

The Disruptor's Toolkit

The 0 to 500 Crore Playbook for Challenger Brands



Foreword



Over the years, the real masterclass in consumer behavior has come from the Indian shopper. They have evolved from typing hesitant, single-word searches just to find an address, to researching practically everything online, to now demanding uniqueness and authenticity on their own terms. It is this unapologetically experimental consumer—increasingly willing to take risks and try new brands—that is actively reshaping India's retail landscape.

That appetite to explore has moved decision-making far away from a neat, predictable funnel into what we call the messy middle. Between the initial trigger and the final purchase, people loop continuously through discovery and validation. In this environment, shoppers aren't loyal out of habit; they are loyal to relevance. This shift, accelerated by rapid digital commerce and instant delivery channels, gives agile Challenger Brands an immediate runway to build national trust, growing 2–3x faster than their broader categories by solving specific consumer problems. Endurance today is about pairing trusted foundations with the agility to win in that messy middle.

What does winning that intent actually look like in real life? It's meeting consumers in everyday micro-moments: snapping a photo on Lens to track down a pair of shoes spotted on the street, asking AI Search nuanced questions about sunscreen for a specific skin type, or watching a YouTube creator break down whether a trending protein powder is worth the hype. Consumers aren't thinking about funnels; they're simply turning to Search and YouTube to cut through the noise and back their choices with confidence.

We know this journey because we've walked it alongside India's most ambitious founders and established market leaders. Every day, we partner with businesses to turn these behavioral shifts into commercial scale. By combining high-intent search signals with AI-driven performance capabilities, we help brands show up with relevance in the micro-moments that matter most—ensuring every interaction builds lasting equity.

This playbook distills those very learnings. By decoding shifting consumer signals and unpacking the five Codes of Success—Brand Positioning, Credibility, Creative Strategy, Channel Mix, and Media Activation—we share practical principles that work in the real world. Whether you are building the next breakout challenger or guiding an iconic brand into its next chapter, we hope these insights help power your next phase of growth.



Satya Raghavan,
*Director, Marketing Partners,
Google India*

India's brand landscape is being rewritten in real time.

For decades, scale, distribution reach and shelf presence defined competitive advantage. While these fundamentals remain important, our research suggests that a new source of value is emerging, distinctiveness. In an increasingly fragmented marketplace, the brands that stand out are not necessarily those that are the largest, but those that are the most relevant, memorable, and meaningful to consumers.

This report explores how the drivers of brand distinctiveness are evolving, creating fresh opportunities for both established market leaders and ambitious new entrants. It highlights a fundamental shift in consumer behaviour, one that is reshaping categories, redefining competition and challenging conventional growth models.

At the centre of this transformation is a new generation of challenger brands. Hyper-niche, digitally native and built for speed, these businesses are demonstrating an exceptional ability to identify emerging consumer needs and respond with precision. Yet this is not a story about disruption for disruption's sake. It is a story about understanding consumers more deeply and serving them more effectively.

Today's consumers are increasingly moving beyond broad category choices in favour of solutions tailored to their individual needs. Hair care is no longer a single category; it encompasses hard-water solutions, scalp-health regimens and personalised treatments. Snacking is no longer simply about indulgence; it is increasingly shaped by gut health, protein intake and functional

nutrition. Across categories, personal relevance is becoming a powerful driver of brand choice.

Challenger brands have built successful businesses around this shift. By combining precision targeting, asset-light operating models, platform-native discovery and rapid innovation cycles, many are outpacing category growth by two to three times. Their success offers valuable lessons, not only for emerging brands but also for established organisations seeking to remain competitive in a rapidly evolving market.

The implications extend beyond marketing. As consumer needs become more nuanced and dynamic, the ability to identify, interpret and respond to these signals will increasingly determine which brands create enduring relevance and sustainable growth. The future belongs to brands that can combine scale with agility, broad reach with personal relevance, and established trust with a relentless focus on evolving consumer needs.

This report examines these shifts in depth and offers insights into how brands can navigate, and thrive in, India's next era of growth.



Prasanth Kumar

CEO, WPP Media South Asia

Foreword



Having spent over two decades watching small Indian consumer brands take on giants, we at Elevation Capital are still not tired of the spectacle. It's thrilling to witness a founder with a sharp idea walk into a category that a multinational has owned for years and yet refuse to be intimidated. David and Goliath is an old story, but India is writing a version that's worth reading closely.

The battlefield for consumer brands in the country has starkly changed. For decades, brands lived or died by access to shelves, and shelves belonged to the incumbents. That advantage has thinned. A challenger today can reach consumers within weeks, learn from every interaction, and build a following before the incumbent's planning cycle concludes. The playing field has leveled, and level ground is all a good founder needs.

Our conviction here is anything but theoretical. Elevation Capital has backed founders from Seed through IPO and beyond, standing behind companies like Paytm, Swiggy, Meesho and Urban Company as they grew into household names. We have brought that same patience to consumer brands, with investments over ₹2000 crore in businesses such as Country Delight, The Souled Store, Mosaic Wellness, Chaayos, Comet, California Burrito, BlissClub, Yoga Bar and more. Several of the companies we worked with are approaching, or have crossed, the ₹1000 crore revenue mark. These journeys taught us where the challenger's edge actually comes from.

The best founders can see the consumer shifting in real time and understand that a brand is more than the product. The story, the community, and the conviction behind it form a moat that money struggles to buy. Incumbents who study this closeness without dismissing it as the energy of youth stand a lot to gain.

This report is a map for all players on how brands break out today. We are proud to share what we have learnt from our time building some of India's most recognisable brands, and prouder still of the founders whose journeys we represent and learn from.



Chirag Chadha

Partner, Elevation Capital

Reference

'The Disruptor's Toolkit' is a research report published by Google, WPP Media and Elevation Capital, which analyzes India's evolving consumers and new and upcoming brands

The research leverages WPP Media and Elevation Capital's analysis, Google internal data, primary research, expert interviews and industry sources to shed light on what is driving success amongst new brands in India. The information included in this report is sourced as 'The Disruptor's Toolkit', unless otherwise specified.

Disclaimer

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Research Summary

Google commissioned Kantar to investigate the rise of challenger brands in India, in particular to explore how consumer behaviour and preferences are evolving.

The research followed consumer shopping journeys, from discovery and motivations, to research, decision making and purchase.

Methodology

The research targeted 18–45 year old Indian shoppers who had either bought a challenger brand in the past 6 months, or who had bought a traditional brand and would consider buying a challenger in the near future. A mix of ages, gender and Metro vs Non Metro geos were included.

Four categories – all with challenger brands activity – were investigated: Beauty, Food & Beverage, Fashion, Apparel & Accessories and Home & Living.

The total sample size was N=1500. This equates to N=300 for each of the four challenger brand categories and N=300 for the traditional brand cell.

The survey was conducted online via online panels. Participation was voluntary and responses were self-reported. The fieldwork period ran from 13th April to 4th May 2026.

Executive summary (1/2)



01

The market has shifted from scale to relevance

India's brand landscape is shifting from legacy-led dominance to a more fragmented, consumer-driven market as broad categories splinter into micro-niches. Empowered by structural tailwinds — UPI adoption, Quick Commerce expansion, and reduced manufacturing barriers — Challenger brands are growing **2–3x faster** than their categories by solving highly specific consumer problems.

By 2030, D2C brands are projected to scale **4.5x**, capturing **30%** of the e-commerce market and creating a **\$72B** revenue pool.

02

A new Experimental Shopper is accelerating Challenger brand growth

Consumers are becoming more open to trying new brands and using social validation to navigate an increasingly fragmented market.

76% of these shoppers are more likely to purchase spontaneously, and **64%** are willing to take risks on new brands. This has fundamentally compressed the path to purchase: **55%** of Challenger buyers now make a purchase decision within a couple of days of discovering a brand through digital channels.



03

The winning model is an integrated system built on five Codes of Success

To convert highly experimental shoppers into loyal customers, brands must deploy a connected system rather than a set of isolated marketing activities:

- **Brand Positioning:** Owning a sharp, premiumized niche
- **Credibility:** Making product proof and social validation highly visible
- **Creative Strategy:** Building mental availability through returnable formats and creator integrations
- **Channel Mix:** Orchestrating D2C, Marketplaces, Q-Commerce, and Offline retail channels
- **Media Activation:** Deploying a dual engine that captures existing intent while actively creating future demand

04

The operational playbook must adapt as the brand scales

As a business scales through three distinct revenue stages, the underlying strategy must evolve accordingly:

- ₹0–150 Cr
Anchoring: Establish product-market fit, own a single niche, earn trust, and prove the core model works
- ₹150–300 Cr
Acceleration: Expand audiences, premiumize into new price tiers, and extend into new channels without succumbing to premature sprawl
- ₹300–500 Cr
Institutionalisation: Turn the challenger advantage into a scalable operating system by building structural pricing power, institutionalising credibility, and orchestrating the full mix as one omnichannel engine



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ACT 1

THE NEW MARKET REALITY



Legacy Dominance Erodes as Brand Distinctiveness Drops 3x

Over the past decade, India's once-dominant legacy brands have seen their "Meaningful Difference" sharply erode, signalling a fundamental shift in the market.

Kantar's BrandZ data shows **the share of top Indian legacy brands being perceived as truly unique has collapsed from nearly 12% in 2014 to just 4.3% in 2025**. This means only a small fraction of India's largest brands are still perceived as truly distinctive.

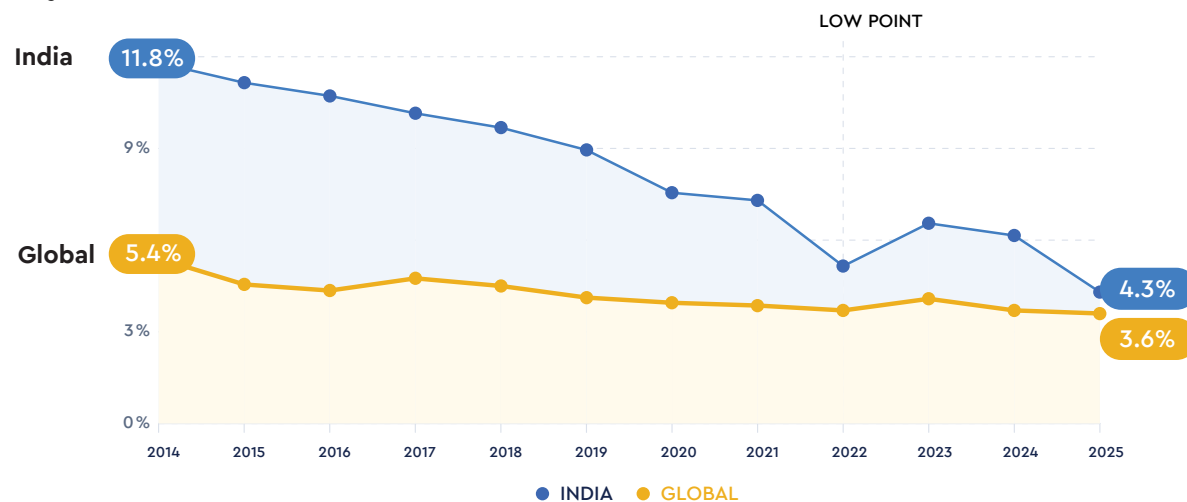
Furthermore, **out of 49 brands that have remained in the Top 75 most valuable brands over time, only 12 brands have both sustained Meaningful Difference and grown it over the long term.**

This is partly because legacy brands have drifted away from consumer-driven innovation and emotional storytelling, the very ingredients that once forged multi-generational loyalty.

