

The background of the entire page is an abstract, artistic representation of a molecular or network structure. It features numerous dark teal and black spheres of varying sizes, connected by thin, light teal lines. The spheres are distributed across the frame, with a more dense cluster of larger spheres in the lower right corner, creating a sense of depth and complexity. The overall color palette is a mix of light teal, dark teal, and black on a white background.

KANTAR CONSULTING

FOLLOW THE MONEY

FINDING GROWTH IN UNCOMFORTABLE PLACES

"A COMPANY GROWS
BECAUSE IT IS DOING
A GOOD JOB. ITS
PRODUCTS MEET WITH
INCREASING DEMAND."

Peter Drucker ¹

Growth is simple, but it isn't easy.

It's simple because the complete answer to the question of growth is to follow the money, or to paraphrase management guru Peter Drucker, keep connected with demand. It isn't easy because going forward, following the money means doing business in uncomfortable places.

Growth comes from demand, and demand has shifted to uncomfortable places. That, in a nutshell, is the whole story of the marketplace

nowadays. Growth is attainable, but to secure it companies must get comfortable doing business in places that require different kinds of knowledge, processes and skills. The playing field is wide open for companies ready to lean into the challenge and rewrite the rules of growth. This is the imperative animating the commitment of Kantar Consulting to **switch on growth** for clients.

Growth is a perennial business priority, but it has taken on new urgency. Perhaps nothing is more telling than the multiplying number of

companies—particularly big companies—that are consolidating traditional functional silos like marketing, innovation and sales into the new position of Chief Growth Officer (CGO). Since 2014, Coke, Kellogg's, Mondelez, Tyson, Constellation Brands, ConAgra, Coty and Hershey have all installed a CGO. Colgate-Palmolive did so in 2011. Forrester's top prediction for 2018 is a year of turnover with more companies replacing CMOs with CGOs.²

It is true that growth has slowed for many companies, but despite the concern evidenced by organizations appointing CGOs, growth hasn't gone away. Rather, **growth has shifted**. Growth is occurring but it is no longer found in the traditional pockets of demand. **To grow, companies must shift with demand, or follow the money** to create their own waves of growth—not hold off in the hope that external circumstances will bail them out—even as doing so takes them to uncomfortable places.

Following the money is more than just knowing where to play. It is also about knowing how to win and what to do. The growth models of the past will not serve the future. Growth requires bolder bets about everything, especially the fundamentals of scale, value and influence.

Big established companies must remake themselves from top to bottom, transforming the work they are doing, not just tweaking it. Traditional silos, structures, mindsets and ways of working no longer suffice. Smaller companies face these realities, too, but with an additional challenge when big competitors finally start to move. Companies both big and small must stop doing yesterday's work, optimize today's work and align on tomorrow's work.

What all companies need is a starting point for figuring out how to follow the money. In this white paper, the experience and expertise of Kantar Consulting are brought together to offer a whole picture of growth and to outline what this entails for doing business in the future of consumption and the new age of demand.

UNCOMFORTABLE PLACES

... are shopping and/or demand spaces, occasions, outlets, channels, moments and/or missions in which companies must operate with business models of scale, value and/or influence that are unconventional or different—often radically so—for the category or a company, and that require the acquisition and deployment of novel, often unfamiliar, assets, talent, organizational structures, decision rules, production processes, payment systems, retail channels and/or marketing vehicles.

In short, these are places that require whole new ways of working.

SHIFTING DEMAND



BIG COMPANIES STILL EARN MOST OF THE REVENUE, BUT THEY COMMAND NONE OF THE GROWTH

Headlines about growth are gloomy. An analysis by the competitive intelligence firm Craft found that the combined topline revenues of Fortune 500 firms dropped from 2014 to 2016.³ Over the five years prior to 2017, the FTSE reported that profits among the top 700-plus multinational companies based in developed markets dropped by 25 percent.⁴ **But this is not the whole story.**

Companies as diverse as Land Rover, Adidas, Netflix, Sephora, Tencent and Aldi as well as numerous small, national or startup companies show that **there is plenty of growth for companies prepared to get uncomfortable.** In its assessment of FMCG brands globally in 2016, Kantar Worldpanel noted, "The fact that brands are finding ways to grow in difficult circumstances shows there is always headroom for growth."⁵ The problem is not a lack of opportunity but the continued reliance by many companies on business models built for yesteryear, unsuited for tomorrow's growth in uncomfortable places. **What appears to have been lost is really just a shift in demand.**

The FTSE also found that even as multinational companies struggled, national companies were enjoying budding prospects, with profits up 2 percent. The Craft analysis of the Fortune 500 found that its aggregate results were over-weighted by poorly performing large companies, obscuring the fact that almost twice as many firms grew as shrank. The real story is that growth has shifted.

