

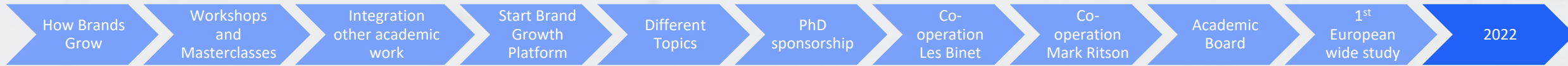
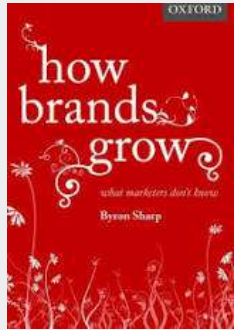
**BRAND GROWTH
AND THE MOMENT
OF TRUTH
ACROSS EUROPE**



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REPORT BY
DVJ Insights
DATE
May 2022

HOW THE BRAND GROWTH PLATFORM STARTED AND EVOLVED OVER THE YEARS



HOW THE BRAND GROWTH PLATFORM STARTED AND EVOLVED OVER THE YEARS



- The Brand Growth platform is inspired by the book of Byron Sharp, How Brands Grow (2010).
- As a research agency, we are not only inspired by this book but also by other academic sources and articles on how organisations grow.
- In 2017, the Brand Growth platform was founded. The idea is to focus on a different ingredient for growth each year and dive deeper into what makes some firms successful and others less successful. The ingredients we dived into the past years were the brand, media, innovation, creative development, and data-driven decision making.
- To learn and cooperate even more with academia, we started funding a PhD project in 2019, which focuses on the effectiveness of advertising.
- In 2020, we cooperated with well-known marketing scholars, Les Binet and Mark Ritson, who presented their vision on brand growth and what they have studied throughout the years.
- In that same year, we intensified our cooperation with our academic board.
- In 2021, we decided not only to conduct our annual Brand Growth Study in our core markets, the UK, NL and DE but expand to a European-wide study to learn even more from marketers and insights managers across Europe.
- The pilot was successful and in 2022, we carried on with our European study, this time focusing on the Moment of Truth.

SET-UP OF THE 2022 BRAND GROWTH STUDY ACROSS EUROPE

THE INGREDIENTS FOR
Brand growth

The study this year was conducted in 11 countries across Europe. The countries capture different parts of Europe, namely:

CORE MARKETS: NETHERLANDS, GERMANY, UK

NORDICS: DENMARK, FINLAND, NORWAY, SWEDEN

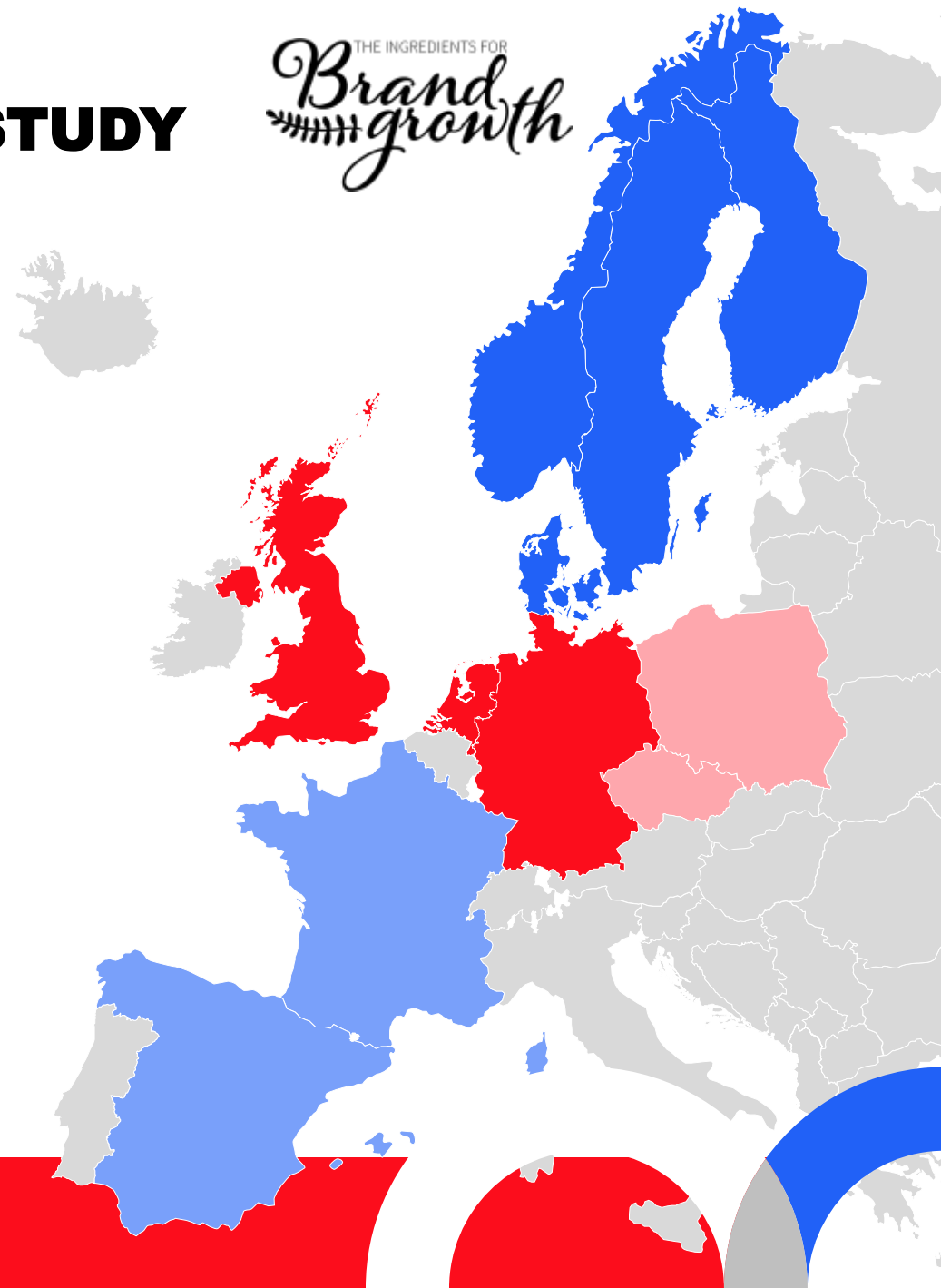
SOUTHERN EUROPE: FRANCE & SPAIN

CCE: POLAND & CZECH REPUBLIC

Some sample characteristics:

- N=2,300+ for the quant study, during the year qualitative interviews are held.
- 35% of firms have a B2B focus, and 44% B2C focus.
- 22% of the sample are CEO's, 17% CMO's.
- Different industries are represented.
- About 50% of all firms have <100 employees.

For more detailed information on statistics, please see the next slide.



INFORMATION ON BACKGROUND SAMPLE | TOTAL

In the tables below you can find more information on the background of the sample for the position the respondent has, the focus of the organisation, the sector the organisation is active in, and firm size.

Position	%
General director/manager/CEO	22%
Marketing director/manager/CMO	17%
Commercial director/manager/CCO	10%
Brand manager	11%
Product manager	19%
Insights manager/CMI	3%
Media manager	8%
Trade marketer	4%
Other	7%

Focus	%
B2B	35%
B2C	44%
Both	21%

Sector	%	Firm size (employees)	%
Construction	8%	1-19	15%
Culture, sport, and leisure	5%	20-49	13%
Energy and water	4%	50-99	20%
Financial services	11%	100-249	20%
Wholesale, retail and repair	11%	250-500	12%
Catering/restaurants	4%	501+	12%
Industry, production and mineral extraction	5%	Do not know	8%
IT, technology, media and telecom	19%		
Agriculture, forestry and fishing	2%		
Government and education	5%		
Rent and trade in property	2%		
Transport and storage	4%		
Business services	9%		
Health care	5%		
None of the above	6%		

THE RESULTS ARE ANALYSED IN A **UNIQUE WAY**

To learn which firms are successful at the Moment of Truth and learn what they do differently than other firms, we divide the respondents into 2 groups: “Winners” and “Losers”.



- Winners are growing companies
- Losers are declining or stable companies

This analysis provides valuable insights on what you should and should not do to become a winner.

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- **The Moment of Truth – What and why**
- Diving into the results – How to influence the MoT/MoP
- Using data on the MoP
- Summary & recommendations

WHAT IS THE MOMENT OF TRUTH (MOT)?

One can define the Moment of Truth (MoT) in many different ways. Later on, we will see that firms also define their Moment of Truth differently. For now, we use the following generic definition of the MoT, so that everyone understands what we are talking about.

The MoT can be defined as a:

specific point in the customer journey,

where the customer forms an **indelible impression** of the product/brand/service

which influences the **customer's decision to purchase** or enter into a transaction.



THERE IS A LOT OF ATTENTION TO THIS TOPIC IN SCIENCE AND PRACTICE



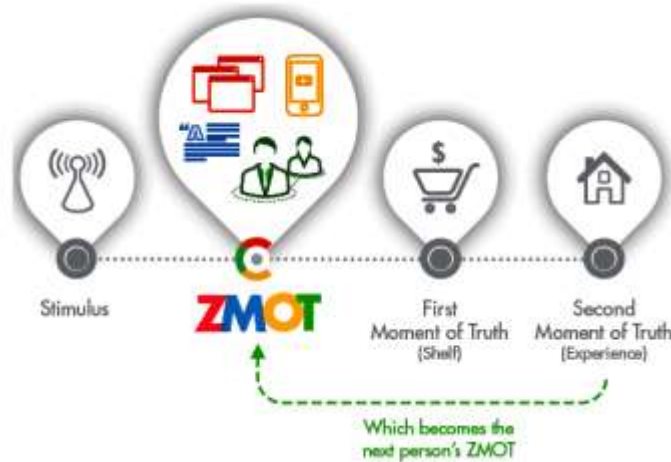
Especially in practice, the MoT is a common concept, and it has been adapted by the McKinsey's of this world. For example, Google defined different MoTs and their Zero MoT became well known. It refers to “the moment in the buying process when the consumer researches a product prior to purchase¹”. In science, the term MoT is not explicitly used but a lot of attention is devoted to customer experience management or customer journeys. And this is of course highly related to the MoT.

The Moment of Truth



Be at the right place at the right time for your customers.

By Gordon A. Wyner



Customer Experience Management in Retailing: Understanding the Buying Process

Nancy M. Puccinelli^{a,*}, Ronald C. Goodstein^{b,1}, Dhruv Grewal^{c,2}, Robert Price^d, Priya Raghuram^{e,3}, David Stewart^{f,4}

Katherine N. Lemon & Peter C. Verhoef

Understanding Customer Experience Throughout the Customer Journey



¹ Source: <https://www.thinkwithgoogle.com/marketing-strategies/micro-moments/zero-moment-truth/>



AND THE MOT IS IMPORTANT FOR EVERY COMPANY

- (...) '*the 'Moment of Truth' is important and distinctive for success.* There is also a lot of attention for this moment in the purchase and choice behaviour of consumers. During this moment, *everything is done to win the heart of the consumer,*' (...) – Lucas Hulsebos, CEO, DVJ Insights
- 'It's all about the *interaction between brand and customer.* And in an increasingly fast-paced world, this is increasingly determined by the 'Moment of Truth'.' – Jori van de Spijker, Global Commercial Director, DVJ Insights
- Especially a bad experience with a firm/brand can make customers defect.