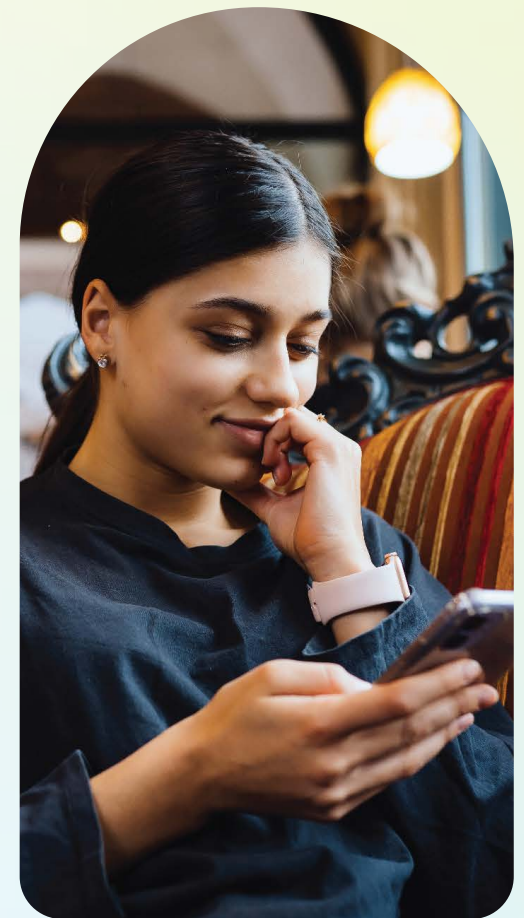
Erosion of Meaningful Difference

% of brands in India BrandZ database rated high on Meaningful Difference

Meaningful Difference over time



| Source: Kantar BrandZ 2025 | Most valuable Indian brands | Base: Kantar India Brands Database Study | Year 2014–2025



This market reset didn't happen overnight, it took three distinct phases

PHASE 1



MARKET EXPANSION

2016—2019



PHASE 2



DIGITAL ACCELERATION

2020—2021



PHASE 3



CONSOLIDATION & FRAGMENTATION

2022—2025



Each phase laid the foundation for the next

PHASE 1

2016–2019



MARKET EXPANSION



Low barriers to entry and abundant capital made it easy for anyone to start a brand. This unlocked a wave of entrepreneurship, as founders moved quickly to claim space in categories that had never faced competition

KEY DRIVERS

- Access to funding
- Democratization of Distribution

PHASE 2

2020–2021



DIGITAL ACCELERATION



The pandemic compressed years of digital adoption into months. D2C shifted from a niche channel to the default starting point for new brands, and huge funding followed. This surge also meant more brands chasing the same customers, leading to overcrowding

KEY DRIVERS

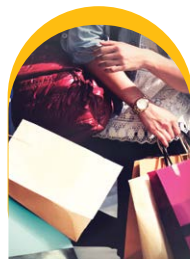
- Covid led digital transformation
- D2C as a default channel

PHASE 3

2022–2025



CONSOLIDATION & FRAGMENTATION



As overcrowding caught up with the market, individual brands responded by narrowing their focus – consolidating around solving one problem exceptionally well rather than competing broadly. But as more brands made this same move, the category itself fragmented into a long tail of micro-niches

KEY DRIVERS

- Niche segment growth
- 2X new online sellers; 600 new D2C brands

Source: Bain and Company, How India Shops Online 2023 | RedSeer, D2C Logistics Report
BCG, Ten Things You Should Know About E-Commerce in India

As the market evolved, broad categories splintered into micro-niches owned by Challenger brands



The new "Hair Care"

- Hard water solutions
- Anti-hair fall routines
- Scalp health systems
- Sulfate-free regimens
- Protein treatments



The new "Snacking"

- Protein-first consumption
- Gut health solutions
- Immunity-led choices
- Clean-label snacks
- Keto/low-carb formats



The new "Sleep"

- Orthopedic solutions
- Temperature regulation
- SmartGRID technology
- 100-night trial models
- Sleep tracking



The new "Coffee"

- Single-origin specialty
- Cold brew formats
- Subscription roasting
- Café-at-home kits
- Instant premium

| Source: Bain and Company, How India Shops Online 2023

Decoding the DNA: What sets today's Challenger brands apart?



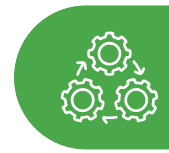
Consumer first

Built on disruption and agility. Rather than optimizing for broad scale, these brands index heavily on relevance, connection, and trust



Agile Design

Where incumbents take 18–24 months for new product development, challengers test three price variants in a week. Speed is not an advantage, it is the business model



Hyperniche by design

They address specific, contextual needs not generic categories. 'Hair care' became hard water solutions, scalp health systems, sulfate-free regimens



Platform native discovery

Born on YouTube and Social media, these brands understand algorithms as deeply as they understand their products. Discovery is engineered, not accidental

Challenger brands have outgrown the category by 2–3x in 5 years



Beauty and personal care

Ingredient-led,
problem-solution focused

BROAD



CHALLENGER

~1.6x

6x



Food and beverage

Clean-label snacks, functional
nutrition, gut health

BROAD



CHALLENGER

~1.6x

~3.5x



Fashion and apparel

Social-first brands capturing
youthful demand

BROAD



CHALLENGER

~1.7x

~2.5x



Consumer electronics

Innovative audio and wearable
tech

BROAD



CHALLENGER

~1.9x

~4.5x

| Source: Bain India (2020–2025)- Game changers 2026 report

Three structural shifts leveled the playing field for Challengers



The Demand Unlock

300M

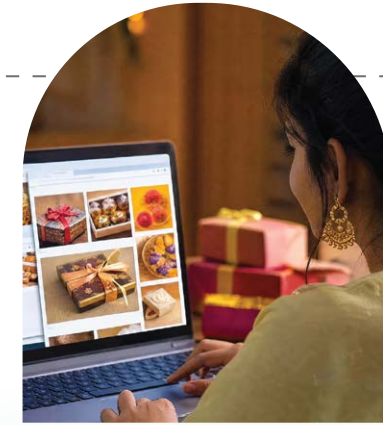
Online shoppers who actively seek novelty, niche solutions, and speedy delivery over legacy brand familiarity



The Supply Unlock

MOQ

Dramatically reduced Minimum Order Quantities (MOQs) allowed challengers to launch, test, and iterate new products in weeks rather than years



The Distribution Unlock

\$10B

Quick Commerce ecosystem (GMV) gave brands instant, nationwide shelf space without needing to build a legacy physical retail network

| Source: Google/Deloitte, India, The \$250 Billion Commerce Frontier

These forces were supercharged by India-specific digital tailwinds

UPI & Digital Payments



UPI users grew

2.4x

from 2021 to 2025, enabling frictionless digital payments and making nationwide D2C commerce accessible to brands of any size



Internet Penetration

Internet users grew

1.3x

from ~692 million in 2021 to over 900 million in 2025, expanding the reach of digital-first brands into Tier 2 and Tier 3 markets and unlocking entirely new consumer segments

Startup India Policy



Multi-year tax benefits, an 80% rebate on patent filing costs, and a

₹10,000 crore

Fund of Funds significantly lowered barriers to entrepreneurship



Creator Economy

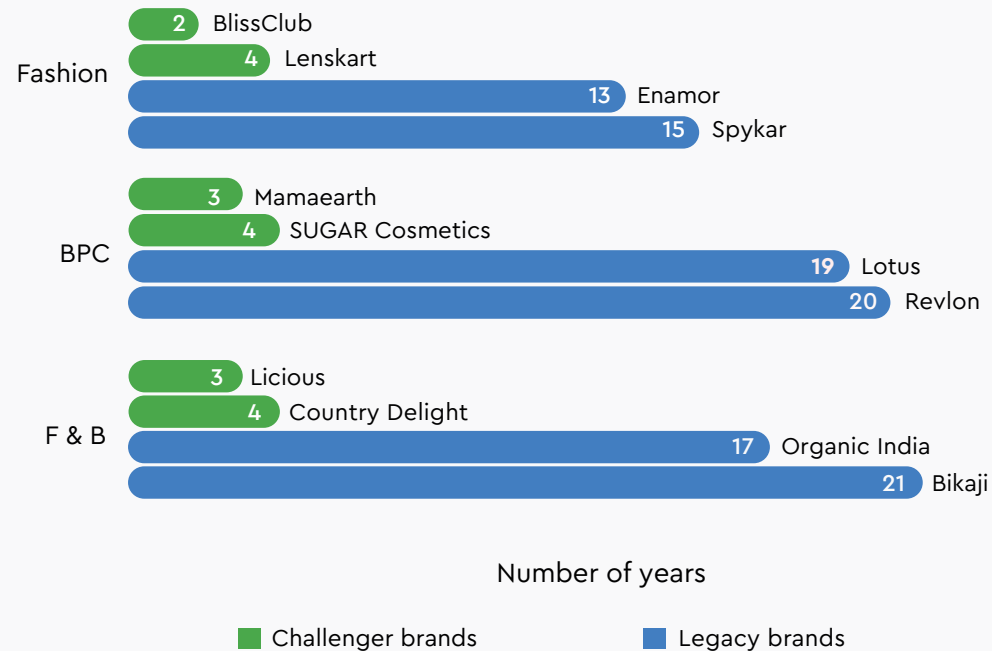
With over

4.06M

content creators, India's creator economy has grown by ~2.7x from 2021 to 2025 giving challenger brands access to scalable, high-trust marketing channels once dominated by larger players

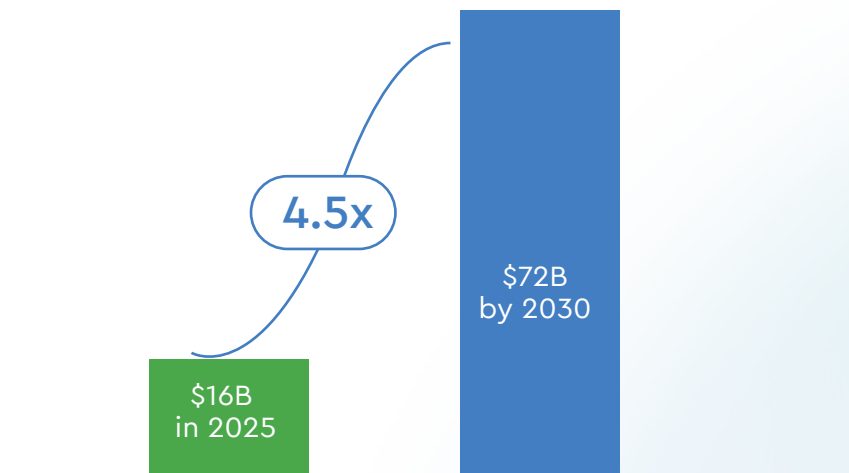
As a result, Challenger brands are reaching the ₹100 crore revenue mark in record time

Years to reach ₹100 crore in revenue



| Source: Avendus D2C Report | The Print | Elevation Capital Internal Analysis

A massive shift from legacy dominance to agile disruption is underway



Online sales for D2C brands will scale **4.5x** by 2030

Share of D2C brands in E-commerce will increase by **1.7x** from 18% to 30%



| Source: Google/Deloitte, India, The \$250 Billion Commerce Frontier

Challenger brands are unlocking new value creation pathways

Pathway 1: Public markets

As challenger brands scale, public markets increasingly become viable.

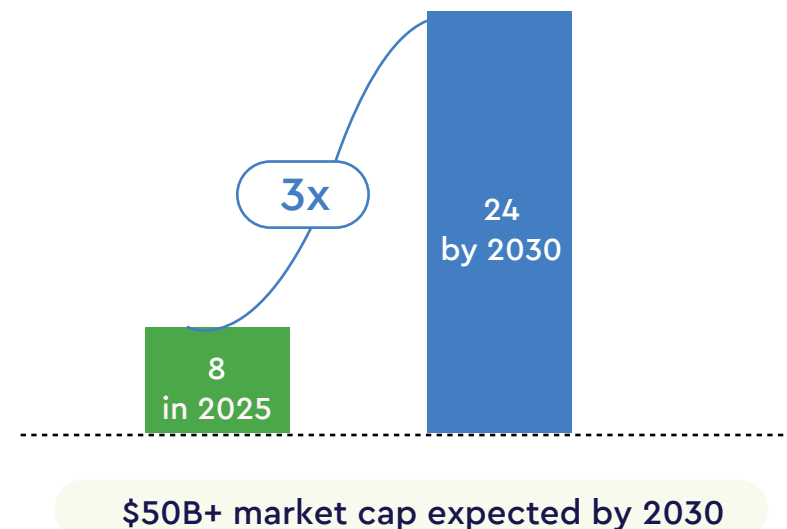
Lenskart | Wakefit | BlueStone | Mamaearth

Pathway 2: Strategic acquisition

Strategic buyers are often acquiring capabilities, not just revenue streams.
Challenger brands offer proven products, engaged communities, and customer loyalty that would take years to build internally.

