

**2025 CHALLENGER BRAND STUDY**

# *Challenger 2.0*





It's no secret the changing dynamics in the CPG space have made it increasingly difficult for brands to break through. A precarious financial environment (elevated interest rates, limited funding, inflation price pressure, etc.) coupled with a crowded and fiercely competitive landscape has forced Challenger Brands to evolve their value equation and their offerings to survive and thrive. While 10 years ago we saw a landscape emerging with disruptive Challenger Brands, we now see more and more closures as consumers, retailers and investors alike continue to raise the bar for what it takes to succeed in this environment. With that comes fewer, larger players offering highly unique and differentiated solutions.

This evolved environment demands more from Challengers to achieve broad appeal and durable success. This year's report goes beyond the sweeping changes in the Challenger Brand space to explore what will enable the next phase of Challenger Brands to thrive. Challenger 2.0 will explore key strategies that have enabled Challengers to flourish in this new context: reframing health & wellness, leveraging digital connections, evoking human emotion, and inviting accessibility. (Source)

**01 Reframing Health & Wellness** 

The genesis of Challenger Brands in many consumer spaces was in reimagining and redefining traditional categories through "Better-for-You" (BFY) alternatives (e.g., improved ingredients or physical health benefits). While Challenger Brands are still celebrated for this today, the new wave of brands is redefining what "BFY" truly means by expanding its scope. These brands still hold better ingredients and physical health benefits central to their value propositions yet now integrate calls to indulgence and mental wellness in their offerings, creating a more comprehensive, balanced, and relatable approach to health and wellness.

**02 Leveraging Digital Connections** 

As consumers become more digitally native, they expect brands to do the same. Challenger Brands are finding innovative ways to connect with consumers online and on social media platforms – both delighting consumers and combatting the realities of limited retail shelf space. While digital outreach has existed for years, it was often more general and one-size-fits-all. Today, Challengers are reshaping the dynamics of the digital brand-consumer relationship by leveraging the interactive nature of social media and employing tailored meaningful engagements; the result is highly personalized and authentic communication. Through this, brands make consumers feel as though brand participation is akin to supporting a friend or contributing to their community.

**03 Evoking Human Emotion** 

In today's fast-moving world, people crave more than just products; they want a more meaningful experience. They're looking for ties that go beyond transactions, not only with each other but also with the brands they support. Nostalgia plays a powerful role in this, tapping into emotions and shared memories that create a bridge between the past and the present, making experiences feel both personal and universal. Brands that tap into emotionality – whether by evoking a specific mood, or championing a mission rooted in fostering connection between others (pets included!) – amp up the consumer experience while creating powerful, enduring loyalty.

**04 Inviting Accessibility** 

Challenger Brands succeed by daring to be different, standing out with unique offerings that break away from the mainstream. But there's only so much room to grow when you're operating within a narrow niche. That's where 2.0 Challengers are changing the game—by tapping into high penetration categories, they stay relatable & accessible. They embody inclusive accessibility through multiple avenues—from making seemingly intimidating categories easier to understand and engage with, or increasing access (both in availability or affordability).



## Challenger 2.0: Our Top 10 brands that embody this next generation of category disruption



**Goodles.** Mac and Cheese is the ultimate comfort food. However, traditional options often target kids with simple flavors and character-driven packaging, leaving adults out of the equation. Goodles is changing the game with boxed mac and cheese made for adults to enjoy. Packed with impressive ingredients and nutrition, Goodles combines fun and nostalgia with vibrant, 90s-inspired packaging and playful names like Cheddy Mac and Shella Good. The impact speaks for itself: with one box sold every second and recognition as the #7 fastest-growing brand in U.S. grocery, Goodles proves that modernizing nostalgic products and providing a more permissible way into an indulgent classic is a recipe for success. ([Source 1](#), [Source 2](#))



**Hot Take.** Hot Take is inspiring consumers to “change the way they think about and eat dessert”. What truly sets Hot Take apart is its unapologetic embrace of true indulgences, made better-crafted with premium, clean ingredients like grass-fed butter and fair-trade chocolate. While many brands lean into low-calorie or vegan trends, Hot Take took a bold stand, redefining wellness by championing the emotional joy of savoring a real treat over obsessing about macronutrient counts. Adding to its appeal, the founders – a sister duo – take fans along for their journey as small business owners across social media channels. These viral videos include moments such as seeing their products in stores for the first time, and more casual, conversational late-night baking sessions to authentically foster a supportive community. ([Source](#))



