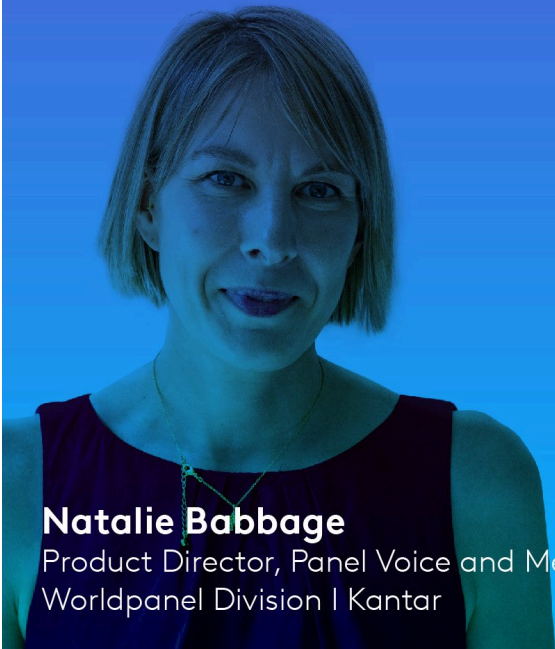


Meet the 'Nudgeables'

Unlocking Media Magic to Capture
These Elusive Brand Switchers



Navigating the 'Nudgeables'



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Worldpanel Division | Kantar

In the realm of consumer behaviour, two distinct archetypes tend to be discussed: the steadfast buyers who rarely stray from their preferred brands and the perpetually curious; those who continuously explore new options. While the former group provides a stable base, the latter presents a lucrative opportunity for brand growth. We call them the “Nudgeables.”

Why are the Nudgeables important? Because to grow, brands need to predispose more people – so more people have your brand at the top (or near to the top) of their mental list, next time they buy. Brands that predispose more people have a greater likelihood of increased volume share, value share – and margin growth.

To better understand Nudgeables, we conducted one of the largest single-source studies to identify the most efficient and highest-impact marketing influences on households that frequently switch brands.

So, who are these Nudgeables? They are extreme brand-switchers who make up 15% of the addressable market, and talking to them

can improve marketing efficiency by 24%.

Nudgeables are highly receptive to marketing, continuously looking for inspiration across the buying spectrum. Identifying and targeting them has been a persistent challenge for brands eager to unlock their billions in value.

In this report, we look across **six countries and three continents** to venture beyond the mechanics of influencing this group to unveil the identities of those who respond to it. The size of the prize is hard to ignore: in the United Kingdom alone, this group amounts to 3.6M households.

They are generally younger, highly curious shoppers, engaging in promotions, loyalty schemes, influencer content, and personal recommendations.

Spend Your Money Wisely

Targeting the highest potential Nudgeables can significantly improve marketing efficiency.

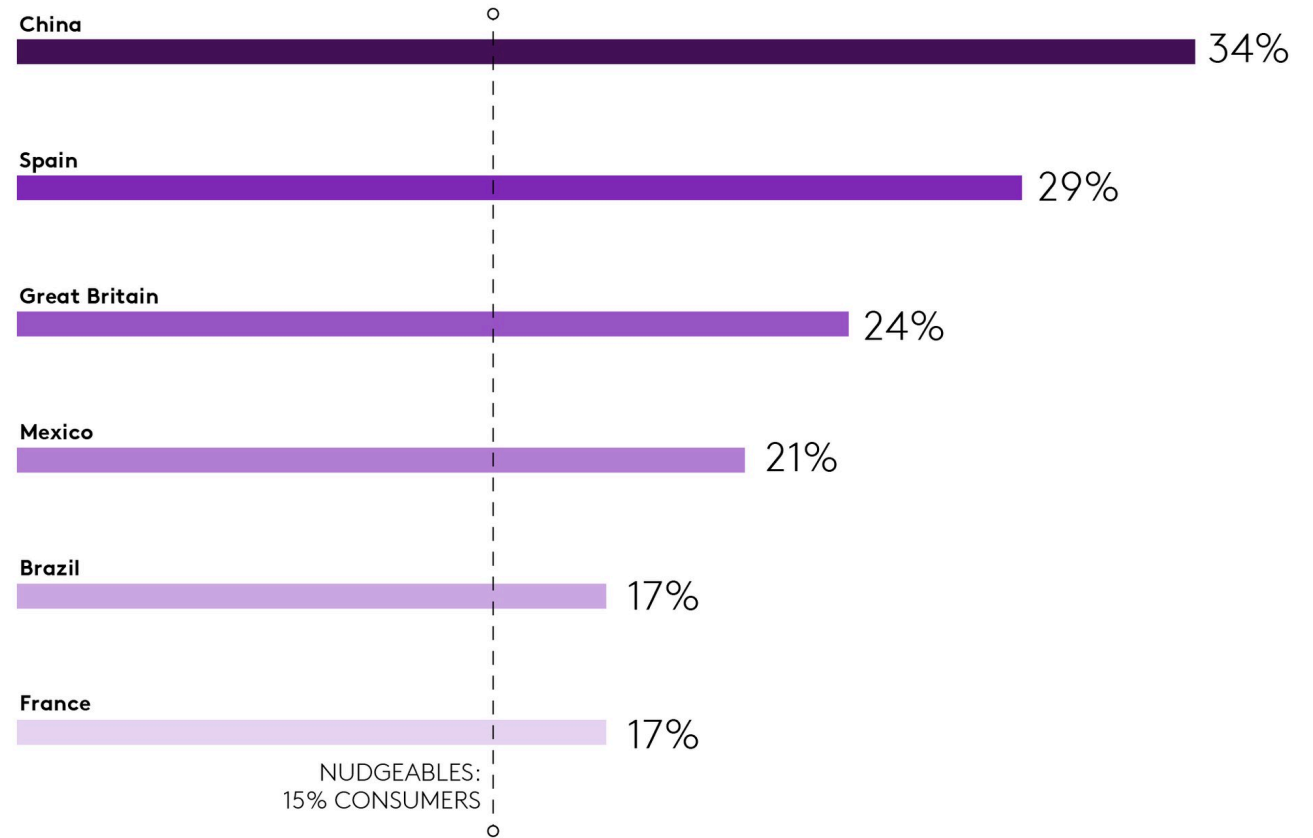
Nudgeables are often more open to premium offerings and are willing to explore new categories. Where can you best introduce them to your product portfolio? For instance, in China, focusing on the Nudgeables can increase marketing efficiency (conversion) by 34%, while in Great Britain, the improvement is 24%.