**Minimalist | Wellbeing Nutrition | Plix | Yoga Bar | OZiva
The Man Company | Bewakoof | Innovist**

India has seen 8 D2C IPOs in 5 years; that number is set to triple by 2030



| Source: Elevation Capital Internal Analysis

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The best opportunities are hiding in consumer problems that look too small or too niche for everyone else to care about.

Anurag Kedia

Co-Founder
Pilgrim

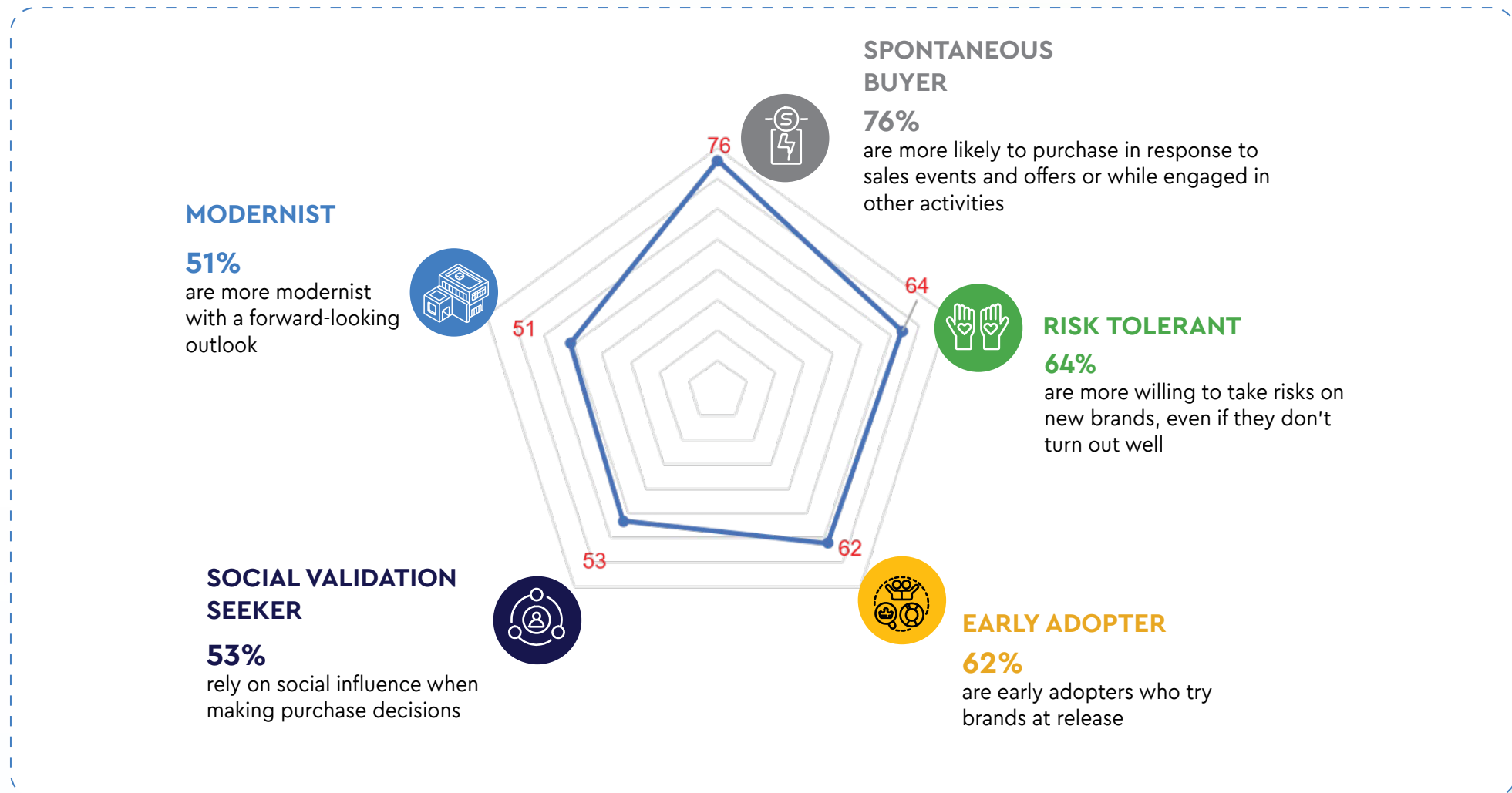




ACT 2

MAPPING THE EVOLVED CONSUMER

The experimental Indian shopper is a fundamentally different buyer



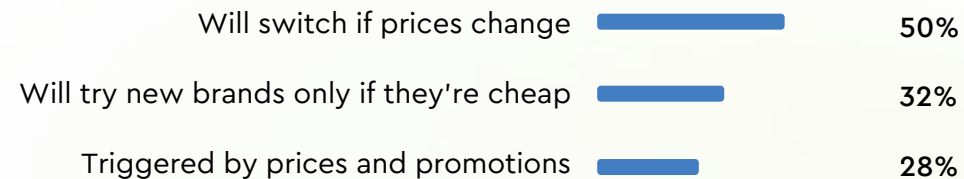
| Source: Google/Kantar, Challenger vs Traditional Brands Research, IN, 2026, Challenger brand buyers =1200

Challenger brands are capturing spontaneous purchase moments through pricing, unique aesthetics and social proof



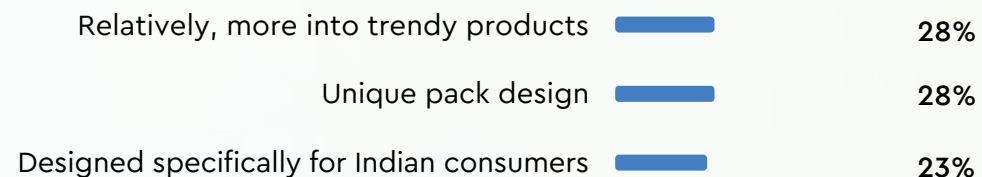
Great Pricing

are more likely to switch on price changes



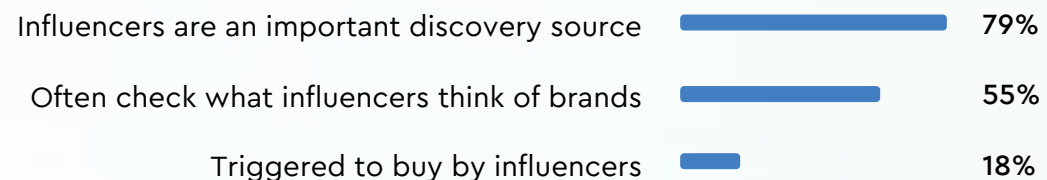
Unique Aesthetics

are hooked by packaging design and aesthetic appeal



Social Influencers

are triggered by celebrity or influencer recommendations



■ Spontaneous Purchases

| Source: Google/Kantar, Challenger vs Traditional Brands Research, IN, 2026, Challenger brand buyers =1200 including spontaneous challenger brand buyers=917

Winning these shoppers requires presence across four key modes of interaction



The New Word-of-Mouth

YouTube & Instagram

Are the top two online sources where surveyed consumers first hear about Challenger brands

Minimalist's community of "skintellectuals" generated thousands of voluntary product reviews, turning customers into advocates and creating a powerful engine for peer-to-peer brand discovery²



Marketplaces as Inspiration

1.4X

More likely to be discovered via marketplaces or quick commerce platforms compared to traditional brands

By being present on quick commerce platforms, Sleepy Owl's Cold Brew Bags were discovered during moments of casual browsing and mission-based shopping, turning marketplaces into a powerful acquisition channel³



Social Events

32%

Buyers discover these brands at a social event

Wakefit's "Sleep Internship" turned sleep into a shareable cultural moment. By paying people to sleep and document their experience the campaign generated significant organic conversation and social engagement, driving brand discovery far beyond paid channels⁴



Unexpected Encounters

16%

Buyers found these brands while doing something unrelated to the product

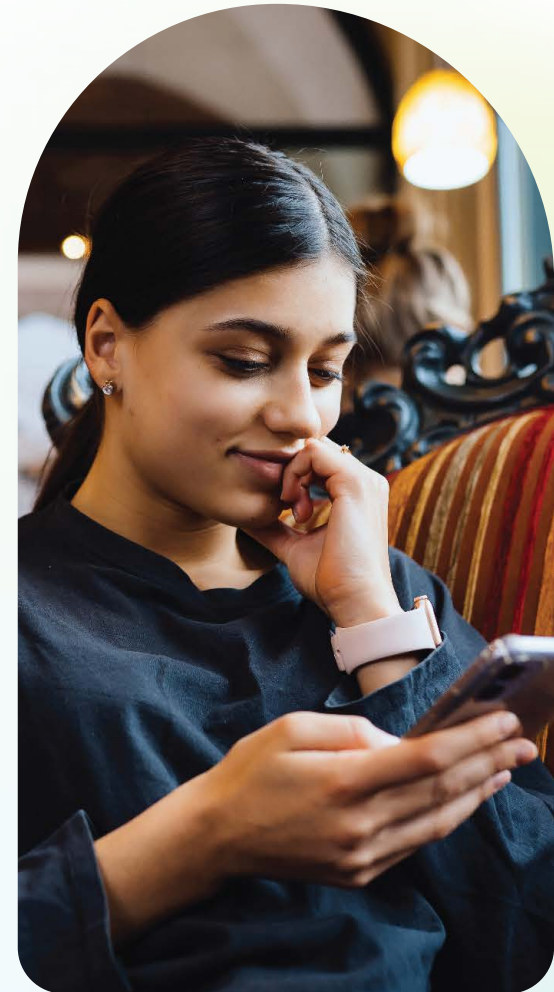
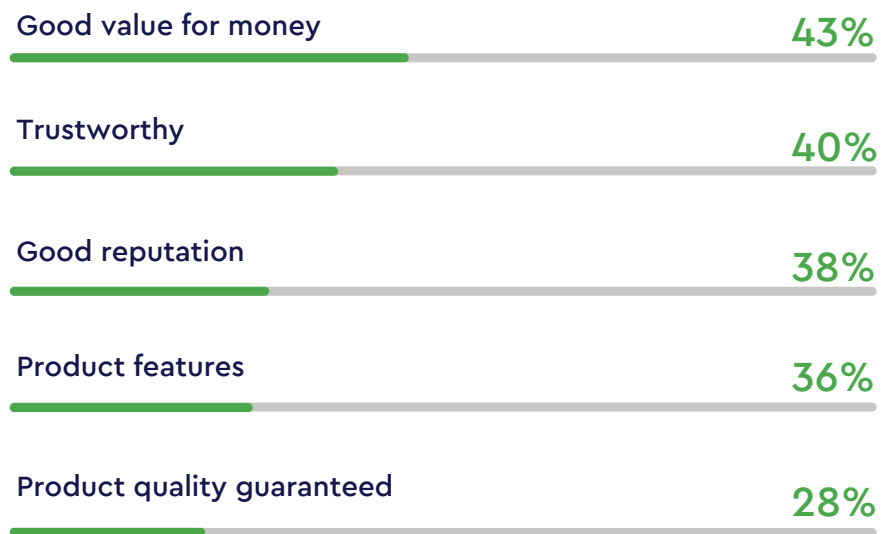
By aligning itself with broader sustainability themes, Arata expanded its discovery beyond the haircare category. Consumers frequently encountered the brand while engaging with content on eco-conscious lifestyles rather than just during their shampoo research

Source: 1. Google/Kantar, Challenger vs Traditional Brands Research, IN, 2026, Challenger Brand buyers =1200 | 2. Minimalist Brand Strategy Case Study – The D2C Pulse | Minimalist: 7 Business Strategies That Turned Simplicity into a Powerful Brand – The Business Mentors | 3. How Sleepy Owl Is Building India's At-Home Coffee Culture – Rukam Capital | 4. You Can Now Get Paid to Sleep – Growth Folks

Challenger brands are winning on the traditional bedrocks of value and trust

Top 5 Purchase Triggers

Challenger Brands



| Source: Google/Kantar, Challenger vs Traditional Brands Research, IN, 2026, Challenger brand buyers =1200

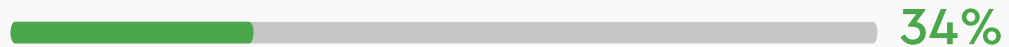
Challenger brands attract first-time buyers through low-cost entry points

Price & Promotions Drive First-Time Trial

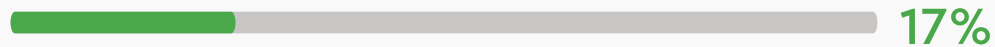
Will try a brand only if it is inexpensive



Triggered to purchase by sales events



Triggered to purchase by special offers



■ New Buyers



| Source: Google/Kantar, Challenger vs Traditional Brands Research, IN, 2026, Challenger brand buyers =1200

While certain purchase barriers remain, they can be overcome with targeted confidence builders

TOP 5 BARRIERS

Overpriced Perceived as expensive relative to proven value	24%
Quality Uncertainty Hesitation around unknown product quality	21%
Lack of Social Proof Not knowing others who use the brand	18%
Lower Familiarity Lack of brand recognition	17%
Accessibility Inconvenient to find or purchase	17%

TOP 5 CONFIDENCE BUILDERS

Positive Reviews Social endorsement and peer reviews	46%
Unique Features Innovation not seen elsewhere	38%
Appealing Pricing Value-driven trial or promotion	30%
Recommendations Direct validation from trusted circles	28%
Return Policies Hassle free exchange/return	26%

| Source: Google/Kantar, Challenger vs Traditional Brands Research, IN, 2026, Challenger brand buyers =1200, traditional brand buyers =300

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YouTube is a great marriage; Long-form builds trust while short-form drives discovery.