In FMCG, Kantar Worldpanel tracked a shift from 2013 to 2015 of nearly two points of aggregate share from global brands to local and regional brands.⁶ BCG has estimated that from 2011 to 2016, the shift of share from large to small or midsized FMCG companies in North America totaled \$22 billion in topline sales, and Europe, BCG added, "has experienced a similar shift."⁷ Growth has shifted to smaller competitors that are not only competing more nimbly; they are redefining categories as well.

Stories about the so-called retail apocalypse are also focused on just part of the story. Store closures in 2017 were at record levels in the U.S. But store closures in 2017 were down year over year in the U.K., and in both markets store openings were up over 50 percent.⁸

Retail data tracked by Kantar Consulting shows that from 1995 to 2010 the world's largest retailers were the fastest growing as well as the most profitable for manufacturers to work with. Today, growth is coming from smaller, less familiar outlets, and manufacturers are finding that large retail customers are more demanding and less profitable. Once more, the real story is that growth has shifted.

In a similar vein, many economists are concerned that China's long-standing strategy of governmental capital infusions in infrastructure is no longer generating the double-digit growth that China enjoyed for three decades. But again, this is only part of the story. China is in the midst of shifting to a consumer-led economy. The infrastructure built in decades past has joined up rural areas to the national economy and these areas are now providing a new source of growth. Consumer spending in some rural prefectures is growing faster than in urban areas like Beijing and Shanghai.⁹ In China, as in every part of the global economy, growth has shifted.

Across the board, what used to dominate the marketplace is now behind the curve when it comes to the future.

The big ideas that used to drive strategy no longer apply. Today, the critical ideas are aggregations of smaller insights that follow shifts in demand and are integrated through the smart use of data.

This is the Kantar Consulting starting point: **shifts in demand**.

Broadly speaking, there are four sorts of shifts to monitor.¹⁰ Shifting money is when disposable income moves into the hands of new groups of consumers, such as a generational transition or the emergence of new consumption classes. Shifting markets are when economic growth or consumer trends disproportionately favor new geographies. Shifting values and lifestyles open up new markets with new needs, new occasions and new settings. Shifting technologies create new channels, new ecosystems of products and services, and new expectations about offerings and communications.

Shifts like these can be found when companies follow the money. But these sorts of shifts almost always take companies to uncomfortable places.



**ANY COMPANY, BIG
OR SMALL, THAT IS
ENTRENCHED WHERE
DEMAND USED TO BE
WON'T GROW**



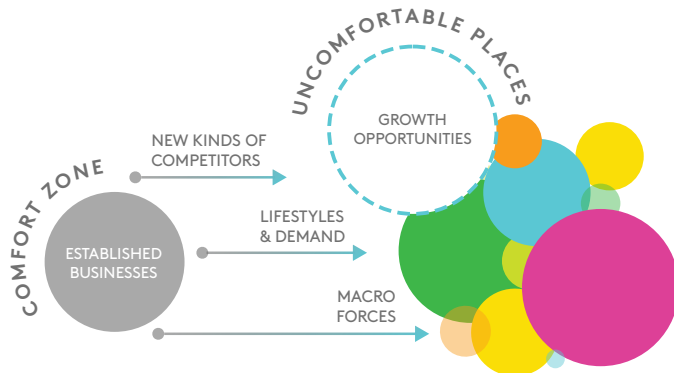
UNCOMFORTABLE PLACES

Change is taking a toll. Big established companies are under increasing pressure because they are heavily invested where demand used to be. This makes it difficult and uncomfortable for them to follow the money to the new sources of demand.

Indeed, some big companies seem to be hoping that they can just wait it out until things return to 'normal' and their position in the marketplace starts to improve. A 2016 Deloitte/Board Network survey found that a mere 6 percent of directors at both public and private companies worldwide say their companies are "willing to take big bets."¹¹ Only 35 percent report that "radical innovation" is "formally" on their board agenda.

Shifts in demand are not new. Companies have dealt with them successfully before. But this time around, shifts in demand are part of an **historic pivot in the marketplace**.¹² Today's shifts are more fundamental and are occurring much faster. Failure is less forgiving and harder to recover from. The conventional rules of growth no longer work.

