Creating Your Pathway to *Growth*

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Your pathway to growth starts where your category definition ends – to reignite growth, stop defending your boundaries and embrace consumer category blurring by creating new occasions and entry points.

In recent years, the average top-line growth for FMCG categories has stagnated at under 1% annually, with only a few notable category exceptions. For many brands, growth strategies focus on defending existing boundaries. This stagnation has occurred even in regions previously characterized by robust growth. Consumers are now more cautious, with persistent concerns about interest rates, rising prices, tariffs, and job security. Broader product repertoires have become the norm, with people using more brands and products across categories than ever before, expanding the competitive landscape horizontally.

Despite this environment, some discretionary categories - such as beauty, non-alcoholic beverages and some food categories - have achieved growth in 2025. These categories, under challenging circumstances, have experienced a Category Boost. This raises the question of what marketers need to focus on to expand demand and revive growth.

Increasing Penetration Drives Category Growth

Empirical evidence shows that, for the majority of categories, increasing category penetration (rather than increasing purchase frequency) is the primary driver of category revenue growth[1] Marketing strategies should therefore focus on attracting new category buyers while ensuring existing buyers are not lost to competing categories.

With this empirical evidence at hand, how can this knowledge be developed into a practical guide for attracting new consumers to your category while also securing the consumers you already have? What are the principles for creating your pathway to category growth?

Reigniting growth requires a change in mindset and new more expansive ways of thinking about how consumers make decisions. An approach that challenges how marketers think about categories and relevant competition. One that recognizes that the rules for finding category growth vary based on market realities and thus so does the way to identify, prioritize, and capitalize on growth potential.

By integrating market sales data with consumer insights from primary research and brand performance analysis, you can tailor actionable growth pathways to your specific market context. The following principles for marketers underpin this strategic approach.

[1] Dunn, Steven, et al. "How Categories Grow: The Behavioural Drivers of Revenue Growth." *Journal of Business Research*, vol. 195, 2025, p. 115385, https://doi.org/10.1016/j.jbusres.2025.115385

Four Principles for Unlocking Growth

1. Re-evaluate Your Category Perspective

"When you see things from the customer's perspective, competitors do not exist; there are simply alternatives." **— Mark Ritson**

The concept of a category is a business construct—consumers do not make brand choice decisions within rigid category boundaries. While marketers may have a clear definition, it may not align with how consumers perceive the various options available to them. It can be a challenge to define the 'category' from the consumer's viewpoint. For instance, what a business labels as the confectionery category, for the consumer, it may simply be one of many options available for a sweet craving or a quick energy boost. Consumers focus on satisfying needs or completing jobs (to be done), and any alternative that addresses the same need becomes one of your competitors. This perspective is essential for reframing the competitive set and envisioning growth beyond the constraints of conventional category boundaries.

2. Look Outside to Grow Within

NIQ's Market Reality Grid[2] is a strategic intelligence tool, using NIQ Retail Measurement data, to plot your brand and category position to guide direction for growth.

Image 1

Adopting a consumer-centric approach to defining the competitive landscape enables brands to identify a wider range of jobs to address and problems to be solved. As brands innovate and enter new spaces, they can energize the entire category, attracting increased interest from both competitors and retailers, thus in turn driving more energy and momentum into the category.

Academic research has proven that focusing on category growth is essential for brand revenue generation, for all brands (large and small) but particularly for larger brands[3]. Strong large brands are unlikely to achieve significant gains through market share alone, especially when the core category is limited in growth rates and/or potential. In these **'Category Boost' – low growth category situations (Image 1: NIQ Market Reality Grid)**, stimulating demand and increasing penetration by engaging consumers outside the traditional category boundaries is critical. The bigger brands need to lead the charge in reframing the category, stimulating demand amongst those consumers outside the category, or amongst light category buyers, to increase category penetration to achieve revenue growth.

Smaller or weaker brands face a similar reality. While share gains matter, evidence shows that more than a third of year-on-year growth in CPG businesses is tied to overall category performance[1] To succeed in a stagnant category, these brands must also look beyond their core segment and explore adjacent or competing categories – a **'Challenge' – low growth category (Image 1: NIQ Market Reality Grid) scenario**.

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[2] NIQ's Market Reality Grid is a strategic intelligence tool, powered by NIQ market data, providing a clear view of your brand's category position and what steps are needed to unlock growth opportunities.
[3] Tanusondjaja, A., et al. *How categories grow: The behavioural drivers of revenue growth.* Journal of Business Research, 2023.

Case Study

‘Challenge’

Athletic Brewing & Challenging Industry Norms

Up until the mid 2010s, non-alcoholic beer in the US was a niche category with limited growth. Since launching in 2017, Athletic Brewing has driven exponential growth in the non-alcoholic beer category, expanding brand families from fewer than 20 to more than 220. Over the same period, alcoholic beer grew by just 1%[4].