**THAT THE MOT IS
DISTINCTIVE FOR SUCCESS
IS ALSO WHAT WE OBSERVE
IN THE DATA:**

**WINNERS PERFORM (MUCH)
BETTER ON THE MOMENT
OF TRUTH THAN
COMPETITION**

+28%



SO, HOW DO FIRMS SEE THE MOMENT OF TRUTH?

From the qualitative interviews that are being conducted throughout the year, we learn how firms see and define their Moment of Truth.

- *“There are many things that precede the Moment of Truth, **but ultimately, it is about consumers buying your product.** I believe there are many Moments of Truth in the customer journey, but to get chosen, you need to get into the mind of the consumer. You have to create certain conditions to succeed in the Moment of Truth.” - VSM*
- *“I like to think about the Moment of Truth as the bit after the equal sign. If at a key moment, a brand encounter turns out a disappointment, you get a negative value. If it exceeds it, the sum becomes positive, and **people will feel that transacting with that brand provides them with value in excess of what it costs them financially.**” – PHD Global Business*
- *“Nowadays, we can buy almost everything in one click, but it is still **the brand that gives you the confidence** in what you are buying.” - Yune*



SO, HOW DO FIRMS SEE THE MOMENT OF TRUTH?

From the quantitative study we see 3 major topics arising after conducting AI-based topic modeling on the open answers. These are: 1. Profit / Sales, 2. Customer Satisfaction / Service, and 3. Loyalty / Trust. From this, we gain many insights on how firms see and define their Moment of Truth.

QUOTES ON PROFIT/SALES

- “The moment we *sell something* and in which way”
- “The moment of truth is when you are about to *sign the big deal*”
- “The first point of interaction with our customer while selling our products”
- “The point in the customer journey where maximum unequivocal emotional connection to our product is achieved pre-sale”

QUOTES ON SATISFACTION/SERVICE

- “(...) when customer and company/brand come into contact. The customer forms a clear picture of the company/brand, or he can adjust his opinion about it. Such a moment of truth is usually related to a decision and plays a *key role in the decision-making process*”
- “We have a *customer satisfaction feedback survey* and seeing the scores grow from negative to positive by us using the feedback to action change has been the best move for us”
- “The point where the customer agrees to become a *return customer*, i.e., they were so happy with the service provided, they happily came back to us”

QUOTES ON LOYALTY/TRUST

- “*Honesty and transparency* are very important for marketing and customer acquisition and retention. Word-of-mouth should not be underestimated in the case of unseriousness”
- “Honesty is the most important key to *customer trust*. Therefore, it is very important to be open and honest with your customers. You gain trust and [can deliver] better customer service”
- “When we implemented a new program to make more profit and *loyalty with our customers*. Profits increased as follows”

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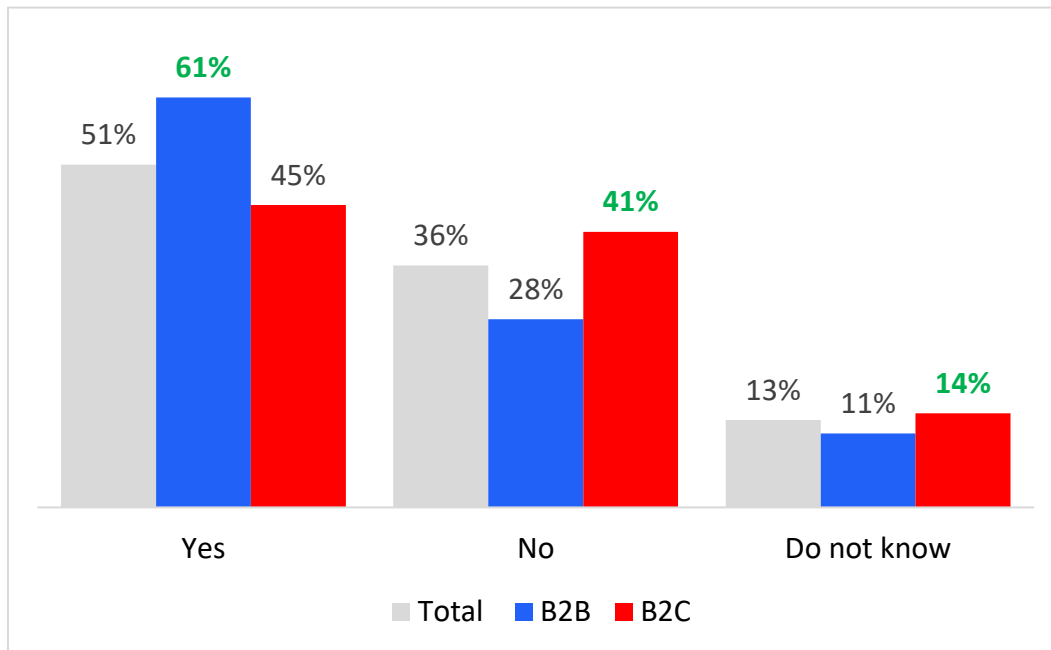


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51% OF FIRMS HAVE DEFINED A SPECIFIC MOT

So, almost 50% have not defined a specific MoT or do not know!

B2B firms have defined the MoT more often (61%) than B2C firms (45%), which is a difference of 20%-points! This large difference might be explained by the fact that they know their customers/clients better than B2C firms.

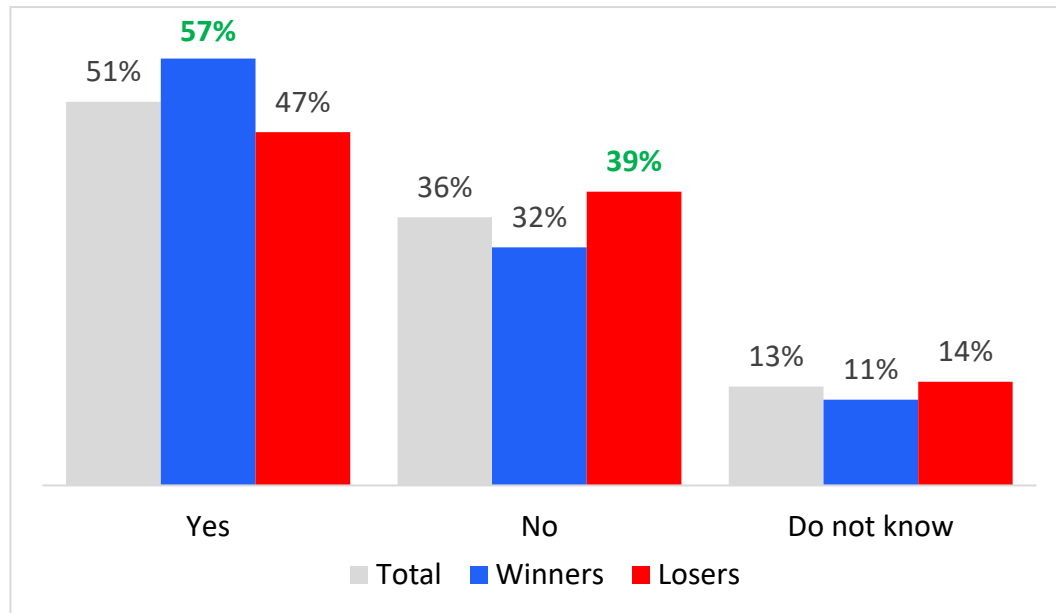


xx% significantly higher than the other group.



WINNERS HAVE DEFINED A MOMENT OF TRUTH MORE OFTEN THAN LOSERS

Winners have defined a MoT in 57% of the cases, whereas losers have defined it in 47% of the cases.



xx% significantly higher than the other group.



CMOS UNDERSTAND THE IMPORTANCE OF DEFINING A MOT

71% of CMO's have defined a Moment of Truth for their organisation!

Which is much higher than the next in line, the brand manager (58%), the CCO (55%), and the CEO (48%).



SO, WHICH COMPANIES PERFORM WELL ON THE MOT?

We asked respondents which companies perform particularly well on the MoT. The three companies that are mentioned most often are Apple, Amazon, and Google. For Apple, often mentioned reasons are that they offer the best products and good customer service. Amazon offers a wide range of products, and they became even more successful during the covid pandemic. For Google, most important reasons are that they are clearly the market leader and transparent. Interestingly, some firms are only or significantly more often mentioned in their home countries, such as IKEA in Sweden, ASML and Philips in the Netherlands, ASDA in the UK, Nokia in Finland, and Lego in Denmark.

BRANDS

1. Apple
2. Amazon
3. Google
4. Tesla
5. Microsoft
6. Nike
7. Coca Cola
8. IKEA
9. McDonald's
10. Mine / Our company

REASONS WHY

1. 'Good/best products', 'good customer service'
2. 'They are thriving since covid', 'wide range of products', 'lock-in', 'good customer service'
3. 'Transparent', 'market leader'
4. 'Thinking big', 'big growth', 'innovation'
5. 'Because they are one of the biggest'
6. 'Good quality', 'good brand image'
7. 'It's taste', 'known worldwide', 'company with traditions'
8. 'Furniture', 'they are good', 'a company for everyone'
9. 'Good food'
10. 'Because we are the best'

FOR MANY FIRMS, THE MOMENT OF TRUTH = THE MOMENT OF PURCHASE

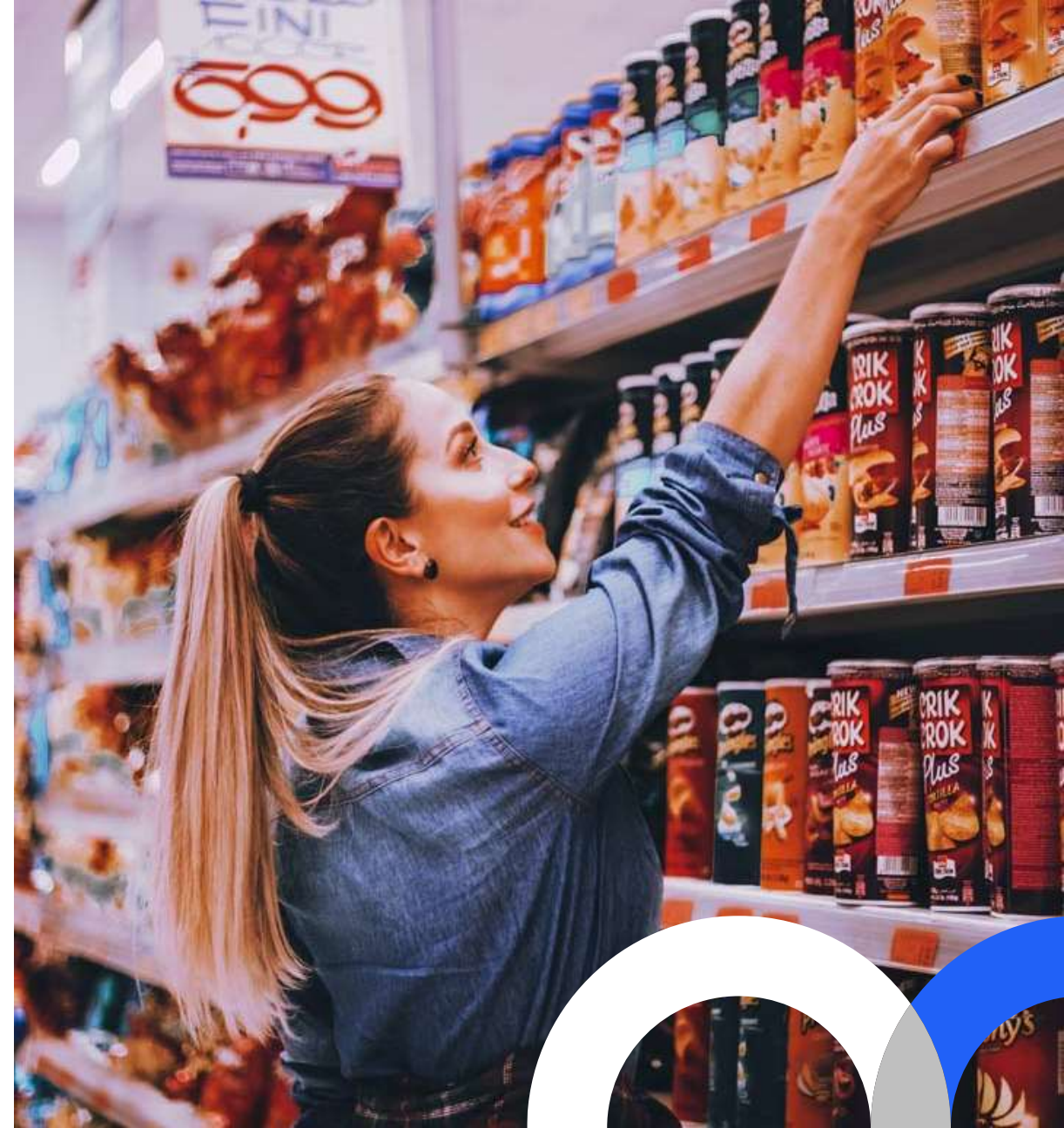
As we often saw in the [interviews](#), the conversation about the Moment of Truth skewed towards the Moment of Purchase. And, in the [quantitative study](#), the moment when the sales are made.

