THE EXCESS FACTOR

How small brands can leverage equity to challenge leaders

The Small Brand's Dilemma

In the battle for consumer hearts and minds, it often feels like the game is rigged. Large, established brands with vast budgets dominate, leaving smaller players fighting for attention. But what if growth for small brands lies not in mimicking the giants, but in forging a distinct playbook?

Small brands face steep hurdles: Limited budgets, low visibility, and the constant struggle to compete with category leaders. Binet & Field's concept of **Excess Share of Voice (ESOV)** shows that brands grow when their Share Of Voice exceeds their market share. For small brands, however, sustaining ESOV is difficult, forcing them to focus on smarter, more targeted marketing.

This paper introduces an alternative – **Excess Consumer Demand**, where a brand's equity outpaces its market share. This dynamic serves as a predictive growth engine for challengers, shifting focus from raw spending to generating disproportionate Brand Desire[1]. We'll explore how small brands turn latent demand into rapid growth. This will provide marketers with a playbook to drive outsized results without giant budgets.

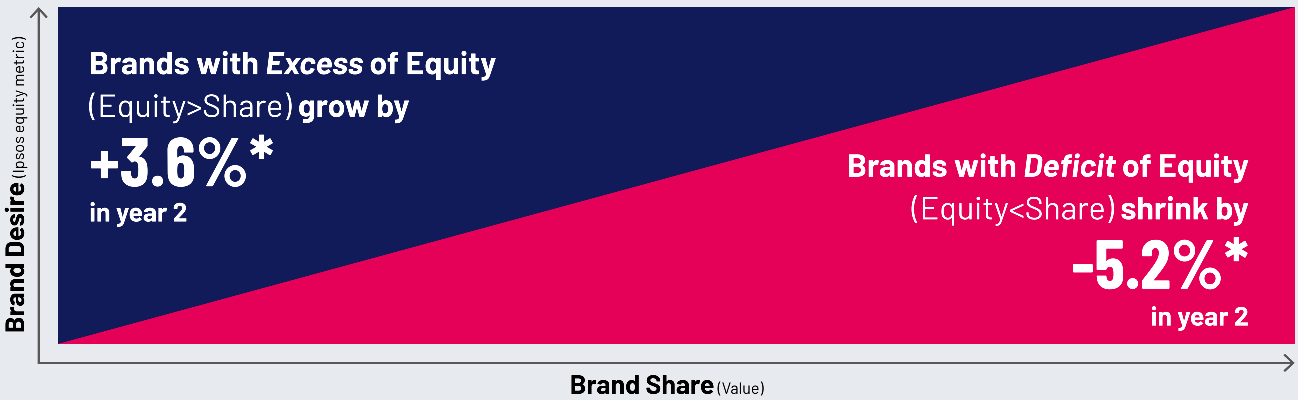
What is Excess Consumer Demand?

Small brands don't grow by shouting louder — they grow by generating more *Brand Desire* than their current market size would predict. This paper links three years of household purchase data across 430+ brands with Ipsos survey-based ***Brand Desire*** — a concise equity metric showing how much consumers *want* a brand relative to alternatives. In essence, it reflects a brand's organic demand within its category.

When *Brand Desire* exceeds market share, the brand holds **excess consumer demand**, or **excess equity** — punching above its weight in people's minds. The link between excess demand today and sales growth tomorrow is strikingly direct: Across 438 matched cases, brands with excess equity grew sales by about **3.6%** (in the subsequent year), while those with a deficit declined **5.2%**. Simply put, when people want you more than your footprint suggests, sales catch up; when they want you less, the market pulls you back.

> **For marketers under pressure to do more with less, this is a roadmap for outperforming category leaders without matching their spend – by designing brands that are more desired, more often, and easier to choose.**

Figure 1



Equity is measured by Brand Value Creators' Brand Desire, reflected in the brand equity score. Average % growth in share of sales (in value) per segment of brands (top quintile i.e. top performers vs Bottom quintile i.e. worst performers. 438 cases with plus or minus 1% market share in year 2 vs year 1.

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The Small Brand Superpower

Our data shows that small brands start with a penetration handicap[2], but not necessarily on consumer demand. In our dataset, small brands typically reach less than 5% household penetration over 12 months, while big brands reach 29% or more. Yet small brands can still be used or considered by a sizable fraction of their addressable audience, meaning many more people are willing to buy them than actually do so. That gap between low penetration and a relatively broad size of consideration set is the small brand superpower.