In particular, digital has flooded the commercial ecosystem with a tsunami of zeroes and ones. Most established firms have been engulfed by it, much less able to channel it into scalable growth. Accenture Chairman and CEO Peter Nanterme has written that "new digital business models are the principal reason why just over half of the names of companies on the Fortune 500 have disappeared since the year 2000."¹³



The mass market is dissolving into a proliferation of small niches outside the comfort zone of established businesses, ultimately headed to digitally enabled personalization that is the outgrowth of shifts in macro forces, lifestyles and demand, and new competitors.

When the marketplace changes, successful, established companies often find that growth has moved away from them. These companies have mastered a particular confluence of macro forces, consumer lifestyles and competitive situations. They have entrenched themselves in this environment in order to monetize it at scale. But over time, macro forces shift, which is then followed by changes in lifestyles and market demand as consumers adapt to new conditions. New kinds of competitors move into this evolving, shifting marketplace. When this transition takes hold, growth is found outside the boundaries of the previous environment in which established companies have embedded their outlook and operations. This sort of changing situation is playing out at lightspeed in today's fragmented and transformative digital marketplace.

When change is contained and uncomplicated, established companies can migrate in measured ways that sustain their dominance through the barriers to entry they have erected. But change doesn't look like that anymore. Incumbents find themselves a step behind new lightweight competitors. The advantages of size have been lost to outsourced production, expanded retail options and digital marketing channels.

The scale of big companies is giving way to the skill of smaller competitors as the kernel of growth. A company's know-how, not its market size, is what makes the difference, and for good reason. Disney CEO Bob Iger has observed that "[w]hat we are experiencing now is a state of perpetual permutation," a time when even the term disruption is a "quaint relic,"¹⁴ no longer up to the task of characterizing a marketplace that necessitates more agility, more data savvy and more functional alignment than most established companies feel comfortable with.

No surprise, then, that the typical response of big established companies is to double down in their comfort zones. Innosight surveyed executives at \$1 billion-plus companies around the world and found only a small minority with the mettle needed to break free from an organizational "default to standard operating procedures that perpetuate flawed models at the expense of new growth strategies."¹⁵

Uncomfortable places can seem daunting. So change needs to be put into proper perspective.

That begins with a whole picture of the market landscape, which reveals not a loss of potential but a pivot of potential. Growth has shifted. Companies have to make this pivot. The task at hand is to **relearn growth**, especially the elements of scale, value and influence.¹⁶



SCALE

FROM MASS TO SEGMENTS TO PERSONAL: SCALING SMALL NICHEs INTO BIG BRANDS

The first requirement of growth is to figure out where to play. This means identifying an available market large enough to scale. Conventional metrics favor a big, cohesive opportunity, so the comfort zone in which most companies operate today is scaling mass markets into big brands. Even strategies like segmentation that divide mass markets into smaller pieces are just tools to give companies manageable entry points into mass markets.

But going forward, mass markets will not be available. As internet entrepreneur and venture capitalist Joe Kraus said, “The 20th century mass production world was about dozens of markets of millions of people. The 21st century is all about millions of markets of dozens of people.”¹⁷ These millions of small markets are niches, and **niches are the new scale.**

Mass markets are splintering—and not with a whimper but with a bang. Differences of tastes, preferences, lifestyles and identities have exploded. Across race, ethnicity, household types, economic fortunes, political views, social values, ambitions and status symbols, in every market around the world, consumers are more fragmented than ever. No attachment to shared tastes—once defined by an aspirational affinity to the middle-class—holds sway anymore. Diversity is what consumers now share in common.

The upside of the fragmentation splintering the middle is that there are more distinct opportunities in the marketplace. Fragmentation is more uncomfortable to navigate but there are more opportunities for growth.

Growth opportunities are coming more from the edges and less from the center. This is especially true as companies adopt penetration strategies in accordance with the insights surfaced by Kantar Worldpanel and others that big brands are built by growing the number of buyers, not by deepening the loyalty of buyers.¹⁸ Inherently, this means achieving scale by adding up niches.

Retail trends mirror brand and consumer shifts. In U.S. food retail, the conventional universe of big, middle-market stores is losing share to alternative channels like online and convenience stores. Retail estimates from Kantar Consulting project that about 45 percent of U.S. growth will come from non-store retail, and about the same percentage of store-based retail growth will come from convenience stores, club stores, discount stores and pharmacies (Rx volume).¹⁹ This is the trend globally, too, with smaller alternative formats springing up to fit the shopping needs of an increasingly diverse urban shopper looking to top up with authentic lifestyle brands, not stock up with mass commercial brands.