24%

Global Average

These figures highlight the importance of precision in targeting – reaching the Nudgeables at the right time can yield substantial returns when applied at category level.

Marketing efficiency potential with the Nudgeables



Source: Kantar, Worldpanel Division. Data to Dec 2023. GB, FR, ES, BR, CH, MX. Top 15% of consumers likelihood to switch gap with the lowest switchers.

* Assumes the chance of switching to a brand is the same for both random selection group and highest 15% group.

Switching Sides

Embracing the Changes Demanded by Nudgeables



Unlocking Brand Penetration

Predisposing the Nudgeables to your brand is where it starts. Getting that piece right is key if your brand is to grow penetration, the most important indicator of long-term brand growth. We have mapped how to find Nudgeables for any category and any market.

Quantifying Switching Worldwide & Finding the Nudgeables

Our study reveals that, broadly speaking, shoppers have a 42% likelihood of switching to new brands. Conversely, brand support in the form of repeat purchases comes just 58% of the time. The likelihood of switching increases to 51% for Nudgeables globally. While this behaviour varies by category, it highlights a significant opportunity — targeting their inevitable switching behaviour can drive brand growth,

42%
likelihood to switch to new brands for shoppers globally

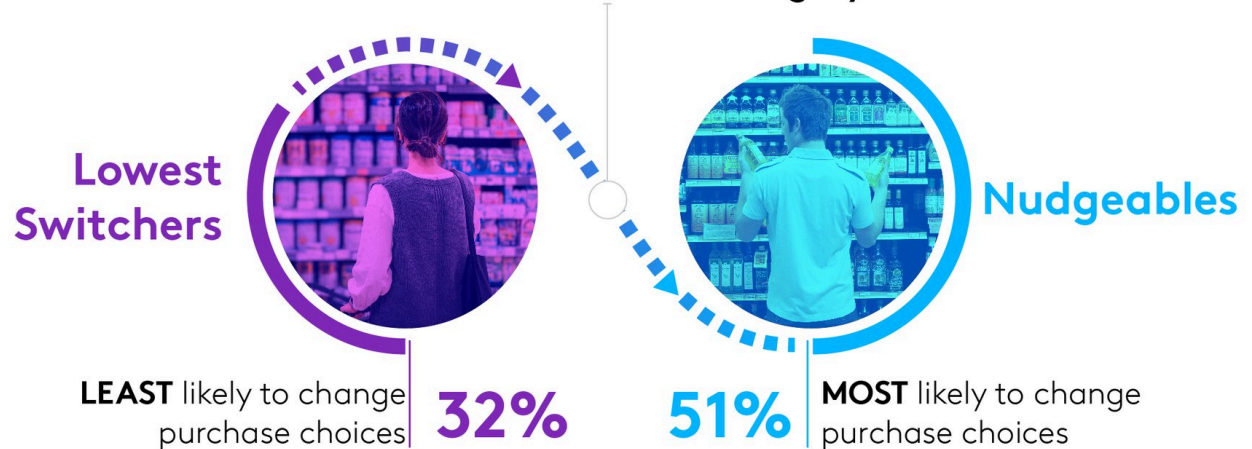
even as private label products gain market share in many consumer goods categories.

Covering Brazil, Mexico, China, Great Britain, France and Spain, this analysis of consumers' real purchase patterns and the quantification of their switching by household, category and country allows us to place each consumer on a proven scale that measures

their likelihood to change brands. This scale reveals 'new space' where marketers can effectively change minds and capture new buyers.

By understanding where each consumer falls on this scale, marketers can tailor their strategies to target the sweet spot of those most receptive to brand influence and change.

Proven likelihood to switch to new brands within category



CASE STUDY

The soft drink category below offers an example:



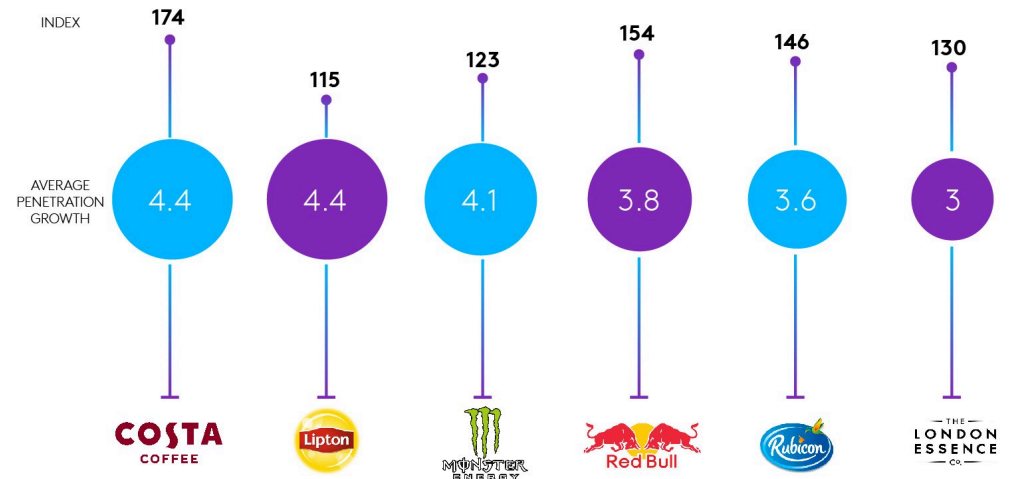
The Power of Brand-Switching Nudgeables

Their inherent proclivity for brand switching is at the centre of the Nudgeable narrative. This case study from Britain focuses on the performance of soft drink brands over five years. We found that 87 brands were experiencing penetration growth and within these, 77% had more than their fair share of Nudgeables showing their powerful impact on brand growth.