Vaishali Gupta

Co-Founder & Chief Growth Officer
MCaffeine & HYPHEN



ACT 3

CODES OF SUCCESS

Five distinct codes of success drive Challenger brand growth



BRAND POSITIONING

Establish the foundation



CREDIBILITY

Earn buyer trust



CREATIVE STRATEGY

Shape the narrative



CHANNEL MIX

Unlock market scale



MEDIA ACTIVATION

Compound business growth



Five distinct codes of success drive Challenger brand growth



In a market of infinite choice, sharply defined positioning is a competitive necessity



**Deliver distinct
innovation**



**Elevate
the physical
experience**



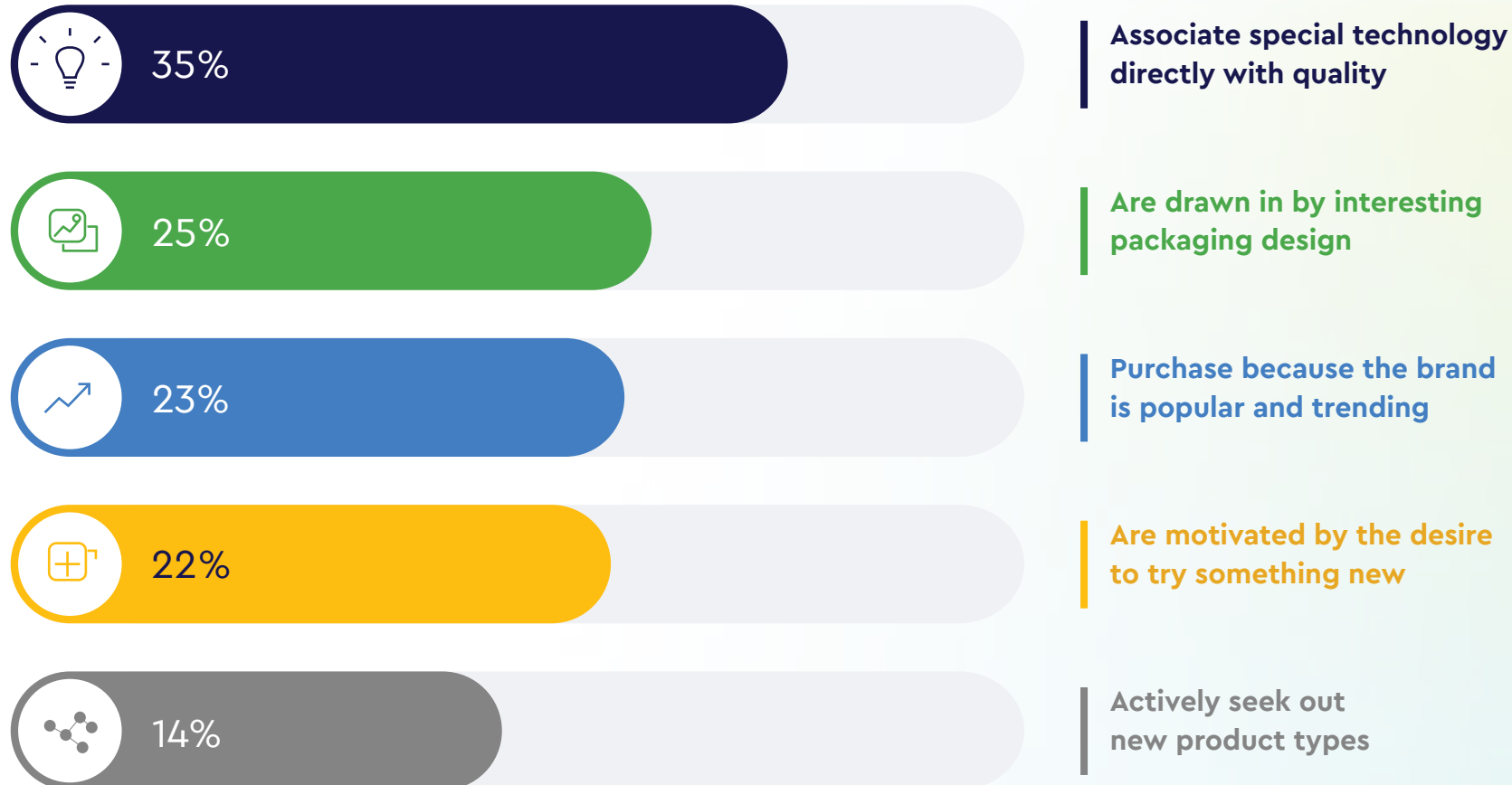
**Build genuine
aspiration**



**Foster active
communities**



Challengers win by catering to a desire for innovation and uniqueness



| Source: Google/Kantar, Challenger vs Traditional Brands Research, IN, 2026, Challenger brand buyers =1200 including n=488 buyers who cite quality as a purchase trigger

Challenger brands create aspiration in ways legacy brands struggle to replicate

**50%**

Buyers associate a brand's use of premium materials directly with higher perceived quality

**39%**

Buyers perceive Challenger brands as inherently exclusive or luxurious



Storytelling

Challenger brands lead with craft, origin, and founding philosophy. Consumers aren't just buying the item; they're buying into the story behind it



Superior ingredients

Premium claims are made verifiable through strict transparency, turning higher price points into justified value



Aesthetic design

Visual identity and packaging do the selling before a single word is read, communicating premium quality instantly



Exclusivity and scarcity

Limited drops and waitlists deliberately engineer demand, turning product ownership into a signal of taste

| Source: Google/Kantar, Challenger vs Traditional Brands Research, IN, 2026, Challenger brand buyers =1200 including n=488 buyers who cite quality as a purchase trigger

Challenger brands are surprising customers beyond the product, through memorable packaging and unboxing

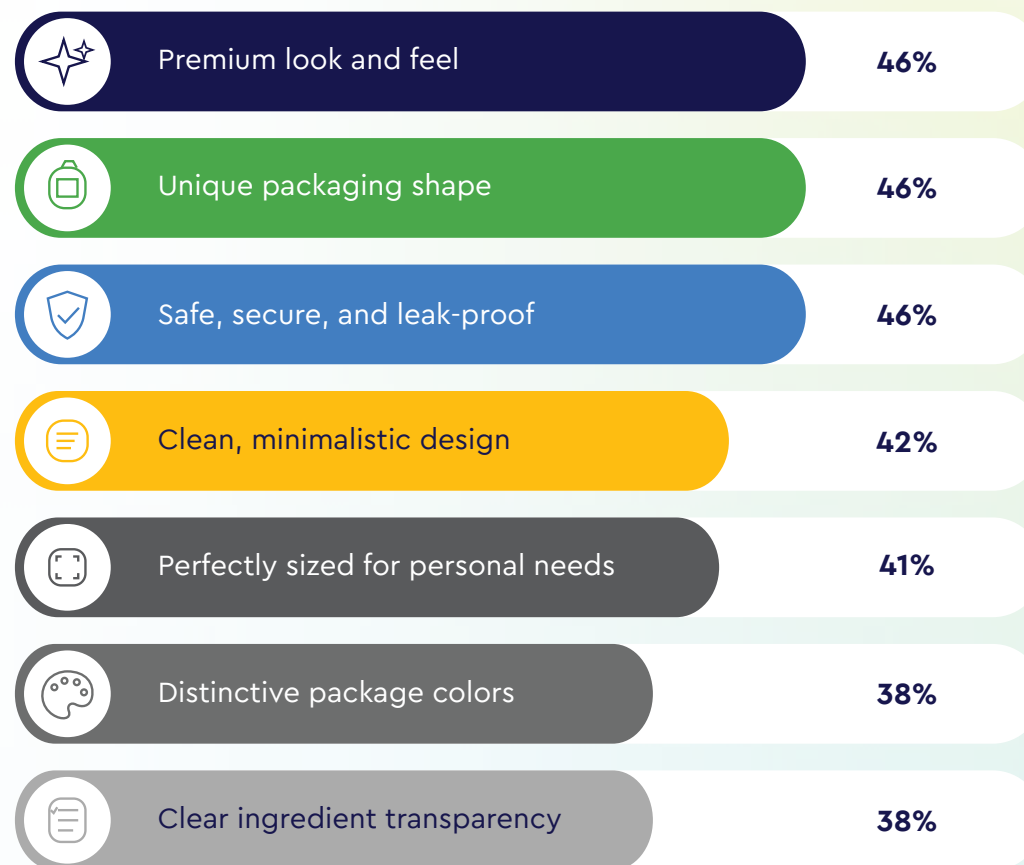


Unique unboxing experiences

37%

Buyers equate a unique unboxing experience directly with product quality

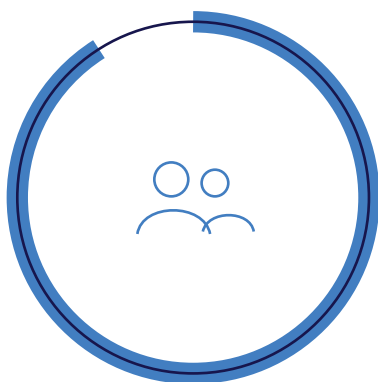
Packaging elements that appeal to challenger buyers



| Source: Google/Kantar, Challenger vs Traditional Brands Research, IN, 2026, Challenger brand buyers =1200 including n=488 buyers who cite quality as a purchase trigger

Challenger brands are also building communities, fostering a sense of belonging

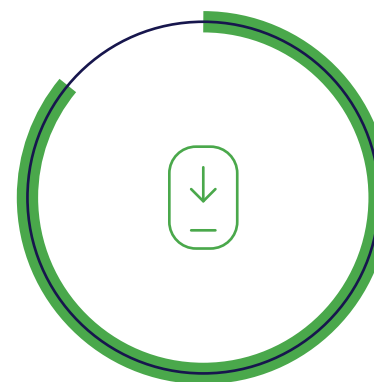
FOLLOW THE BRAND ONLINE



91%

Buyers are significantly more likely to follow a Challenger brand online post-purchase, to track new products and promotions (+7 pp vs legacy brands)

DOWNLOAD BRAND APP



86%

Buyers are significantly more likely to download the Challenger brand's dedicated app to stay engaged and access exclusive drops (+13 pp vs legacy brands)

Source: Google/Kantar, Challenger vs Traditional Brands Research, IN, 2026, Challenger brand buyers =1200

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For two years we deliberately didn't list on a marketplace. Today's customer has a very high bar on new brands — they reward you ten times if you give them the delight of a beautiful unboxing and fast delivery. An established brand can survive without that. A new brand can't.

