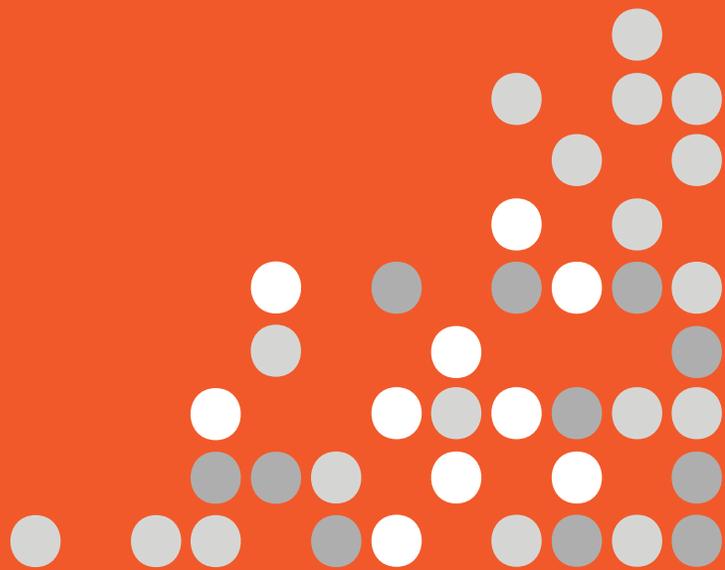




Challenger Brand Study 2019





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Our recent Challenger brand papers have highlighted the Challenger brand growth algorithm and the multiple ways these brands create a defendable moat early in their trajectory.

Delighting the Modern Consumer

The next generation of consumers hold tremendous power in the consumer products industry. They represent the greatest amount of wealth transfer that has ever occurred. They yield the power to discover the brands and products most relevant for them in today's increasingly digital landscape, the power to research a brand's story and processes to every last detail, and the power to democratize and perpetuate their knowledge of brands via popular social media outlets, should they so choose. They also hold the power to influence other consumers in the marketplace, creating outsized impact for their preferred brands. Most importantly, these consumers have the power to *engage solely with brands that truly delight them*. The number of choices a consumer is faced with for any single purchase today is unprecedented. Brands must go above and beyond to differentiate themselves and engage relevantly with today's empowered, shrewd consumer.

To do so, brands must truly delight the consumer at every stage of their consumer journey, engaging with them in unique, human and relevant ways to elevate the consumer experience. Delighting consumers can manifest in different ways for different brands. Some of the most valuable brands have prioritized the consumer experience for these reasons. *Nike* delights consumers by constantly evolving how consumers interact with its products. Knowing its shoppers engage digitally, Nike has trailblazed in digital innovation to elevate the shoe shopping

This year, Seurat Group's Challenger brand study examines the importance of delighting the modern consumer with consumer experience strategies that build engagement and enduring brand value.

experience. The Nike app doesn't just allow consumers to research, learn about, and shop products; it provides customized content for overall fitness and wellbeing. Nike has a second app, SNKRS, to engage with today's growing sneakerhead community with unique drops, giving these fans the ultimate sneakers experience. The brand also features flash sales and a "Customize" tab on their home page to engender exclusivity and personalization.

At Seurat, we believe a brand's size does not correlate to its ability to delight its consumers. If Challenger brands can find their own authentic ways to delight, they can still outcompete category incumbents. For example, *Equal Parts* is a home cookware company that is equal parts products, and equal parts human interaction and education, lowering barriers to cooking at home, and thereby barriers to purchasing cookware. It does this by providing consumers on-demand guidance and inspiration via texts from an expert cooking coach, redefining DTC (direct to consumers) to DWC (direct with consumers). Through helping consumers build their intuition in the kitchen with personalized tips and techniques, Equal Parts is delighting consumers not only with products, but with the overall cooking experience.

This year, Seurat Group's Challenger brand paper celebrates ten ways – and ten brands – that best exemplify how to delight the modern consumer.



Top 10 Challenger Brands 2019



10 Steps to Delight the Modern Consumer throughout their Journey

Step 1: Start with the “Why?”

Clearly define the mission that the brand will live by.

Blueland

Blueland is on a mission to clean up the planet starting with cleaning our homes. Traditional household cleaners are sold in disposable plastic bottles and contain mostly water. Blueland is turning that paradigm on its head by selling \$2 dissolvable cleaning tablets that are meant to be used with their reusable “Forever” Bottles. By switching to cleaning tablets and reusable Blueland bottles, consumers are embarking on a collective mission to eliminate 100 billion single-use plastic bottles in the US alone. It’s delightfully easy to become an everyday superhero for the environment when all you have to do is add water and drop effervescent cleaning tablets into the beautiful and sleek “Forever” bottles.



Step 2: Carve out a unique positioning

What pain point does your brand uniquely address that others cannot? What’s your true competitive edge?

Lily’s Chocolate

Made with fair trade certified chocolate and sweetened with plant-based sugar substitutes, Lily’s provides shoppers an indulgent chocolate experience without nutritional sacrifice. Delighting consumers comes by way of achieving taste parity to traditional category options, while eliminating the guilt element of fulfilling cravings. Lily’s fulfills a unique positioning that no other better-for-you category player has been able to figure out – delivering on what consumers care about most in indulgence: taste.





Step 3: Amplify the “Why”

Develop a portfolio of mission-driven products with constant messaging.

Stasher

Reusable sandwich bags may not sound like a big deal, until you think about how many plastic bags are thrown away and end up in the ocean. Stasher makes an ecosystem of food storage containers out of pure silicone that is better-for-you and the planet. Their products have a multitude of uses including oven, microwave, even sous vide cooking, and come in all shapes, forms, and colors. Stasher’s consistent messaging to consumers is to “keep it fresh, keep it together, while keeping it out of the ocean”. And consumers are delighted by this redefinition of the food storage experience, evident by +1000 reviews on Amazon and best-seller status for the reusable bags category.