Individual Brand Performance

To illustrate this we will focus in on the top 6 medium sized brands in terms of 5-year average penetration growth – Costa, Monster, Red Bull, London Essence Co., Lipton Ice, and Rubicon. Concurrently, these brands reported significant over-representation of Nudgeables vs. their category.

Five years of penetration growth x nudgeables index



Source: Kantar, Worldpanel Division. Data to Dec 2023. GB Soft Drinks.

Though these brands tend to over-perform with younger consumers, we see a similar trend running through most other consumer goods categories.

Insights

The study highlights a correlation between the five-year penetration growth and the five-year average percentage of Nudgeables for medium-sized soft drinks. This correlation suggests that brands with higher rates of Nudgeables in their fold tend to achieve better penetration growth over time.

Nudge Know-How

Identifying and Reaching
the Brand Nudgeables



The Art of the Nudge

It's important to establish the fundamentals required to be successful with Nudgeables — a Blueprint for Brand Growth that enables their activation. To effectively engage the Nudgeables, brands must be meaningfully different. This means not just standing out but doing so in a way that resonates deeply with the Nudgeables' particular needs and desires. Brands that are both meaningful and different tend to have higher penetration rates and command greater numbers of repeat buyers. The Nudgeables crave brands that get this right.

Of course, creating a positive predisposition towards your brand is essential if a nudge is to be successful. Building strong mental



connections and ensuring your brand is top-of-mind during key moments is at the heart of this work. We approach this study using purchase data from our vast household panels and dig into the intentions behind their buying decisions. After all, we need to know the characteristics of the Nudgeables if we're to enable their actions.

To borrow a parable, our data and analysis help us understand how to "fish where the fish are." From there, it is about making a brand more present, more visible, and more accessible at the point of purchase than the competition.

By weaving these strategies together and tying them to understandings of media habits exhibited and preferred by the Nudgeables, the nudge is ready to be made.

Who are the Nudgeables?

In our analysis of consumers, we found remarkable commonalities among Nudgeables worldwide. Certain demographics consistently stood out, highlighting the bullseye for targeting these consumers. Notably, Nudgeables tend to be younger and more affluent.

As we know, youth brings a natural inclination towards experimentation and enthusiasm for new brand offerings. This is good news. For example, in the United Kingdom, those under 28 have a switching probability of 39.9%, compared to 35.5% for those over 65. However, age alone doesn't fully define nudgeability. Key life stages also play a role, as certain pivotal life moments prompt consumers to reassess their choices and switch brands. New homes, new jobs, children arriving and leaving a household are all examples of how

brand demands can change. For example, we see nudgeability 'pop' among 50-64 year olds in France as children leave the home.

In other words, nudgeability isn't all about age, it is as much a mindset and culture as it is a demographic characteristic. If the younger Nudgeables carry their open-mindedness into later life this could mean we see decreasing brand return rates over time.

While the Nudgeables are present everywhere and their mindset is universal, the local market circumstances will be drivers in how and where they buy.

While Nudgeables are often more affluent, they remain responsive to coupons and promotions within the marketing mix. Although price sensitivity influences their choices, these consumers can be persuaded

to spend — and often spend more than their peers. This affluence makes them an exceptionally attractive and efficient target for marketing investments.

The Nudgeables are not loyal in the traditional sense but are willing to spend on the right product at the right price. All they need is a nudge in the right direction.

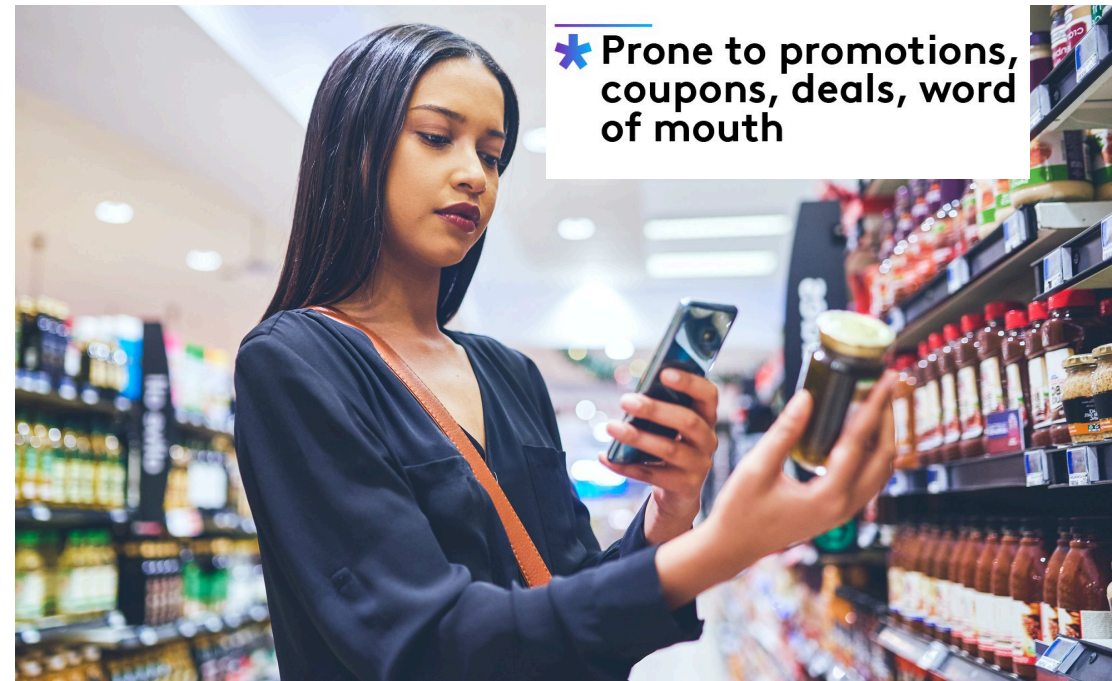
✦ Younger

✦ Brand believers

✦ Willing to spend more in the right circumstances

✦ Media mavens

✦ Prone to promotions, coupons, deals, word of mouth



Behavioural Traits

Nudgeables have a distinctive brand affinity; they LOVE brands. Identifying and highlighting a meaningful differentiator, something to stand out from the pack to the Nudgeables, can help brands soar. The true beauty and efficiency of targeting this group lie in their openness and receptiveness to marketing messages. When asked about their perception of branded products, Nudgeables consistently over-index on beliefs such as 'brands suit my needs better,' 'brands are of better quality,' and 'brands taste or perform better.' This is your brand-friendly audience begging to be activated.

