie Dough					+	
Frozen French Toast	++		--			
Frozen Ice Cream Bars	--		++	-		-
Frozen Ice Cream Cones	-		++	-		
Frozen Ice Cream Sandwiches	-		++			
Frozen Yogurt	-	++				
Non-Chocolate Candy						
Packaged Ice Cream	--		++	-		
Pudding Cups	--	++		-	--	
Sweet Snack Mix	--	+	++	--		-
Toaster Pastries	++	--	--	++		

Legend: Significant Association Moderate Association Neutral Association Moderate Negative Association Significant Negative Association

Key insights

- Breakfast Bars, Cake Mix, Toaster Pastries, and Frozen French Toast **emerge as strong fits for Brand A** as compared with other brands.
- Brownie–Cookie Brittle shows a moderate association with Brand A — **but is a stronger fit for a competitor**.

Note

While category stretch can be successful even when associations relative to other brands aren’t strong, these cases are typically more difficult and expensive to execute.

In this example, we chose to focus on the categories with stronger consumer permission.

Source: NIQ BASES Demand Solutions
The relative strength of association for each brand with specific stretch category/occasions is calculated using a Pearson’s chi-squared test.

Question 2: Which categories will consumers likely purchase from my brand?

Of the categories into which Brand A is given “permission” to stretch, consumers are most likely to purchase Breakfast Bars, Cake Mix, and Toaster Pastries from their brand, further narrowing in on top expansion opportunities.

Likelihood of Purchase Brand A in...	Top Two Box % Selected Category	Strength of Association
Frozen Ice Cream Sandwiches	58%	-
Toaster Pastries	58%	++
Brownie/Cookie Brittle	57%	+
Frozen Ice Cream Bars	55%	--
Breakfast Bars	55%	++
Cake Mix	54%	++
Frozen Ice Cream Cones	52%	-
Packaged Ice Cream	52%	--
Sweet Snack Mix	49%	--
Frozen Edible Cookie Dough	44%	
Frozen French Toast	43%	++
Pudding Cups	42%	--
Frozen Yogurt	41%	-
Non-Chocolate Candy	33%	

High consumer permission

Breakfast Bars
Cake Mix
Frozen French Toast
Toaster Pastries



High likelihood to purchase

Toaster Pastries
Breakfast Bars
Cake Mix

Source: NIQ BASES Demand Solutions
The relative strength of association for each brand with specific stretch category/occasions is calculated using a Pearson's chi-squared test.

Question 3: Can my brand deliver new benefits in the category?

Since taste is the most significant benefit that Brand A offers across all three categories, we recommend they leverage their existing flavors in category extensions.

Breakfast Bars



58% of respondents think that a Brand A Breakfast Bar would offer a new benefit or similar benefits at a better value.

Cake Mix



51% of respondents think that a Brand A Cake Mix would offer a new benefit or similar benefits at a better value.

Toaster Pastries



59% of respondents think that a Brand A Toaster Pastry would offer a new benefit or similar benefits at a better value.

Source: NIQ BASES Demand Solutions
Note: Word clouds are based on survey responses about perceived new benefits if the brand decides to launch a new product in each category.

Question 4: Do expected usage occasions for these categories align with my brand? Are there new occasions to expand into?

Build on existing associations with categories that align, or use expansion categories to reach new occasions.

Strength of Association | Circumstances for which types of products would be purchased

	Brand A	Breakfast Bars	Cake Mix	Toaster Pastries
To satisfy a craving		--	--	
To indulge		--		--
As a reward		--		--
To relieve boredom				
To have fun	--	--	++	
For an energy boost		++	--	
To satisfy hunger	+	++	--	++
To share a moment with family and friends	+	--		-
To have something to nibble on		+	--	+
To celebrate a special occasion	++	--	++	--
To have something I feel good about eating		++	--	

Legend:

Significant Association

Moderate Association

Neutral Association

Moderate Negative Association

Significant Negative Association

Key insights

- Consumers choose Brand A to satisfy hunger, an occasion shared with Breakfast Bars. This illustrates an opportunity for the snack brand to build upon existing associations as it moves into a new category.
- Breakfast Bars also offer new usage occasions, such as to provide an energy boost. While Brand A, with its dessert offerings, might not typically be chosen when consumers look for an energy boost, a Breakfast Bar would be the right category to expand into the energy space.

Source: NIQ BASES Demand Solutions
The relative strength of association for each brand with specific stretch category/occasions is calculated using a Pearson's chi-squared test.

Question 5: Which category barriers exist?

Consumers associate Toaster Pastries and Cake Mix with being too processed and Breakfast Bars with having poor texture, being too processed, and not filling enough. Brand A can leverage its reputation as a snack to satisfy hunger and the perceived benefit of taste to overcome these category barriers.