**Masa.** Frustrated by the widespread use of seed oils in processed foods, founder Steven Arena set out to create a chip that wouldn't leave him feeling sluggish. His solution was to revive traditional methods, frying hand-made corn tortillas in grass-fed beef tallow—an animal-based fat used for centuries in cooking and skincare—and preparing them with an ancient Aztec technique that preserves the corn's nutrition. The result is a chip that not only delivers incredible flavor but also leaves consumers feeling great, as evidenced by countless testimonials. By prioritizing high-quality ingredients and embracing “old-fashioned” methods, Masa Chips has become Erewhon's number-one chip brand, proving that rediscovering traditional practices can pave the way for modern innovation. ([Source](#))



**Smalls.** Smalls is a pioneer in the world of human-grade cat food, setting a new standard for quality and convenience (voted the #1 healthy cat food brand!). By combining a personalized omnichannel approach with innovative features like tailored quizzes and a 24/7 text line, Smalls connects deeply with cat parents, making it easier than ever to understand and meet their feline friends' needs. “Cat concierges” work with cat parents to ensure the transition to Smalls is as seamless as possible, leading to an incredibly high retention rate. With a seamless direct-to-consumer subscription model, Smalls offers a user-friendly experience that has fed over 100,000 cats, redefining what cat food can and should be. ([Source](#))



**Jukebox.** Jukebox elevates the shower from a daily routine to a moment of self-expression and self-connection, blending better ingredients with a playful approach. By crafting soap with natural ingredients and a cold-process method, Jukebox delivers “really, real soap” that nourishes and cares for the skin. At the same time, the brand embraces fun with playful product names and scents—like “Gettin’ Figgy With It” and “Mango No. 5”—and joyful messaging that encourages creativity and delight. Head of Jukebox, Emily Woods, explains, “While women’s face products are everywhere, they only cover 3.5% of the skin. Jukebox covers the other 96.5%.” Jukebox is making its joyful shower experience accessible to even more women. ([Source](#))



**Native Pet.** Native Pet understands that when it comes to your pup, “their health is your happiness.” That’s why they’re committed to creating the highest-quality products in pet nutrition with supplements that make a real difference. Through creator collaborations and their “Dog is our Native Tongue” campaign, the brand has built a tight-knit community of dog lovers who educate one another on this emerging category. Additionally, their unique ambassador program helps the brand feel more authentically connected to the pet community, leveraging trusted pet influencers (and their pets) as a vehicle for education and brand awareness. ([Source 1](#), [Source 2](#))



**The Real Cereal.** The Real Cereal is bringing this breakfast staple back to its glory days. With only two ingredients, The Real Cereal delivers a refreshing return to simplicity, away from the artificial additives and ingredients that have flooded today’s cereal aisle. And the simplicity of its ingredients isn’t the only nostalgic touch— the brand’s retro packaging and classic SKUs, ‘Corn Flakes’ and ‘Rice Crispies’, are straight from the 70s, delighting consumers with a moment of nostalgia in every bowl. The brand is making strong inroads, having tripled its distribution footprint over the past year. ([Source 1](#), [Source 2](#))



**Grazza.** Before Graza, the olive oil category was split between low-quality basics and over-priced premium brands. Graza changed the game with high-quality, accessible oils wrapped in playful, modern packaging. They made olive oil approachable, even helping people understand its diverse use cases with intuitive, fun “sizzle” and “drizzle” names. With a strong social media presence, Graza turned olive oil from a mundane kitchen staple into a Gen Z status symbol. They’ve also partnered with larger brands in other categories to bring upscale olive oil pairings right to consumers – whether that’s a cranberry, chocolate, & olive oil yogurt bowl in partnership with Chobani, or an olive oil cake at Partner’s coffee shops. Their debut SKUs sold out within hours, and the brand hasn’t slowed down—expanding into refillable bottles, chips, and even “Grazola.” (Source)