Recognising that Nudgeables are highly open to changing their minds is important. They are responsive to promotions, online reviews, social media, and recommendations from friends and family. They also have extensive exposure to the product landscape, so they are likely lightly predisposed to many brands, building awareness and experience that influence their eventual buying decisions. Opportunities to change their minds exist at every step to purchase.



Masters of Media

How Nudgeables Tune In and Turn On in Today's Media Landscape



Sorry, you must sign up in the [online version](#) to view this content.

Switching it Up

Shifts in Retail are Driving
a Rethink on Favourite Brands



Presence and Accessibility

Being more present means more than just a brand's visibility; it means being available when and where the Nudgeables are looking or lurking. This includes a strategic presence both online and offline, ensuring that the brand is not only seen but also accessible at the point of purchase.

The journey to winning their purchase is continuous, demanding agility and innovation at every step.

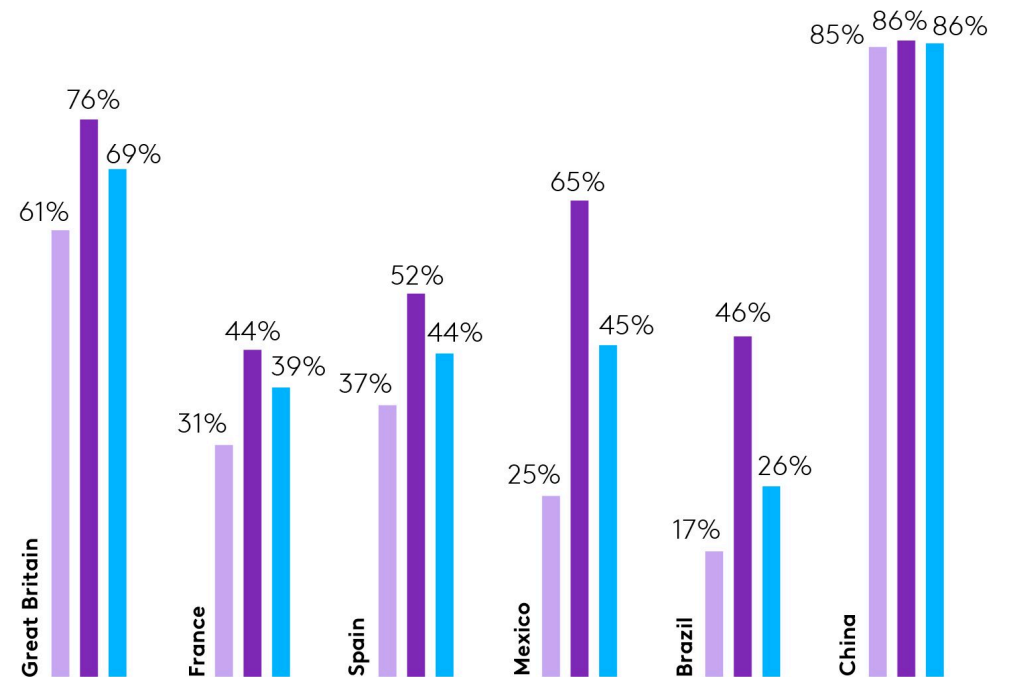
Omnipresent

For Nudgeables, the shopping experience is crucial, and consequently, the job of marketing isn't done until they complete the transaction.

Nudgeables are particularly active online. Across all six markets they are more likely to buy online than the average shopper and more than twice as likely in markets with emerging online channels such as Mexico and Brazil.

% Stating bought FMCG online

● Lowest (15%) ● Highest (15%) ● Average



Source: Kantar, Worldpanel Division. Q1 2024. GB, FR, ES, BR, CH, MX. Total Sample: 35,609.

Additionally in Spain, 21% of Nudgeables browse beyond ten items when searching online, versus 17.7% of the lowest switchers. This extensive search behaviour makes them more susceptible to online nudges, indicating a greater willingness to explore and compare options.

In brick-and-mortar stores, Nudgeables are highly responsive to in-store marketing. They can be influenced by aisle-end displays and promotional events. These consumers actively compare products and promotional propositions on the shelf, making them ideal targets for in-store activation.

They're true omnishoppers.

Deals...Inspiration... Excuse seekers

Coupons and promotions play a significant role in their purchasing decisions. While cheaper pricing can convert many decisions, promotions significantly influence *what* Nudgeables buy.