In other words, the Moment of Purchase is the most mentioned when asking respondents about what they think of when it comes to the MoT.

Therefore, the rest of the report focuses on the

Moment of Purchase (MoP)

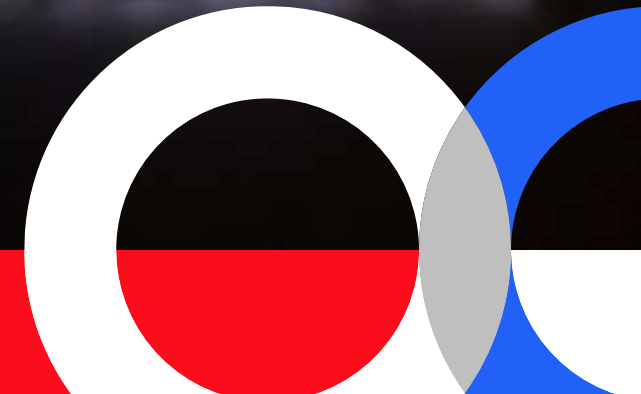
and how firms can win at and try to influence this moment.



ACCORDING TO OUR RESPONDENTS, TO WIN AT THE MOMENT OF PURCHASE YOU...

1. Must understand the full/complete **customer journey**
2. Need a lot of **creativity**
3. Need to **innovate** constantly

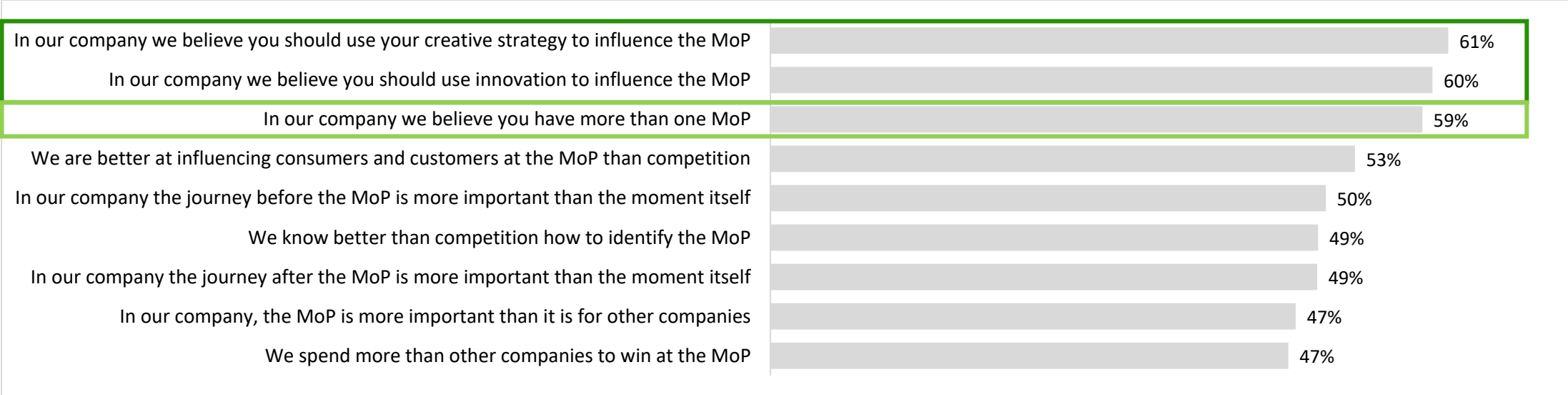
THINK
ABOUT
THINGS
DIFFERENTLY



THE IMPORTANCE OF CREATIVE STRATEGY AND INNOVATION FOR WINNING AT THE MOP ALSO BECOMES CLEAR FROM AGREEMENT ON STATEMENTS ON THE MOP

Respondents agree most with the statement ‘you should use your **CREATIVE STRATEGY AND INNOVATION** to influence the Moment of Purchase’. And, almost 60% of respondents believe there is more than one MoP.

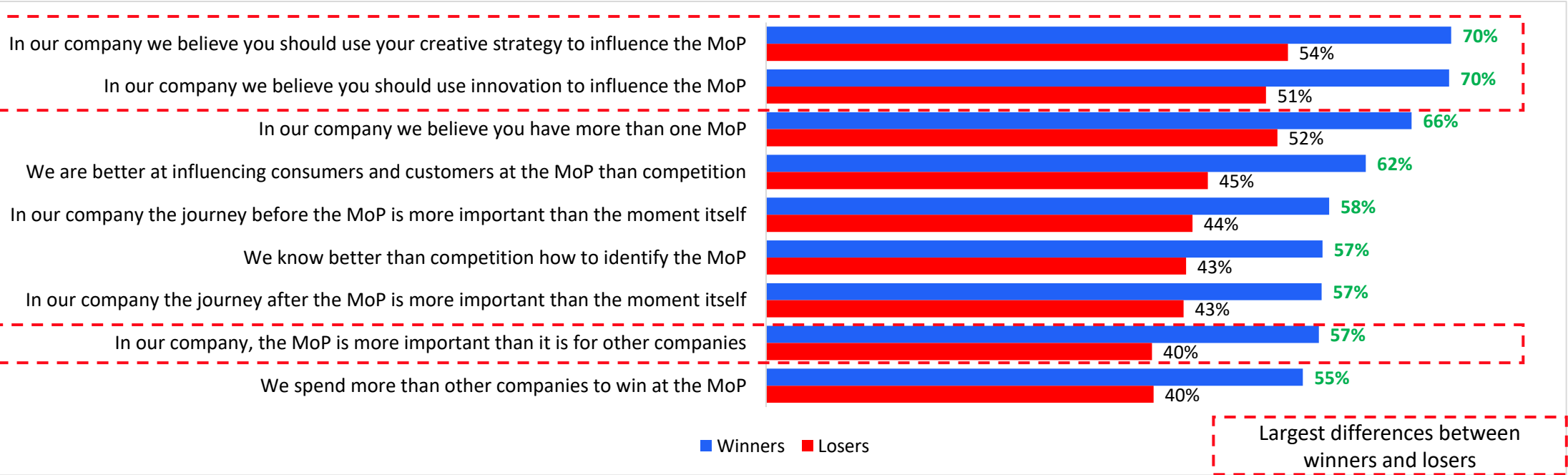
TOP 2 ON STATEMENTS ON MOP



AND WE SEE LARGE DIFFERENCES AMONG WINNERS AND LOSERS ON THESE STATEMENTS

On average, the difference between winners and losers is 15%-points. The largest differences are observed on the statements about using creative strategy and innovation to influence the MoP as well as the statement that the MoP is more important for their company than it is for competitors.

TOP 2 ON STATEMENTS ON MOP

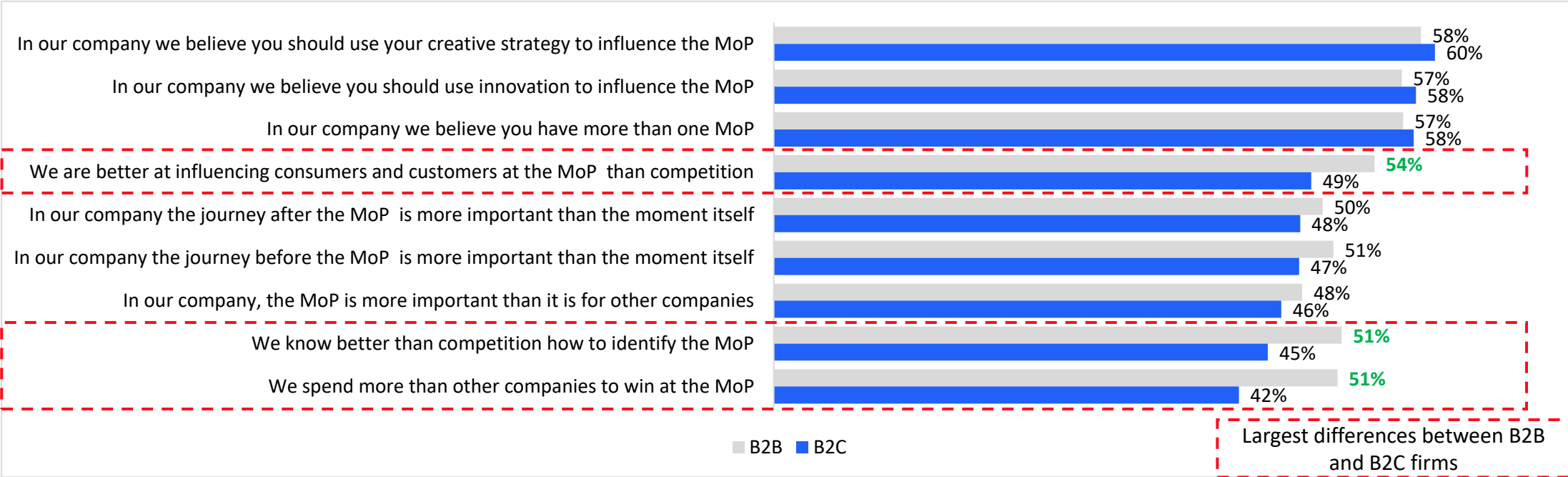


xx% significantly higher than the other group.

AND WE OBSERVE SOME INTERESTING DIFFERENCES BETWEEN B2B AND B2C FIRMS

On most statements we do not see differences between B2B and B2C firms. However, B2B firms believe they are better at influencing consumers and customers at the MoP than competition and know better than competition how to identify the MoP. And they claim they spend more than other companies to win at the MoP.