Breakfast Bars

- *Poor texture*
- *Too processed*
- *Not filling enough*

Cake Mix

- *Too processed*

Toaster Pastries

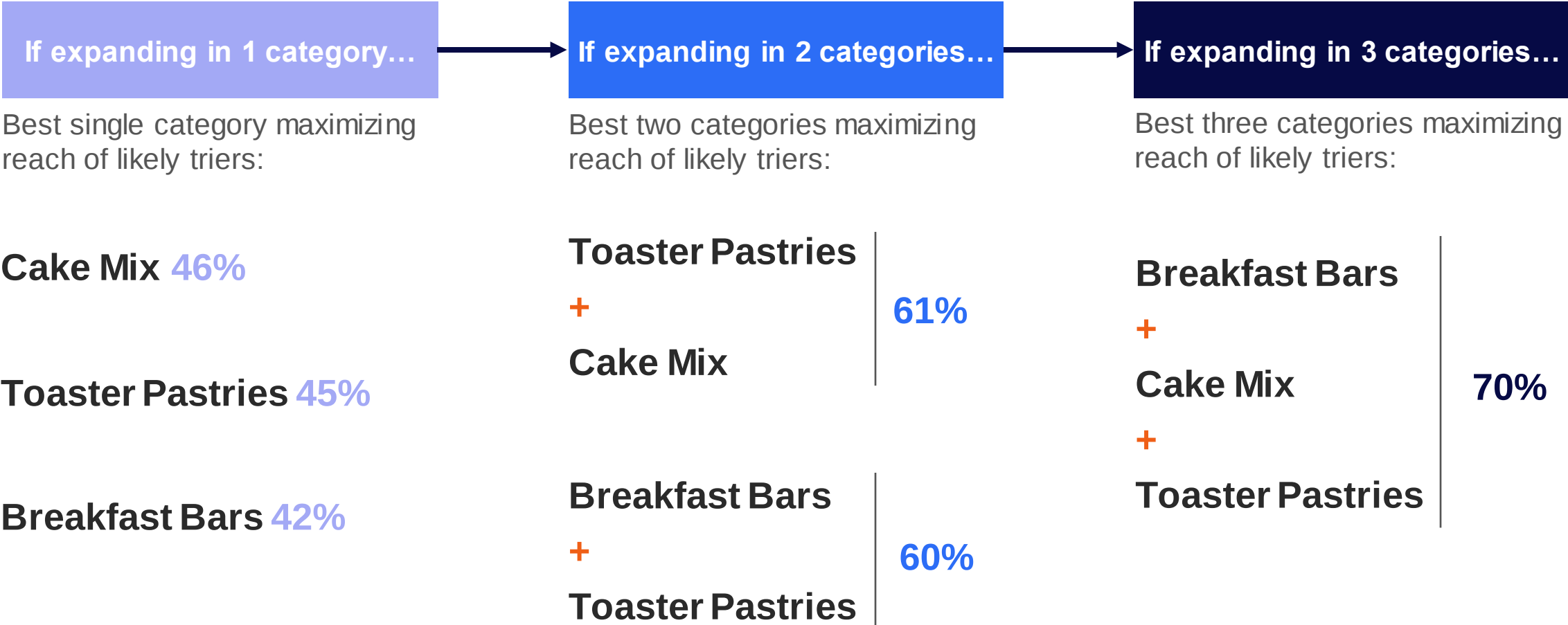
- *Too processed*

Source: NIQ BASES Demand Solutions

The relative strength of association for each brand with specific barriers is calculated using a Pearson's chi-squared test. 10 barrier statements were evaluated

Question 6: How do I position my brand for incremental growth?

We ran scenarios to explore the best combination of new categories for Brand A to reach the highest number of new consumers and position its products for incremental growth.



Source: NIQ BASES Demand Solutions, BASES TURF Analysis, % top box reach

Key takeaways



It's important to consider which categories the brand has **consumer permission** to stretch into.



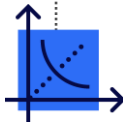
Categories that have a **strong fit compared to other brands** *and* a **strong purchase interest** are usually top contenders for brand stretch.



Brands can build upon existing associations with **aligned usage occasions** or reach new consumers with **new usage occasions**.



Examining **category barriers** and whether the brand brings **new benefits** to the category provides a more complete, nuanced picture of how the brand extension would be received by consumers and can inform product development and messaging.



If considering more than one stretch category, run scenarios to explore the **best combination of expansion categories** so you can position your portfolio for growth in the future.

What's next?

Register for our BASES Masterclass, The Innovator's Guide to Brand Extendibility, or contact your BASES representative for a one-on-one presentation with actionable recommendations.

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