The endpoint of fragmentation is personalization. The momentum is inexorable. Digital technologies, fueled by increasingly sophisticated databases, are opening up access to individual consumers during specific occasions at precise moments in time.

Worries about privacy and trust will have to be resolved, but consumers prefer brands that are personally relevant. The Kantar Consulting Global MONITOR finds that getting “more personalized” attention is why 43 percent of the consumers worldwide who buy local brands prefer them to global brands.

The standard operating procedure of scaling one product for everybody is not transferable to a marketplace that requires customizing personalized products for small niches, particularly niches of one. **Instead, success will depend on scaling small niches into big brands.**

Scale is still needed, but the available market will be an ensemble of small, individualized, granular pieces not a single, unified base. The foundation for success must be staked on opportunity, not on mass. Companies must learn to **customize and scale at the same time.**

The only way to get granular opportunities up to scale is through analytics, or “granu-lytics,” that enable companies to build small tactics into a big strategy.²⁰ Companies that don’t master this math will go down protesting that what competitors are doing isn’t scalable or doesn’t generate sufficient ROI, even as these competitors grow.

The shift in scale needed to operate in uncomfortable places is what one expert has characterized as a “conglomerated niche” strategy.²⁰ Production, delivery and marketing must be done for an aggregation of small batches. Companies that have begun to make this transition are finding that it requires relocating production facilities closer to buyers, digitizing supply chains, utilizing predictive technologies, adopting faster learning systems to guide production, and employing greater flexibility in procurement and hiring.²¹ In effect, this is all about agility and a whole new way of figuring out where to play.



SCALE: KEY SKILL

Companies will have to master **reverse segmentation**—in other words, putting lots of small things together rather than breaking one big thing apart. In the past, mass markets were segmented from the top down into smaller pieces. Going forward, small niches will have to be aggregated from the bottom up into bigger pieces that give companies a sizeable enough platform on which to scale small niches into big brands. Many of these segmentations will be problem-specific, and all of them will require rich, integrated data sources.

VALUE

FROM TANGIBLES TO INTANGIBLES TO IMMERSION: MAKING THE EXPERIENCE THE CATEGORY

The second requirement for growth is to understand how to win. This means delivering a compelling value proposition.

This is basic business, but how to do so has advanced considerably since the end of WW2 when value in developed markets was tied largely to tangible products that satisfied pent-up demand from decades of austerity during the war and the Great Depression. Value shifted to the intangibles of services and experiences as products became commoditized and as people had more time and money for leisure. U.S. spending trends exemplify this. In 1960, two out of every three dollars was spent on products; now, almost two out of every three dollars is spent on services.²² On-demand and subscription models that offer or rent products as services are contemporary hybrids made viable by digital technologies. This same path of tangibles to intangibles is playing out today in emerging markets, albeit faster and with more overlap.

Experience-centric brand strategies emerged in the late nineties as an outgrowth of the commoditization of services as well as an ongoing cultural shift to lifestyle enrichment and a rising interest in all aspects of the marketplace as a form of entertainment.²³ **Experience now dominates everywhere**, even in emerging

markets where consumers are catching up on tangible products. In Global MONITOR, nine in ten consumers worldwide put a higher priority on experiences than on material possessions. Things like convenience, control, time-efficiency, stress free, healthy and purpose-driven all figure into the value equation of experience. Millennials and the generational cohort of Centennials behind them shop for experience as much as function, if not more.

Experience is the glue of strong customer relationships,²⁴ and relationships drive value. An analysis of 6,000 mergers and acquisitions from 2003 to 2013 found that the contribution of customer relationships to total enterprise value doubled over that time to exceed the contribution of branding assets, which fell by nearly half.²⁵

The appeal and importance of experience have amped up recently as technologies have become fully immersive, including such things as augmented reality (AR), virtual reality (VR), social platforms for live events, avatars and holograms, mobile entertainment, and the Internet of Things (IoT). It is no longer enough for an experience to be engaging. **Experience must now be immersive**, wholly encasing consumers in a seamlessly interlocking ecosystem.