TOP 2 ON STATEMENTS ON MOP

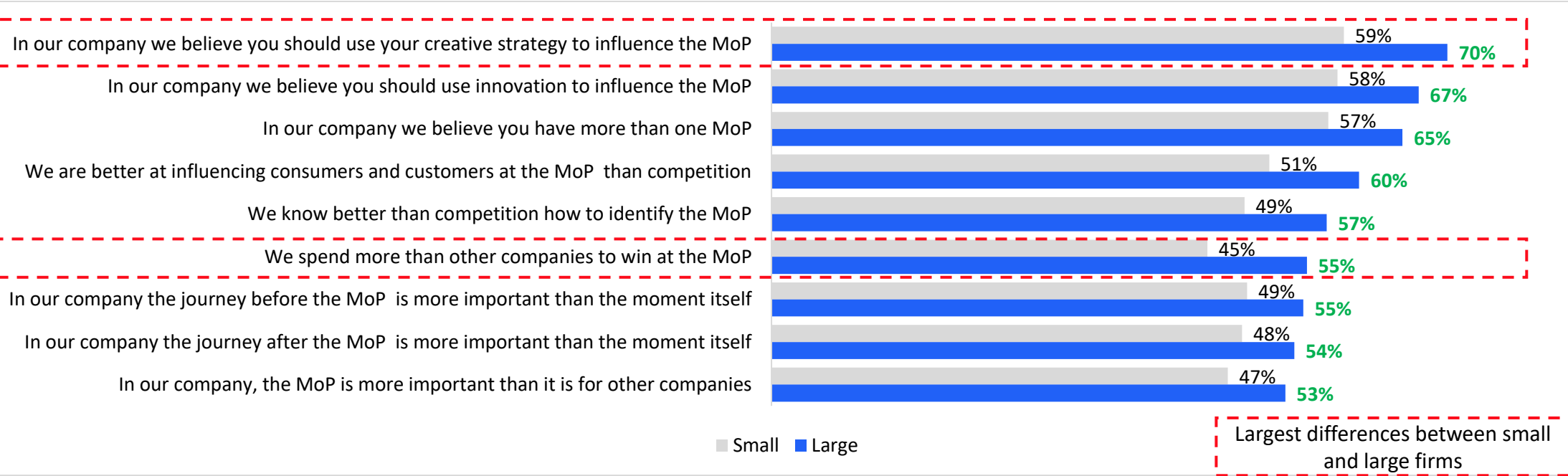


xx% significantly higher than the other group.

LARGE FIRMS AGREE ON ALL STATEMENTS MORE THAN SMALL FIRMS

On average, the difference between large and small firms is 8%-points. The largest differences are observed on the statements about using creative strategy to influence the MoP as well as the statement that they spend more on the MoP than other companies.

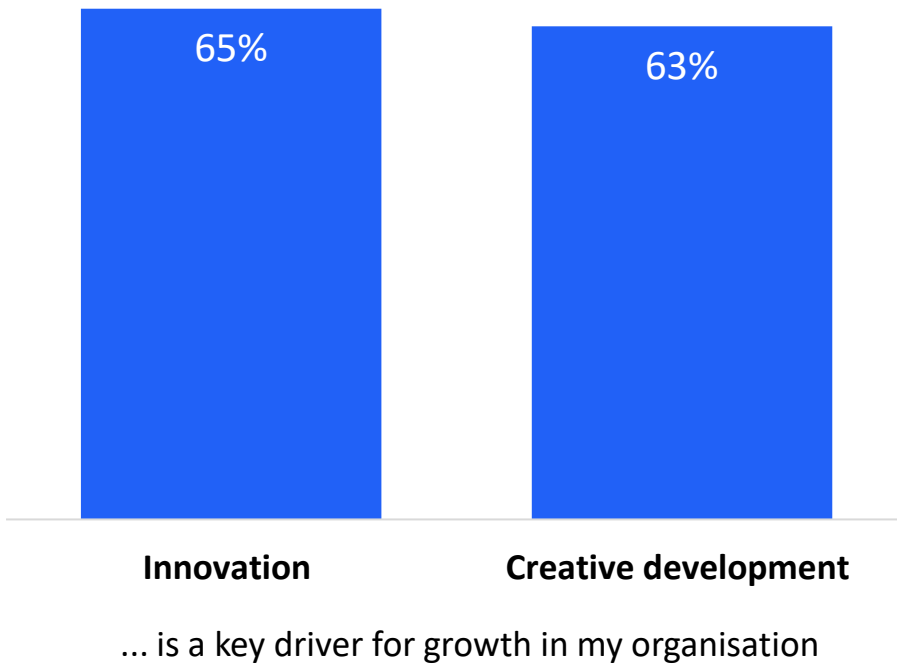
TOP 2 ON STATEMENTS ON MOP



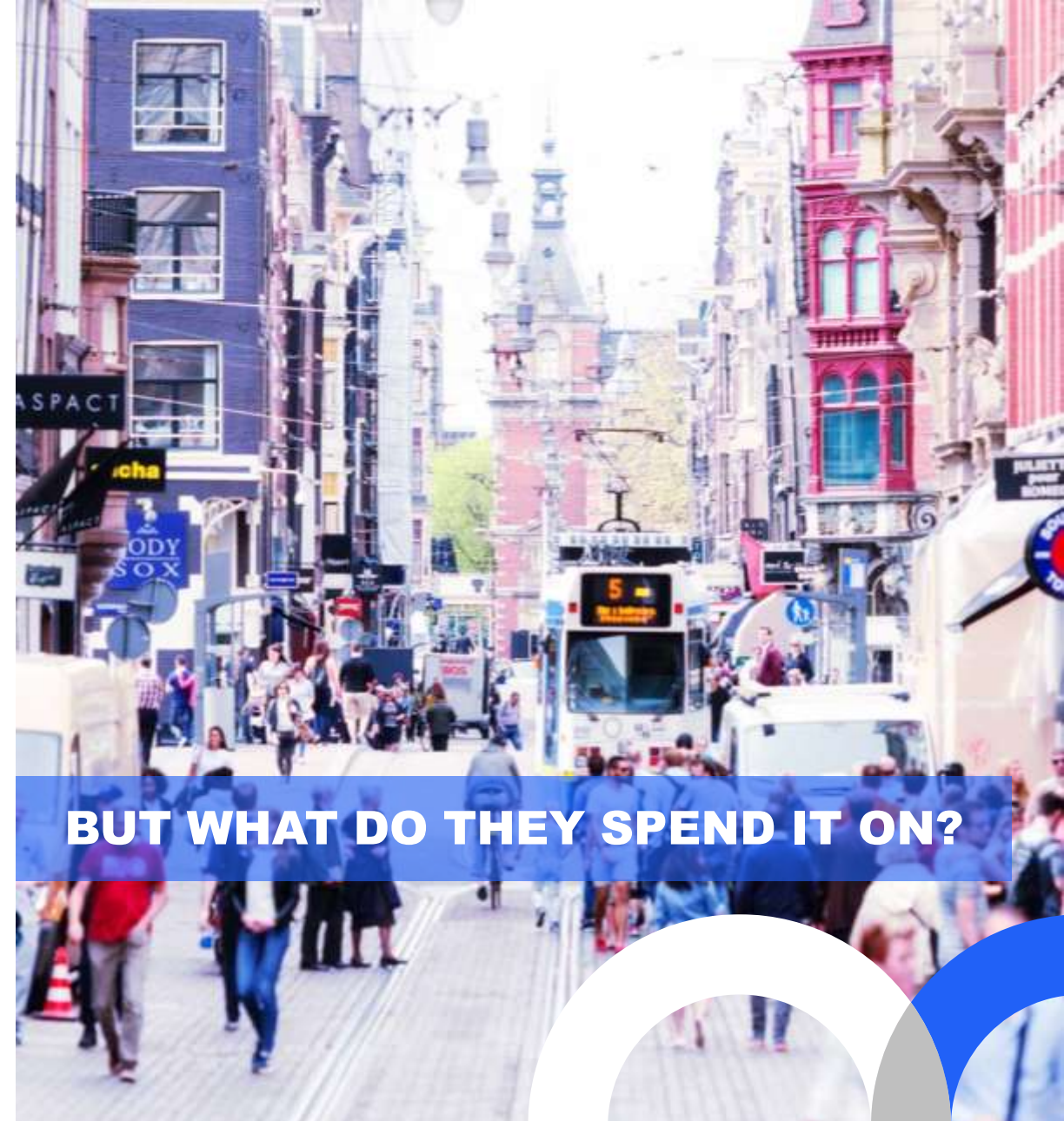
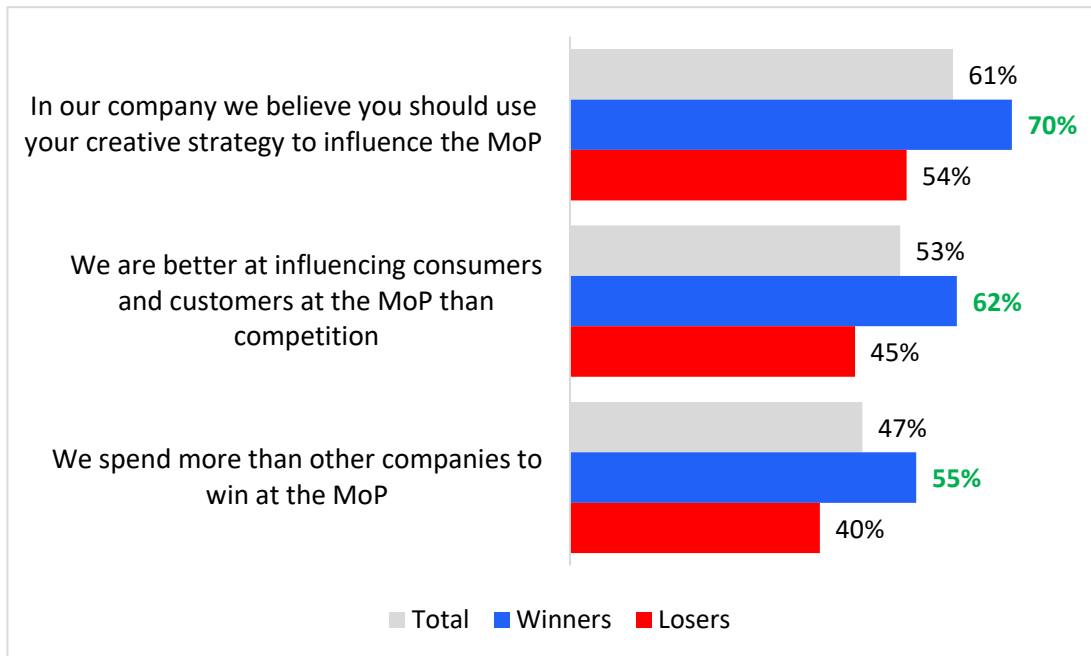
xx% significantly higher than the other group.

INNOVATION & CREATIVE DEVELOPMENT ARE ALSO THE TOP 2 DRIVERS OF GROWTH IN ORGANISATIONS

The differences between winners and losers on these statements is about **20%**-points. There are no remarkable differences between B2B and B2C firms.