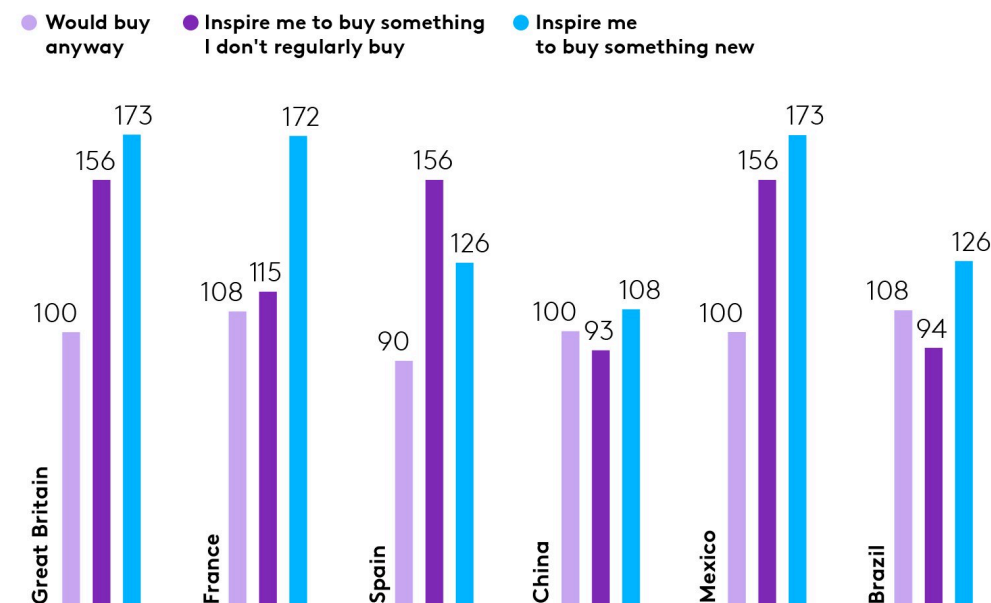
Globally 62% of Nudgeables claim they will purchase something new or irregular when coupons are available, compared to 46% of the lowest brand switchers.

Coupons, discounts, and special offers are the breadcrumbs that lead Nudgeables to your brand. They're looking for excuses to try something new.

Open and responsive to marketing across most channels, we have seen Nudgeables rarely have their minds made up. Ironically, they are

Nudgeables not only look for discounts and coupons they are consistently using them for inspiration to try new things

Index of Nudgeables vs Lowest switchers



Source: Kantar, Worldpanel Division. Q1 2024. GB, FR, ES, BR, CH, MX. Total Sample: 35,609.

also more likely to be loyalty club members, keeping their options open. They shop online, respond to in-store activations, and compare products up to the moment of purchase. For this group, flexibility is key. Brands must keep them

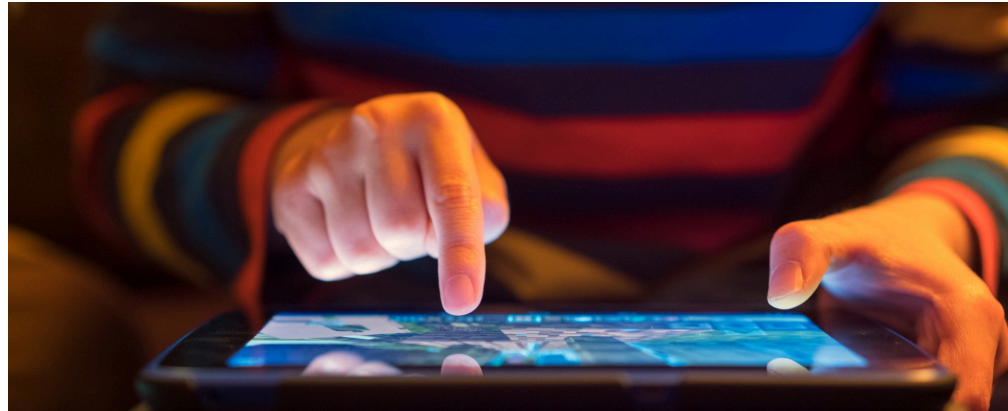
engaged and be ready to adapt marketing strategies at a moment's notice. Ensuring product presence at the critical moment of purchase is vital to capture their attention and drive sales.

Connecting Media and Shopper Strategy

To win with this group, we must connect with individuals and every potential purchase occasion. It demands a holistic strategy that seamlessly interlinks media and shopper engagement. While yesterday's strategies focused on demographics, today's returns hinge on understanding and engaging purchase-based Nudgeables.

Pre-store Nudgeables are more likely to be trying to learn more about potential brands by looking at online reviews, getting recommendations from friends and family and checking social media.

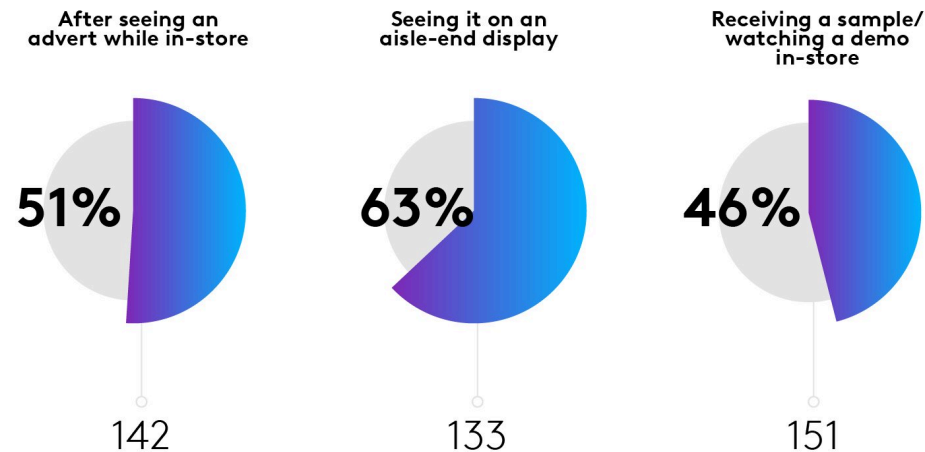
The hunt does not stop there. When shopping online they are browsing products on the home page, filtering to promotions and clicking on ads that catch their attention rather than sticking to the favourites tab.



It is not only about online activation as they display the same shopping patterns offline where they are looking for novelty and information

Have bought a product in reaction to...

Index: Nudgeables Vs Lowest Switchers, Global Averages.



Source: Kantar Worldpanel, Q1 2024, GB, FR, ES, BR, CH, MX data. TotalSample: 35,609

Retail media also plays a pivotal role in reaching Nudgeables. Most of FMCG purchases are made in a physical store. Nudgeables are less likely to make shopping lists and more likely to buy brands after seeing in-store activities.

Crafting personalised, resonant content that builds a positive predisposition towards your brand over time and then bringing fun and novelty to the shopping experience with dual sitings, samples and holiday themed packs and events can mean your brand is the last one they pick up.