This is one key lesson of the platform plays of Amazon, Tencent and Alibaba. Each platform is focused single-mindedly on immersing consumers in effortless, fully interconnected shopping and lifestyle experiences. Every aspect of their platforms is fit to this purpose. They don't retail so much as they deliver an experience by wrapping retail with search, payments, video, music, delivery, customer service, AI, third-party sellers, smart devices, entertainment, social media, other apps and other services, and more. This frictionless experience pulls consumers in. Brands matter only to the extent that they add value to the platform experience, putting them at risk of being cut off from consumers within these increasingly popular platforms. Brands will have to compete in new ways to stay salient, meaningful and different.²⁶

These platforms affect every category and brand by shifting the reference point for consumers from other brands in a category to the experience delivered by these digital firms. When Amazon, Tencent and Alibaba do something innovative, the effect is to reset consumer expectations—and not just for other retailers but for every type of company. What they are doing is transforming expectations about experience. **Competition is now about delivering the best, most immersive experience.**

All of these marketplace developments have come together to **make experience the category**. Products and brands are not at the center. They are elements of the experience, and their value is defined in terms of what they contribute to the experience.

Companies must shift to value propositions that deliver a branded experience, especially one that is fully immersive, and then monetize that experience. This requires a whole new way of understanding how to win.



VALUE: KEY SKILL

Companies will have to **put first priority on the experience**—in other words, reframe brand and category management as experience management. This will require more emphasis on ensuring the integrity of how a brand is consumed, not just the efficiency with which a brand is sold. It puts experience at the center and recognizes that the product or service is but one element, albeit critical, in delivering a compelling customer experience.

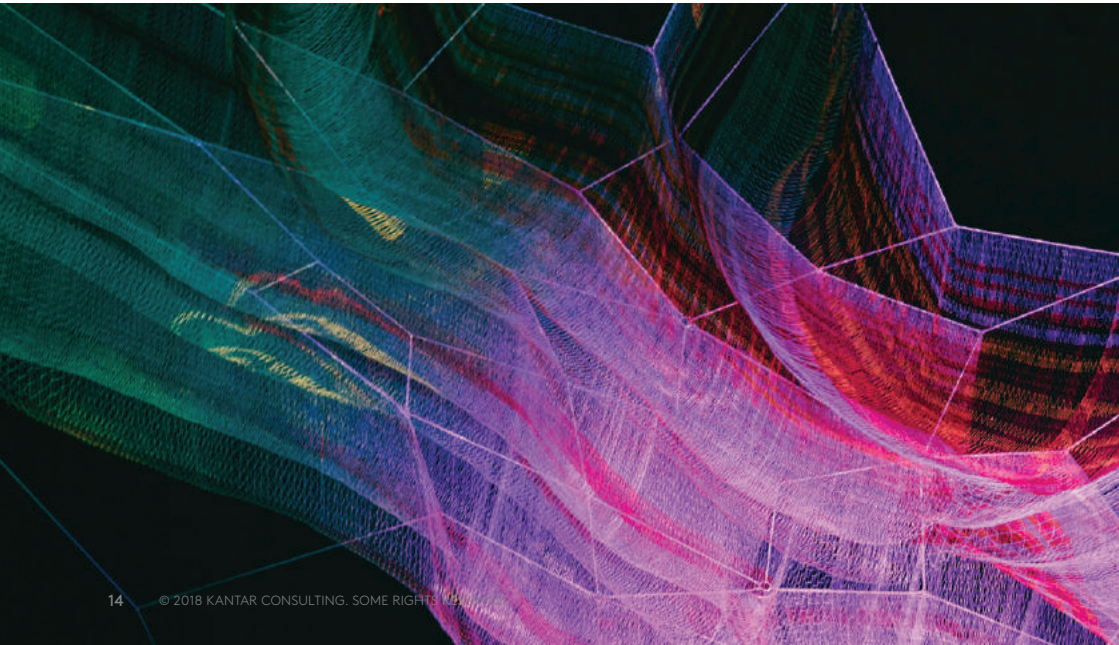
INFLUENCE

FROM FUNNELED TO AUGMENTED TO PREDICTIVE: ADVERTISING TO ALGORITHMS

The final requirement for growth is to know what to do. The most important thing to do is influence the consumer decision journey. The classic model of this journey was the inverted pyramid or purchase funnel introduced by the Advertising Research Foundation in 1961.²⁷ Many updates and alternatives have been put forth over the years, including Procter & Gamble's moments of truth,²⁸ but all relied on some version of the original idea that the journey was a winnowing down of a large target group along the path to purchase. What the biggest brands knew how to do better than competitors was how to stay in the consideration set all the way to purchase.

With the advent of the internet, consumers acquired ways of augmenting their decision-making. Google deemed search prior to the purchase funnel as a "zero" moment of truth.²⁹ On the horizon—widespread already in Asia and on the cusp in Europe and the U.S.—are AR technologies and indoor mapping tools that provide an augmented view of retail and other spaces on smart handheld devices.

