

*Liquid* × *Avasta*

# CHALLENGER INDEX

EDITION 2: CONSUMER PRODUCTS



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# ARE YOU CHALLENGING *or being challenged?*

## The state of business.

Today, rapidly changing business models are dramatically affecting how companies are valued. The business community understands that profitability isn't necessary to establish and build a successful business. Companies like Google, Uber and Airbnb ran at a loss for years, but were perceived as game changers... and eventually did disrupt their respective industries. These brand perceptions played huge roles in their successful public offerings, because what people believe will happen drives value one way or another. This marks a shift in historical profitability being a prerequisite—or even an accurate measure—for a company to go public. Since the landscape is vastly different now, the need

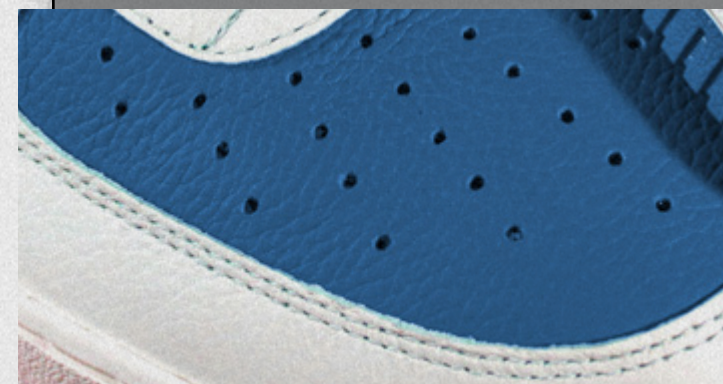
for innovative, sustainable strategies has never been greater. The Liquid x Avasta Challenger Index addresses this shift.

## Why this, why now?

Modern businesses need modern measurement tools. It's clear that foresight is better than hindsight in measuring the true value of a company. Liquid Agency and Avasta developed this index based on the realization that past practices and historical performances are not the best indicators of future growth. The complex, high-stakes game of today demands a new approach and new thinking. Here, the focus shifts toward "future outlooks" and aims to understand how markets perceive and engage with brands. This approach offers strategic insights for both B2B

and B2C sectors, while offering a nuanced understanding of how brands behave and markets operate. This bucks the trends of conventional brand metrics and business success and instead redefines business strategy through the lens of brand competitiveness.

The index gives a unique view into the interplay between financial, technological and behavioral dynamics. It redefines the metrics of business achievement and offers executives a detailed and comprehensive view of brands' standings and potential in the market. Unlike the tools and indexes of the past, it employs a neutral, outside-in assessment strategy, focusing on how end-buyers, decision-makers and power users perceive products or services within their respective categories. ■



*What people  
believe will happen,  
drives value one  
way or another.*





# WHAT'S ON THE HORIZON?

*Understanding tomorrow's consumer products category dynamics.*

The Liquid x Avasta Challenger Index is a powerful new tool for brand and business measurement, aligning closely with modern market demands and the shifting role brand perception plays in determining business success.

For our first consumer products edition, we chose four key categories that are being reshaped by challengers:

- **Athletic Footwear**
- **Headphones**
- **Electric Vehicles**
- **Takeout Coffee**

*Here are some common themes we're seeing for consumer products.*

## **Community + connection = consumer loyalty.**

In a marketplace buzzing with technological advancements, the Challenger Index reveals that brand success and loyalty are being driven by the old-fashioned principles of community and connection. Brands like Dutch Bros in the takeout coffee sector and Skullcandy in the headphones category are perfect examples of this trend. Dutch Bros enhances its community ties through profit-sharing with employees and supporting local and national nonprofits, while Skullcandy engages its community through music and lifestyle events, fostering a deep connection with its younger audience. This strategy not only enhances customer loyalty but also sets a new competitive standard across industries.

## **The dramatic evolution of sustainability.**

Across sectors, sustainability has moved from a niche marketing differentiator to a necessary operational focus. The index highlights how brands across all categories, from athletic shoes to electric cars, are responding to consumer demands by integrating green practices and environmental responsibility into their products and processes. This shift isn't just a moral imperative; it's a strategic tool for attracting and retaining consumers who prioritize environmental responsibility in their buying decisions.





### **Technology makes user experience better.**

Across categories, we're seeing the integration of innovative technology to enhance user experience. In headphones, features like advanced noise cancellation are becoming standard, reflecting consumer demands for seamless digital integration. In the coffee sector, mobile apps and sophisticated loyalty programs are enhancing service and fostering customer retention. These tech advancements aren't just improving products; they're revolutionizing the way brands interact with their consumers.

### **The fluid dynamics of market loyalty.**

The Challenger Index spotlights a surprising fluidity in consumer brand loyalty, with new entrants setting new standards and shifting expectations. Challengers like Rivian in the EV sector and On in the athletic footwear industry aren't just filling gaps, they're creating new market niches that challenge the dominance of established


players. And they're reshaping the competitive landscape in the process. These brands are leveraging their innovative products and consumer-focused strategies to quickly ascend, demonstrating that agility and responsiveness are key to capturing market share.

### **Walking the tightrope of price and performance.**

Balancing innovation with cost and consumer perception remains a crucial challenge. The Index shows that while consumers demand advanced features and sustainability, they're also sensitive to price, creating a tightrope for brands to walk. For instance, while Tesla leads in technology, its pricing strategies must adapt to broader markets to maintain its dominance. Similarly, Starbucks leads with premium offerings, but their high price points clash with competitors like McDonald's McCafé, which captures a value-oriented segment.

Overall, these insights suggest that the future of consumer goods will hinge on brands' abilities to understand and

meet the complex web of consumer expectations. The brands that learn to balance innovation, sustainability, community engagement, and price are the ones who'll redefine market leadership in the next two to five years. ■



*The future of consumer goods will hinge on brands' abilities to understand and meet the complex web of consumer expectations.*





<b>ATHLETIC FOOTWEAR</b> .....	6
<b>METHODOLOGY</b> .....	20
<b>DEFINITIONS</b> .....	21
<b>WAYS TO ENGAGE</b> .....	22



*Category:*

# ATHLETIC FOOTWEAR



*Incumbents:*



*Challengers:*



*Honorable Mentions:*





# THE ROAD AHEAD FOR ATHLETIC FOOTWEAR.

## Shifting sands.

Led by Nike's unwavering dominance, the athletic footwear sector stands as a testament to the brand's blend of innovation, quality and global appeal. But while Nike continues to lead, the ground is shifting beneath its feet. Emerging brands aren't just pushing the boundaries; they're redrawing them, introducing products that seamlessly transition from the gym to everyday life. This trend toward versatility and personal expression underscores a broader consumer shift, challenging the traditional dynamics of athletic footwear.