Activating the Nudgeables requires a deep understanding of their behaviours, motivations, and the media they consume.

Omnishoppers require omni marketing. By focusing on tailored, engaging, and multi-channel strategies, brands can effectively capture the attention of Nudgeables. The potential rewards are immense — higher profitability, increased market penetration, and sustained growth.

The chase is on, and the prize is possible. Are you ready to activate the Nudgeables?



Nudgeable Nations

Decoding Brand Switching:
China and Brazil

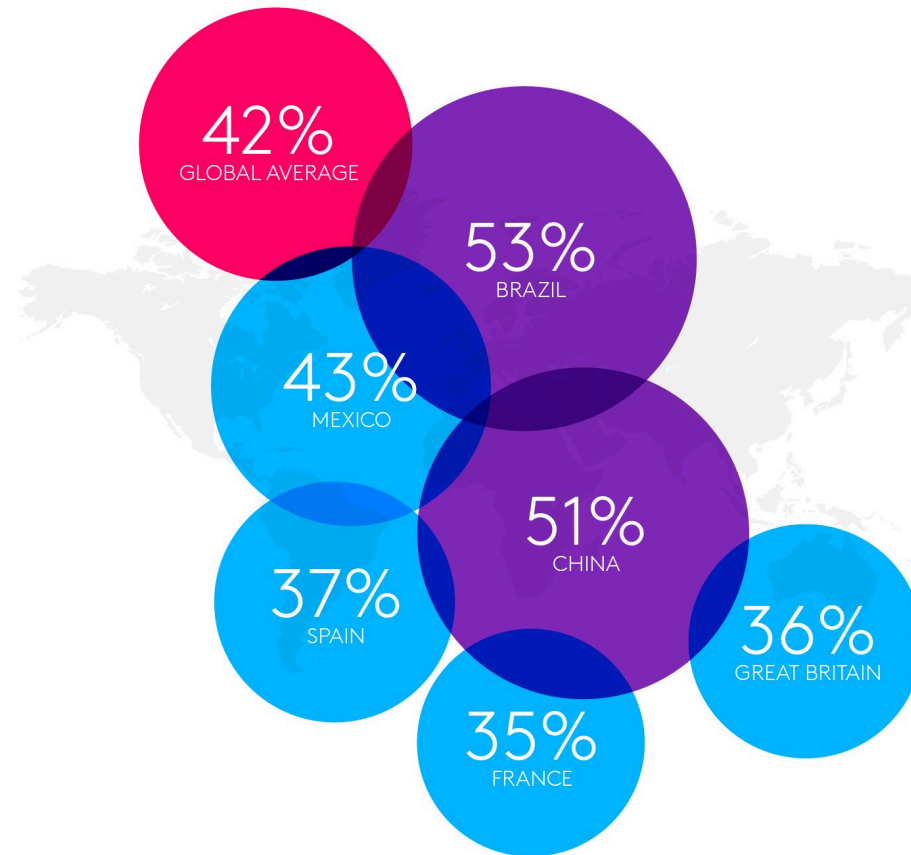


Flipping the Switch

We find the Nudgeables everywhere — the mindset is global — but the retail landscape (today and tomorrow) plays a huge part in facilitating the nudge as brand-switching dynamics play out.

Brazil and China, for instance, showcase a particularly high propensity for switching. These figures significantly surpass the global average of 42%, highlighting these countries as fertile grounds for targeted marketing strategies. Each market has experienced unique changes in its retail landscapes, showcasing the growing potential for brands to capitalise on Nudgeables. The opportunity to nudge these consumers is significant today and is poised to expand even further in the future.

Average Switching Probability



Source: Kantar, Worldpanel Division. Data to Dec 2023. GB, FR, ES, BR, CH, MX.



Brazil & China

In Brazil and China, the shopping environment greatly influences the potential for brand switching.



CHINA



China is undeniably the most 'online' country for shopping, with 85% of consumers buying online compared to the 28% European average. The online shopping experience in China is designed to ensure seamless purchases often driven by subtle brand pushes. Influencers wield significant power, presenting and recommending products with seamless click-through functions for purchase. Suggested products and ads are subtly presented, reducing the need for personal searches and driving subconscious brand switching. Shopping festivals, such as Singles Day, are also major events, with targeted marketing encouraging mass purchases during deals, thus boosting penetration...at least until the next purchase cycle.

BRAZIL



The nature of the economy drives more frequent shopping due to weekly wage payments and inflation levels impacting choices. The rise of new store formats and discounters encourages Brazilian shoppers to 'shop around' in physical stores for the best deals. 'Stock-up' shopping is limited due to financial constraints, ensuring consumers return to stores more frequently, offering more opportunities for the next nudge. Being meaningfully different to secure predisposition, and present to secure purchase, is crucial in this fast-moving economy.

European markets such as Great Britain and France exhibit lower switching rates at 37.3% and 34.8%, respectively. However, these figures still represent significant

opportunities for growth. Remember, the long-term return comes with establishing sustainable household penetration.

Opportunities for Targeted Marketing

Examining market-specific trends reveals that more than a one-size-fits-all approach is required. Brands must adapt their strategies to align with local behaviours and preferences. In high-switching markets like Brazil and China, more aggressive and innovative marketing tactics can capture the Nudgeables' attention.

Summary and methodology



Checklist

Nudgeable Action Plan Checklist

Current Focus

- Assess if your brand is overly focused on low switchers at the expense of engaging Nudgeables.
- Understand the impact they make on your brand, category or country
- Shift in Strategy: Rebalance marketing efforts to include strategies specifically targeting Nudgeables.

Action Steps

1 Common Attributes of Switchers

- Understand Their Characteristics: Conduct research to identify the common attributes of Nudgeables within your target market.
- Tailor Messaging: Craft messages that align with these attributes to improve engagement.

2 Engage and Capture Switchers

- Develop Targeted Campaigns: Create marketing campaigns that specifically address the needs and preferences of Nudgeables.
- Highlight Unique Attributes: Emphasise the unique attributes of your brand that resonate with Nudgeables.