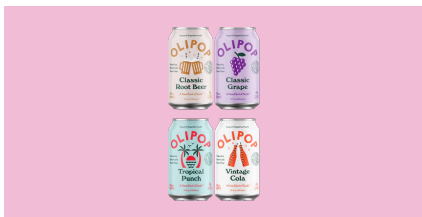


**Nature Fresh Farms.** Nature Fresh Farms is shaping the future of produce with innovative greenhouse farming, setting new standards for sustainability and accessibility. As climate change disrupts traditional farming methods and consumers expect fresher, year-round produce, retailers are turning to indoor-grown produce to ensure a steady supply. This approach provides fresh, high-quality, clean, and value-added items year-round, making it easier for consumers to maintain healthier diets. Nature Fresh Farm’s proprietary “Greenhouse Clean” promise underscores their commitment to delivering clean, pure produce, and makes it easy for consumers to recognize the immediate benefits of choosing indoor-grown options. Beyond meeting today’s needs, Nature Fresh Farms was recently recognized for its innovative use of AI to enhance the efficiency and affordability of its greenhouse farming model, driving accessibility for even more consumers. (Source, Source 2)



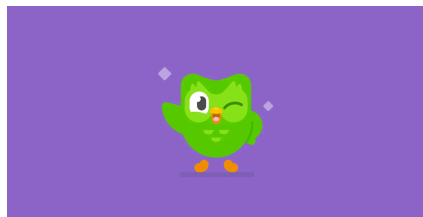
**Olive & June.** Meet Olive & June, the brand transforming the at-home manicure experience. Originally launched as a nail salon, its 2019 pivot to an at-home product line cemented Olive & June as a leader in the nail care industry. Founder Sarah Tuttle’s “obsession with community” has been key to its success, pairing high-quality products with unmatched consumer engagement. From brochures and YouTube tutorials to Instagram Live boot camps and Zoom masterclasses, Olive & June’s educational approach has cultivated a loyal following of DIY beauty enthusiasts. Through these tools and easy-to-use products, Olive & June empowers consumers to take their manicures into their own hands (literally!), making having well-polished nails an experience accessible to all. In 2023, it became the fastest-growing nail brand and was recently acquired by Helen of Troy for \$240 million. (Source 1, Source 2, Source 3)

**These 2.0 strategies are not only the domain of emerging Challenger brands, they are harbingers for breakthrough, durable growth as evident by the success of more established brands:**



**1. OLIPOP**

The soda category has undergone one of the most transformative shifts in CPG this decade. First spotlighted in our 2020 Challenger Brand Study, OLIPOP has grown from an emerging player to a modern soda powerhouse delivering indulgence without compromise. Walmart’s creation of a dedicated Modern Soda shelf underscores the growing momentum of this revolution.



**2. Duolingo**

Duolingo is transforming language learning by gamifying and personalizing the experience, making it less intimidating and more inviting. The playful presence of its mascot, Duo, brings the brand’s personality to life; Duo offers reminders and motivational messages, and makes appearances on social media in quirky moments, like attending a Charli XCX concert. Within the Duolingo community, users are encouraged to connect with fellow learners through forums and compete on leaderboards. Together, these elements make language learning approachable, enjoyable, and deeply engaging.



**3. Magnum**

Magnum Ice Cream, owned by Unilever, is elevating the nostalgia of classic ice cream novelties with its new “Mood Food” line, featuring three emotion-inspired flavors: Euphoria, Wonder, and Chill. Each flavor is carefully crafted with unique tastes and textures designed to bring these emotions to life. The “Mood Food” line taps into the growing trend of emotional eating, inviting people to savor moments of self-care, celebration, or mindfulness—all through the magic of ice cream.

**We’ve identified 4 strategies characterizing how this next wave of Challenger Brands is successfully breaking through in this ever-more competitive landscape.**

01 Reframing Health & Wellness

03 Evoking Human Emotion

02 Leveraging Digital Connections

04 Inviting Accessibility

They have one thing in common, an acute attention to delighting their consumers – the tried-and-true way that Challenger Brands will still disrupt category leaders in the Challenger 2.0 world. 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](mailto:info@seuratgroup.com).