## A delicate balancing act.

Jordan, celebrated for its basketball heritage and iconic designs like the Air Jordan 1,

faces the challenge of staying relevant to a young audience largely unfamiliar with Michael Jordan's legacy. Despite strong market presence and innovation, Jordan must captivate these younger consumers who value both substance and style. Jordan has to honor its legacy while also creating new narratives that resonate with today's trends. Moreover, Jordan's extensive distribution network, while beneficial, risks commodifying the brand. It's crucial for Jordan to use its established advantages wisely to maintain its cultural and market relevance.

## A challenging field.

Adidas faces significant challenges as 80% of surveyed buyers see it as vulnerable, lagging in innovation and perception

behind Nike and Jordan. As the market shifts toward versatile footwear, Adidas faces pressure to innovate and blend performance with lifestyle appeal. Despite this, the brand's sales volume may remain, driven by significant discounting pressures as it becomes less of a go-to brand. This situation underscores the brand's urgent need to strategically revamp its offerings to maintain its market position.

## New names blaze new trails.

Two brands that are emerging as formidable adversaries to the established players are On and Hoka. Their success lies in their ability to transcend traditional athleticwear categories, offering products that appeal to both the serious athlete and the style-conscious consumer.

On's CloudTec and Hoka's signature oversized soles are more than just technological innovations; they represent a new philosophy in footwear design, where utility is as important as aesthetic appeal. This dual-focus approach represents a legitimate threat to brands like Adidas.

## Affordability meets versatility.

Unexpectedly, Brooks emerges as a powerful challenger, specializing in performance running and hiking footwear. Matching On in product performance, Brooks' affordable, no-frills approach caters to consumers seeking versatile use—signaling a growing appeal among those who want both practicality and style.





### **Value, versatility and evolution.**

Honorable mentions go to brands like New Balance and Skechers, who make noteworthy strides by leveraging their wide product ranges and affordability. This strategy shows the competitive advantage of offering value and versatility. These are essential components in the evolving narrative of this category, where consumers tend to prefer options that are multifunctional and economically accessible.

### **Sustainability is imperative.**

Sustainability as a core value was once a niche appeal. Today, it's become a market imperative. As consumers are demanding environmental stewardship alongside design and functionality, brands are being pushed to weave eco-consciousness into their innovation pipelines. This evolution is reshaping brand strategies, placing a premium on sustainable materials and production processes.

### **The future path.**

Looking ahead, the athletic footwear sector is set to undergo a revolution, driven by the demands for versatility, sustainability and lifestyle integration. The winners in this increasingly fragmented marketplace will be brands that meet the functional needs of athletes while also resonating with the style preferences and environmental values of today's consumers. As the industry moves forward, the lines between athletic gear and daily wear continue to blur, driven by consumer preferences that dictate a new era of footwear innovation. ■



*Looking ahead, the athletic footwear sector is set to undergo a revolution, driven by the demands for versatility, sustainability, and lifestyle integration.*



# CATEGORY SCORE DEFINITIONS

**Style and Color:** This score assesses the visual appeal and aesthetic design of the footwear, including the variety and uniqueness of available styles and colors. It measures how fashionable and attractive the footwear is to different consumers and how well it aligns with current trends.

**Performance:** This score evaluates how well a brand's footwear performs in various athletic activities. It includes aspects such as comfort, support, traction, durability and the ability of the footwear to enhance the wearer's athletic performance in different sports or exercises.

**Product Innovation:** This score measures the brand's ability to introduce new technologies, designs and features that enhance the functionality and

performance of its footwear. It assesses the creativity and forward-thinking approach of the brand in terms of product development.

**Versatility:** This score reflects the range of activities and environments the brand's footwear can be used in. It evaluates the adaptability of the footwear for various sports, exercises and everyday use. Footwear that performs well in multiple contexts scores higher in versatility.

**Price Point:** This score considers the cost of the brand's footwear relative to its quality, performance and other attributes. It assesses whether the price is reasonable and offers good value for the consumer's investment.

**Brand Reputation:** This score gauges the overall perception of the brand based on its history, customer reviews, celebrity endorsements and industry standing. It includes factors such as trustworthiness, customer service and the brand's track record in delivering quality products.

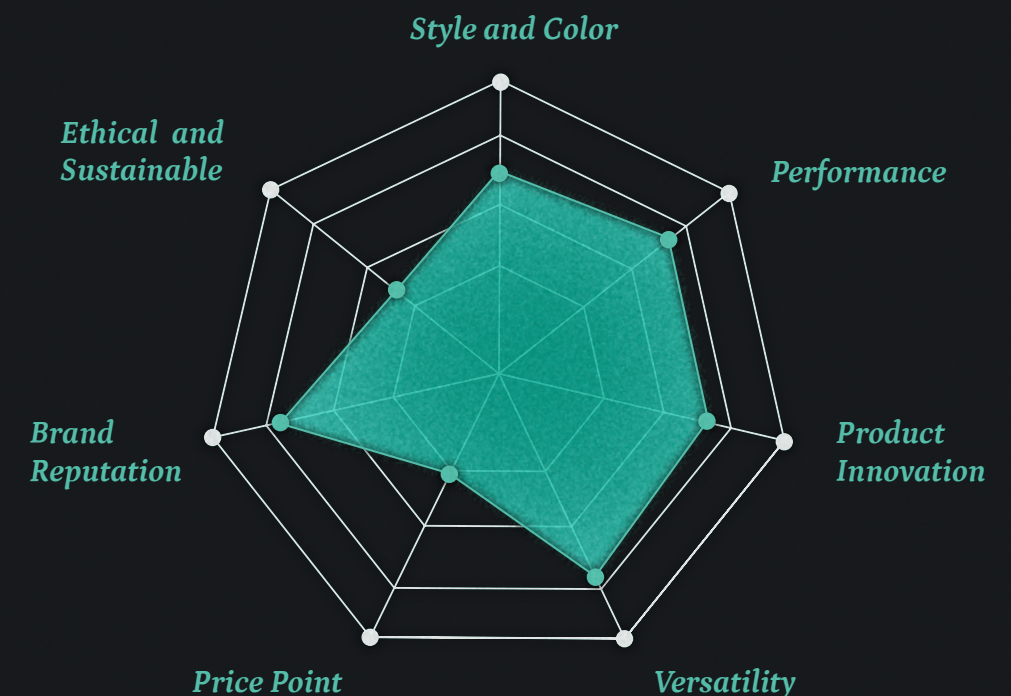
**Ethical/Sustainable:** This score evaluates the brand's commitment to ethical practices and sustainability in its production processes. It includes factors such as the use of eco-friendly materials, fair labor practices and efforts to reduce environmental impact throughout the supply chain. ■

