



GfK: Successful Brands in Times of COVID-19

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It pays to have a clear position

Results from this year's GfK-sponsored *40th Unternehmergesprächs Kronberg* look surprising at first glance. Although the coronavirus worsened the economic situation for many, GfK says that 2020 was clearly a year for manufacturers' brands and not for the lower-priced private label brands.

According to Europe's largest market research institution, the "burning glass" of corona pinpointed the needs of the shopper, which took precedence over the previously dominant issue of price. Among those needs are sustainability, safety and demand. The GfK forecast says that brands which can satisfy these needs will see the most dynamic growth in the future.

Visionary brands gain biggest market share

In the "new normal" brought on by the pandemic, GfK puts manufacturers in four categories: functional brands, hybrid brands, social brands and visionary brands, the last of which shows the most growth. The top market share winners are generally among the ecological brands in the detergents, soaps and household cleaning products industry.

Visionary brands are distinguished by their engagement in sustainability issues that reach beyond the products themselves, for example, in the manufacturer's own initiatives. The customer believes that these brands can do something good for the planet and society. Other considerations are a good price/performance ratio and high levels of availability, with which brands contribute to the democratization of ecology. The GfK concludes: having a clear position pays off. An example of a visionary brand, the market researchers said, is the Frosch brand from the cleaning products manufacturer Werner & Mertz of Mainz.

"It's a sign of change in the differentiation of brands. Above all, the younger generations – but also increasingly more baby boomers – are less apt to distinguish manufacturers' brands from private label brands than they are to distinguish social and visionary brands from purely functional brands. After all, the issues revolve around a world in which a) climate change is halted and the likelihood of a new pandemic is minimized, b) local communities become more important, and in which c) it's no longer all about economic growth, regardless of whether it is good for us or not, but rather about a world in which we can thrive, regardless of whether the economy grows or not," said Dr. Robert Kecskes, Global Insights Director at GfK.



Die Ebenen der Bedürfnispyramide



GfK 40. Unternehmergespräch Kronberg 2021: Alle neue Helden, Erfolgreiche Marken und Händler in Zeiten der Ansteckung. 28. Januar 2021.

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"Frosch for active climate protection"

Since its founding in 1986, the Frosch brand has stood for ecological cleaning products with a good price/performance ratio and high availability in every full-range food retailer and every beauty and health aids store. With long-term initiatives for packaging made of used plastic from the Yellow Bag and surfactants made from European plants, the manufacturing company Werner & Mertz sets standards for ecological feasibility beyond its own brands and product ranges. All of that makes a visionary brand, according to GfK. This year the Frosch brand will concentrate public relations efforts on ways it actively protects the climate, including short transport routes made possible by the use of surfactants made from plants cultivated in Europe and the circular flow of Frosch bottles made of 100% used plastic.

"More than ever, our goal is to make a sustainable lifestyle feasible for the majority and to call for other companies to join us. That our ambition is not just ecologically meaningful, but also economically worthwhile is once again confirmed by the GfK in this analysis," said Werner & Mertz owner Reinhard Schneider.

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