How Brands Grow Part 2b

Jenni Romaniuk Byron Sharp

Table of contents

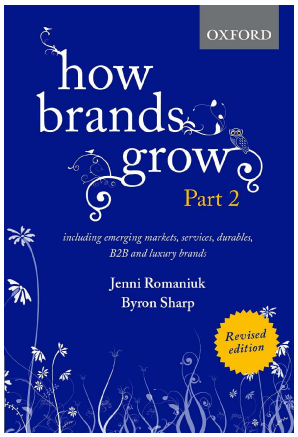
1 How Brands Grow, Part 2 – Revised Edition (Romaniuk & Sharp 2023) 2

2 Overview of the Revision 2
2.1 Updated Structure (approximate correspondence) . . . 3

3 Core Empirical Laws (unchanged but reinforced) 4
3.1 Quantitative Underpinnings (unchanged) . . . 4

4 Key Additions in Managerial Guidance 5

5 The Category Entry Point (CEP) Framework 6
5.1 Conceptual Flow . . . 6
5.1.1 CEP Measurement Table . . . 6
5.1.2 Distinctive Asset Tracking . . . 7
5.1.3 Integrated Model Summary . . . 8
5.1.4 Key Takeaways . . . 8



Romaniuk, Jenni, & Sharp, Byron. (2023).
How Brands Grow: Part 2 (Revised Edition).
Oxford University Press.

1 How Brands Grow, Part 2 – Revised Edition (Romaniuk & Sharp 2023)

The **Revised Edition** builds upon the 2015/2019 *Part 2* volume.
Its purpose remains to extend the **Ehrenberg-Bass empirical laws of growth** into new categories and contexts, but it adds updated data, global cases, and refined interpretations of "mental" and "physical" availability.

---

2 Overview of the Revision

Focus area	What's new or revised	Continuity with earlier edition
Scope of evidence	Broader database across 90 + countries, 100 + categories, and thousands of brands, including B2B, luxury, and digital services.	Retains cross-category empirical approach.
Mental & physical availability	Expanded treatment; new chapters integrate *distinctive assets*, *category entry points (CEPs)*, and brand *mental networks*.	Builds on original Part 2 discussion of availability; now grounded in Romaniuk's *Building Distinctive Brand Assets* framework.
Services & durables	New empirical work showing the same "laws" hold in high-involvement and infrequent-purchase categories.	Earlier edition discussed these qualitatively.
Private labels & retailer brands	Separate analysis of supermarket and online retailers as brands; duplication and double jeopardy hold.	Private-label data previously limited.
Digital & omnichannel	First systematic inclusion of online media and e-commerce data; demonstrates that digital channels obey the same reach/penetration logic.	Not covered in 2015/2019.

Focus area	What's new or revised	Continuity with earlier edition
Luxury & premium pricing	Empirical correction: luxury brands still rely on scale and mental availability; loyalty remains low and repertoire buying high.	Conceptually anticipated earlier, now supported by data.
Emerging markets	Expanded datasets from Asia, Africa, and Latin America; confirms universality of NBD–Dirichlet patterns.	Earlier edition relied mostly on OECD markets.
Brand health tracking	Adds "mental availability metrics" (e.g., % linked to category entry points) as leading indicators of future share.	Earlier edition centred on market-share outcomes.
Terminology and pedagogy	Simplified graphics, clearer "laws" language, and teaching examples.	Continuity of empirical tone and reader style.

2.1 Updated Structure (approximate correspondence)

Revised Edition (2023)	Earlier Edition (2015/2019)	Main evolution
Ch 1–2 The scientific laws of growth	Introductory chapters	Adds "What makes a law" and updated replication evidence.
Ch 3 How buyers really buy	Buying behaviour & loyalty patterns	Adds repertoire graphics and buyer-mix illustrations.
Ch 4–5 Double jeopardy and duplication of purchase	Same	Uses expanded 2020s database; now includes private labels.
Ch 6 Penetration as the driver of growth	"Penetration, not loyalty"	Same message with fresher longitudinal data.
Ch 7 Physical availability revisited	Availability in services & durables	Broader channels (digital, delivery, distribution).
Ch 8–9 Mental availability and distinctive assets	Mental availability	Merges Romaniuk's CEP & asset research into main text.

Revised Edition (2023)	Earlier Edition (2015/2019)	Main evolution
Ch 10 Brand extensions and portfolios	Line extensions	Refines overlap and extension equations (Dirichlet logic).
Ch 11 Services, B2B, and luxury	New section	Applies laws beyond FMCG.
Ch 12 Practical implications for marketers	Managerial implications	Condensed, data-driven prescriptions.

---

3 Core Empirical Laws (unchanged but reinforced)

Law	Essence	Updated evidence
1. Double Jeopardy	Small brands suffer twice—low penetration and slightly less loyalty.	Holds across B2B, luxury, and online contexts.
2. Duplication of Purchase	Brands share customers in proportion to market share.	Verified with $> 10{,}000$ duplication matrices.
3. Natural monopoly of larger brands	Heavy category buyers buy big brands more often.	Universally replicated.
4. Penetration drives loyalty	Loyalty follows penetration mechanically.	Same law; illustrated for infrequent categories.
5. Mental availability is key	Memory structures determine probability of choice.	Now operationalised via CEP metrics.
6. Physical availability multiplies reach	Distribution breadth $\times$ ease of purchase.	Extended to e-commerce & last-mile access.
7. Distinctive brand assets build mental reach	Colour, shape, sound cues increase recognition.	Integrated from Romaniuk (2018).
8. Consistency over creativity	Repetition and availability outperform differentiation.	Re-emphasised with digital ad data.