Category Average Perception:

5.5



Category Scores:



■ Category Average



**Future Performance vs. Industry**

**Brand Coasters:**

A strong brand is driving positive perception, but its momentum lags behind other competitors. Investment is required to maintain its strong brand presence.

**Brand Challenged:**

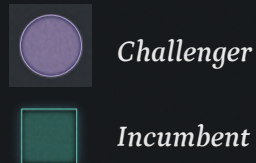
Both the brand and its momentum are performing below the industry average. Investment is required to improve the brand's standing relative to competitors.

**Category Redefiners:**

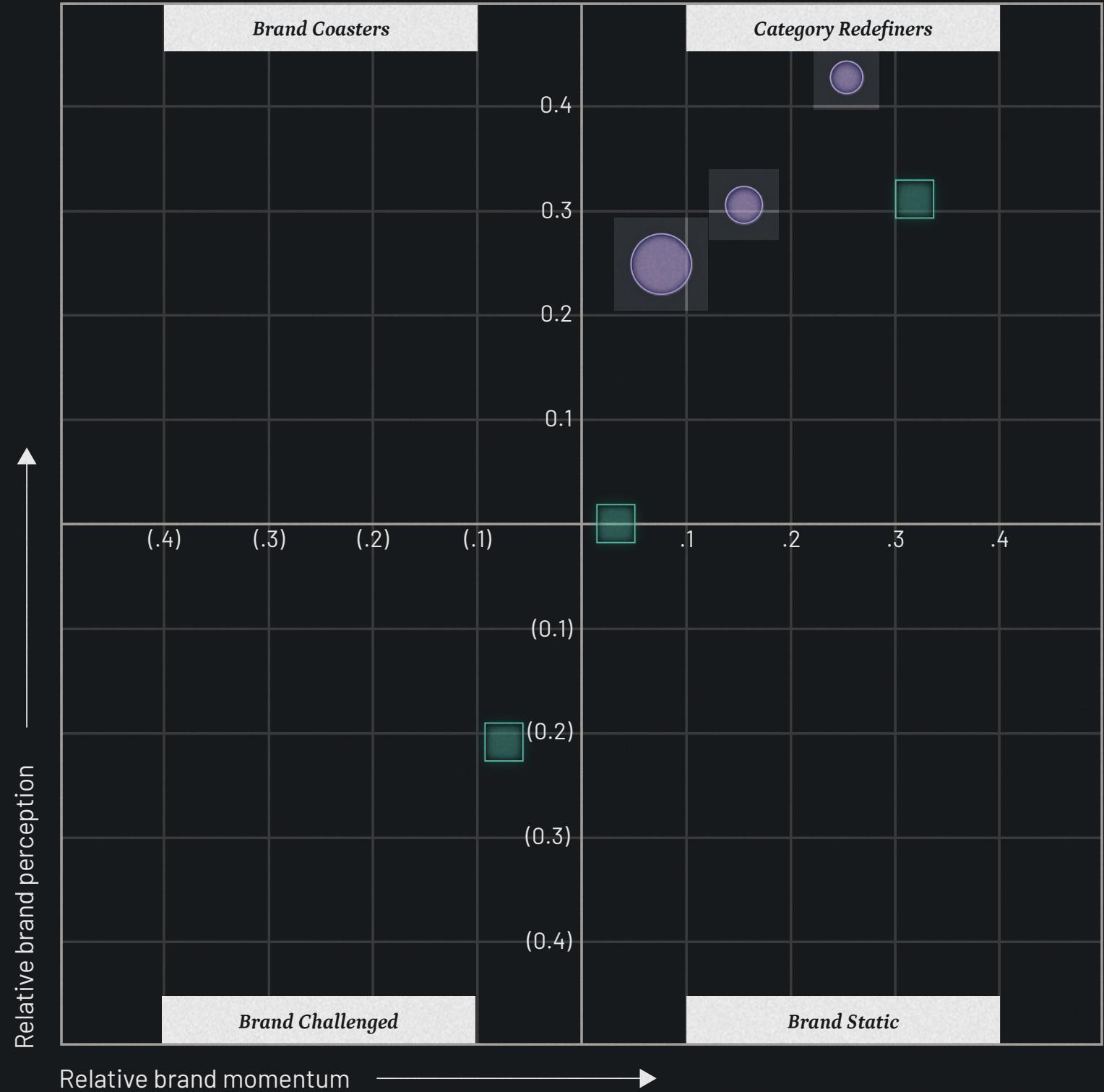
The brand is driving strong industry performance, and momentum is expected to continue above the industry average. This company is likely forcing weaker competitors to make investments to catch up.

**Brand Static:**

The strength of the brand lags behind its momentum in the market. There is an opportunity for greater growth if brand perception can be improved.



The size of the challenger bubble is based on the number of respondents who named it as a challenger compared to the brand that was named the most within its category.