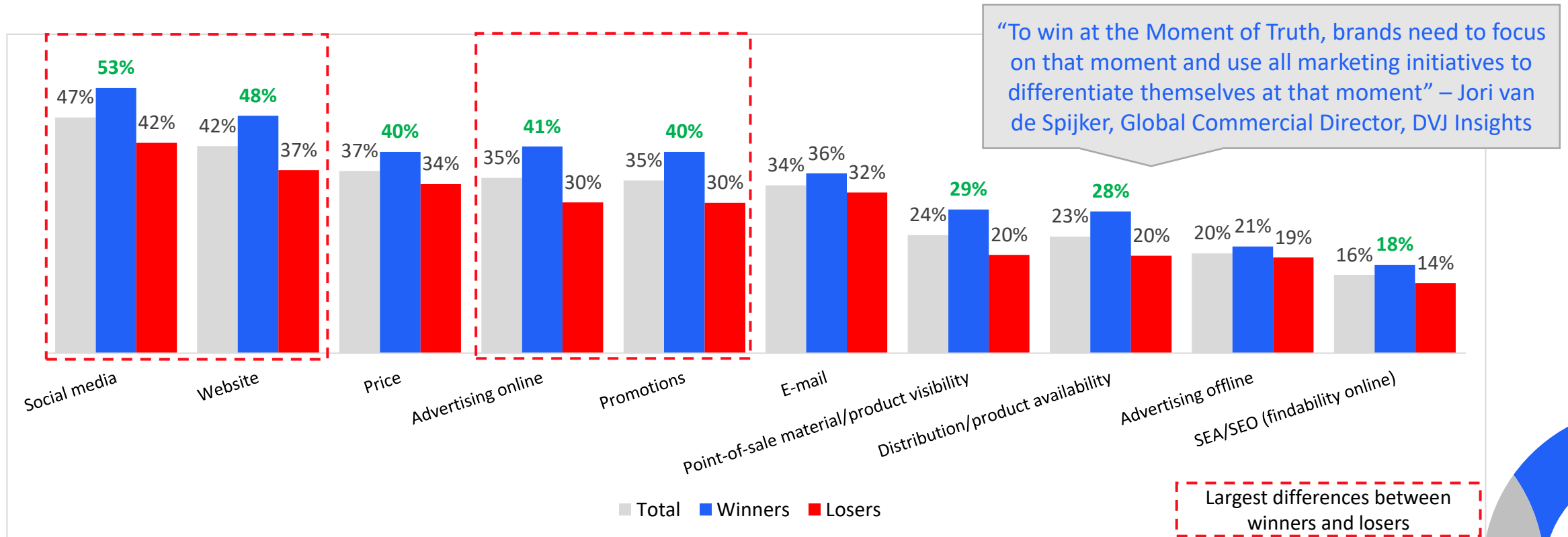


FIRMS BELIEVE YOU SHOULD USE CREATIVE STRATEGY TO INFLUENCE THE MOP. ESPECIALLY WINNERS SPEND MORE THAN OTHER COMPANIES AND BELIEVE THEY ARE BETTER AT INFLUENCING.



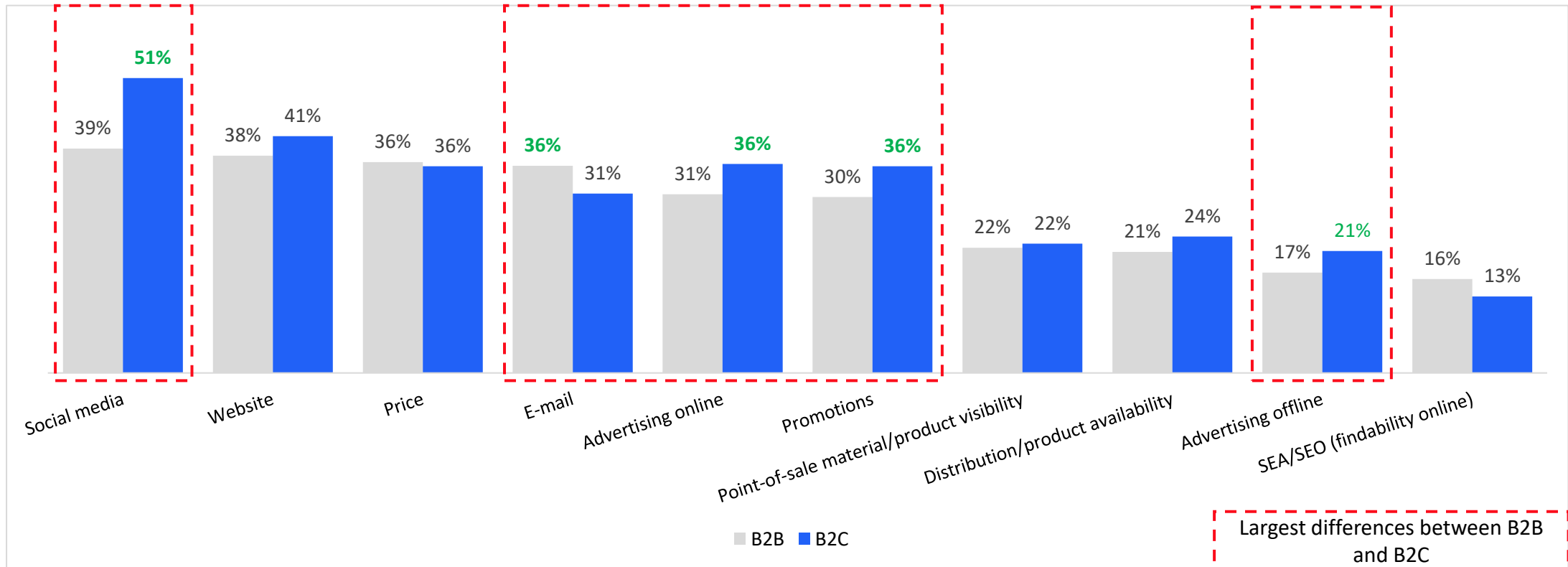
SOCIAL MEDIA AND THE WEBSITE ARE THE MOST POPULAR TOOLS TO WIN AT THE MOMENT OF PURCHASE | WINNERS VS LOSERS

Winners utilize almost all marketing activities more than losers, on average 8%-points more. We observe the largest differences between using advertising online, social media, the website, and promotions.



xx% significantly higher than the other group.

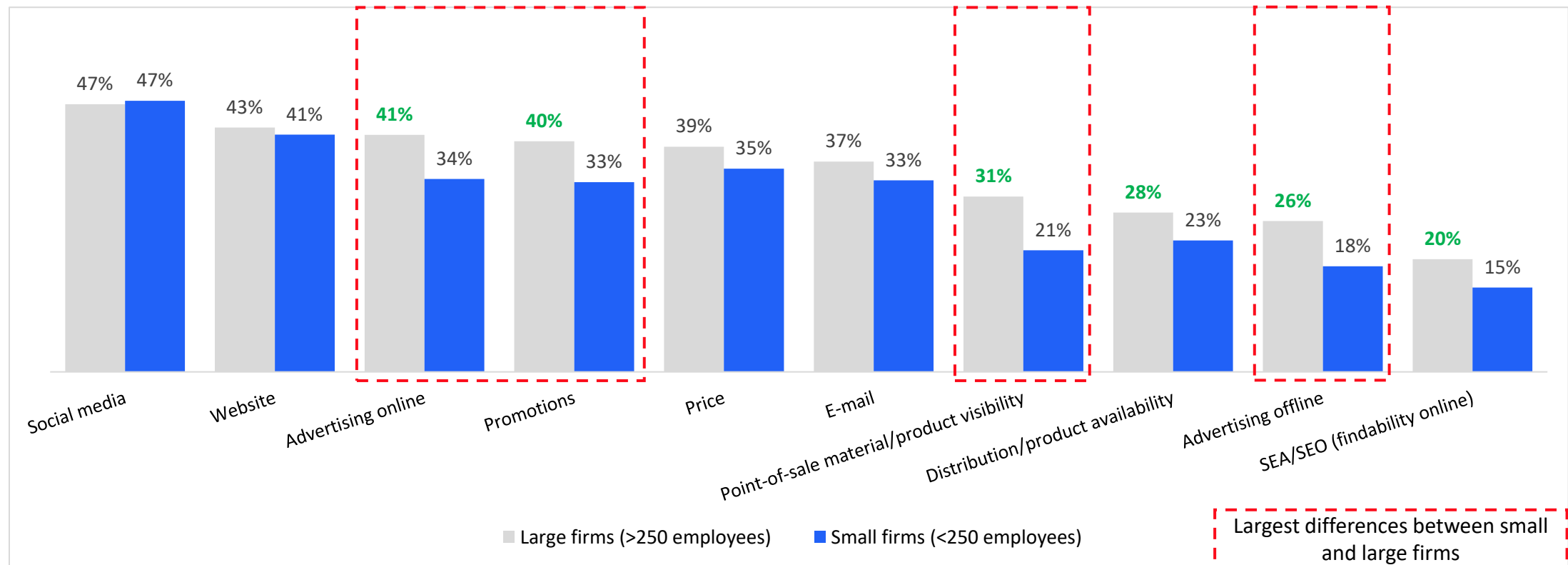
B2C FIRMS USE SOCIAL MEDIA, ADVERTISING, AND PROMOTIONS MORE OFTEN THAN B2B FIRMS, WHEREAS B2B FIRMS USE EMAIL MORE OFTEN THAN B2C FIRMS



xx% significantly higher than the other group.

LARGE FIRMS SPEND SIGNIFICANTLY MORE ON THE RELATIVELY 'COSTLY' MARKETING ACTIVITIES THAN SMALL FIRMS

Large firms especially utilize advertising, promotions, and POS material more often than small firms.



xx% significantly higher than the other group.

KEY TAKE-OUTS ON HOW TO INFLUENCE THE MOT

- **51% of firms have defined a MoT** for their company. This percentage is significantly higher for B2B firms (61%) and for winners (57%).
- To win at the Moment of Purchase **creative strategy and innovation** are the most important, which all respondents agree the most on. However, winners and large firms agree even more with this.
- We also observe that winners are not only paying more attention to creative strategy to win at the MoP, but also that they believe they are **better at influencing consumers** at the MoP and that they **spend more**. And this seems to pay off as **winners perform (much) better** on the Moment of Truth than competition (+28%!).
- **Their money is spent mostly on social media and the website**. Winners utilize almost all marketing activities more than losers, on average 8%-points more. B2C firms use social media, advertising, and promotions more often than B2B firms, whereas B2B firms use email more often than B2C firms. Large firms spend significantly more on the relatively 'costly' marketing activities than small firms.

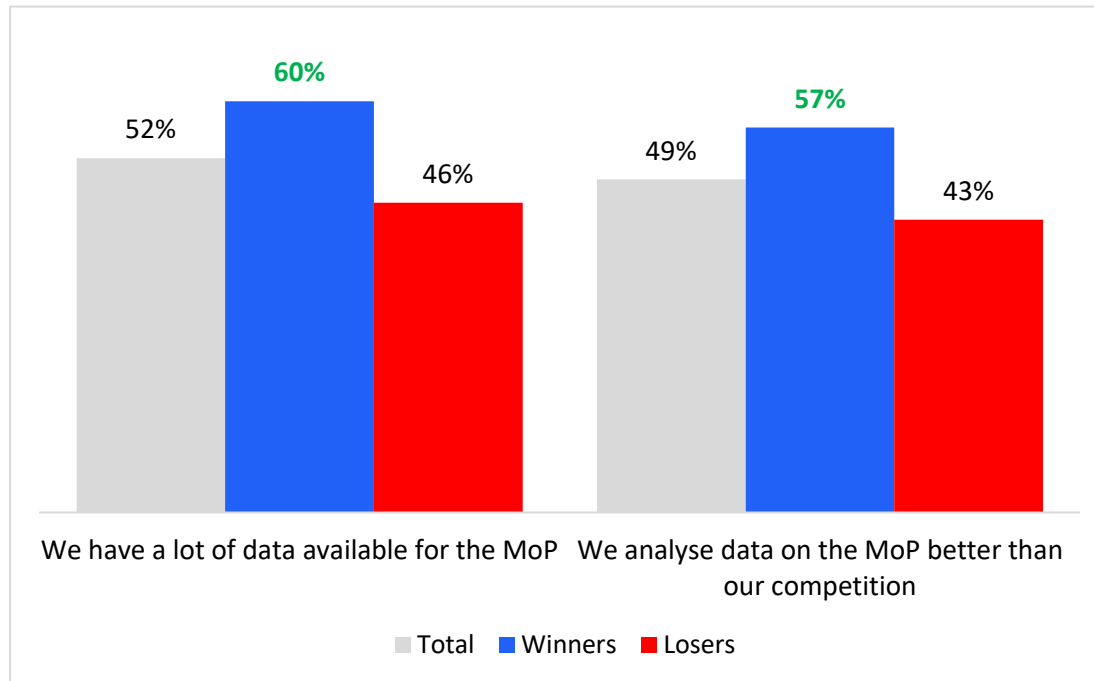
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WHAT ABOUT DATA ON MOP?