But there is another layer of technology that will have more impact. With the IoT, every object will be embedded with a digital interface that interacts with every other object. Sensors in these objects will replace screens as the



primary way in which consumers interact with digital technologies. These data streams will be collected passively, without consumers actively engaging with advertising, information or technologies.³⁰ **The data will be routed into algorithms that will conduct real-time predictive analyses, triggering immediate responses.** In many instances, this will involve algorithms making purchases, with consumers barely involved, if at all. An algorithm will make the decision by aligning real-time options against a profile or a set of decision rules in order to match individuals with perfectly paired people, products, activities and even employment. Already, this is how Spotify determines what new music to push to listeners and how Amazon Dash Replenishment Service resupplies products like laundry detergent and printer ink based on orders placed directly by smart appliances.

Obviously, not every category or every purchase will be wholly commandeered by algorithms.

But the appeal and potential impact of predictive systems should not be underestimated. In Global MONITOR, 87 percent of consumers worldwide prefer products and services that can anticipate their needs. George Mason University economist Tyler Cowen believes that predictive matching will be the “grand project” of the next generation and is “likely the largest potential source of unmeasured [future] gains” in quality of life.³¹

In the future, the IoT will be the buyer. With algorithms making decisions, or at least having a significant influence, marketers will have to learn how to **advertise to algorithms**. Algorithms will be parsing all of the messages and information, so algorithms will be the ‘consumers’ for media to target.

Companies must direct more influence at technologies, not only at consumers. Creativity will share its position at the heart of marketing and advertising with coding, which will bring with it a whole new understanding of what to do.

INFLUENCE: KEY SKILL

Companies will have to **get outside of the data** to influence predictive systems—in other words, the paradox of digital is that it makes analog more important. Algorithmic decision rules will control choices unless otherwise directed by consumers. A brand wants consumers asking for it, particularly with the next generation of voice-controlled technologies that will utilize algorithms for generic requests, but will act exactly in accordance with branded requests.



W.H.O.L.E. DEMAND

ONE VIEW OF DEMAND, FROM STRATEGY TO
ACTIVATION, CONNECTING MARKETING AND SALES

In the future of consumption, companies will have to tackle the marketplace with a focus on **whole demand**. In both outlook and operations, this means **one view of demand that goes from strategy to activation, connecting marketing and sales**.

The divide between marketing and sales is a barrier to growth. Activation at retail with sales and shopper execution is just as strategic as brand proposition and purpose. The creation and conversion of demand is strategic at every point of activation. Growth requires embracing the imperatives of whole demand, joining the dots to create a fully integrated approach to the marketplace.

There are five commercial principles at the heart of whole demand. These five principles are a way of benchmarking companies. Winning companies will be steeped in them.

WIDE-ANGLE LENS. This means looking at every aspect of the marketplace, not staying tied to the old confines of categories that have become more fluid. In particular, it means looking ahead all the time to shape the future, not simply react to surprises. Smaller competitors thrive by trying out new angles. Established companies must consciously fight off the risk-aversion inherent in big organizations. Innovation scholar Clay Christensen once described spending the resources needed to compete in uncomfortable places as “equivalent to flapping one’s arms in an effort to fly” because it runs contrary to the engrained ways in which big companies work.³²

HUMAN-CENTRIC. This means focusing on the whole person, not just people as consumers or shoppers. People are more than category consumers or channel shoppers, yet companies often overlook this. De-personalization is worse than no personalization.

WIDE-ANGLE LENS	HUMAN-CENTRIC	OPTIMIZING VALUE	LEARNING-OBSSESSED	EXPERIENCE-CENTRIC
<i>Seeing the whole marketplace, especially the future ahead</i>	<i>Focusing on the whole person, especially lifestyles not just consuming</i>	<i>Turning the whole enterprise into an engine that unlocks power for growth</i>	<i>Building a whole understanding using rapid, smart systems</i>	<i>Centering the whole value proposition on experience</i>
Future-proof everything Understand today with a view towards tomorrow	Install a rich data spine An integrated data platform as the business foundation	Optimize Spending Above and below the line, invest more in what truly works	Granular analytics Develop a detailed, quantitative, real-time view of demand	Put customer experience first Put everything in service of boosting the experience
Less formulaic thinking More discerning view of under-served consumer needs	Break down functional silos Pull together all functions for a single view of customers	Optimize Pricing Use revenue growth management programs for margin	Instill agility Be cross-functional, self-directed, test-and-learn, swift	Make it effortless Make the experience joined-up at every point in every way
More imagination Reconsider traditional category boundaries	Humanize connections Personalized linking of 'people world' with 'shopper world'	Optimize Execution Physical/digital shelves that maximize commercial potential	Embrace failure Reward taking risk, but keep failure affordable	Enhance the experience Break out of the category to add unexpected value
Look for convergences Cultivate curiosity about bringing things together differently	Storytelling mastery Develop diverse, impactful storytelling to broaden reach	Optimize Planning Simplify and accelerate bolder, metric-calibrated strategies	Faster than humans Move quickly using AI and automation with flat decision-making	Realize the business value Make experience the pivot point of value for the brand