# NIKE

## The leader—for now.

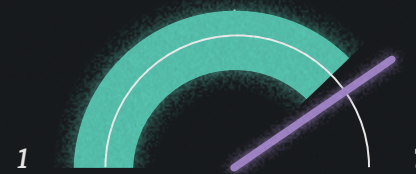
With the majority of consumers recognizing its market dominance, Nike leads the athletic footwear sector with innovative, versatile designs. Its excellence in performance and sustainability only strengthens its brand appeal, with more than double the number of consumers indicating Nike as their likely next purchase. Despite not being universally loved, Nike remains the best-performing large brand with a future leadership likelihood that outshines its peers and challengers, securing a celebrated and robust market stance. ■

### Company Info

Ownership:	Public
Revenue (\$):	\$51.58B
Revenue Change YoY:	1.89%
Employee Size:	83,700
Market Cap (\$):	\$134.44B
Market Cap Change YoY:	-29.9%
Founded:	1964
HQ:	Beaverton, OR

Category Average Perception:

5.5



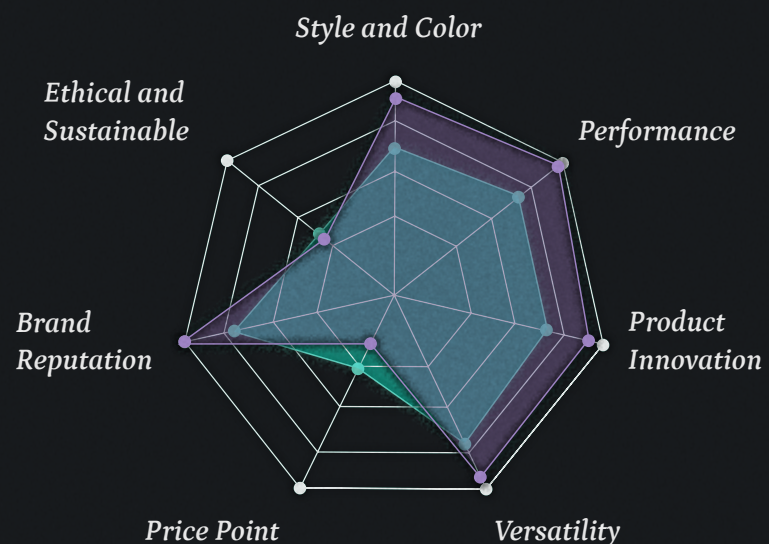
Overall Brand Perception:

5.8

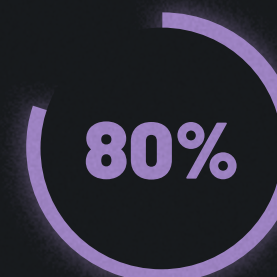
— Nike  
■ Category Average

Brand Momentum:

Positive +



Likelihood of Category Leader in 2 years:



■ Nike  
■ Category Average

Likelihood of Next Purchase:

Outperforming Average



# JORDAN

## Timeless?

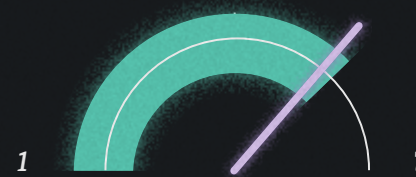
Jordan holds a distinct spot in the category, with strong brand strength recognition, deep loyalty and timeless designs that appeal to a niche audience. Although it excels in style, performance and innovation, Jordan's purchase intent score is significantly weak, at less than half the odds to be the next purchase compared to leading brands. This intent is concentrated within a shrinking customer base. While Jordan's strong reputation and sustainability efforts suggest resilience, the brand faces challenges in broadening its appeal, leading to an "at-risk" perception among some consumers. ■

### Company Info

Ownership:	Public (Nike)
Revenue (\$):	\$6.59B
Revenue Change YoY:	N/A
Employee Size:	N/A
Market Cap (\$):	N/A
Market Cap Change YoY:	N/A
Founded:	1984
HQ:	Beaverton, OR

Category Average Perception:

5.5



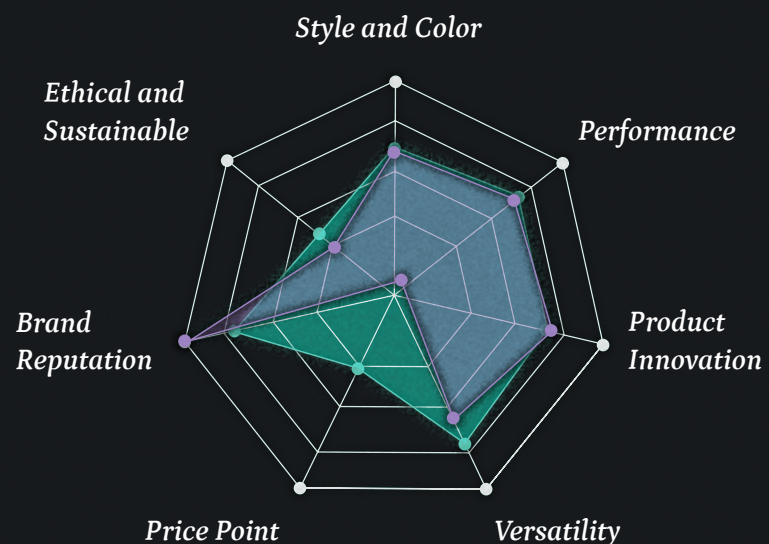
Overall Brand Perception:

5.3

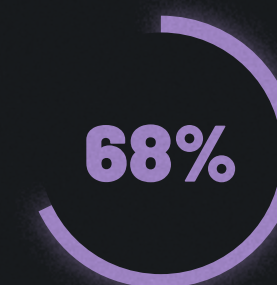
— Jordan  
■ Category Average

Brand Momentum:

Negative –



Likelihood of Category Leader in 2 years:



■ Jordan  
■ Category Average

Likelihood of Next Purchase:

Underperforming Average



# ADIDAS

## On shaky ground.

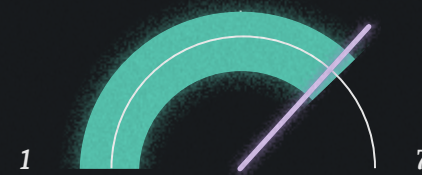
Adidas is facing a tough market environment. While not likely to disappear, the brand is seen as “challenged” by half of consumers and “at risk” by a quarter. Because Adidas is struggling with innovation and brand perception, it needs a strategic refresh to enhance its appeal and stay competitive. Although purchase intent is below expectations—and nearly a third of Nike’s—consumers continue to consider Adidas, often more out of familiarity than desire. Revitalizing its brand is crucial for Adidas to maintain its presence in this industry. ■