About 50% of respondents indicate they have a lot of data available on the MoP and analyse these data better than competition. Again, we observe large differences between winners and losers (+14%).

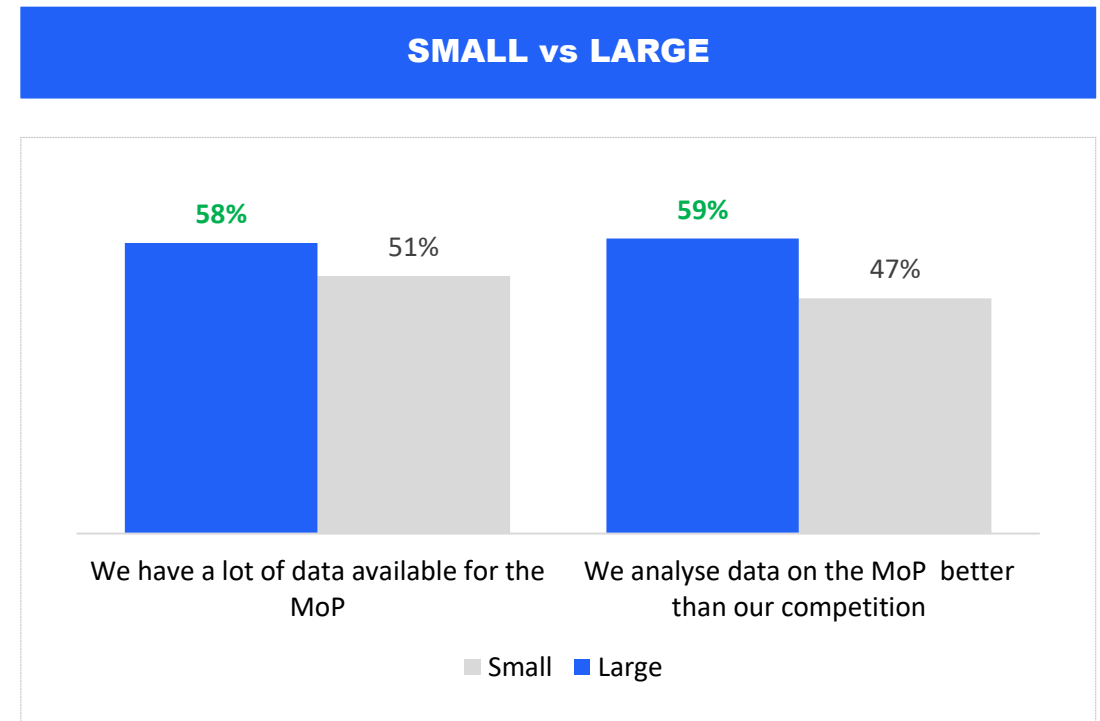
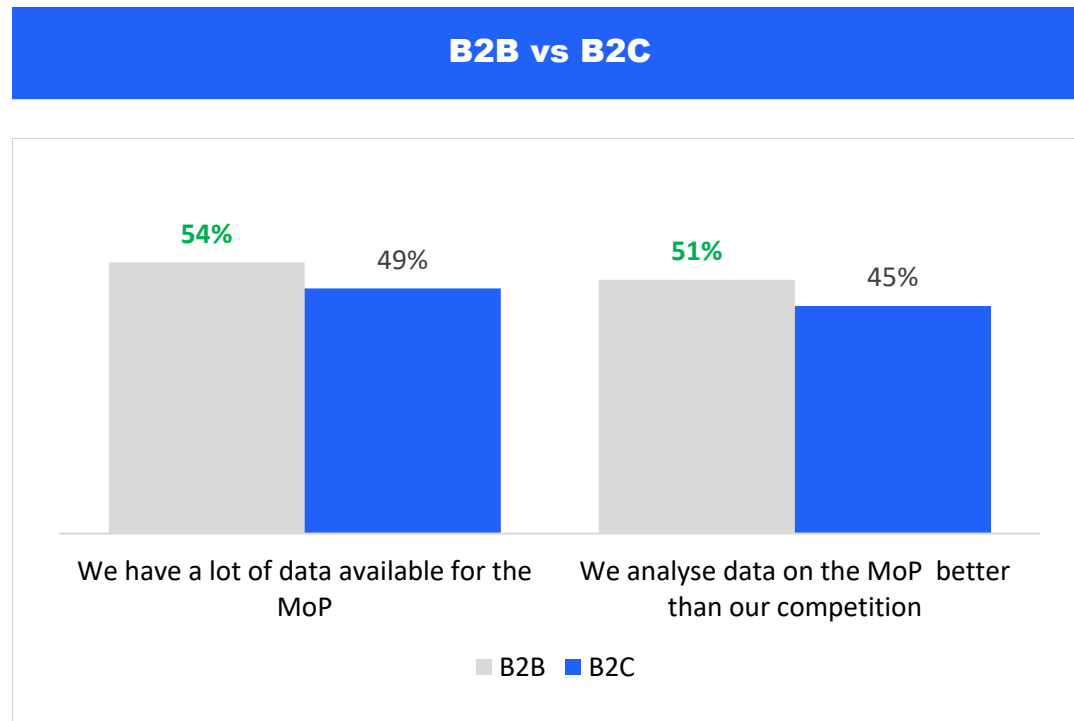


xx% significantly higher than the other group.



WHAT ABOUT DATA ON MOP?

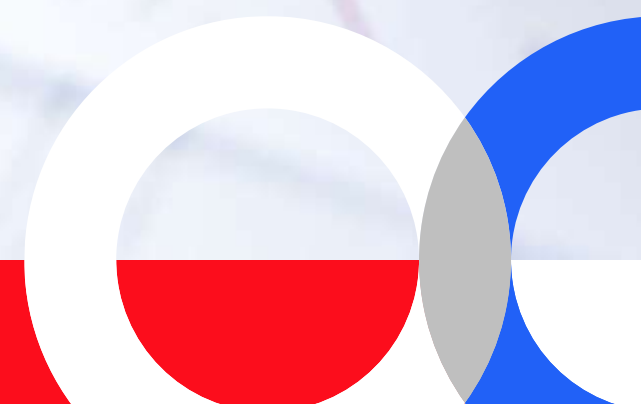
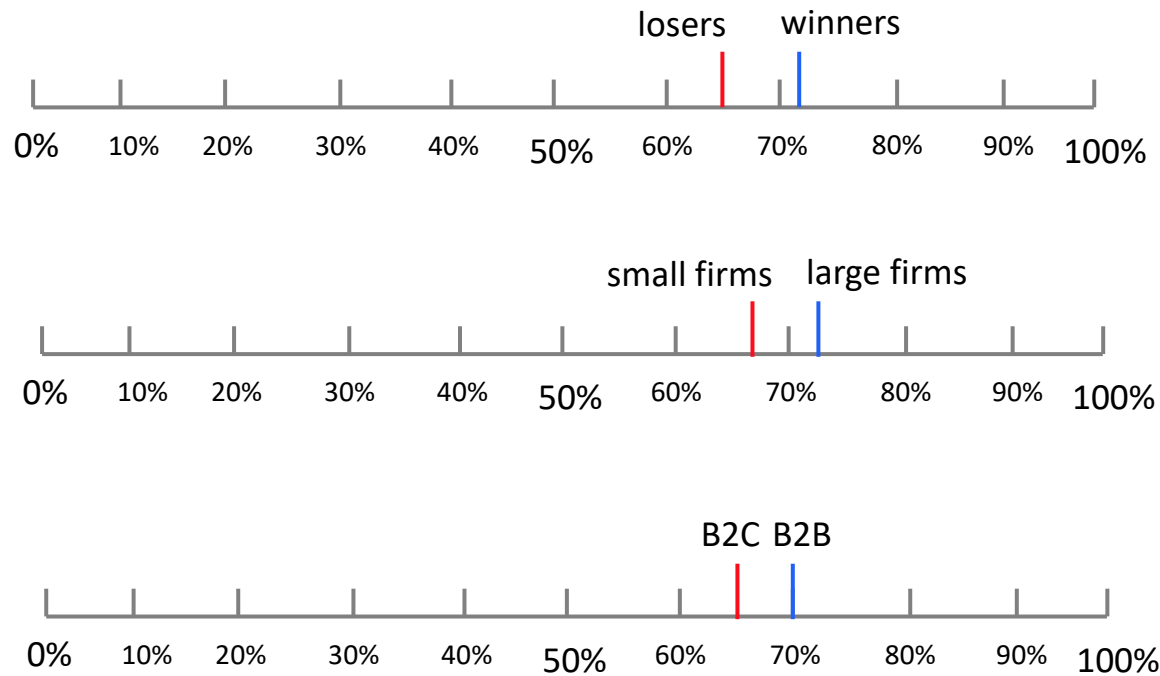
B2B and large firms agree more that they have a lot of data available on the MoP and that they analyse those better than competition, compared to B2C and small firms.



xx% significantly higher than the other group.

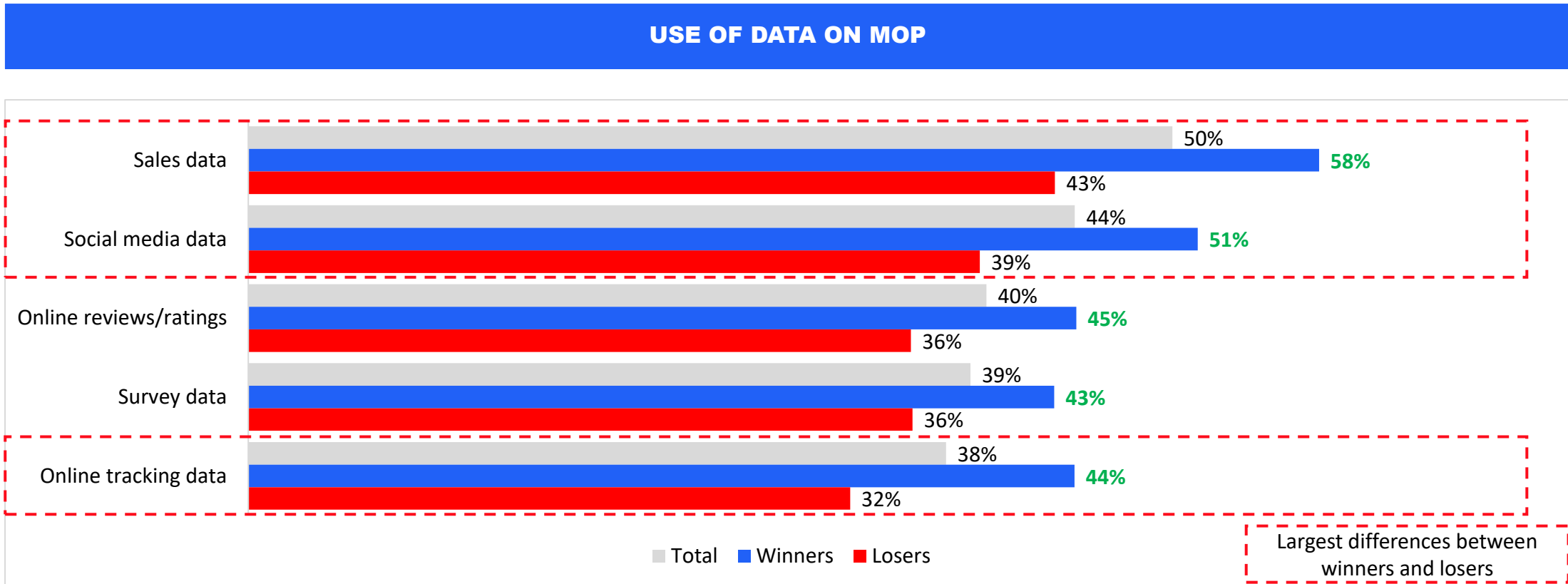
EXTENT OF USING DATA ON MOP

Winners, large- and B2B firms use significantly more data on the Moment of Purchase than their counterparts. The average for all respondents lies at 67.8% data-usage.