Paradoxically, data is the critical enabler for human-centricity as well as personalization. Making this work requires eliminating functional silos that break apart a holistic view of people. Storytelling drives home relevance.

OPTIMIZING VALUE. This means a joined-up network of tools and data-driven dashboard metrics that facilitate faster decision-making and flexible responses to rapidly changing and uncertain markets. Marketing and sales silos must be brought together. Too many companies allow things that don't truly work to continue when they should 'unlearn' them and stop doing them. Yielding to inertia dissipates resources and detracts from concentrating time, money and attention on growth opportunities. Everything must be thought of as strategic to creating and converting demand.

LEARNING-OBSSESSED. This means a passion for getting better faster. An expertise in analytics is the starting point but it must be

accompanied by a willingness to be more agile and more accepting of failure for the right reasons. Managers with the authority to act can drive greater impact from automated analytic systems. Companies must empower employees to innovate rapidly against insights from both hard and soft data and then scale what works. Leaders managing change must be deeply comfortable with ambiguity and able to work with the uncertainty of not knowing exactly what success will look like.

EXPERIENCE-CENTRIC. This means a fundamental rethinking of what people want and what brands deliver. The experience is central to value. It can take many forms. Health and wellness, for example, are bigger parts of every category. Purpose must be front and center, even while technologies are refashioning brand engagement as enhanced experiential moments. Value propositions anchored in experience are the next frontier of competition.

READY TO GROW

WINNING COMPANIES WILL EMBRACE AGILITY, BUILD ATOP DATA AND BREAK DOWN SILOS

To be ready to grow where demand has shifted, there are three questions that every company must be able to answer with a yes. These are the fundamental requirements for finding growth in uncomfortable places.

IS MY COMPANY DESIGNED FOR AGILITY?

Companies that are growing have a lightness of competing that enables them to innovate and adapt at speed. They eschew layers, approval loops, fixed job descriptions, locked-up silos and any diversion of focus. They encourage experimentation, trial-and-error, anticipatory thinking, cross-functionality, flexible resources and infrastructure, and new ways of working, both internally and externally. They recruit and reward talent outside the typical corporate mold. Their central organizational value is **continuous improvement in real time based on putting the customer experience first**.

IS MY BUSINESS DEEPLY GROUNDED IN A SOPHISTICATED DATA SPINE?

Data are the key to optimization and learning. Data-centricity is the only way to be human-centric. Data unlock the future and enrich the customer experience. Digital operates on a platform of data. **Technology is fueled by data, and technology is transforming**

everything. Rob Norman, the former CEO and Chief Digital Officer at GroupM, put it this way: "The understanding of customers you know and the scaling of that population are central to the creation of data sets that can be activated in market at every stage in the customer journey."³³ Data is at the core and to win with it companies must become, in Norman's words, "agile integrators of systems."

IS MY ORGANIZATION RESOLUTELY BREAKING DOWN SILOS?

When **sales and marketing are aligned** rather than in separate silos, 70 percent of sales and marketing professionals surveyed worldwide by LinkedIn agreed that customers have a better buying experience.³⁴ Alignment is about organizing around one view of demand. It means joint strategy, shared goals, clean handoffs, clearly defined workflows, ongoing customer feedback, constant collaboration, and a common understanding of the decision journey. Digital and e-commerce entail a buying process in which traditional functional divides are completely irrelevant, so the alignment that best fits the future is the integration of sales and marketing.



FOLLOW THE MONEY

GROWTH COMES FROM DEMAND,
AND DEMAND HAS SHIFTED
TO UNCOMFORTABLE PLACES

Pioneering psychologist Abraham Maslow offered this counsel about growth: “One can choose to go back toward safety or forward toward growth. Growth must be chosen again and again; fear must be overcome again and again.” Growth is not found in the comfort zone of safety. It is found in uncomfortable places that require enterprise, boldness and imagination.