Excess equity is a governing metric of brand health, signaling whether your brand is over- or under-earning its place in the market.

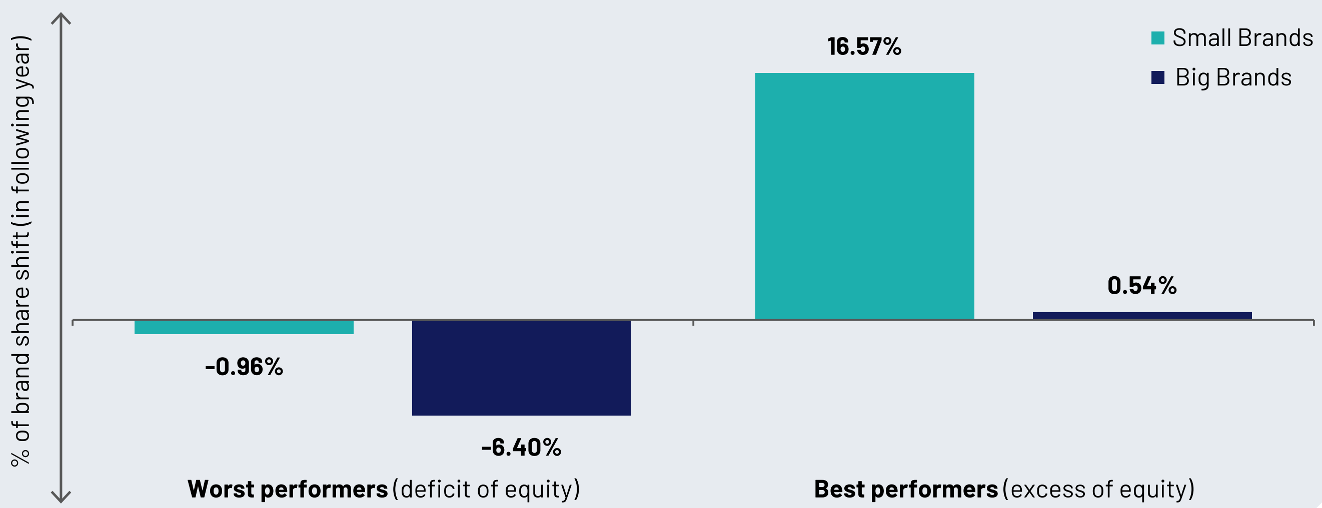
Figure 2

	Small Brands	Medium Sized	Big Brands
Distribution in database	21% of cases	36% of cases	43% of cases
HH Brand Penetration	4.8% or less	Between 7.7%-22.3%	29.3% or more
Consideration Set (Brand used or considered)	42% or less	Between 58%-63%	66% or more

When small brands succeed in turning that consideration into excess equity, the payoff is dramatic. Among small brands, those in the top 20% with excess equity deliver value sales growth of around 16.6% in the following year. By contrast, big brands with excess equity still grow, but at a more modest level because they are already closer to saturation and face higher inertia due to shopper habits. For small brands, excess equity effectively converts latent fandom into rapid, compounding growth.

The central question, therefore, is how small brands can lay the foundation to generate demand disproportionate to their actual market share. While Binet & Field define excess share of voice in simple quantitative terms (i.e. how much a brand spends on media), achieving excess equity is more nuanced. It requires a multi-faceted approach that integrates both brand strategy and in-market activation.

Figure 3



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The Challenger's Playbook: How to Build Excess Demand

Pillar 1 Chosen by more people: Build unforgettable visibility

For small brands, mere recognition or familiarity falls short — they must secure a spot on consumers' mental shortlists through active consideration and trial to drive real penetration. Building awareness without generating pull or trial sets smaller players up for failure, while large brands leverage their existing familiarity and past use for easy consideration and solid ROI from simple reminders.

What to do next

- **Focus on a well-defined audience, demand space, or occasion** to carve out a core niche before expanding.
- **Generate excess demand by designing a differentiated and superior value proposition**: Address specific (rather than generic) needs & motivations and position your brand beyond category conventions.
- **Build an engaged user base even if market penetration remains low;** small brands struggle to gain broader reach until this foundation is secure.
- **Scale visibility and reach only after establishing dominance** in your niche to ensure demand outpaces distribution.
- **Follow the ON brand model:** Generate excess demand through precision targeting, not oversized budgets.