SALES DATA AND SOCIAL MEDIA DATA ARE USED THE MOST ON THE MOP | WINNERS VS LOSERS

Sales data sounds obvious on the Moment of Purchase, but social media data being mentioned second is interesting. We observe large differences between winners and losers in the sense that winners use data more than losers. The differences are largest for sales, social media, and online tracking data.

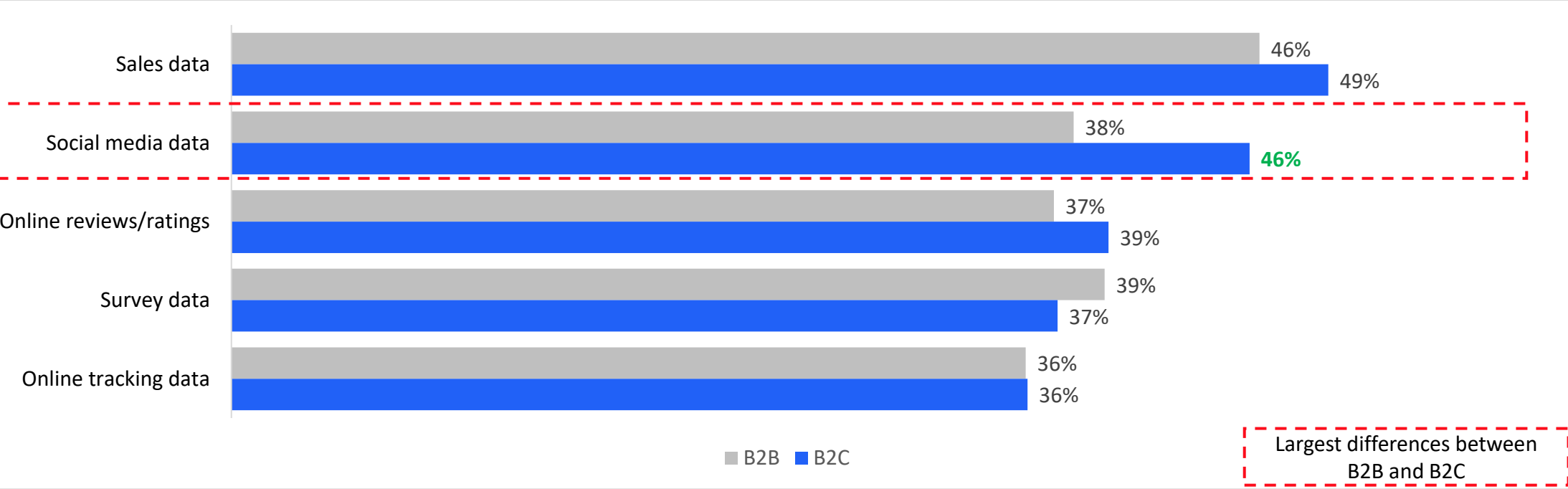


xx% significantly higher than the other group.

SOCIAL MEDIA DATA IS USED MORE BY B2C FIRMS THAN B2B FIRMS ON THE MOP | B2B VS B2C

When comparing B2B and B2C firms, we do not observe many differences. One striking difference is the use of social media on the Moment of Purchase; B2C firms use this much more than B2B firms.

SALES DATA AND SOCIAL MEDIA DATA ARE BEING USED THE MOST

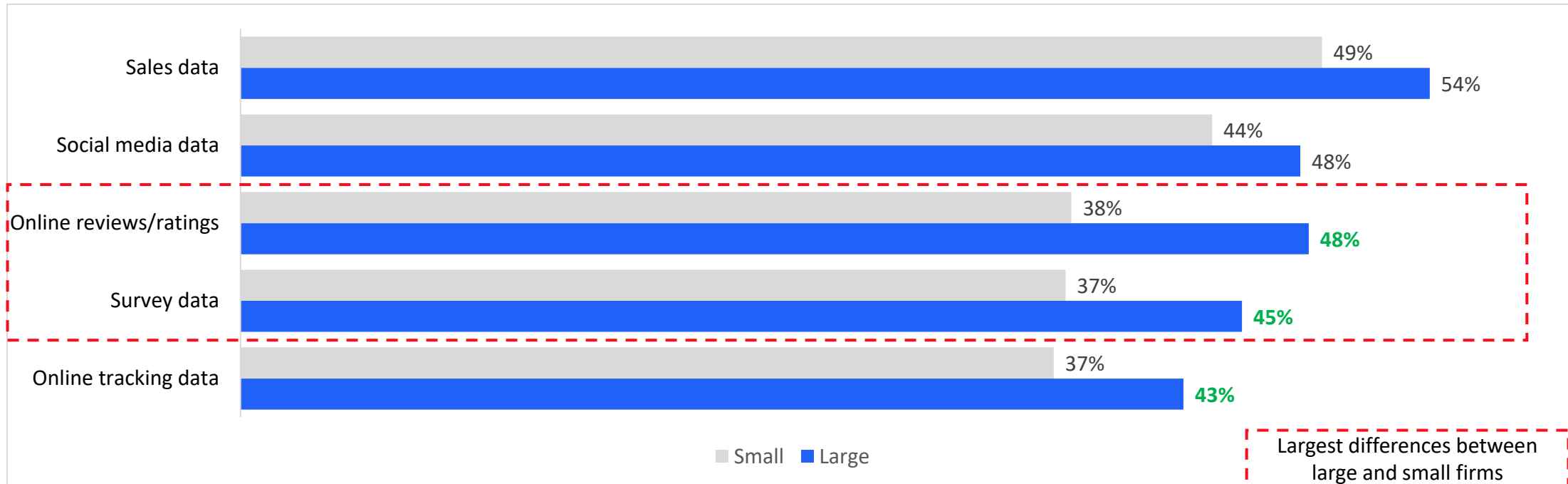


xx% significantly higher than the other group.

LARGE FIRMS USE MORE DATA ON THE MOP THAN SMALL FIRMS | LARGE VS SMALL

The biggest differences between large and small firms are using online reviews/ratings and survey data on the MoP.

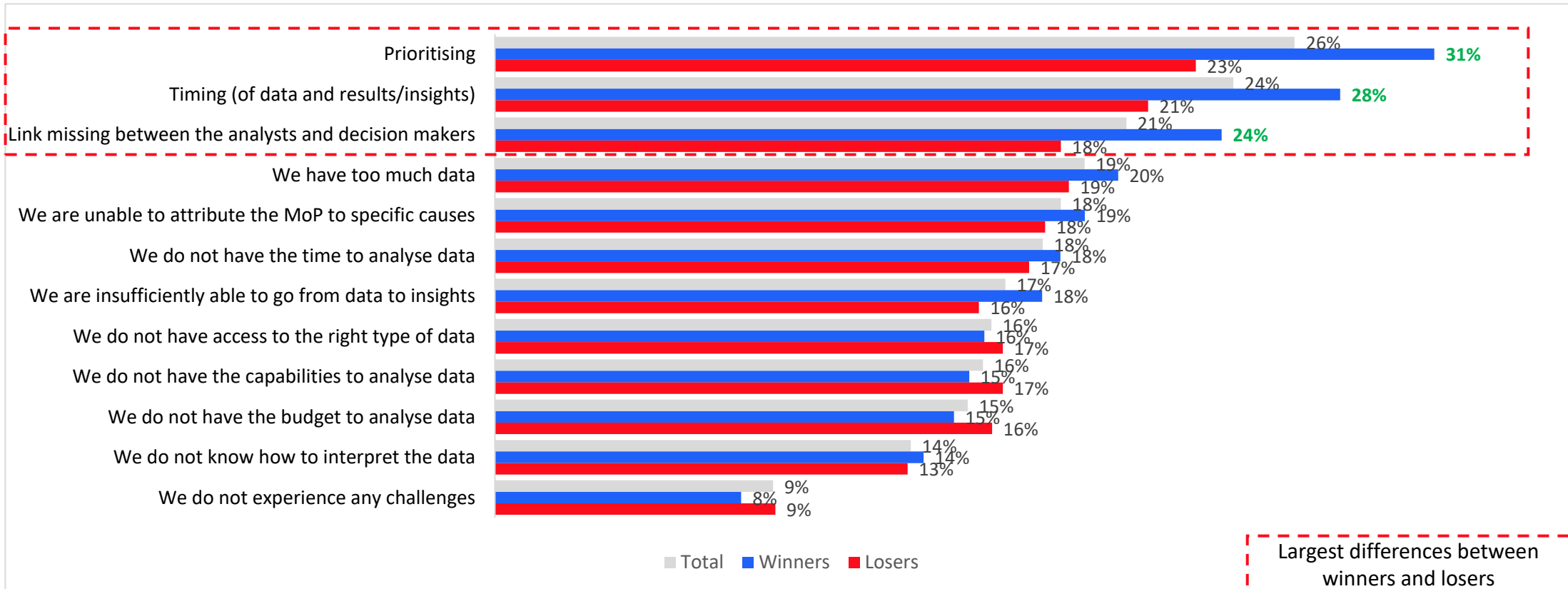
SALES DATA AND SOCIAL MEDIA DATA ARE USED THE MOST



xx% significantly higher than the other group.