Utkarsh Gupta

Co-Founder
Comet

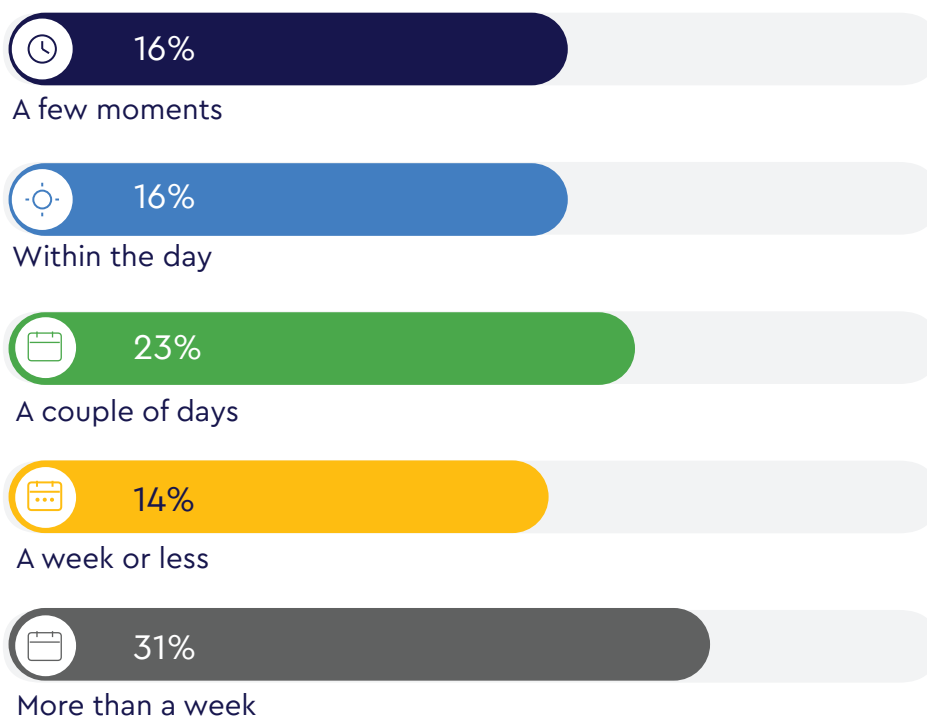


Five distinct codes of success drive Challenger brand growth



Challenger brands are closing the gap from zero familiarity to purchase at lightning speed

Time passed between first knowing the brand and actual purchase



55%

Buyers purchased a Challenger brand within a couple of days

| Source: Google/Kantar, Challenger vs Traditional Brands Research, IN, 2026, Challenger brand buyers =1200

Challenger brands are accelerating credibility building by satisfying three layers of consumer validation



THE LEGITIMACY CHECK

Consumers instinctively turn to Google Search and YouTube to verify whether a brand is legitimate before considering a purchase



THE RATIONAL JUSTIFICATION

Consumers want evidence that the product delivers on its claims

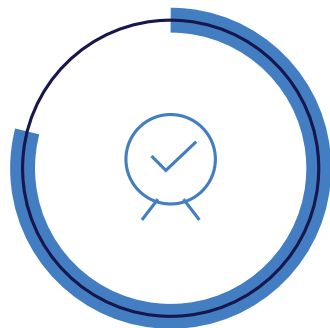


THE SOCIAL PROOF

Influencers and peer reviews provide the emotional confidence to convert

| Source: Google/Kantar, Challenger vs Traditional Brands Research, IN, 2026, Challenger brand buyers =1200

Consumers rely on Google Search and YouTube as the primary gatekeepers of brand legitimacy



79%

Challenger Brand buyers

question the brand's legitimacy if a brand doesn't come up in a **Google Search**



73%

Challenger Brand buyers

question the brand's legitimacy if a brand doesn't come up when searching on **YouTube / YouTube Shorts**

| Source: Google/Kantar, Challenger vs Traditional Brands Research, IN, 2026, Challenger brand buyers =1200

To cement credibility, consumers also evaluate the brand's broader digital ecosystem

**39%**

Credible expert reviews

**32%**

Slick, well-designed website or app

**29%**

Partnerships with trusted e-commerce platforms

**29%**

Relatable and authentic communications

**21%**

Visible data security and privacy measures

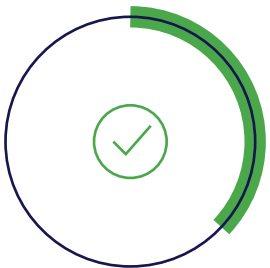


| Source: Google/Kantar, Challenger vs Traditional Brands Research, IN, 2026, Challenger brand buyers =1200 including n =485 buyers who cite trust as a purchase trigger

Challenger buyers actively seek rational justification and validate claims before purchasing

**42%**

Check **brand credentials** before purchase

**37%**

Verify specific **product claims**

**25%**

Check for lab **tests and certifications**

Challenger brand buyers research more broadly than traditional brand buyers, requiring consistent validation across multiple trusted sources



Google and YouTube are the **#1 platforms** to build knowledge about challenger brands, outperforming all major marketplaces, social platforms, and standalone AI chatbots

| Source: Google/Kantar, Challenger vs Traditional Brands Research, IN, 2026, Challenger brand buyers =1200

Fellow shoppers and creators provide the vital social proof that Challenger buyers require

Social Proof & Research



51%

Actively look for reviews when researching brands



38%

Wait to hear what others think before trying a new brand

Creator-led Validation



53%

Frequently check what creators think of a brand



42%

Rely on creators specifically for well-balanced, pros-and-cons reviews



88%¹

Consumers agree YouTube has the most trusted creators

Source: Google/Kantar, Challenger vs Traditional Brands Research, IN, 2026, Challenger brand buyers =1200 including n=1195 buyers who researched, n= 187 buyers who selected 'influencer recommendations' as a purchase driver (Millennials n=123, Gen Z n=96)

1. Google/Kantar, Future of Video, n=1053 YouTube viewers, n=2296 weekly video viewers 18-64 (IN), fielded from (3/13/25-4/21/25). Competitive set includes 10 market competitors: Linear TV, Disney+, Amazon Prime Video, Sony LIV, Jio, MX Player, Facebook, Instagram, Moj MX Takatak, ZEE5.

“

People don't believe hair can grow back, but our best proof is our consumers; their before-and-after results are the highlight of every story.

Saloni Anand

Co-Founder
Traya



Five distinct codes of success drive Challenger brand growth



BRAND POSITIONING

Establish the foundation



CREDIBILITY

Earn buyer trust



CREATIVE STRATEGY

Shape the narrative



CHANNEL MIX

Unlock market scale



MEDIA ACTIVATION

Compound business growth



Winning the creative space requires abandoning legacy advertising playbooks to forge deeper consumer connections



01

Lead with a point of view, not a product claim

Build a narrative around what the brand believes in, prioritizing conviction over feature claim



02

Commission returnable formats, not campaigns

Replace three-month advertising bursts with recurring formats that build cumulative mental availability



03

Unleash your brand codes for consumer remixing

Allow modern digital audiences to actively co-create with your brand, turning passive viewers into a distribution force

Highly differentiated brands are twice as likely to grow vs weakly differentiated brands

~2x

Brands with strong difference are about twice as likely to grow as weakly differentiated brands.

CASE STUDY

The Whole Truth, by prioritizing radical ingredient transparency over generic taste claims, The Whole Truth made authenticity its entire brand identity²

12x

High creative quality acts as a 12x profit multiplier, compared to just 1.1x for basic audience targeting

CASE STUDY

The Souled Store sells the feeling of belonging to a fandom; the apparel is simply the vehicle for that connection³

Sources: 1. WPP Media, 'The Creative Dividend in the Age of Fragmentation'; Paul Dyson (2023) via Effie & System1; Kantar BrandZ. | 2. Consumers' trust in packaged food is broken because brands have been lying to us – Afaqs | The Whole Truth Foods Case Study How Transparency Built a Clean Label Brand – Brands Trending Now | The Whole Truth Branding & Packaging Audit – Confetti | The Whole Truth – Thought Over Design | 3. The Souled Store Monetizing Indian Fandom at Scale – Value For Startups | The Souled Store Story – Brand Kahani

Commission returnable formats, not campaigns

-9pts/-21%

Six months of brand silence costs 9 points of awareness and 21% of total mentions.

CASE STUDY

Slurrr Farm established an ongoing parenting and nutrition education format, embedding the brand into parents' daily feeds rather than relying on burst campaigns²

~3x

Episodic formats lift brand awareness and engagement up to 3x more than standard campaigns

CASE STUDY

Cosmix built a recurring wellness series around gut health and nutrition, giving audiences a reason to return for knowledge rather than just products³

Sources: 1. 'The Creative Dividend in the Age of Fragmentation'; Kantar; Impact (RVCJ Media). | 2. Slurrr Farm's Recipe for Building Trust with Families – Tring
| 3. Blogs Cosmix | Press – Cosmix

Unleash your brand codes for consumer remixing

~2.4x

Consumers are more likely to view user-generated content as authentic compared to brand-created content

CASE STUDY

mCaffeine built a massive, always-on creator network from launch, letting thousands of micro-influencers show the product in their own unpolished, hyper-local style²

92%

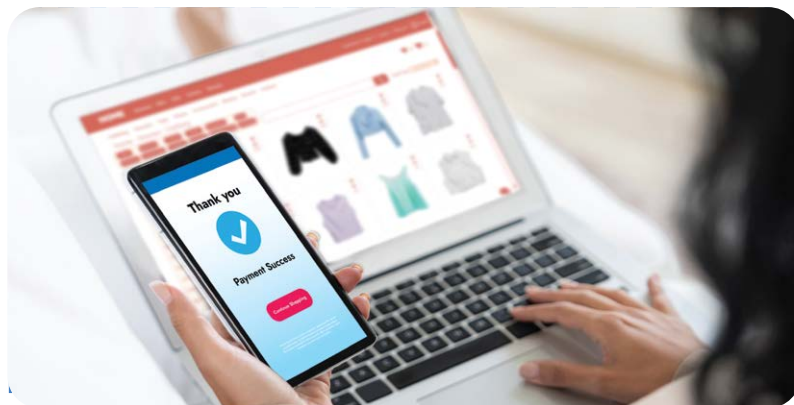
Buyers trust peer recommendations over traditional advertising

CASE STUDY

Jimmy's built a network where distinctive cocktail rituals are recreated by consumers, turning every home bartender into a brand ambassador³

Sources: 1. WPP Media, 'The Creative Dividend in the Age of Fragmentation'; Stackla; Nielsen. | 2. mCaffeine's Marketing Strategy Success Case Study – Cognitute | mCaffeine opts for simplest and basic influencer marketing strategy to promote new product range – Buzz in Content | 3. Minimalism meets mixology at Jimmy's Cocktails – Labels & Labeling