3 Improve Marketing Efficiency

- Measure Efficiency Gains: Implement strategies to significantly improve marketing efficiency by targeting Nudgeables effectively.

4 Pre-disposed and Open Audience

- Engage Early: Focus on audiences who are more likely to switch brands before they settle into recurring brand purchase patterns.
- Create Early Experiences: Develop experiences that encourage younger consumers to try your brand, securing your place in their consideration set as they age up and build habit.

5 Long-term Engagement

- Maintain Relevance: Continually engage Nudgeables with relevant content and offers to keep your brand top-of-mind.



Activate Nudgeables for your brand

1.

Size Your Nudgeable Opportunity

My category my brand:
assess position & size opportunity
to win with Nudgeables today.

2.

Effectively connect with Nudgeables

Prioritize marketing levers & shape
messaging for your Nudgeable audience
with in-depth profiling of who they are,
how they think and behave.

3.

Media Planning with Nudgeable Lens

Identify efficient ways to reach the
Nudgeables across media channels.

4.

Nudgeable Audiences

Push advertising directly to your most
valuable shopper targets: Nudgeables
Audiences (TV & Digital).

Summary

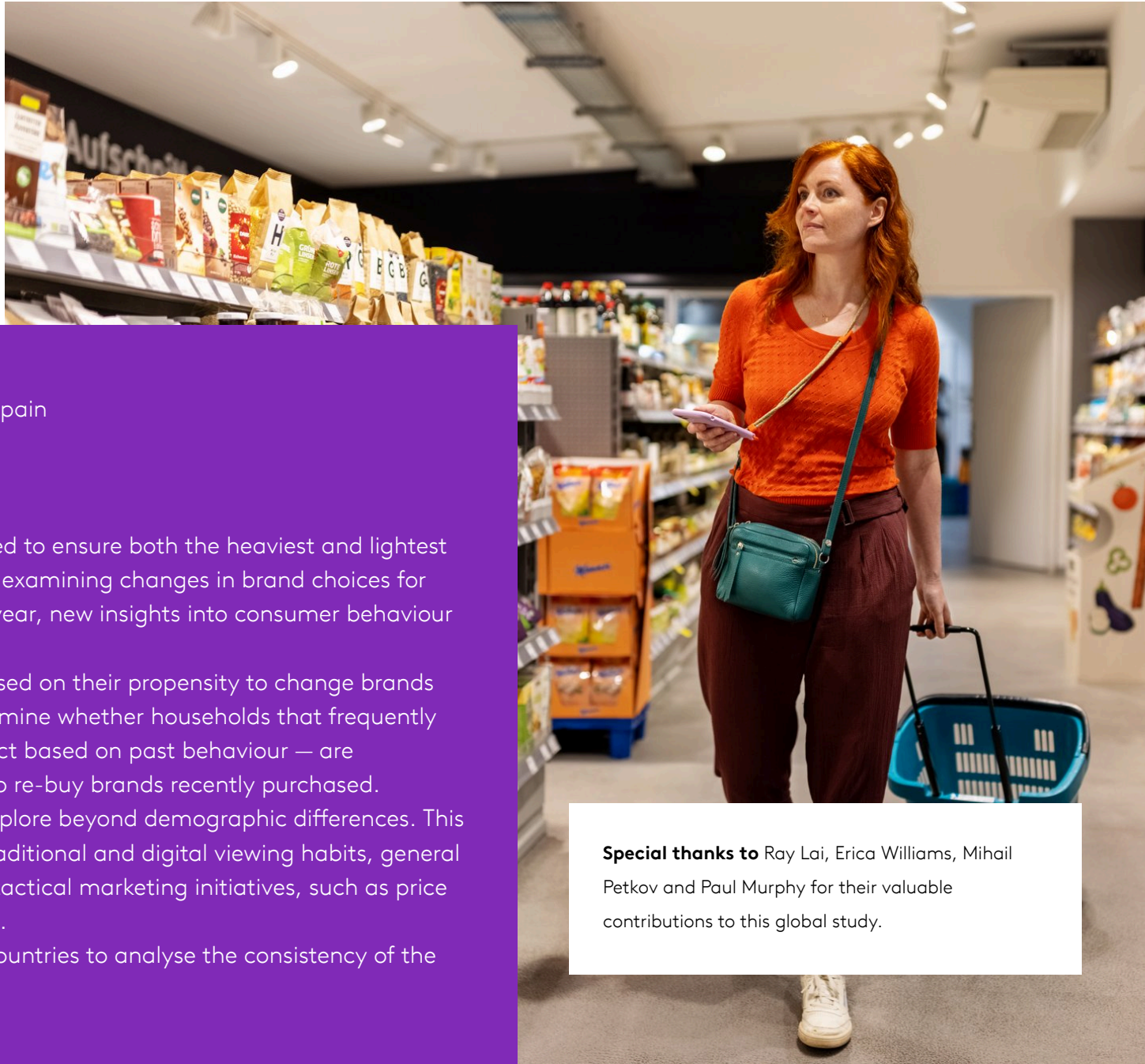
Switching Drives Growth: Recognise that switching is a key driver of brand growth. Capturing switching fights inevitable buyer-churn in the short-run and enables brand support in the future, feeding penetration gains – the biggest indicator of brand growth.

Connect Media and Shopper: Interlink media and shopper engagement and strategy

Target Likely Respondents: To improve efficiency and results, focus marketing efforts on Nudgeables—those most likely to respond.