Step 4: Be seamlessly omnichannel

Meet your consumer personas everywhere they are.

Soylent

Started as a meal replacement for busy techies, Soylent has aggressively expanded its consumer targets, its product offering and its omnichannel footprint. Soylent targets multiple consumer personas from the college student to busy moms through seamless omnichannel engagement. In addition to a winning online presence on Amazon (#1 grocery product on Amazon in January 2017) and DTC, Soylent has been gradually expanding its brick and mortar presence across foodservice, retail, and convenience stores while also using influencer mediums such as campus ambassadors and sponsoring bicycle rides to class. This ability to meet consumers where they are allows Soylent to delight consumers by making it easy to buy.



Step 5: Become friends with your target consumer

Friends listen and engage, your brand should too.

Ritual

Like a good friend, the reinvented women’s multivitamins company Ritual, is committed to helping their consumers develop good habits and self-care. To showcase their commitment to the modern woman and her needs, Ritual has curated a best-in-class learning center called “Our Journal.” The articles in “Our Journal” are split into four categories that curate the most candid and educational information. In addition to this informative blog, Ritual’s social engagement with their consumer base is female-to-female, friend-to-friend. On their active Instagram, frequently featured are everyday women’s success stories or iMessages with motivational reminders, much like the kind of support you’d be delighted to see from a friend.



Step 6: Pull consumers in through the right value equation

Education on brand's value will pull consumers in. "Attainable premium" will convert them.



Cora

Made with 100% Certified Organic Cotton, Cora provides the discerning woman a natural and organic feminine care option that resonates with both personal values and desire for quality. The feminine care landscape is rapidly changing as women are taking a more hands on approach to their personal care regimens, period care included. Cora provides consumers an organic cotton option that is free of pesticides, dioxins, polyester, and fragrances. The brand's value extends beyond the product itself; for every purchase, the company gives health education and a month's supply of pads to a girl in need in a developing country. Cora's efficacious, modern product provides shoppers an attainable premium trade-up option in the category.

Step 7: Drive trial through your aesthetic

Let the brand speak for itself at shelf via standout brand aesthetic to drive trial



Recess

The founders at Recess, a sparkling CBD beverage, have "canned a feeling" of "calm, cool, and collected." And they have the relaxing brand aesthetic reminiscent of rainbows and clouds to prove it. Each can of Recess is supposed to represent a moment to reset and rebalance. A typical consumer might not know what "hemp extract" or "adaptogen" means, but Recess can still attract and delight them via the eye-catching aesthetic. The necessary first step of a delightful consumer journey is to capture consumers' attention for your brand. Then, you can educate them at the point of purchase or digitally.

Step 8: Inspire more usage

Cultivate more usage occasions of current offerings. Fuel exploration of broader portfolio with thoughtful expansion.



Ancient Nutrition

Ancient Nutrition is a vitamins and supplements category disruptor, restoring health, strength and vitality by providing the healthiest whole food nutrients to today's modern landscape. This means adaptability, convenience, and personalization. Their protein products are formulated to be soluble in water, almond milk, coffee, or tea, to be enjoyed both hot and cold, and to be used one or more times a day, for different occasions. In doing so, Ancient Nutrition allows you to seamlessly incorporate their products into your routine, no matter how specific or hectic.



Step 9: Build loyalty by making your brand irreplaceable

Consumers can't think of alternatives to your brand as it has become a part of their lifestyle

Ellenos

Ellenos consumers aren't going to the store to buy Greek yogurt. They're going to the store to buy Ellenos. This Pacific Northwest family success story, incepted out of Pike Place Market, has made quite a name for itself this past year. With big distribution gains all down the West Coast, including Whole Foods, Gelson's, and Bristol Farms, Ellenos is reconfiguring how shoppers look at the Greek Yogurt category by infusing the local, fresh, family-owned values into today's more stagnant category environment. Their competitive edge ultimately remains rooted in taste and experience – with their loyal fans saying that their products can't be beat.



Step 10: Continually iterate, adapt, and innovate

Make sure your brand is adapting to consumers' everchanging needs and desires

Siete Family Foods

Siete Family Foods delights consumers wanting authentic Mexican food offerings that are clean, healthy, and delicious. What started as a grain free tortilla company has turned into a tortilla, chips, hot sauce, taco shell, and queso powerhouse of healthy Mexican food that extends far beyond the tortilla space. The team has thoughtfully expanded as consumers have proven different dietary preferences: tortillas come in different flour types (chickpea, almond, coconut, to name a few), chips come in both different flavors (sal y limon, nacho, sea salt, etc.) and pack sizes (new 6 ct now featured for on-the-go consumption). Their queso is vegan. Their bean dip is sprouted. Their chips are made with 100% avocado oil. Siete continues to adapt and keep their finger on the pulse of the health movement and consumers' food preferences.



At the heart of delighting consumers is focusing on the consumer experience and mapping your consumers' journey

Delighting the modern consumer is not about just optimizing the product itself, it's about curating optimized touchpoints with the consumer at every step of their journey. How can a brand delight consumers at the point of sale through product marketing, messaging,

or aesthetics? How can a brand delight consumers post purchase, ensuring continued loyalty? Successful Challenger brands put their consumers first at every step, bringing their consumers a delightful consumer experience from start to finish.

As always, we want to hear from you! If you'd like more information on any of our challenger brand studies, or want to share a brand of your own, please reach out at info@seuratgroup.com.



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