### Company Info

Ownership:	Public
Revenue (\$):	\$21.43B
Revenue Change YoY:	-2.04%
Employee Size:	59,030
Market Cap (\$):	\$36.79B
Market Cap Change YoY:	23.28%
Founded:	1949
HQ:	Herzogenaurach, Germany

Category Average Perception:

5.5



Adidas

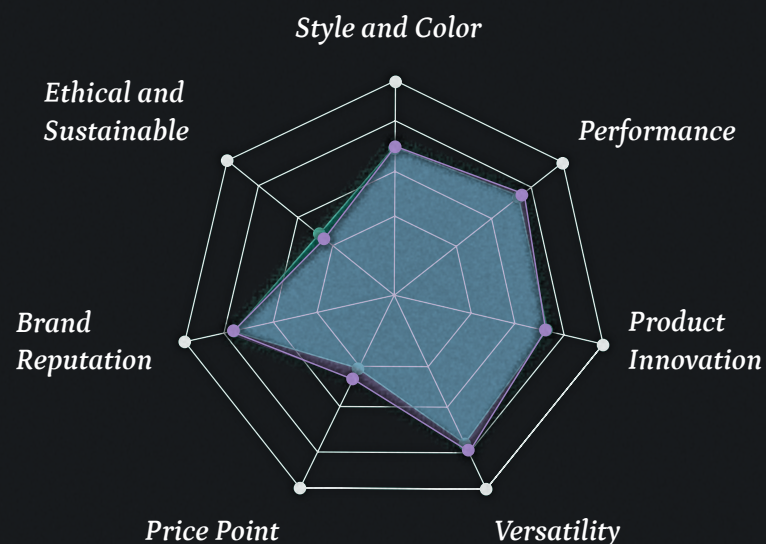
Category Average

Overall Brand Perception:

5.4

Brand Momentum:

Negative ---



Adidas

Category Average

Likelihood of Category Leader in 2 years:

64%

Likelihood of Next Purchase:

Underperforming Average



# ON

## Footwear's promising future leader.

### Technology lights the fuse.

On's groundbreaking CloudTec technology showcases its unique approach to footwear, earning strong scores in innovation and performance. This blend of groundbreaking cushioning and support positions On as a market innovator who's redefining athletic shoes with unparalleled commitment.

### Consumer demand boosts the ascent.

Marked by an impressive rise in market ranking and supported by a strong purchase intent score, On's growth trajectory is underscored by a robust consumer base. A significant third of consumers consider On as their next potential purchase, reflecting a

deepening trust and interest in the brand's offerings.

### A formidable challenger emerges.

On's potential to disrupt the athletic footwear hierarchy is most evident in its threat to Adidas, with over a third of respondents recognizing it as a prime challenger. This positions On not just as an alternative but as a leading contender ready to reshape market dynamics.

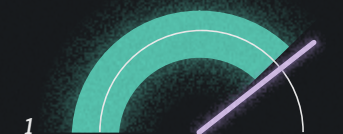
### Versatility and community for the win.

Leveraging its 2021 IPO and rapid growth, On capitalizes on its strong community of runners to expand its appeal beyond the track. With strong scores reflecting versatility and brand perception, On's strategic diversification adds punch to its evolving market presence.

## The revolution is On.

As On broadens its market reach, it stands at the forefront of the athletic footwear revolution. With innovation and community at its core, On is poised for unparalleled growth, challenging industry norms and setting new standards in performance lifestyle footwear. ■

Brand Perception Score:



— On  
 ■ Category Average

Category Average Perception:

5.5

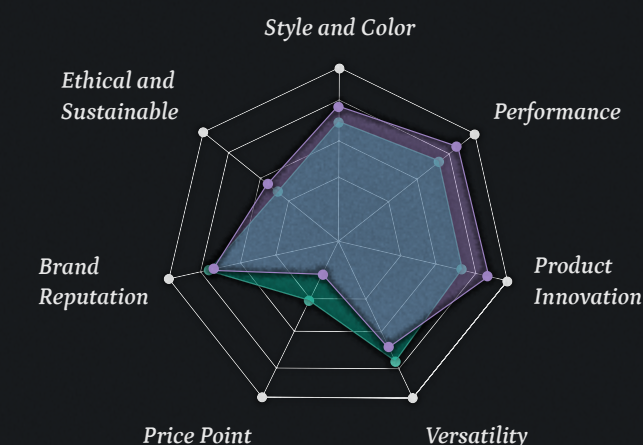
Overall Brand Perception:

5.7

Brand Momentum:

Positive +++

Category Scores:



■ On  
 ■ Category Average

Likelihood of Category Leader in 2 years:

4%

Likelihood of Next Purchase:

Outperforming Average

Ownership: Public

Revenue (\$): \$1.99B

Revenue Change YoY: 55.76%

Employee Size: 2,353

Market Cap (\$): \$10.25B

Market Cap Change YoY: 812.55%

Founded: 2010

HQ: Zurich, Switzerland



# HOKA

## An innovator disrupts the scene.

### Challenging the giants.

Hoka's surge to \$1.4 billion in sales signals a shift in athletic footwear, with niche brands challenging the dominance of industry giants. This reflects evolving consumer preferences, with Hoka leading the charge by capturing the market's attention and demand.

### Leading with performance and comfort.

Hoka's distinctive "maximalist" shoes have disrupted the market since 2009. Central to their success is the focus on both performance and comfort, attracting a wide consumer base. This strategy led to a staggering 27.3% increase in sales, accruing \$424 million in one quarter and highlighting robust market demand.

## Getting broader and better.

Hoka broadened its appeal by diversifying its range, transitioning from running to lifestyle designs. This significantly expanded its fan base and earned the brand strong consumer scores for versatility and innovation. Despite a moderate price point, Hoka's commitment to quality and innovation is undeniable, as is the value it brings to active lifestyles.