The crazy quilt of change now hurtling companies forward makes Maslow’s insistence on adaptive growth even more imperative. Innovation strategist Max McKeown argues that it is a matter of survival: “All success is successful adaptation. All failure is a failure to adapt.”³⁵ This is the choice companies face: adapt to find growth in uncomfortable places, or fail. It’s not easy to adapt, but it can be accomplished with a commitment to the principles of whole demand. That begins with the simplest of ideas: **follow the money.**

Kantar Consulting stands ready to help clients **switch on growth.**

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OTHER KANTAR CONSULTING RESOURCES FOR FINDING GROWTH IN UNCOMFORTABLE PLACES

Shifting Demand



Unlocking New Sources of Growth. The 2012 Atticus Grand Prix award-winning framework for identifying and gauging demand opportunities in a rapidly changing marketplace.

<http://www.kantarfuture.com/unlocking-new-sources-of-growth-2/>



The Third Age of Consumption. A look at a future of consumption defined by economic, resource and cognitive capacity and the shift to experiences, relationships and algorithms.

<http://www.kantarfuture.com/the-third-age-of-consumption/>



Succeeding in Low-Growth Markets. An examination of where peak opportunities for growth can be found even in markets constrained by low macro-economic growth.

http://tfcf.com/Freethinking/Future_Perspective_Succeeding_in_low_growth_markets.pdf



Brand Growth: The Rules for Success. Lessons learned about how brands grow from a multi-year analysis of the Kantar Worldpanel global database of FMCG categories.

<https://www.kantarworldpanel.com/global/News/Thoughts-On-Brand-Growth>



Social Innovation. Three ways in which social connection and community can be delivered as a brand benefit not just leveraged as a marketing channel.

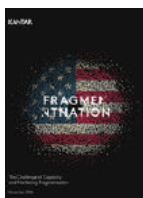
<http://www.kantarfuture.com/social-innovation/>

Uncomfortable Places



The Future of Effective Brand Growth. A framework for uncovering high potential growth opportunities and embedding them in a data platform for marketing and sales.

<http://added-value.com/reports/#>



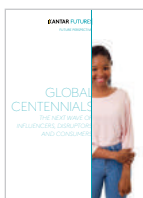
FragmentNation. A quantitative overview of what media, brand and digital fragmentation looks like in the U.S. marketplace, and strategies to succeed.

<http://www.kantarfutures.com/fragmentnation/>



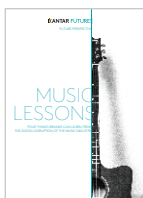
Connected Life: Six Trends on Trust in a Connected World. A global tracking of digital behavior and shopping, and what trust means in a digitally interconnected marketplace.

<http://connectedlife.tnsglobal.com>



Global Centennials. A global profile of the youth cohort of Centennials, including key drivers and critical generational differences in lifestyles and shopping behaviors.

<http://www.kantarfutures.com/global-centennials/>



Music Lessons. Four things that brands can learn from the music industry about thriving in a marketplace transformed by digital disruption.

<http://www.kantarfutures.com/music-lessons/>

New Ways of Working



Marketing 2020. A consumer-first structure for organizing and managing a 21st century, digital age marketing function. *Harvard Business Review* cover article, July/August 2014.

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Insights 2020. A customer-centric framework for structuring and running a 21st century insights function. *Harvard Business Review* featured article, September 2016.

<http://www.mbvermeer.com/portfolio-item/insights2020/>



U.S. PowerRanking 2017: Courageous G.R.O.W.T.H. A benchmarking of best-in-class manufacturers and retailers, identifying opportunities for growth.

<http://www.kantarretail.com/us-powerranking-2017-courageous-g-r-o-w-t-h/>



Futures Thinking. Five key principles for better, more insightful ways of thinking about and planning for the future, and how to manage it to competitive advantage.

<http://www.kantarfutures.com/futuresthinking/>



Business Model Innovation. The four strategies for innovating business models in order to capture growth opportunities in today's changing marketplace.

<http://www.kantarfutures.com/new-rules-innovation/>



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Kantar Consulting is driven to switch on growth. With over 1,000 analysts, thought leaders, software developers and expert consultants we help clients develop and execute brand, marketing, retail, sales and shopper strategies to get growth delivered. Kantar Consulting owns market leading assets including PoweRanking, GrowthFinder, Global Monitor, Retail IQ, RichMix, XTEL and Marketing, Insights and Purpose 2020. We track 1200 retailers globally, have purchase data on over 200 million shoppers and forecast social, cultural and consumer trends across the world.

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