Kantar Worldpanel Analysis



COUNTRY SCOPE

Brazil, Mexico, China, Great Britain, France and Spain

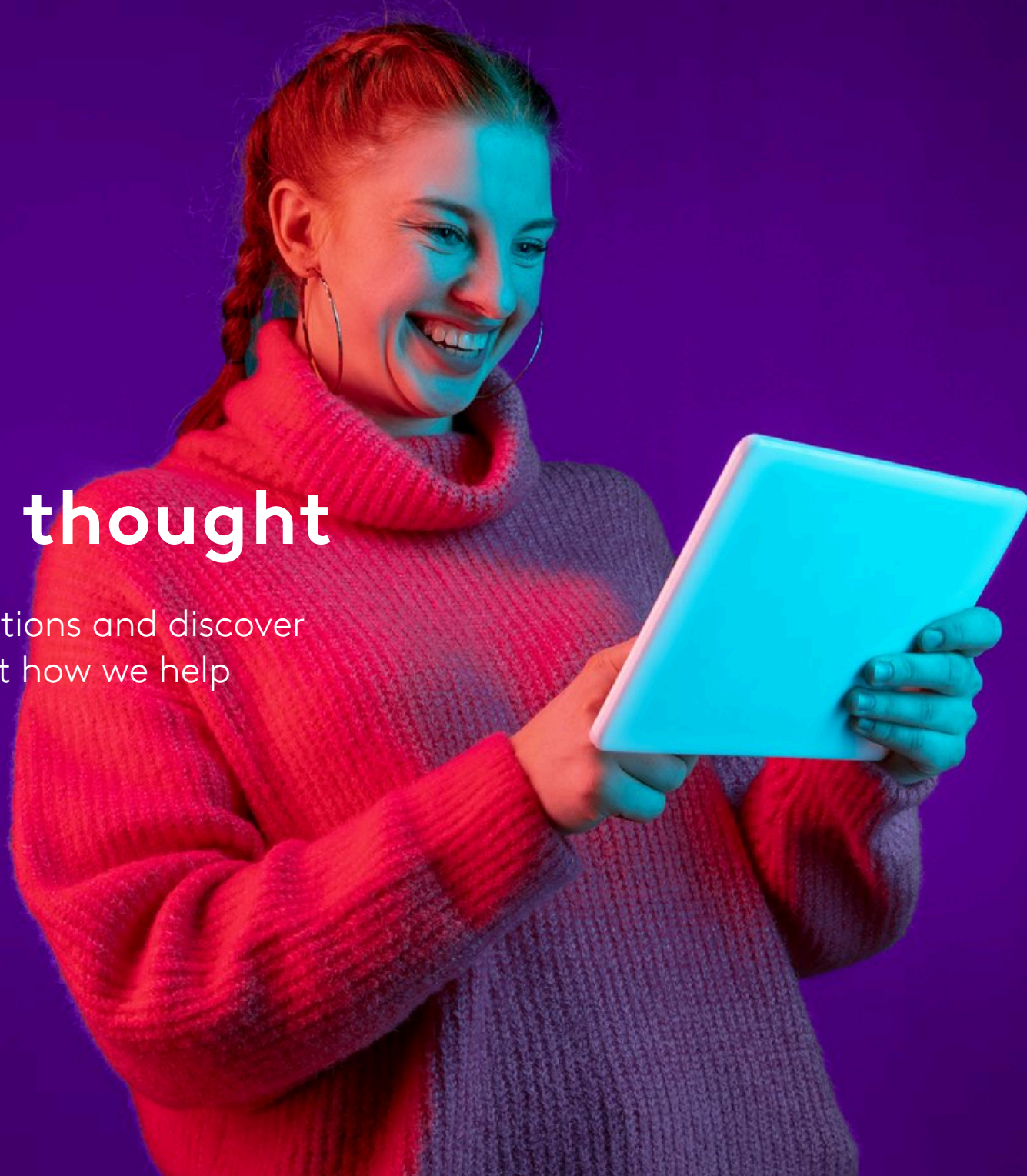
METHODOLOGY

1. Chains of past buying behaviour were analysed to ensure both the heaviest and lightest category buyers were equally represented. By examining changes in brand choices for every household on our panels over the past year, new insights into consumer behaviour across different categories were gained.
2. Segments of households were constructed based on their propensity to change brands across all categories. This analysis helps determine whether households that frequently change brands – those most difficult to predict based on past behaviour – are significantly different from those more likely to re-buy brands recently purchased.
3. A bespoke questionnaire was conducted to explore beyond demographic differences. This provided an understanding of each group's traditional and digital viewing habits, general attitudes towards brands, and the impact of tactical marketing initiatives, such as price promotions, on their decision-making process.
4. This exercise was then replicated across five countries to analyse the consistency of the results across markets.

Special thanks to Ray Lai, Erica Williams, Mihail Petkov and Paul Murphy for their valuable contributions to this global study.

Food for thought

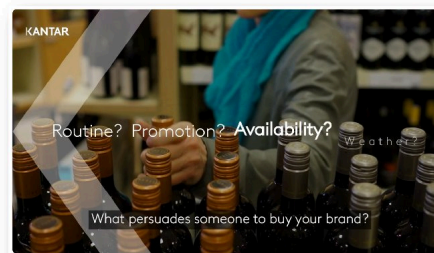
Explore our publications and discover
our offer to find out how we help
brands grow



Food for Thought



Meet the Nudgeables
Webinar on demand



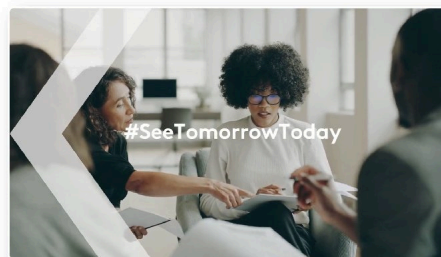
Match advertisement exposure to behaviour by measuring shopper response to your marketing activity



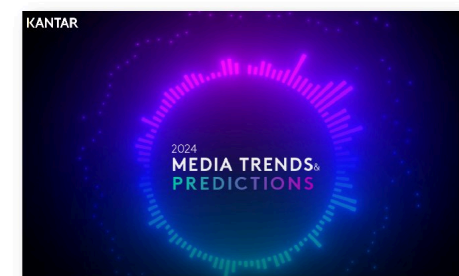
Understand the optimal media mix for sales or ROAS goals



Determine the optimal promotional strategy for your brand



Assess the most likely scenario to win in the future



Media trends & Predictions 2024

Thank you for reading

Navigating the 'Nudgeables'

For additional information,
please contact

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