How Brands Grow By Byron Sharp

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INTRODUCTION: RETHINKING EVERYTHING YOU THOUGHT YOU KNEW ABOUT BRAND GROWTH

In the crowded world of marketing literature, few books have sparked as much debate and paradigm shifting as **How Brands Grow** by Byron Sharp. Published in 2010, this landmark work challenged decades of conventional wisdom about loyalty, targeting, and differentiation. Drawing on rigorous empirical evidence from the Ehrenberg-Bass Institute for Marketing Science, Sharp presents a set of universal laws that describe how brands actually grow—and how they don't.

For marketers, brand managers, and business owners who have been taught to focus on building deep loyalty among a small segment of highly engaged customers, Sharp's findings are nothing short of revolutionary. The central message of **How Brands Grow** is simple yet profound: growth comes from increasing a brand's mental and physical availability, not from winning the hearts of loyalists. In this comprehensive guide, we will explore the core principles of Sharp's work, examine the evidence behind his laws, and discuss actionable strategies that any brand can apply to achieve sustainable growth.

THE FOUNDATIONS: WHY MOST MARKETING TEXTBOOKS ARE WRONG

Before diving into the specific laws, it is essential to understand the data-driven methodology that underpins **How Brands Grow**. Byron Sharp and his colleagues analyzed thousands of purchase panels across dozens of categories and countries. What they found consistently contradicted the widely accepted "loyalty ladder" model, which suggests that brands should move consumers from awareness to trial to repeat purchase to loyalty. Instead, Sharp discovered that almost all brand growth follows predictable statistical patterns—patterns that are largely indifferent to emotional engagement, loyalty programs, or niche targeting.

The key takeaway is that markets are not neatly segmented. Most buying behavior is surprisingly similar across brands within a category. People buy a brand because it comes to mind easily (mental availability) and because they can find it easily (physical availability). These two factors, rather than deep differentiation or superior satisfaction, are the primary drivers of growth.

The Double Jeopardy Law: The First Pillar

One of the most robust findings in **How Brands Grow** is the **Double Jeopardy Law**. This law states that smaller brands suffer twice: they have fewer buyers, and those buyers are slightly less loyal. Conversely, larger brands have more buyers who are also more loyal. This pattern holds across categories—from soft drinks to cars to detergent.

The implication is profound: the difference between a big brand and a small brand is not about loyalty rates but about the sheer number of buyers. A giant brand like Coca-Cola does not have fanatically loyal customers who buy only Coke; rather, it has a huge pool of light buyers who purchase Coke occasionally. Those light buyers—people who buy the brand only a few times a year—are the engine of growth. According to Sharp, attempting to increase loyalty among existing heavy users yields minimal returns. The real opportunity lies in reaching more light buyers and converting non-buyers into occasional buyers.

The NBD-

Dirichlet Model: Predicting Buyer Behavior

Closely related to the Double Jeopardy Law is the **NBD-Dirichlet model**, a statistical distribution that accurately predicts how often people buy a brand and how many people buy it. The model shows that for most packaged goods categories, the majority of buyers are light buyers—people who buy the brand only once or twice per year. Even for market leaders, the typical customer is not a loyalist but a multi-brand shopper.

Sharp argues that brand managers often overestimate loyalty because they focus on retention statistics, which can be misleading. In reality, customers who stop buying a brand are quickly replaced by new light buyers. The model forces marketers to accept that churn is normal and that the only way to grow is to increase the inflow of new buyers—usually light ones.

HOW BRANDS ACTUALLY GROW: THE TWO KEY DRIVERS

Building on the empirical laws, **How Brands Grow** identifies two fundamental growth drivers: mental availability and physical availability. These concepts have become central to modern marketing strategy.

Mental Availability: Being Easy to Think Of

Mental availability means that a brand is top-of-mind and easily recalled in buying situations. It is not about general awareness but about having strong, distinctive memory structures that link the brand to the category and to purchase cues. For example, when someone thinks "need a quick snack," a brand like Cadbury or Mars comes to mind because of years of consistent advertising that associates the brand with snacking occasions.

Sharp emphasizes that mental availability is built through **distinctive assets**—colors, jingles, logos, slogans, and packaging elements that are unique to the brand and repeatedly used across touchpoints. These assets create mental shortcuts that help consumers notice and retrieve the brand. Crucially, the goal is not to differentiate deeply but to make the brand easier to think of. This is a key departure from the traditional focus on positioning and unique selling propositions.

- **Distinctive assets** must be consistently used over time. Changing a logo or a jingle frequently erodes mental availability.

- **Creative consistency** matters more than novelty. The same brand cues should appear in advertising, packaging, in-store displays, and digital content.
- **Broad reach advertising** is the most efficient way to build mental availability. Targeting niche segments with tailored messages is less effective because it limits the brand's exposure to light buyers.

Physical Availability: Being Easy to Find and Buy

Physical availability refers to the ease with which consumers can purchase the brand. For physical goods, this means distribution: being stocked in as many relevant retail outlets as possible, including convenience stores, supermarkets, online platforms, and specialty stores. For digital services, it means being accessible in app stores, available across devices, and integrated into popular platforms.

Sharp argues that many brands

underinvest in distribution because they assume loyal customers will seek them out. In reality, most buyers are opportunists who choose from what is available at the moment. If a brand is not on the shelf—or if it is hard to find online—it simply loses the sale to a competitor that is more available. Physical availability also includes ensuring the brand is stocked in the right pack sizes, price points, and locations that match typical buying occasions.