Creators are critical engines for brand discovery and purchase decisions



4 in 5

Buyers rely on creators to discover new products and services



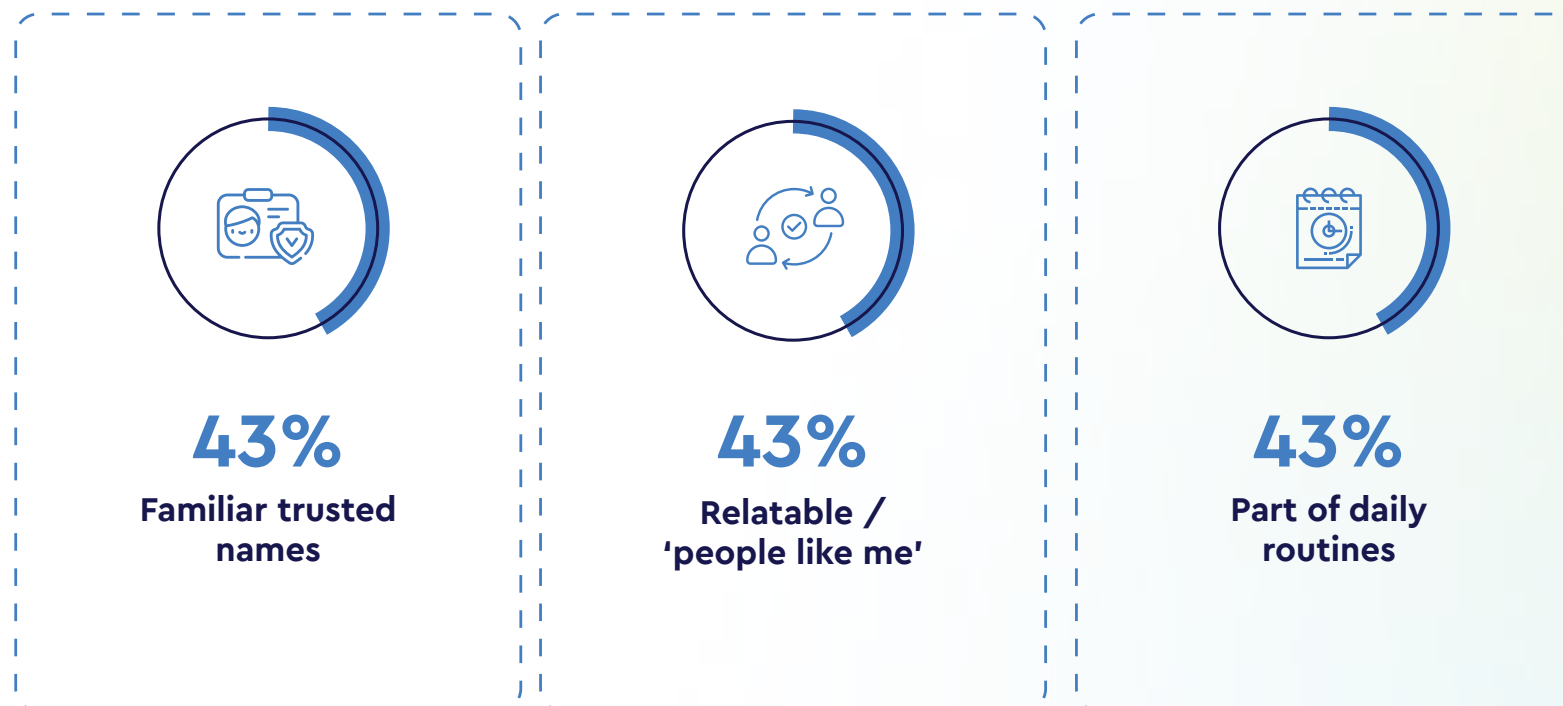
75%

Prefer creator-led 'unboxing' or 'how-to' videos on YouTube & Social Media over traditional brand advertising

| Source: Google/Kantar, Challenger vs Traditional Brands Research, IN, 2026, Challenger brand buyers =1200 including n =1195 buyers who conducted research

Creators are viewed as experts and are trusted extensions of traditional social circles

Why creators motivate purchases:



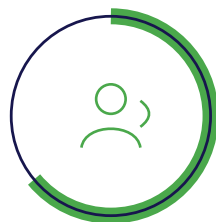
Source: Google/Kantar, Challenger vs Traditional Brands Research, IN, 2026, Challenger brand buyers =1200 including n=187 buyers who selected 'influencer recommendations' as a purchase driver

Founders are being seen as the new creators when it comes to winning the audience



74%

Want to know the founder behind the brand



64%

Trust founders who act as brand influencers



53%

Are interested in buying from influencers who launch their own brands



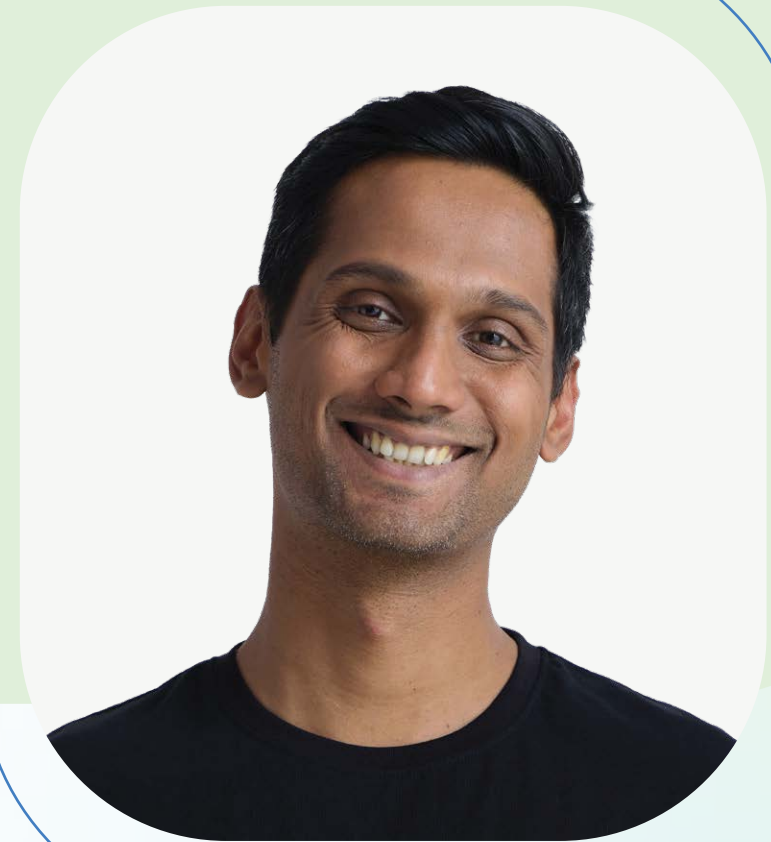
| Source: Google/Kantar, Challenger vs Traditional Brands Research, IN, 2026, Challenger brand buyers =1200

“

A founder's face can build trust fast, especially when no one knows if you're a real brand yet. But that's a short-term unlock, not a long-term strategy -personalities go in and out of flavour, while an idea, if it's strong enough, doesn't.

Vedang Patel

Co-Founder
The Souled Store



Five distinct codes of success drive Challenger brand growth



BRAND POSITIONING

Establish the foundation



CREDIBILITY

Earn buyer trust



CREATIVE STRATEGY

Shape the narrative



CHANNEL MIX

Unlock market scale



MEDIA ACTIVATION

Compound business growth



D2C channel serves as a significant growth multiplier for Challenger brands

Top purchase channels

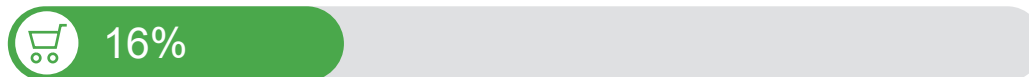
Brand website / app (D2C)



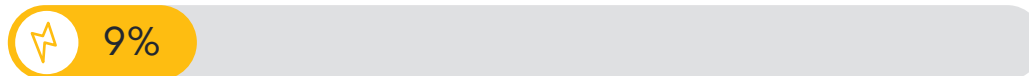
Offline store



Ecommerce



QCommerce



Challenger brand buyers are

2x
more likely

to buy via
Brand website / app (D2C)



Traditional brand buyers are almost

2x
more likely

to buy via
Offline stores

| Source: Google/Kantar, Challenger vs Traditional Brands Research, IN, 2026, Challenger brand buyers =1200

Investing in UX is helping Challenger brands build trust and elevate shopper experience



Slick, intuitive D2C websites/apps are perceived to be authentic, build trust quickly and trigger purchase – resulting in higher customer satisfaction and stronger repeat intent

Trust



50%

Buyers trust official, branded sites over third-party sellers (61% Premium brand buyers vs 41% Non-Premium brand buyers)

Authenticity



43%

Buyers are certain of genuine products

Retention



92%

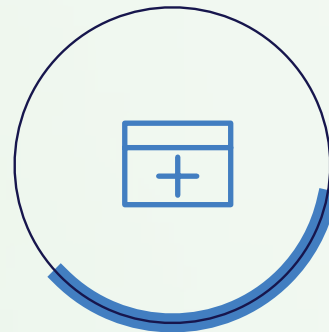
Buyers are loyalists (would buy again)

Source: Google/Kantar, Challenger vs Traditional Brands Research, IN, 2026, Challenger brand buyers =1200 including n=771 challenger brands online buyers, n=329 D2C challenger brand buyers, n=154 Premium and n=143 Non-Premium challenger brand buyers and n=267 Challenger brand buyers who used a DTC website for research

D2C dominance is particularly high for Fashion Challenger brands

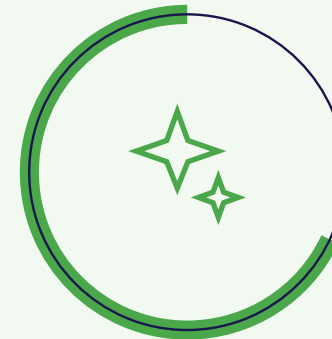


Likely related to an eagerness to stay on top of trends and try new styles "while they're hot"



34%

Fashion buyers use D2C websites as their primary channel



68%

Fashion buyers are keen to try new products immediately

| Source: Google/Kantar, Challenger vs Traditional Brands Research, IN, 2026, Challenger brand buyers =1200 including n=300 fashion and apparel challenger brand buyers

E-commerce and Q-commerce platforms play a vital role in improving accessibility and reducing purchase friction

Top 3 reasons to buy a Challenger brand via an E-commerce or Q-commerce platform

**51%****Ease of use****53%****Guaranteed
delivery times****50%****Range
of brands**

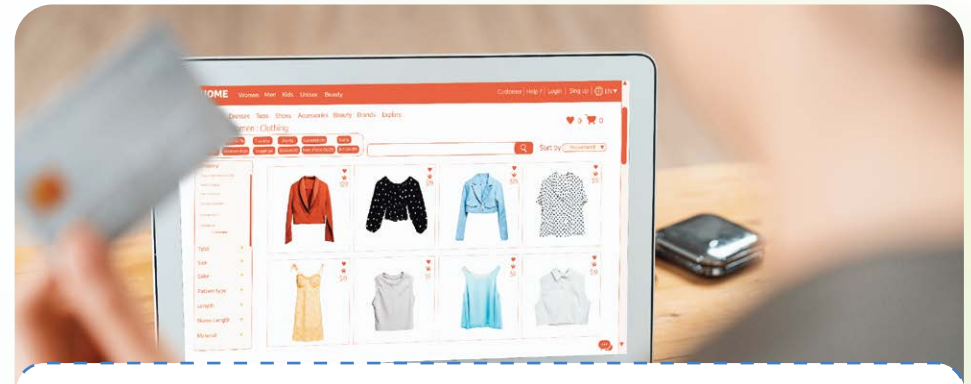
**Premium brand
buyers value returns
logistics more than
Non-Premium
(46% vs 29%)**

Source: Google/Kantar, Challenger vs Traditional Brands Research, IN, 2026, Challenger brand buyers =1200 including n=297 challenger brand buyers buying via a Marketplace and n=154 Premium & n=143 Non-Premium challenger brand buyers

Speed and immediacy act as powerful purchase motivators for Challenger brand buyers

**21%**

Buyers are triggered to purchase by **timely delivery** (vs 12% Traditional buyers)

**68%**

Buyers will pay extra to get things faster (vs 51% Traditional buyers)



Source: Google/Kantar, Challenger vs Traditional Brands Research, IN, 2026, Challenger brand buyers =1200 including n=600 Millennial buyers and n=600 Gen Z buyers; Traditional brand buyers =300

Category nuances dictate platform strategy, with Food favoring Q-commerce and Beauty relying more on marketplaces

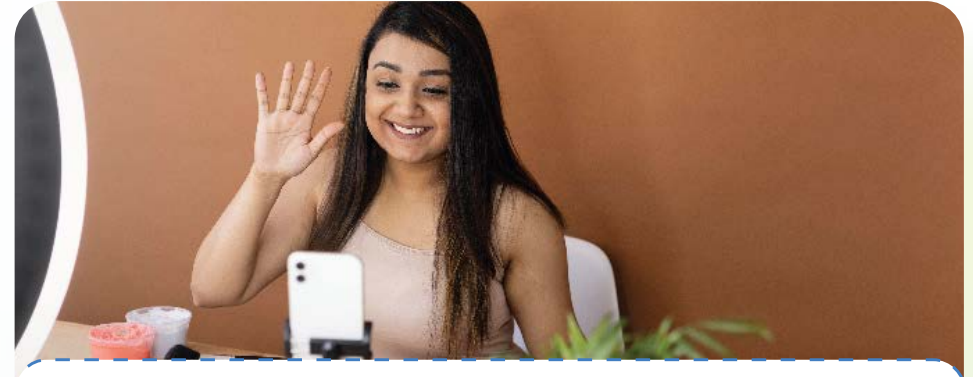


Food & Beverage: The Q-Commerce Imperative

Quick commerce platforms have evolved from a mere convenience channel into a primary engine for brand discovery, and impulse purchases.