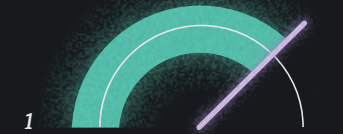
### Growing through sustainability.

Sustainability is a key focus for Hoka, although they currently earn a moderate score. As consumer trends lean toward ethical consumption, this focus can become a cornerstone of Hoka's continued growth and appeal in a market that increasingly values conscientious brands.

## Winning with style and substance.

The shift toward Hoka indicates a larger movement in consumer behavior, spotlighting the brand as a leading choice for a new era of athletes and trendsetters alike. Scoring close to Nike, Hoka has established itself as a formidable player. ■

Brand Perception Score:



— Hoka  
 ■ Category Average

Category Average Perception:

5.5

Overall Brand Perception:

5.5

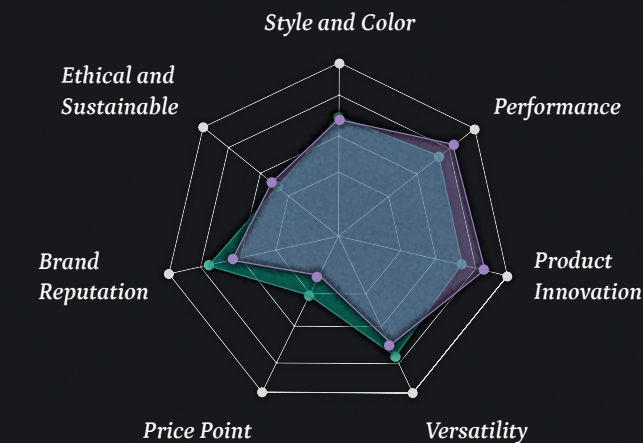
Brand Momentum:

Positive ++

Likelihood of Category Leader in 2 years:

11%

Category Scores:



■ Hoka  
 ■ Category Average

Likelihood of Next Purchase:

Outperforming Average

Ownership:

Private (Deckers Brands)

Revenue (\$):

N/A

Revenue Change YoY:

N/A

Employee Size:

N/A

Market Cap (\$):

N/A

Market Cap Change YoY:

N/A

Founded:

2009

HQ:

Goleta, CA



# BROOKS

## The pioneer of performance footwear.

### Pairing reliability with innovation.

As a leader in reliable, advanced athletic footwear, Brooks shines with a high product performance score fueled by innovations like the Hyperion Elite and 3D printed soles partnerships. This mix of high-quality and cutting-edge technology enhances athlete performance across various domains.

### Earning confidence and market share.

Improved market rank showcases a growing trust in the brand, with a quarter of consumers eyeing Brooks for their next purchase. As a frontrunner in women's running footwear and achieving \$1.2 billion in 2023 revenue, Brooks strengthens its competitive

edge with significant market penetration and enduring consumer relationships.

### Broadening horizons with sustainable practices.

A strong versatility score allows Brooks to widen its appeal through diverse activities. A commitment to sustainability—exemplified by the Ghost 15 design—keeps pace with the rising demand for eco-friendly products and shows Brooks' dedication to consumer values.

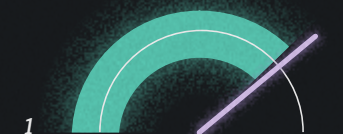
### Building a strong community.

The Future Run initiative, aimed at inspiring young athletes, shows Brooks' desire to cultivate a loyal, active and supportive community. This sets the stage for expansion and stiffer competition from the category giants.

## Rising to the challenge.

By blending innovative design with community-centric efforts, Brooks is poised for ongoing growth. Focusing on sustainability and market appeal, Brooks not only responds to current consumer needs but also foresees future trends, solidifying its standing as a rising challenger in the athletic footwear industry. ■

Brand Perception Score:



— Brooks  
 ■ Category Average

Category Average Perception:

5.5

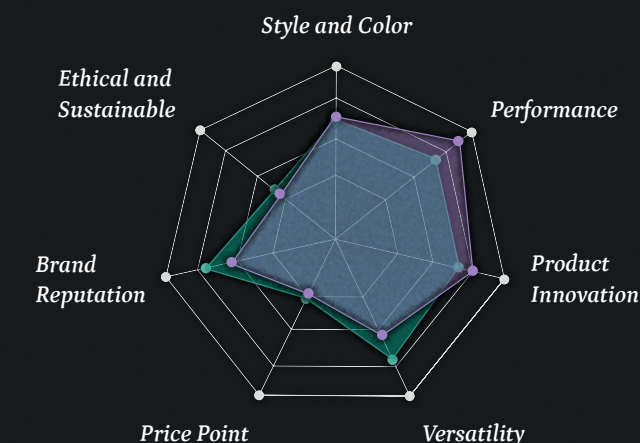
Overall Brand Perception:

5.6

Brand Momentum:

Positive ++

Category Scores:



■ Brooks  
 ■ Category Average

Likelihood of Category Leader in 2 years:

5%

Likelihood of Next Purchase:

Outperforming Average

Ownership:

Private (Russell Athletic)

Revenue (\$):

N/A

Revenue Change YoY:

N/A

Employee Size:

N/A

Market Cap (\$):

N/A

Market Cap Change YoY:

N/A

Founded:

1914

HQ:

Seattle, WA



# HONORABLE MENTIONS

## *Still in the running.*

Among the honorable mentions, brands like New Balance, Saucony, Skechers and Under Armour make noteworthy strides by leveraging their wide product ranges and affordability. This strategy highlights the competitive advantage of offering value and versatility, essential components in the evolving narrative of athletic footwear, where consumer preferences lean toward multifunctional and economically accessible options. ■

## NEW BALANCE

**Opportunity:** With strong performance scores and the highest likelihood of challenging Adidas, New Balance has potential for market expansion by capitalizing on its diverse, value-driven product line.

**Risk:** Despite solid scores, a lower ethical/sustainability rating might hinder the brand's appeal to the growing eco-conscious consumer segment, risking market share to more sustainable brands.

## SAUCONY

**Opportunity:** Saucony shows a competitive edge with their likelihood to challenge Adidas, indicating room for growth by leveraging its performance-focused branding in niche markets.