3.1 Quantitative Underpinnings (unchanged)

The Revised Edition still bases all empirical regularities on the

Negative Binomial–Dirichlet model:

$$P(X_i = x_i) = \int P(x_i \mid \mu, k, \alpha_i)\, f(\mu, k)\, d\mu$$

with the same consequences:

- $D_{ij} \approx s_j$ (duplication),
- $p_i \propto s_i$ (penetration–share relationship),
- $\text{Overlap}_{ij} \approx s_i + s_j - (1 - s_j)^{s_i/s_j}$ (extension overlap).

---

4 Key Additions in Managerial Guidance

Theme	Revised insight
Mental availability metrics	Introduces *Category Entry Points* (CEPs): situations, needs, or occasions linked to the brand. Brand health % of CEPs mentally associated.
Distinctive assets	Empirically scored on fame × uniqueness grid; tracked like distribution.
Service brands	"Availability" translated into ease-of-contact, hours, online access, response time.
Luxury	Even "exclusive" brands obey the same duplication logic—true differentiation is minimal.
Digital marketing	Reach > engagement; law of buyer heterogeneity still dominates.

Managerial Implications from the Revised Edition

- **Growth = more buyers**: Loyalty follows penetration; reach remains paramount.
- **Mental + Physical availability** are twin levers: build memory and access.
- **Distinctive assets** act as distribution cues in memory—track and refresh them.
- **Brand portfolios** share customers; overlap is expected, not cannibalisation.
- **The empirical laws are universal**: same patterns hold across price tiers, categories, and nations.

5 The Category Entry Point (CEP) Framework

The Revised Edition translates "mental availability" from a theoretical construct into a measurable, trackable system based on **Category Entry Points (CEPs)** and **Distinctive Brand Assets (DBAs)**.

5.1 Conceptual Flow

Category Entry Points → Distinctive Assets → Mental Availability → Brand Choice

1. **Category Entry Points (CEPs)**
   Situations, occasions, needs, or emotions that *trigger* category buying.
   Examples:
   - "I'm hungry at lunchtime."
   - "I want to celebrate."
   - "I need a quick caffeine boost."
2. **Distinctive Brand Assets (DBAs)**
   Perceptual cues—logo, colour, tagline, jingle, packaging, shape—that connect the brand to memory.
   DBAs act as *retrieval cues* linking the category entry point to the brand.
3. **Mental Availability**
   The probability that a buyer *thinks of and can find* the brand when a relevant CEP arises.
   It depends on how many CEPs the brand is linked to, and how strong those links are.
4. **Brand Choice Probability**
   At the moment of need, the brand with the highest combined mental + physical availability is most likely to be chosen.

5.1.1 CEP Measurement Table

CEP example	% buyers who associate brand	Distinctive assets that cue it	Relative strength
"Morning energy"	45 %	Logo colour, tagline "Kickstart your day"	High
"With friends / socialising"	35 %	Music cue, packaging colour	Medium
"After exercise"	20 %	Bottle shape, sports sponsorship	Low
"Relaxation / reward"	15 %	TV ad visuals, jingle	Low

Interpretation

- The more **CEPs** a brand covers, and the stronger each memory link, the higher its **mental availability**.
- Brands grow by *adding CEPs* (more contexts) and *strengthening links* (better cues), not by deepening loyalty in a narrow set.

5.1.2 Distinctive Asset Tracking

Each asset is scored on two axes (Romaniuk, 2018):

Asset	Fame (% recognition)	Uniqueness (% attribution)	Quadrant	Recommended action
Logo colour	90 %	80 %	Strong asset	Maintain and protect
Jingle	70 %	40 %	Emerging	Reinforce with consistent exposure
Slogan	85 %	20 %	Over-shared	Refresh or simplify
Mascot	40 %	35 %	Weak	Re-establish or retire

These measures allow brands to **track mental availability** just as they track **physical distribution**—each asset becomes a *memory distribution point.*

5.1.3 Integrated Model Summary

Layer	Key measure	Managerial implication
Category Entry Points	% of buying occasions linked to the brand	Expand repertoire of triggers
Distinctive Assets	Fame × Uniqueness index	Refresh and protect distinctive cues
Mental Availability	Average retrieval strength across CEPs	Wider mental reach → more buyers
Physical Availability	% of buying occasions where brand can be bought	Ensure ease of purchase
Brand Choice Probability	Function of mental × physical availability	Drives penetration and share

---

5.1.4 Key Takeaways

Managerial Insight

- Build **mental reach** by linking your brand to *many* category entry points.
- Strengthen **distinctive assets** to make those links easy to retrieve.
- Track mental availability as a **distribution metric in memory**, not a soft perception score.
- Brands grow not through "deep loyalty" but through **mental and physical accessibility across more buying situations**.