



Big brands aren't dying and young people don't hate them

11 OCT 2017

Big brands aren't dying and young people don't hate them, that's according to a new report published last week by the Ehrenberg-Bass Institute for Marketing Science at the University of South Australia.

Are Big Brands Dying, authored by Byron Sharp, Magda Nenycz-Thiel, James Martin and Zac Anesbury, looks at peer-reviewed evidence to assess the above beliefs, and concludes that they are seriously misguided.

“When someone shouts that big brands are dying they get a lot of attention, because big brands pay the salaries of many, and make up a large chunk of our pension funds,” said Sharp, the Institute’s director, in a release. *“But the scary story that large brands are dying turns out to be wrong. These claims are dangerous because they are being used to justify*

hasty, ill-thought-out marketing strategy.”

In addition, the results show that while some leading brands are losing share, some are gaining share, and most that have lost have done so in growing categories—so even though they are losing share of category revenue, their sales revenue is often still rising.

The report’s discussion of whether young people favour newer brands while rejecting established ones is particularly worthwhile. In essence, the research shows that any skew toward young consumers is not only slight but also transient—it seems that it barely rises above the level of ‘noise’ in the data.

The report concludes by arguing that large brands have made several “big strategic mistakes” over the last 10 to 20 years—all because marketers reacted in knee-jerk fashion to conventional wisdom and failed to take an evidence-based approach. To read more and find out those “big strategic mistakes” please click on the link below.

MediaCom Ireland’s Take

So, the industry headline-grabbers and scare mongers have been caught out?

As the more reasoned amongst us will know, the world isn’t really turning against big brands and young consumers even like them!

Brands can play an important role in consumers lives – we just need to ensure that we continue to be more relevant, add more value to their lives and (when it’s right) and demonstrate more purpose (but that’s another discussion altogether!).

Through solid evidence-based research, the report also addresses the fear surrounding the birth and growth of e-commerce and so called “level” playing field that the digital era has apparently given smaller brands. Whilst it’s true that e-commerce has helped some smaller brands lift off, it doesn’t necessarily mean that that brand loyalty toward big brands has diluted or dissipated because of this so-called “level playing field”.

It just means more choice, and more need to ensure we continue to balance penetration growth in the short term, and build relevant connections with our audiences to protect brand preference in the long term.

For the full article [click here](#).

OPINION