**Risk:** The lowest brand reputation score among honorable mentions and small respondent count may risk Saucony's ability to significantly impact its market presence.

## SKECHERS

**Opportunity:** Skechers leads purchase intent and excels in versatility, positioning it to capture a broad customer base seeking multipurpose, affordable athletic footwear.

**Risk:** A lower likelihood to challenge Nike suggests a potential risk in brand perception and market influence among the top-tier athletic footwear consumers.

## UNDER ARMOUR

**Opportunity:** Under Armour is recognized for challenging Jordan and Adidas, suggesting an opportunity to leverage its strong performance reputation in competitive market segments.

**Risk:** A middling likelihood of being a category leader and average purchase intent could signal a risk in future market positioning and growth.



# HONORABLE MENTIONS

## *Niche Coffee Champs.*

While giants dominate the takeout coffee scene, brands like Biggby, Blue Bottle, Philz Coffee, Seattle's Best, Tim Hortons, and Wawa are carving out niches through community engagement, sustainability, and unique customer experiences. These brands exemplify the potential for growth in this competitive market, balancing local appeal and broader brand strategies to captivate diverse consumer bases. ■



## **BIGGBY**

**Opportunity:** Biggby's engaging community focus offers a chance to deepen local market penetration by expanding community-based events and loyalty programs.

**Risk:** With a weak brand perception score, Biggby needs to enhance its product diversity and marketing to elevate brand recognition and compete with larger chains.

## **BLUE BOTTLE**

**Opportunity:** Blue Bottle's commitment to quality and sustainability aligns with growing consumer preferences, providing an opportunity to expand in markets valuing environmentally responsible products.

**Risk:** The challenge lies in scaling operations while maintaining the artisanal quality that defines their brand, risking dilution of consumer experience as they expand.

## **PHILZ COFFEE**

**Opportunity:** Philz Coffee's tailored approach to crafting custom blends presents an opportunity to dominate niche markets seeking personalized coffee experiences.

**Risk:** As Philz targets a unique customer base, there's a risk in maintaining high operational costs that could affect profitability if expansion isn't managed carefully.





## SEATTLE'S BEST

**Opportunity:** With a focus on affordability, Seattle's Best has the opportunity to capture cost-conscious consumers, especially in markets currently underserved by premium coffee brands.

**Risk:** The brand's lower engagement score suggests a need to innovate in marketing and product offerings to avoid losing market share to more dynamic brands.

## TIM HORTONS

**Opportunity:** Tim Hortons' strong community presence and national identity in Canada provide a solid foundation for introducing new product lines and expanding into new demographics.

**Risk:** Despite its strong brand, Tim Hortons faces the risk of stagnation without continual menu innovation to meet the evolving tastes of a diverse customer base.

## WAWA

**Opportunity:** Wawa's high customer loyalty and strong market presence offer a platform to potentially introduce a subscription-based coffee service to boost daily sales.

**Risk:** Wawa's future rank gap indicates a need to significantly innovate in digital engagement and menu diversity to keep up with fast-evolving consumer expectations and competitors.





# METHODOLOGY

## *Unveiling future category leaders*



Liquid Agency and Avasta initiated a comprehensive survey involving nearly 19,000 consumers across the targeted categories. To ensure the credibility and neutrality of the results, this sample was refined to a core group of 3,439 participants with sufficient category knowledge to respond to the survey. The survey began with an open-ended question about the top three market leaders by market share in each category, followed by inquiries about potential challengers to these leaders over the next 2 to 5 years.

Adopting the “wisdom of the crowds” principle, the survey was designed to garner straightforward yet insightful responses. Participants were prompted only with the consumer product categories and the top three leaders by market share, then asked to

identify names perceived as current or future challengers. Responses varied significantly, with some participants unable to name any challengers while others identified over 6.

A critical aspect of the methodology was ensuring the representativeness of the sample. Reflecting the U.S. population, the study focused on individuals actively engaged in using or purchasing products in the measured categories. This approach aimed to mirror market representation and elicit qualified responses, significantly reducing the margin of error compared to typical random sample studies.

The study implemented stringent quality control measures to validate the authenticity of the respondents. This included screening for

contradictory answers and verifying text-based responses. The primary objective was to evaluate the actionable feelings of consumers towards the companies, going beyond mere recognition to understand their willingness to engage in future transactions with these brands.

The study not only examined current brand perceptions but also projected how these perceptions might evolve over the next 2 to 5 years. This involved analyzing how brands have influenced perceptions, either positively or negatively, in the past five years, providing a comprehensive view of the evolving consumer marketplace and the potential trajectories of various brands. ■





# DEFINITIONS

**Challenger brand:** Brands that are disrupting the established market dynamics in the category. They offer fresh perspectives and stimulate innovation. Many of these brands are on a growth trajectory to becoming major market players or market leaders. However, they face obstacles from leaders within their industry and encroachment into the segment by leaders from other categories.

**Incumbents:** Leaders within a given industry who command one of the top three shares of the market. These brands are older and more trusted than challengers, but their shares vary from commanding (i.e., ~30%) to more modest (<10%). They need to keep pace with challengers' innovations to maintain their dominance.

**Likelihood of category leader:** A score for how confident the respondents are in the specified company gaining significant market share in the future.

**Overall brand perception:** A score for respondents' perception of what the brand represents and how it makes them feel relative to industry peers. Extremely Low (-3) to Extremely high (3).

**Brand momentum:** A metric that combines a brand's industry ranking within the category with its future purchase intent relative to the other brands within the category. This measure is compiled from end-buyers and power-user responses fielded for this index.