Athletic Brewing succeeded by rethinking occasions and attracting new consumers. Rather than positioning non-alcoholic beer as a compromise, the brand focused on quality, variety, and aspiration. It tapped into evolving behaviors, particularly among younger consumers who alternate between alcoholic and non-alcoholic options.

Coming from outside of the category, the team at Athletic Brewing weren’t just thinking about occasions where alcohol was typically present. By showing up at marathons, fitness events, music festivals, and food-led occasions, the brand created new category entry points. Expanded distribution across health stores, cafés, and fitness centers further increased reach.

By “getting more cans into more hands,” Athletic Brewing challenged category norms and helped turn a stagnant category into a high-growth one.

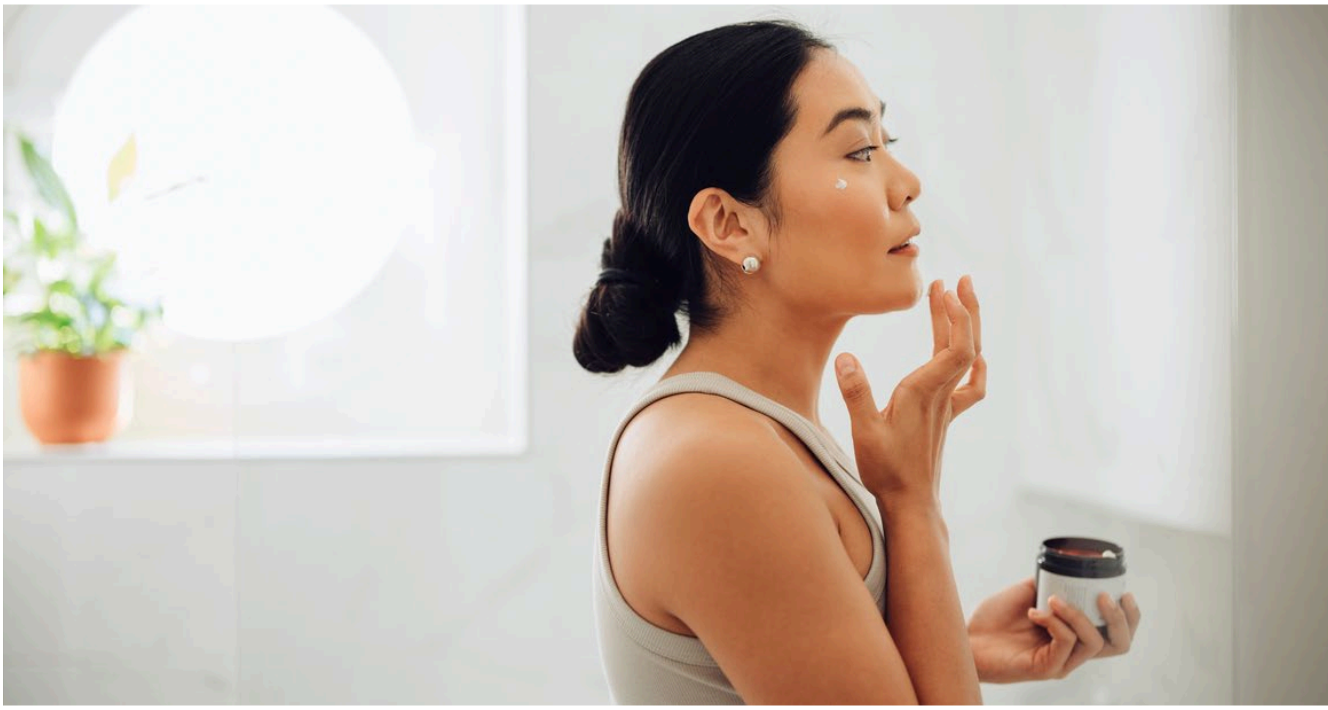
[4] NIQ RMS measurement data

For smaller, weaker brands operating in a strong, growing category, what we call a **'Brand Boost' situation (Image 1: NIQ Market Reality Grid)**, opportunities exist both to capture market share and, to a lesser extent, create further category growth, by taking advantage of growth activated category noise and heightened consumer interest.

All brands can benefit from an expanding market, making it valuable to adopt an out-of-category perspective regardless of brand size or category dynamics.

Case Study

'Brand Boost'



CeraVe & Harnessing Cultural Change

When L'Oréal acquired CeraVe in 2017, it was a relatively small brand. At the time, skincare routines emphasized quick fixes over long-term skin health, and convenience often came at the expense of gentleness and care.

CeraVe has been recognised as a brand that has moved at the speed of culture. As consumer priorities shifted, accelerated by growing wellness awareness and later by the COVID-19 pandemic, consumers became less interested in quick fixes. CeraVe emphasised a routine-based approach to skincare focused on barrier health, consistency, and accessibility.

By offering dermatologist-developed products at an accessible price point and tapping into organic cultural conversations, CeraVe strengthened relevance with new audiences. In doing so, it played a meaningful role in accelerating growth across the Skin Care category, which has since become one of the fastest-growing segments in Beauty.