16%

Food Challenger brands are bought via Q-commerce (vs 9% avg)



Beauty & Personal Care: The Marketplace Advantage

E-commerce marketplaces serve as critical research hubs, enabling consumers to compare formulations, read reviews, and build product knowledge

27%

Beauty Challenger brands are bought via E-commerce marketplaces (vs 16% average)



Source: Google/Kantar, Challenger vs Traditional Brands Research, IN, 2026, Challenger brand buyers =1200 including n=300 beauty and personal care challenger brand buyers and n=300 food and beverage challenger brand buyers

Physical stores remain an essential touchpoint for consumers seeking tactile validation and human interaction

Key drivers of store visits for challenger brand buyers:

Touch and feel the material



42%

Estimate physical dimensions



39%

Buy immediately



39%

Talk to a human



37%

Test the product



36%



| Source: Google/Kantar, Challenger vs Traditional Brands Research, IN, 2026, Challenger brand buyers =1200 including n=150 buyers who visited a store for inspiration or information

Home and Living buyers heavily rely on in-store visits to assess physical dimensions and quality

Higher propensity for in-store purchases

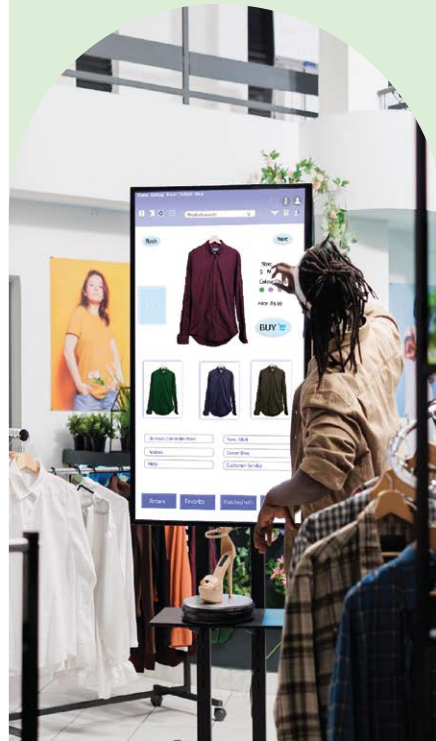
Home & Living Challenger brands see a higher share of in-store purchases compared to other shopping channels, and the challenger average

33%

Home & Living

27%

Average



Vital research touchpoint

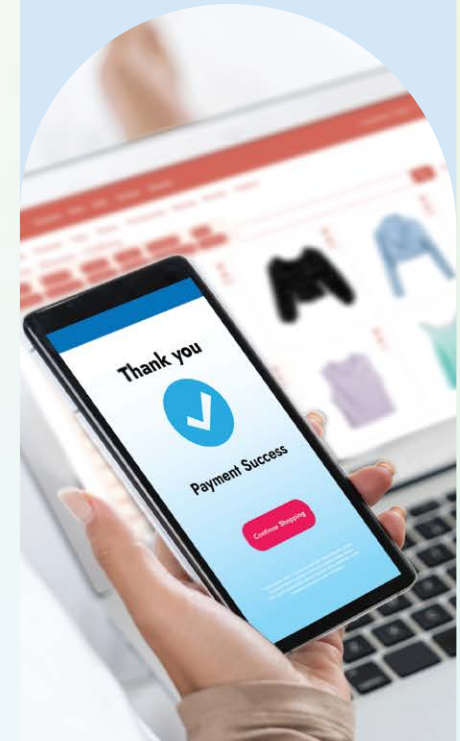
Physical stores provide a unique opportunity to measure and evaluate large-format items before committing to a purchase

15%

Home & Living

10%

Average



| Source: Google/Kantar, Challenger vs Traditional Brands Research, IN, 2026, Challenger brand buyers =1200 including n=300 home & living challenger brand buyers

Five distinct codes of success drive Challenger brand growth



Successful Challenger brands deploy a dual media engine that captures today's existing intent while actively creating tomorrow's demand

VISIBLE DEMAND

Buyers actively searching, comparing, and demonstrating immediate purchase intent

✓ Active Searchers:

High-intent search queries & price comparers

✓ Cart Abandoners:

High-value intent signals requiring conversion

✓ Product Visitors

Recent browser activity and retargeting pools



Performance systems win today's existing buyers efficiently

FUTURE DEMAND

The broader pool of future buyers who have not yet shown active purchase intent

✓ Problem-Aware Consumers:

Conscious of pain points prior to active search

✓ Category Explorers:

Browsing emerging lifestyle & product spaces

✓ Emerging Needs & Moments:

Future buyers in pre-demand triggers



Compounding growth systems create tomorrow's buyers long before search begins.

WATERLINE

| Source: WPP Media Intelligence

5 warning signals your growth engine may not be creating enough new demand



Warning Signal



Potential Implication

Demand Check

CAC Pressure

CAC continues to rise over time

High-intent audiences may be saturating

ROAS Decline

ROAS continues to decline over multiple planning cycles

Performance efficiency may be plateauing

Audience Compression

Prospecting audiences shrink while frequency rises

Fewer new buyers are entering the funnel

Brand Search Stagnation

Brand search remains flat while the category grows

Demand creation may not be keeping pace

New Customer Decline

New customer contribution declines over time

Growth is increasingly dependent on existing customers

Optimization improves growth efficiency.
Demand creation expands growth potential.

| Source: WPP Media Intelligence

Challenger brands outsmart legacy brands by playing to certain advantages

THE FOUR EDGES



SPEED

Test, refresh, and adopt new ad formats, channels, and surfaces before markets become crowded and expensive

FIRST-MOVER
AGILITY



PRECISION

Target sharper audience cohorts and high-intent buying moments to eliminate media waste while maximizing contextual relevance

ZERO-WASTE
TARGETING



PROOF

Replace generic brand claims with discoverable evidence, verified customer outcomes, expert endorsement, and transparency

UNDENIABLE
TRUST



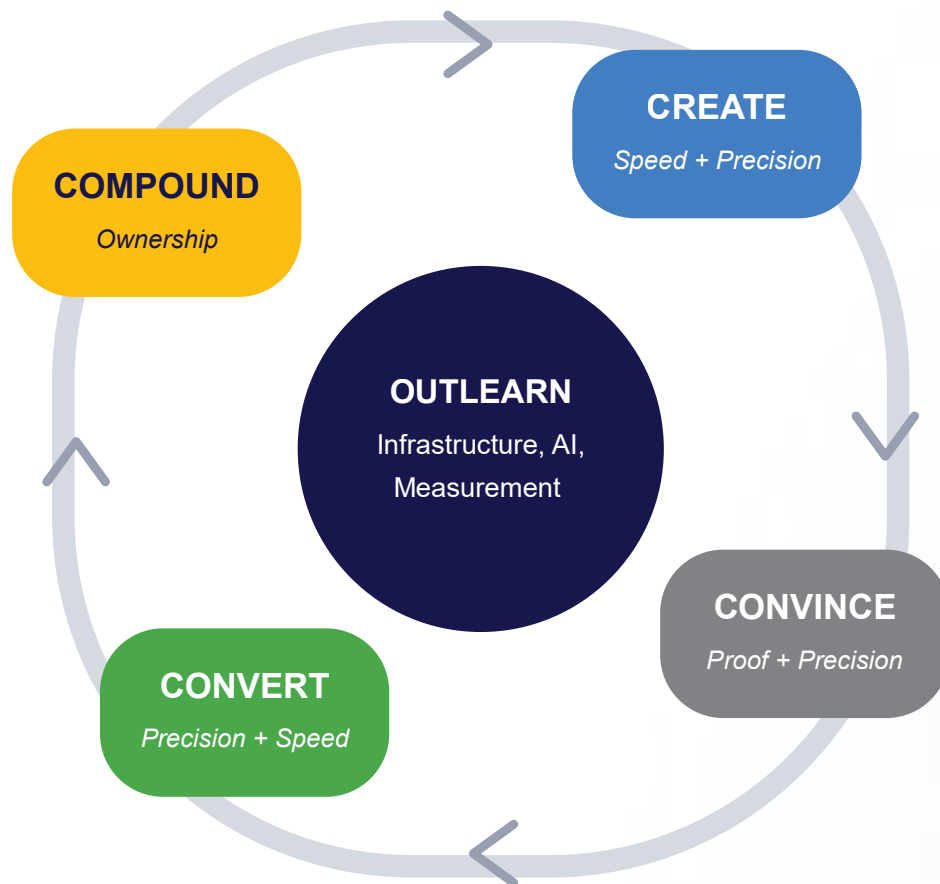
OWNERSHIP

Build direct customer relationships and 1st-party data foundations that cut paid media dependence and drive lifetime value

PROPRIETARY
ASSETS

| Source: WPP Media Intelligence

The Challenger Growth Flywheel: Every turn strengthens the next



- CREATE**
Demand before the search begins
Edges: Speed + Precision
- CONVINCE**
Before the choice is made
Edges: Proof + Precision
- CONVERT**
Intent wherever it appears
Edges: Precision + Speed
- COMPOUND**
Customers into growth assets
Edge: Ownership



THE CORE ENGINE

OUTLEARN

Infrastructure • AI • Measurement

Infrastructure captures intelligence. AI accelerates learning. Measurement identifies what truly drives growth—ensuring every cycle gets smarter and faster

| Source: WPP Media Intelligence

1.CREATE: Demand Long Before Search Begins

Challenger
edge activated



+



Principle

Identify future demand before it becomes visible

Build memory in high-attention moments

Unlock winning messages

Practice

Find high-value pre-demand cohorts before rivals crowd category

Invest early in premium environments to build category awareness

Rapidly test audience & creative combos to scale winning narratives

Enabler

- Source of Growth Planning: unified cohorts built using 1P, 2P, 3P signals

- Connected tv
- Short-format video/yt shorts

- High velocity creative generation
- Creative experimentation

CASE STUDY

The Sleep Company used YouTube Video Reach Campaigns (VRC) and YouTube Shorts to build demand beyond active mattress shoppers by reaching 'wellness and lifestyle audiences' before purchase intent emerged. Education-led storytelling around SmartGRID® technology delivered a **75%** in-market audience reach, a **12%** increase in branded search and a **54%** increase in store visits.

CASE STUDY

Moiz leveraged YouTube Video Reach Campaigns (VRC) and YouTube Shorts to build awareness among skincare buyers before they actively searched for the brand. By using a mix of In-Market Audiences and Target Frequency strategy, they saw a **3×** Awareness Lift and a **4.5×** Search Lift

North Star KPIs: Brand Search Lift

| Source: WPP Media Intelligence

2. CONVINC: Showcase Undeniable Proof

Challenger
Edge Activated



+



Principle

Build proof where consumers validate decisions

Activate relevant audiences after discovery

Amplify verified customer outcomes

Practice

Ensure product evidence, expert opinions, reviews and comparisons are discoverable when consumers research, compare and evaluate choices

Move consumers from curiosity to confidence by leveraging audience cohorts with depth of ad exposure

Use paid media to scale authentic customer experiences, creator advocacy and proof-led content to strengthen credibility beyond brand claims.

Enabler

- Search & Discovery Optimization
- Advocacy Networks

- Google Ads Insights Page / Insights Finder
- Target Frequency Solutions

- Creator Partnership Ads, Paid Amplification

CASE STUDY

Moxie Beauty used YouTube Video Reach Campaigns (VRC) with Target Frequency to maintain a consistent weekly frequency of 2+, which generated a massive 236% Search Lift and a 12% gain in search share against competitors

CASE STUDY

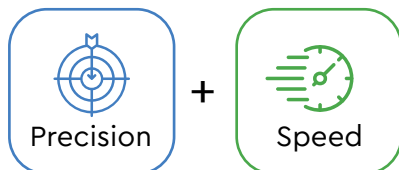
Deconstruct partnered with YouTube creators to simplify ingredient science and showcase product efficacy. Using Google Audience Signals for precise targeting, the campaign drove significant growth – achieving a best-in-class 9.6% view rate, a 17% increase in platform sales, and a 400% improvement in video ROAS

North Star KPIs: Lift in Conversion Rates

| Source: WPP Media Intelligence

3. CONVERT: Capture Demand Instantaneously

Challenger
Edge Activated



Principle

Capture active intent everywhere

Activate across commerce surfaces

Remove friction from action

Practice

Capture demand wherever consumers search, compare, browse and show signals of purchase readiness.