IMPLICATIONS FOR MARKETING STRATEGY

The principles of **How Brands Grow** have significant implications for how marketers allocate budgets, design campaigns, and measure success. Below are the most actionable lessons from Sharp's work.

Reach Over Retention

Perhaps the most controversial implication is that retention (customer loyalty) should not be the primary focus. Sharp's data shows that retention rates are remarkably stable across brands and are largely determined by market share. Trying to increase retention by improving service or loyalty programs typically yields marginal gains. Instead, marketing should prioritize **reach**—the number of people who interact with the brand in a given period. This means investing in mass media, broad digital campaigns, and widespread distribution rather than hyper-targeted ads to existing customers.

Light Buyers Are the Growth Engine

As mentioned earlier, light buyers are the majority of customers for any brand. They buy infrequently but collectively account for a huge share of sales. A brand that wants to grow must attract more of these light buyers. This requires marketing that is simple, repetitive, and has broad appeal. Clever, complex, or niche creative strategies may win awards but will often fail to reach the light buyers who are not deeply engaged with the category.

Distinctive Assets Over Differentiation

Many brands waste resources trying to create a unique selling proposition that makes them stand out. Sharp argues that true differentiation is rare and often temporary. Instead, brands should focus on building and protecting **distinctive assets** that make them easy to notice and remember. For example, the shape of a Coca-Cola bottle, the M&M's characters, or the Intel jingle are all assets that have been built over decades. These assets do not differentiate the product—they make the brand more mentally available.

Advertising Must Be Consistent and Broad

Sharp's research shows that advertising's primary function is not to persuade or convert but to **reinforce memory structures**. This means advertising should be simple, repetitive, and broad-reaching. It should remind people of the brand and link it to category cues. Creative that changes frequently or tries to tell a different story each time is less effective than a consistent campaign. Moreover, advertising should target light buyers and non-buyers, not just heavy users.

Price Promotions: A Double-Edged Sword

Byron Sharp is not a fan of price promotions as a growth strategy. He notes that while promotions can temporarily boost sales, they often attract existing buyers who would have paid full price, and they train consumers to wait for discounts. Furthermore, promotions do not build mental or physical availability—they simply shift short-term demand. Sharp recommends using promotions sparingly and only when they can help gain distribution or encourage trial among new buyers.

CRITICISMS AND LIMITATIONS OF THE HOW BRANDS GROW FRAMEWORK

No book is without detractors, and **How Brands Grow** has faced its share of criticism. Some marketers argue that Sharp's laws are based primarily on packaged goods categories and may not apply to luxury brands, services, or high-involvement purchases like cars or electronics. Others contend that the data ignores the role of emotional branding and community building, which can create genuine loyalty and advocacy.

Sharp himself acknowledges that the laws are probabilistic, not deterministic. They describe what typically happens, not what must happen. Some small brands do achieve rapid growth by creating truly novel products or by building cult-like followings. However, Sharp would argue that these cases are exceptions and that the laws hold for the vast majority of brands in competitive categories.

Another limitation is the assumption that "brands grow by gaining new buyers" may be less relevant in declining or mature markets where the total number of buyers is shrinking. In such cases, defensive strategies to protect existing share might be necessary. Still, even in those scenarios, maintaining mental and physical availability remains critical.

PRACTICAL STEPS TO APPLY HOW BRANDS GROW TODAY

Bringing the book's insights to life requires a shift in mindset and a willingness to challenge embedded practices. Here are concrete steps:

1. **Audit your distinctive assets.** Identify the colors, logos, jingles, and pack shapes that are unique to your brand. Measure their recognition and ensure they are used consistently across all channels.
2. **Measure penetration and loyalty.** Track your brand's penetration (percentage of category buyers who buy your brand) and compare it to the Double Jeopardy benchmark. If your loyalty is much higher or lower than expected, investigate why.
3. **Invest in broad reach.** Shift media spend from narrow targeting to broader platforms that reach light and non-buyers. Consider mass media like TV, outdoor, or social media with wide demographic targeting.
4. **Simplify your creative.** Ensure that every ad clearly links your brand to a clear category need. Avoid overly clever or complex messages that are hard to recall.
5. **Expand distribution.** Work to get your brand into more outlets, including online marketplaces and

convenience channels. Physical availability often drives more growth than any advertising campaign.

6. **Reduce reliance on price promotions.** Use promotions only to gain distribution or to encourage trial among new users, not to prop up loyalty.
7. **Embrace repetition.** Run the same campaign long enough to build memory structures. Avoid changing your creative direction every quarter.

CONCLUSION: THE POWER OF EMPIRICAL MARKETING

How Brands Grow by Byron Sharp is not just a book—it is a call to bring scientific rigor to marketing. Its laws, based on decades of data, provide a reliable framework for understanding how brands actually behave in competitive markets. The message is clear: most growth comes from reaching more people, not from deepening relationships with existing customers. By focusing on mental and physical availability, and by accepting the reality of double jeopardy, marketers can make smarter, more effective decisions.

While the book challenges many cherished beliefs, its insights have been adopted by major companies worldwide, from Procter & Gamble to Mars to Coca-Cola. For any marketer looking to drive real, sustainable brand growth, understanding the principles of this book is no longer optional—it is essential. Whether you are a startup or a market leader, the path to growth lies in the simple, evidence-based rules that Sharp so compellingly presents.