CHALLENGES ON USING DATA ON THE MOP

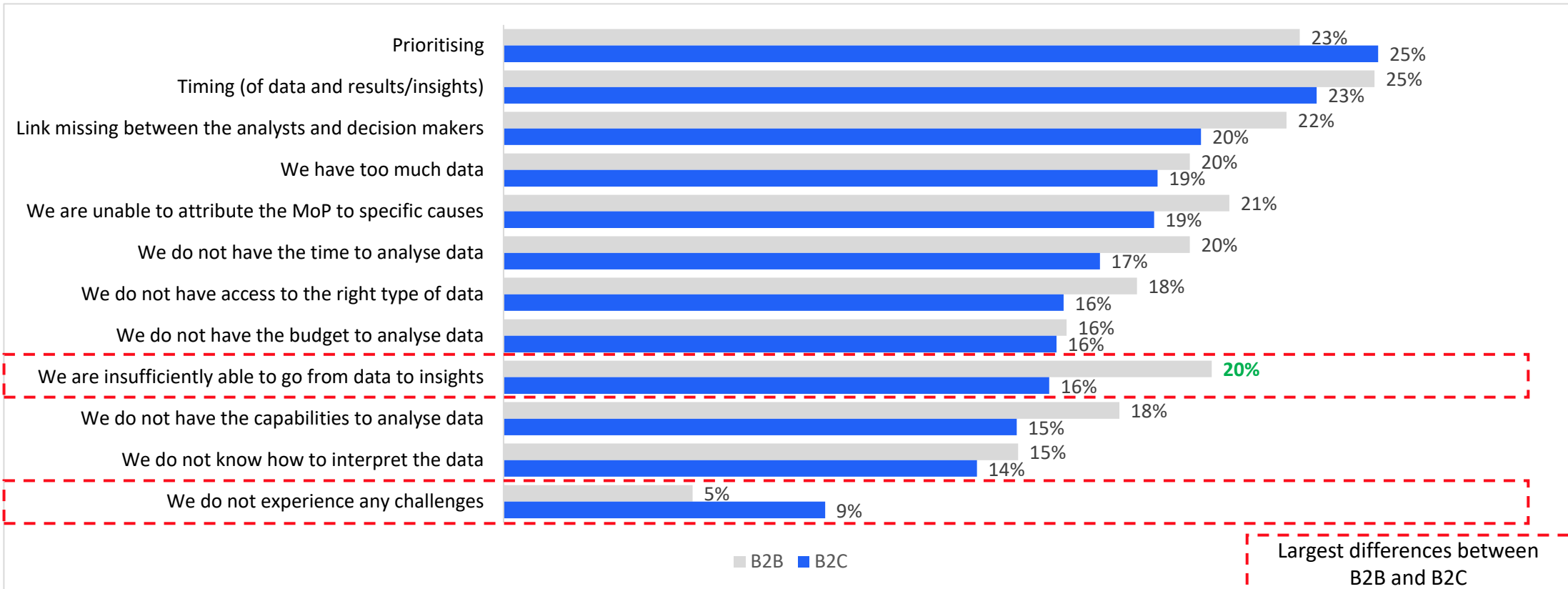
The most important challenges on using data on the MoP are prioritising, timing, and the link between analysts and decision makers. Interestingly, we see that winners experience more challenges than losers, especially on the three most important ones. It is likely that they experience more challenges since they also utilise more data on the MoP.



xx% significantly higher than the other group.

CHALLENGES ON USING DATA ON THE MOP | B2B VS B2C

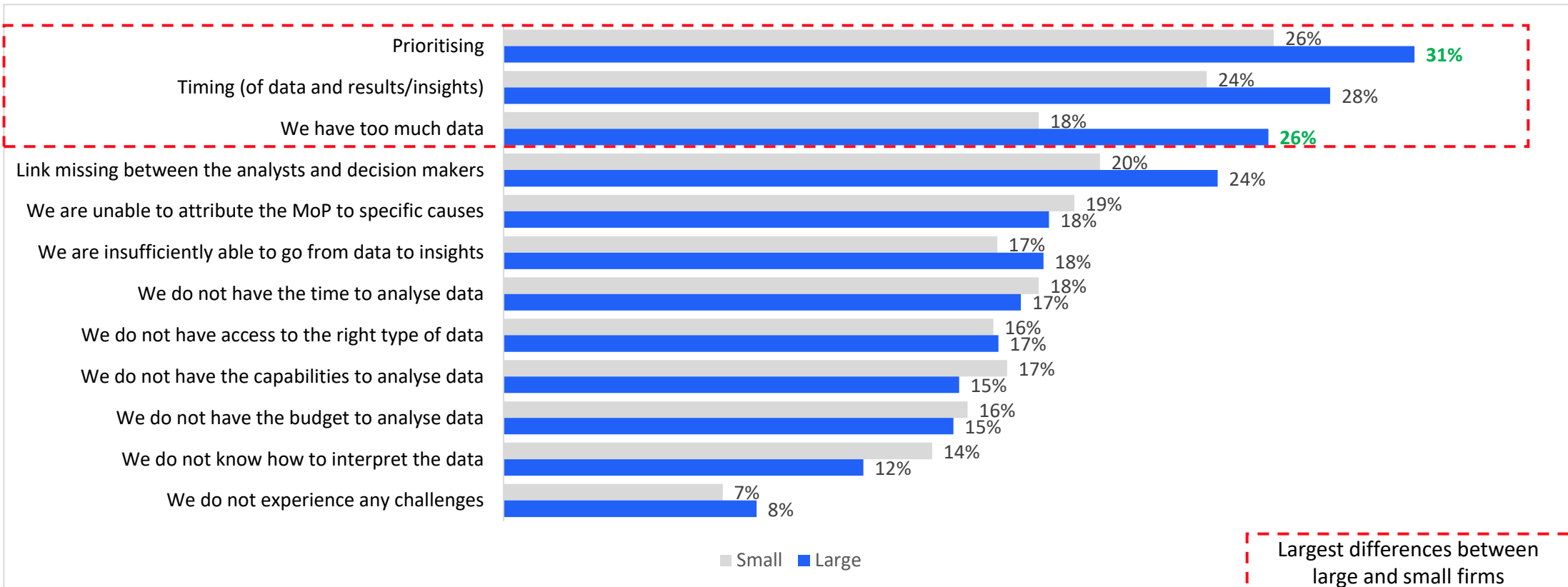
The most important challenge on using data on the MoP for B2C firms is prioritising, whereas for B2B firms it is timing. For the rest we observe large differences on the challenge 'we are insufficiently able to go from data to insights' and 'we do not experience any challenges'. Overall, we also find that B2C firms experience slightly less challenges than B2B firms.



xx% significantly higher than the other group.

CHALLENGES ON USING DATA ON THE MOP | LARGE VS SMALL

We do not observe many differences in challenges for small versus large firms, which seems a bit surprising as large firms are using more data on the MoP. Interestingly, large firms do indicate significantly more than small firms that they have too much data and have difficulties prioritising.



xx% significantly higher than the other group.



QUOTES ON CHALLENGES

From the qualitative in depth interviews we can illustrate some of the challenges.

- “The media landscape has become much more fragmented and *there are more touchpoints than ever*. We are able to track entire customer journeys from first research to end purchase.” – YUNE
- “Over the past two years, we saw during lockdowns that the Moment of Truth seemed to shift. Where we were used to seeing our products purchased mainly in physical drugstores, suddenly supermarkets became more important.” – VSM

KEY TAKE-OUTS ON USING DATA ON THE MOP

- About 50% of respondents indicate they have **a lot of data available on the MoP** and **analyse these data better** than competition. Again, we observe large differences between winners and losers (+14%). B2B and large firms agree more that they have a lot of data available on the MoP and that they analyse those better than competition, compared to B2C and small firms.
- The extent to which data is used on the MoP differs: Winners, large- and B2B firms use significantly more data on the Moment of Purchase than their counterparts. The average for all respondents lies at 67.8% data-usage.
- **Sales data and social media data** are being used the most on the MoP. Winners use data more than losers. Social media data is being used more by B2C firms than B2B firms. Large firms use more data than small firms.
- The most important challenges on using data on the MoP are **prioritising, timing, and the link between analysts and decision makers**. Interestingly, we see that winners experience more challenges than losers, especially on the three most important ones. It is likely that they experience more challenges since they also utilise more data on the MoP.

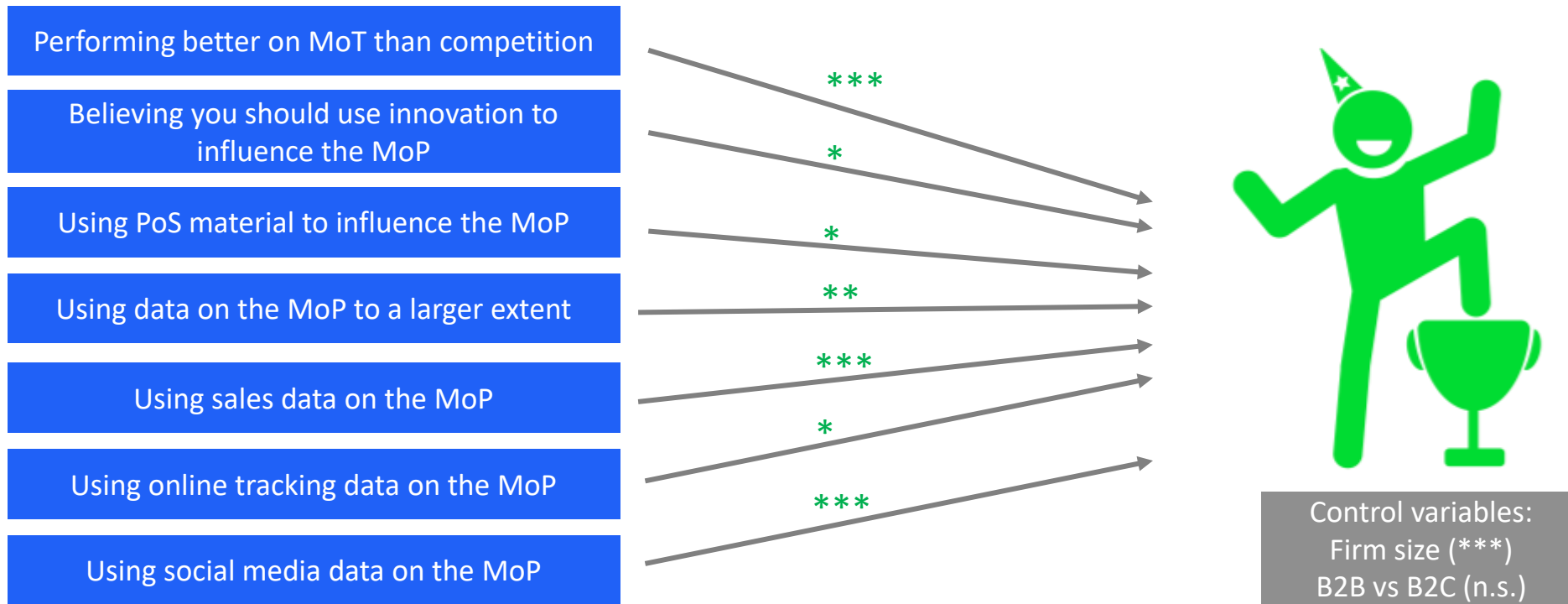
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- **Summary & recommendations**

WHICH MOMENT OF TRUTH ELEMENTS ARE DRIVERS OF BECOMING A WINNER?

To summarise all findings, we conducted a logistic regression analysis by using the different questions on the MoT as explanatory variables for being a winning company. We find that significant drivers of winning companies are ‘performing better on the MoT than competition’, ‘believing you should use innovation to influence the MoP’, ‘using data to a larger extent’, and using sales and social media data on the MoP.



Legend: * = significant at 10%-level, ** = significant at 5%-level, *** = significant at 1%-level. All reported effects are positive (parameter estimates for a logistic regression are difficult to interpret, therefore, we only provide the direction and significance of the effect)

IN SUMMARY, THE MOMENT OF TRUTH IS ...

Important for every company. And having defined a Moment of Truth is only the first step to success. For many firms, the Moment of Truth = the Moment of Purchase (MoP).

To win at the MoP you should use innovation and creative strategy. Winners do that more and spend more on influencing the MoP. They do that by spending most on social media, the website, online advertising, price, and promotions. Social media is used much more by B2C firms than by B2B firms. And we observe that larger companies spend more on almost all, and especially the more costly, media.

To learn about the MoP and what is important for your customers, you can use data on the MoP and analyse those. We see that winners are better at doing this than losers. Consequently, they experience more challenges in prioritising, timing, and the link between analysts and decision makers. B2C firms specifically, use more social media data to analyse the MoP. And especially large firms, more than small firms, believe they have too much data on the MoP.

Our recommendations are:

1. Define your Moment(s) of Truth! It may sound obvious, but it is the first step to success.
2. Utilise your marketing activities based on where your customers are and how they can be influenced.
3. Use data on the MoP/MoT to learn what your customers believe is important and how to win.

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