



# Growth: Three Ways

Penetration, Frequency,  
Premiumisation

A Forge Perspective



02 /03

Frequency





# The Quest for Growth

Growth is rarely straightforward.

As an industry, marketing has never been short of ideas about where top-line growth will come from.

Navigating this flood of ideas – many of which are simply tactics – leads many marketers astray.

But when you boil it down, there are just three ways to achieve revenue growth for your brand.

You need to either:

- 01 win more people, (increase penetration)
- 02 win more often (increase frequency)
- 03 win more money (premiumise)

And while it's true that these approaches are not mutually exclusive, it can be helpful to think about them as three separate levers.

Over the course of three articles, we'll look at each of these levers in turn. We will explore what's involved and give you practical advice to make the growth challenge less overwhelming.

## Part 2: Increasing Frequency - Win More Often

This second source of growth is often pursued in well-established or widely penetrated categories; in many FMCG categories the challenge is not necessarily winning more customers, it's about winning a greater share of the available occasions.

Winning more occasions can be an efficient way to grow your brand, but it can be a difficult task to work out where all the meaningful occasions are, and tricky to understand where you should play and how you can win.

That's where Demand Spaces come in.

### Introducing Demand Spaces

Demand spaces are powerful because they are predicated on a key aspect of human behaviour – namely that an individual's needs will often change depending on their context. Demand spaces are

important because they help marketers map the full range of opportunities or occasions that are driven or influenced by the 5Ws and allow brand owners to spot potentially lucrative growth opportunities – they help identify a specific set of needs, that occur in a specific context and that result in a specific behaviour.

Demand spaces often lend themselves to categories (such as food & beverages) where the context (when, where & why) has a greater bearing on what is chosen. An established snacking brand, for example, might seek to grow by using Demand Spaces to identify new occasions or alternatively understand what is required to better meet the needs of occasions that already exist.

## So how do Demand Spaces help you win more often?

Demand spaces are a quantitatively derived tool that typically consider two dimensions. On one side, you'll have needstates (clustered groups of needs) - and on the other you will have the most discriminating elements of context (this might be daypart, location, activity etc.)

Mapping these elements then allows you to

- i) identify** the occasions that exist within the wider category,
- ii) prioritise** target spaces or occasions based on value and fit, and
- iii) organise and innovate** around your brands to help you access the priority spaces.

## Helping a tea client win a greater share of occasions

In 2021, we worked with a major tea manufacturer who wanted to win more occasions, and specifically understand:

- How they could stretch their portfolio into cold beverages and recruit new customers
- How they could revitalise core black tea
- How to increase share for fruit/herbal/green tea

To address this challenge, we launched a total beverage Demand Space study, which helped to identify 10 key opportunity areas, straddling in-home vs out-of-home and hot vs cold drinks.

This approach enabled us to understand where tea currently had a strong right to play, both in terms of the share of that Demand Space, but also how well it fitted with the needs of that occasion.

As part of this work, we identified a Demand Space that occurred while consumers were busy settling into their morning work; here consumers were looking for a refreshing, warming 'pick-me-up' and tea was the perfect fit.

By understanding the nuance of this Demand Space, the client was able to plan how to win further share for this occasion.

We also wanted to understand where tea wasn't currently playing and what it would need to do to win in those spaces - we found a Demand Space that was dominated by indulgent iced coffees - typically a weekend morning in a premium café where you might meet with friends and treat yourself. The needs of the consumers here were for indulgent, aerated products with a full, satisfying flavour and a sense of 'special'. Understanding this helped the client understand how it would need to innovate to meet those needs and which channels it would need to target.

An individual's needs will often change depending on their context



## 5Ws - The drivers of behaviour within a category

Demand Spaces work because they invite you to think more deeply about the 5Ws, the drivers of behaviour within a category.

The 5Ws cover:

- **WHO** the consumer is (segments)
- **WHERE/WHEN** the consumption is taking place (occasions)
- **WHAT** they are looking for (types of solution)
- **WHY** they make choices (needs)

Once you have built in this understanding, you really can set about winning a greater share of occasions. Lindt is a brand which ably demonstrates it understands this. Their focus on winning a greater share of occasions explains why they have pioneered such an innovative range of products:

- Looking for a premium gift? Lindt Master Chocolatier range
- Looking for an accessible gift? Lindt Lindor
- Looking for something to share with friends? Lindt assorted Lindor bag
- Looking for a treat on the go? Lindt bars
- Looking to delight children? Lindt bunny

### Let's recap

If you want to grow your brands by winning more often, we'd recommend that you take a good look at Demand Spaces, they are highly effective because they are based on a fundamental truth – **people behave differently in different contexts – why not take the guesswork out of the growth challenge and take a closer look at how the 5Ws operate in your category?**

### Coming next

Across nearly all categories, the growth challenge can usually be approached through, i) winning more people (penetration), ii) winning more often (frequency) or, iii) winning more money (premiumisation). We covered the first two of these in our first two articles. In our next article we will look at our final growth lever, premiumisation.

If you would like to discuss any of the topics discussed within these articles you can reach us at [hello@theforge-uk.com](mailto:hello@theforge-uk.com).