3. Look Within to Grow Outside

Strong brands can capitalize on their established mental advantage and equity to expand into adjacent categories, creating new avenues for growth. The distinctive brand assets and mental advantage that strong brands have provide a competitive edge over new market entrants. This is demonstrated by the fact that brand extensions achieve, on average, 23% higher first-year sales compared to entirely new brands.[5]

Expansion into a new category provides an avenue to reach a wider audience by creating more consumer entry points for the brand. Identifying the most relevant consumer Jobs-to-be done in common across the adjacent categories, and those jobs in which your brand is most credible and has a right to play, is the starting point for determining where your brand can expand and innovate to grow.

Case Study

‘Category Boost’

Kinder & Boosting Category Vitality

Successfully extending into a new category requires securing the mental advantage your brand already has as well as focusing on consumer jobs that are common and relevant across your category and the adjacent categories to enable the brand to credibly stretch. Ferrero’s expansion of the Kinder brand into adjacent categories, including biscuits and ice cream, illustrates this principle in action.

By staying true to Kinder’s core equity—simplicity, small portions, and family appeal—Ferrero was able to introduce new formats that felt natural and relevant. These extensions created fresh consumption occasions while reinforcing the brand’s essence. In France, the launch of Kinder ice cream generated incremental category growth, with 8% of volume sales representing new demand within the ice cream segment[6].

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[5] NIQ BASES Innovation Measurement
[6] 2025 NIQ Breakthrough Innovations, Western Europe – France

4. Apply the Four Consumer Levers to Unlock Growth

NIQ has identified four key consumer levers that drive category and brand growth across all market contexts. In the case studies included in this paper, these levers of growth all played an important role in creating growth. The relative importance of each lever depends on category dynamics and brand positioning, that is, your brand's current position on the Market Reality Grid (Image 1).

NIQ's Growth Pathways approach prioritizes high-impact opportunities within these levers, guiding brands to actions that effectively expand consumer reach and stimulate demand to create revenue growth.

Consumer levers of category and brand growth

Give people more reasons to enter the category

By building wider, fresher memory networks of **jobs-to-be-done**

Give people different moments to use the category

By expanding into undeserved **consumption contexts**

Give people new reasons to choose the category / brand

By leveraging existing and emerging **drivers of choice**

Give people fewer excuses to skip the category

By removing category **barriers-to-entry**

Brands that enjoy the highest growth give people:

1. **More reasons to enter their category**
2. **Different moments to use the category**
3. **New reasons to choose it**
4. **Fewer barriers to entry**

In Conclusion

In today's challenging FMCG landscape, sustainable growth demands that marketers move beyond traditional category boundaries and adopt a truly consumer-centric approach. The evidence is clear: increasing category penetration—by attracting new buyers and expanding the occasions and needs your category can serve - is the most powerful avenue for revenue growth. Marketers must reframe their category perspective, looking beyond conventional definitions to understand the broader set of alternatives consumers consider. This means identifying new jobs to be done and prioritizing existing ones, innovating to expand into underserved consumption contexts and meet evolving needs, and leveraging brand strengths to enter adjacent spaces. By embracing these principles, brands of all sizes can unlock new pathways to growth and ensure long-term relevance and resilience.

Turning Insight into Action

Unlock new opportunities for your brand and category with NIQ Growth Pathways.

NIQ Growth Pathways brings traditional research into the modern era. By integrating qualitative and quantitative research with NIQ's brand performance analysis, it delivers a connected view of how consumers think, feel and act.

Activate the right growth levers like jobs-to-be-done, consumption contexts, benefits, and barriers to expand reach and stimulate demand. By knowing the right levers for expanding category demand, room is created for innovation, attracting new entrants and opening fresh consumption occasions. A strong growth plan starts with broadening the category's reach, which in turn creates brand growth. When the category is thriving, the focus shifts to securing brand prominence and riding the wave of rising category momentum.

NIQ Growth Pathways delivers a clear, actionable roadmap for category and brand growth.

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1. Dunn, Steven, et al. “How Categories Grow: The Behavioural Drivers of Revenue Growth.” *Journal of Business Research*, vol. 195, 2025, p. 115385, https://doi.org/10.1016/j.jbusres.2025.115385

2. NIQ’s Market Reality Grid is a strategic intelligence tool, powered by NIQ market data, providing a clear view of your brand’s category position and what steps are needed to unlock growth opportunities.

3. Tanusondjaja, A., et al. *How categories grow: The behavioural drivers of revenue growth.* Journal of Business Research, 2023.

4. NIQ RMS measurement data

5. NIQ BASES Innovation Measurement

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NielsenIQ

About NIQ

NielsenIQ (NIQ) is a leading consumer intelligence company, delivering the most complete understanding of consumer buying behavior and revealing new pathways to growth. Our global reach spans over 90 countries covering approximately 85% of the world's population and more than $7.2 trillion in global consumer spend. With a holistic retail read and the most comprehensive consumer insights—delivered with advanced analytics through state-of-the-art platforms—NIQ delivers the Full View™.

For more information, please visit www.niq.com.