> **For small brands, real penetration comes from securing a spot in consumers' consideration and trial sets.**

ON shows how a focused challenger can build excess demand by being highly visible to the right people rather than outspending giants on mass reach. Launched in Switzerland in 2010 with its distinctive CloudTec cushioning, ON pairs technical performance with a minimalist "nude" aesthetic — clean lines, a restrained palette, and visible precision — appealing to runners who value product science over flash. Despite holding under 3% of global market share versus Nike and Adidas's combined 58%, ON built its brand on a clear, ownable promise: Making runners feel like they're running on clouds.

Instead of chasing broad celebrity endorsements, ON targeted passionate runners, run communities, and emerging tennis athletes through digital content, user stories, and grassroots events that showcased authentic experiences of its unique ride. Its refined visual identity — rejecting the dark, "no-pain-no-gain" conventions of sports design — combined with a rational-emotional story of elegance and effortlessness, created distinction and Desire. Long before it could match major competitors' budgets, ON became a premium, top-of-mind choice within its niche by turning a tight, science-led narrative into cultural momentum.

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Pillar 2

Be chosen more often: Closing the closeness gap

Building emotional connections is central to growing small brands, with brand authenticity, transparency, and empathy at the core. Ipsos Brand Equity data, drawn from over 2,600 studies, reveals that small brands score 96 on a "brand closeness" index, slightly below the perfect score of 100 achieved by larger brands[3]. This closeness gap represents the critical frontier for small brand growth. Closing it moves a brand beyond mere awareness to being genuinely desired by consumers — directly fueling the creation of excess demand.

What to do next

- Build a **genuinely distinctive & different position** that resonates with the target.
- Foster **empathetic & active engagement** with consumers to nurture loyalty and build emotional closeness.
- **Claim a consistent demand space** across adjacent categories to expand how consumers engage with and experience the brand.
- **Design new habits** and curate distinctive experiences that foster authentic connections larger brands can't easily replicate.
- Combine these efforts to create **unique consumer expectations** only your brand can fulfill—deepening emotional appeal and driving repeat choice.

> **Authenticity, transparency, and empathy power the emotional connections that grow small brands.**

Dr. Squatch demonstrates how building emotional connections through brand authenticity and empathy drives rapid growth. Growing from $5 million in 2018 to $400 million in 2024, the brand carved an anti-category niche with natural soap and deodorant featuring exfoliating grit, rugged scents like Pine Tar, retro packaging, and B-corp certification—rejecting synthetic, gender-neutral rivals.

It fostered closeness with Gen Z and millennials through viral, humorous content on TikTok and YouTube that playfully called out "sh*t soap," boosted by celebrity partnerships. Subscriptions account for a third of revenue, supporting strong retention, while playful collaborations with brands like Star Wars and Minecraft fuel excitement and limited-edition sales. This irreverent, masculine personality creates genuine resonance, turning customers into a cult-like community.

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Pillar 3 Chosen more easily: Available and accessible

Small brands don't need massive scale to turn demand into sustained growth — they need strategic accessibility. Our Brand Equity database reveals that while category leaders convert 78% of awareness into usage, small brands convert only 30%. This gap highlights the challenges smaller brands encounter due to limited physical availability. Yet, the answer isn't simply to buy broader distribution; it's to fuel stronger consideration. On this front, small brands hold a clear edge, converting 22% of awareness into consideration versus just 13% for leaders. To capitalize on this advantage, small brands must act smarter — making your brand relevant in specific contexts and striving to own these consumption or usage moments to unlock their full potential.

What to do next

- Start by being **highly contextually relevant:** Tailor marketing and presence to local cultures, events, and mindsets so your brand feels timely, personal, and indispensable.
- Secure high-impact **must-win points of presence** (e.g., Liquid I.V. at liquor store checkouts) to maximize mental and physical availability with your core audience.
- Streamline **repeat purchases** through subscriptions, bundles, and easy reorders to cut decision fatigue, lock in loyalty, and stabilize revenue, as Freshpet demonstrates.

Small brands win by acting smarter – owning context and consumption moments.

Freshpet illustrates how small brands can win by making premium products easier to choose through unique availability and accessibility. Founded in 2006 and reaching nearly $1 billion in net sales in 2024 this pioneer in fresh premium pet food bypassed traditional stocking barriers via custom-branded refrigerators in over 27,000 stores, ensuring eye-level prominence and freshness signaling. Its DTC delivery platform further removes friction, offering subscription plans with personalized nutrition direct to doors, while riding the pet humanization trend through "it's real food" campaigns that educate on health benefits over kibble. This dual strategy—guaranteed in-store visibility plus seamless home access—made trial effortless, fueling US household penetration to 13.5 million.