**Brand/marketing performance:** A score for how well the company's brand positioning and marketing activities resonate with the respondents, relative to industry peers. ■



# WAYS TO ENGAGE

## *In-depth briefing, report and data:*

### **Category deep dive on incumbents, including:**

- What is driving strength/weakness
- Which brands are challenging who
- What share of market is at play?
- What are the buyers saying?
- Challengers and honorable mentions
- Strengths and weaknesses
- Summary of competitive advantages
- Corporate valuation implications
- Cross product category analysis (for brands across multiple product categories)
- Applicability of methodology for strategy
- Includes written report and supporting data

## *Market Pulse:*

### **A 360 degree view of your market that provides a strategic guidebook for your most winnable customer profiles:**

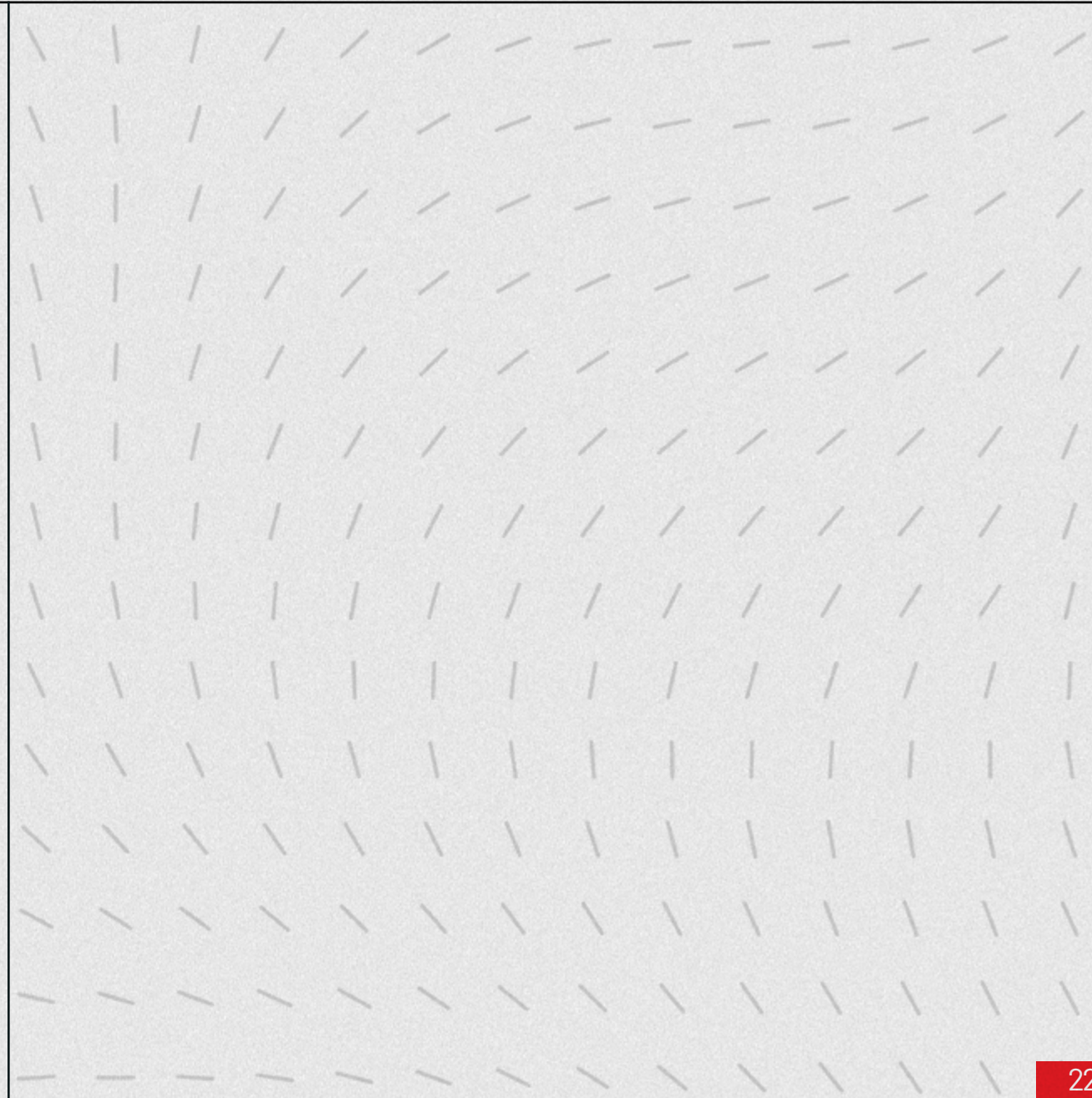
- Financially validated customer profiles prioritized from most to least valuable with key identifiers and behavioral attributes
- Brand strength relative to key competitors segmented by key audiences
- Key messaging and channel insights to inform go to market strategy
- “Bottom-up” market sizing that quantifies total in-market value in a given time period
- Immediately actionable “quick wins” that set the foundation for longer-term strategic initiatives
- Insights delivered within 90-100 days

## *Momentum:*

### **An acceleration engine for incumbent and challenger brands:**

To thrive in today’s complex, dynamic marketplace, building momentum is key for both incumbent and challenger brands.

- Market and competitor gap analysis
- 2-3 future opportunity platforms
- 3 momentum-powered viable ideas
- Visual roadmap of initiatives
- Actionable plan with timelines
- Now, soon, later implementation steps





**Liquid x Avasta  
Challenger Index:  
Assessing brand dynamics**

Liquid Agency and Avasta co-developed this index with a realization: past practices and historical performances are often unreliable indicators of future growth. The index shifts focus towards a “future outlook,” aiming to understand how markets perceive and engage with brands. This approach challenges conventional metrics of brand and business success, proposing a redefinition of business strategy through the lens of brand competitiveness.

***About the authors:***

**Liquid Agency**

**[www.liquidagency.com](http://www.liquidagency.com)**

Liquid Agency is a brand consulting and activation company that orchestrates brand, employee and customer experiences to fuel a company’s growth. For over 21 years, Liquid Agency has shaped powerful Consumer and B2B brands such as: GE, Hitachi, HP, Intel, Nike, Nordstrom and Walmart. Liquid Agency helps organizations build belief in who they are, what they do and where they’re going. The results are lasting bonds with employees and customers that power organizational performance, create value and capture ROI.

***For further information:***

Nick Childress is the Director of Growth and Marketing at Liquid Agency  
**[nick.childress@liquidagency.com](mailto:nick.childress@liquidagency.com)**

Nicole Bethell is a former public company executive and Senior Client Advisor at Avasta  
**[nicole.bethell@avasta.co](mailto:nicole.bethell@avasta.co)**

Interested in learning more? Book a call **[here](#)**.

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