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Key takeaways

Make **excess equity** your primary health metric: Is your Brand Desire higher than your current share, and is that gap growing or narrowing?

Track whether your brand **is more desired than its current share,** and make that gap your **core KPI** for long-term growth management.

Once you create **excess demand,** double down on **penetration levers** — distribution, visibility, and pack strategy — to convert stored desire into buyers.

View **excess consumer demand** as a **leading growth indicator,** not a vanity metric. It shows whether your brand is over or under earning relative to its availability.

If demand **outruns share**, you have untapped opportunity — unlock it through improved availability and pricing. If demand **lags share**, reassess your go-to-market & brand strategy, as you're overpaying for distribution your equity can't sustain.

Go beyond the **"excess share of voice"** mindset with **"excess equity"** thinking: Focus on the outcome that matters — latent demand in people's minds relative to what the brand actually sells.

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Conclusion

Small brands don't need bigger budgets; they need disproportionate desire. When desire dramatically outpaces share, growth follows. The primary challenge for small brands is to leverage excess consumer demand to gradually build broader reach, while keeping messaging, experience, and availability aligned around a core audience.

Treat excess equity as the governing metric of brand health, the signal of whether your brand is over- or under-earning its place in the market. The small brands that build faster than they spend win not by shouting louder, but by creating more people who want them — and making it easier to choose them.

To make that engine repeatable, marketers must measure Brand Desire on an ongoing basis and use it to steer investment, so every decision compounds excess demand and ensures marketing delivers the greatest possible return.

Agile brand measurement with strategic depth

To help challenger brands navigate this landscape, we developed Ipsos **Brand Health Essentials.** Leveraging our digital end-to-end platform, this solution offers a streamlined, cost-effective path to high-level strategy — delivering speed and simplicity without sacrificing substance. By combining our validated ***Brand Desire*** framework with agile, focused brand tracking, it provides clear directions marketers need to outperform the competition. Brand Health Essentials empowers small and mid-sized brands to effectively monitor equity, diagnose relevant growth levers, and ultimately translate consumer demand into sustained commercial outcomes.

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Sources:

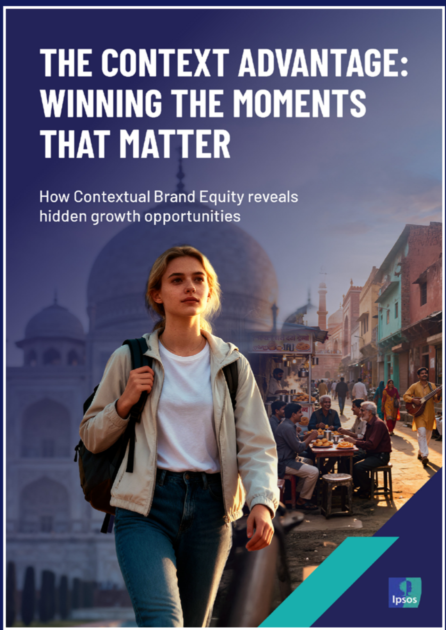
1 Ipsos' Equity summary metric (derived from Brand Value Creator).

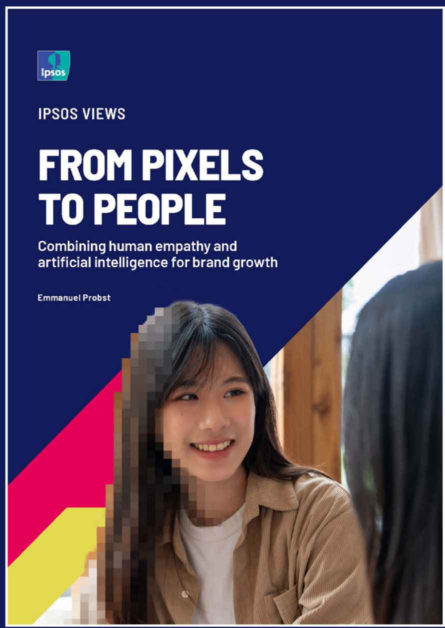
2 Household penetration derived from consumer panel data. These figures were matched to comparable survey data by category.

3 Average Brand Closeness indexed to Brand Performance, across 2660 Brand Value Creator studies conducted in 2025.

4 Brand Consideration indexed to Brand awareness, across 2660 Brand Value Creator studies conducted in 2025.

Further Readings:





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