Use media to acquire new customers across category-relevant environments before competitors capture demand.

Optimize every touchpoint between discovery and purchase to make buying faster, simpler and more effective.

Enabler

- AI Max Search
- Performance Max
- In-Market Audience Signals

- Commerce Media Network
- Retail & Partner Audience Signals

- Landing Page Optimization
- Seamless Checkout
- Conversion Optimization

CASE STUDY

Clinikally paired AI Max for Search with Performance Max to capture untapped high-intent demand while maintaining ROAS. This strategy transformed their search setup into a high-growth engine, driving a 557% increase in conversion value and a 549% surge in incremental conversions

CASE STUDY

Slurrp Farm tapped into Google's Commerce Media Network solutions via Performance Max for Marketplaces in partnership with Blinkit to drive high-intent sales. By integrating Blinkit's real-time product feeds and first-party sales data with Google AI and tailored creative assets, the brand unlocked a 6.6x ROAS, a 95% increase in conversion rate, and a 203% improvement in CPA

North Star KPIs: Incrementality and ROAS

| Source: WPP Media Intelligence

4. COMPOUND: Turn Customers Into Long-Term Assets

Challenger
Edge Activated



Principle

**Build & enrich
owned customer
intelligence**

**Create loyalty &
lifecycle growth
loops**

**Turn every interaction
into future growth
signals**

Practice

Capture and enrich first-party customer signals across transactions, behaviors and preferences to build deeper intelligence and improve every future interaction.

Build personalized journeys, loyalty programs and behavioral triggers that increase repeat purchases, advocacy and customer lifetime value.

Feed customer intelligence back into media, creative and experiences to continuously improve acquisition, retention and lifetime value.

Enabler

- First-Party Data Foundation
- CRM & Data Enrichment
- Customer Match
- Customer Segmentation

- Lifecycle Marketing
- Personalization
- Cross-Sell & Upsell

- Customer Analytics
- Predictive Insights
- Retention Optimization

CASE STUDY

Clinikally adopted a segmented Performance Max strategy with dedicated New Customer Acquisition (NCA) and retention campaigns. Aligning messaging, audience signals, and bidding strategies to specific lifecycle stages delivered a 71% revenue contribution from new customers, a 2.5x ROAS lift on retention campaigns, and a 62% decrease in CPA

CASE STUDY

Headphone Zone activated Performance Max with Retention Goals to re-engage past purchasers and lapsed customers, turning retention into a dedicated growth engine. The strategy delivered 63% of total conversion value from returning customers and an 80% higher average order value from returning customers vs new customers

North Star KPIs: Customer Lifetime Value | Retention Rate

| Source: WPP Media Intelligence

OUTLEARN: Turning Intelligence Into Better Decisions

Infrastructure creates the foundation. AI accelerates learning.
Measurement turns learning into advantage.

Infrastructure

Role:

Build trusted signals and connected data foundations.

Why it Matters:

Creates the necessary foundation to personalize, automate, and scale every growth job.

Artificial Intelligence

Role:

Turn signals into faster decisions and automated actions.

Why it Matters:

Helps brands learn faster across audiences, creative, bidding, and customer experiences.

Measurement

Role:

Test & Learn approach to improve incremental outcomes

Why it Matters:

Identifies what truly drives growth and reveals where the next dollar should go.

CASE STUDY

Honasa (Aqualogica)

leveraged AI-led Demand Gen campaigns with Conversion Lift testing on YouTube during peak sale events. By targeting lookalike audiences and first-party signals, they captured previously underreported impact – achieving an unprecedented

2.76x

incremental ROAS

Infrastructure: Capture Intelligence From Every Customer Interaction

01



Capture Trusted Signals

Build accurate, privacy-safe customer signals across every digital interaction touchpoint.

Core Capabilities:

- Tagging & Tracking
- Consent & Privacy Shield
- Conversion Signals

02



Connect Data Foundations

Bring customer, commerce, and media signals into one unified, connected data foundation.

Core Capabilities:

- First-Party Data Foundation
- Customer Identity Resolution
- Commerce Data & Audience Enrichment

03



Infrastructure That Scales

Ensure data quality, consistency, and accessibility as the business expands across surfaces.

Core Capabilities:

- Data Governance & Quality
- Data Accessibility
- AI & Machine Learning Readiness



Accelerate Growth By Applying AI Across Every Growth Job

01. Learn Faster

Identify emerging behaviors, demand patterns, and customer needs before rivals see them.

- Demand Pattern Recognition
- Audience Intelligence
- Predictive Customer Insights

02. Create Smarter

Generate creative and messaging variations that lift relevance while cutting production time.

- Creative Generation
- Personalization at Scale
- Creative Adaptation

03. Decide Better

Improve audience, creative, and budget decisions in real time using automated learning.

- Budget Optimization
- Audience Recommendation
- Creative Bidding Signals

04. Grow Ahead

Forecast future demand, predict growth opportunities, and execute next-best-actions.

- Demand Forecasting
- Opportunity Prediction
- Next Best Action Triggering

AI Isn't Just For Enterprise Brands:

Solutions like Google AdXAI give smaller brands access to enterprise-grade optimization, enabling automated audience discovery, creative adaptation, and bidding without requiring large teams or massive budgets.

CASE STUDY

Linen Club built an AI-powered growth flywheel by combining GA4 customer signals, Gemini creative generation, and Performance Max optimization – creating localized experiences, accelerating learning, and compounding performance. This delivered locally relevant creative across hundreds of stores and customer contexts without the traditional multi-week production timeline



43%

CTR uplift



30%

landing page actions



10.8X

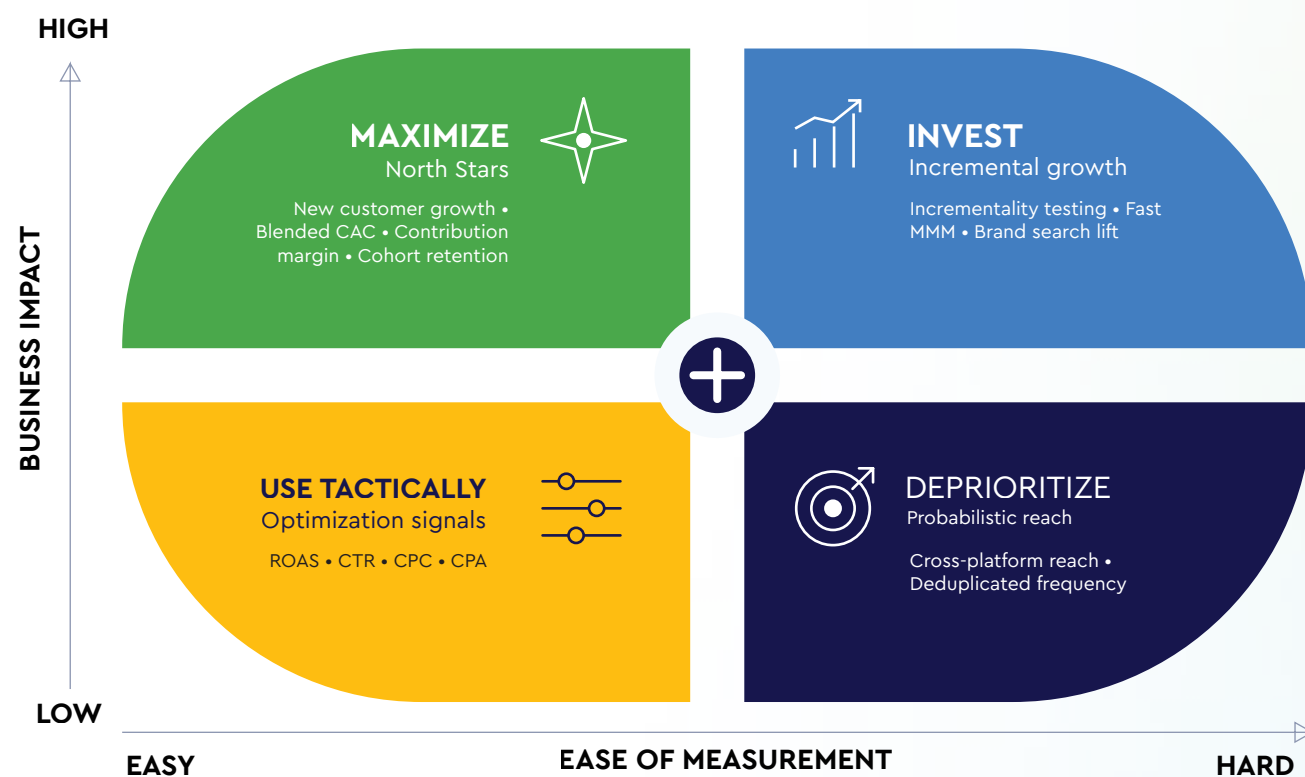
return on investment

| Source: WPP Media Intelligence

Measure To Prove What Truly Creates Growth

The Measurement Priority Matrix

Invest measurement effort where it matters most



| Source: WPP Media Intelligence



Winning the AI-driven Commerce landscape of the next few years requires building trusted signals and direct relationships today



| Source: WPP Media Intelligence

“

We stopped tracking performance marketing and brand marketing separately. Every impression is an impression. A customer buying a 6,000-rupee product will visit the page seven times, check YouTube, check Instagram, ask their family. Everything you put out there contributes to that purchase — you can't separate the funnel anymore.

Bharat Kalia

Co-Founder
Lifelong Online



ACT 4

THE ₹500 CRORE PLAYBOOK

Challenger brands must adapt their strategy as they scale through three distinct revenue stages

₹0–150 Cr



Anchoring

PRIMARY QUESTION

Have you identified the product market fit for a single key segment?

DOMINANT RISK

Blurred positioning



₹150–300 Cr



Acceleration

PRIMARY QUESTION

Is each new channel making the others stronger or just adding cost?

DOMINANT RISK

Premature sprawl



₹300–500 Cr



Institutionalisation

PRIMARY QUESTION

Are you focused only on building revenue, or are you building differentiated value?

DOMINANT RISK

Organisation Fracture



The five codes of success evolve as challenger brands scale from anchoring to institutionalisation

	₹0-150 Cr	₹150-300 Cr	₹300-500 Cr
CODE	ANCHORING	ACCELERATION	INSTITUTIONALISATION
 Brand Positioning	Establish a sharp position and own one niche	Defend the core while premiumising into new price tiers	Demonstrate pricing power at this stage (margin expansion, lower trade commissions)
 Credibility	Earn trust fast. Leverage Google, YouTube and Social to make yourself real	Sustain that trust and capitalize on it for gaining a wider audience	Capitalise on the trust that you have built
 Creative Strategy	Build a founder-led POV and leverage the creator community to prove it	Expand brand reach through diverse creative voices and formats	Build recurring, returnable content formats that audiences love
 Channel Mix	Climb the channel ladder in sequence; D2C and Marketplaces are home base	Extend into new channels only where the economics are clear	Orchestrate the full mix as one omnichannel engine
 Media Activation	Win the customers already looking for a solution. Make it easy to find, trust and buy from you	Create demand beyond today's buyers. Reach new audiences, build preference and capture future demand	Turn every customer into future growth. Create more value from the customers you already have

FOCUS: Pay maximum attention here. The code doesn't yet exist at the level the stage demands.

HARNESS: Evolve the code. What worked at the previous stage needs an upgrade, not replacement.

ANCHORING ₹0-150 Crore

At this stage the real test is whether the core is sharp, trusted, and proven enough to be worth scaling at all.



THE FIVE CODES AT THIS STAGE



Brand Positioning

Establish a sharp position and own one niche

FOCUS



Credibility

Earn trust fast. Leverage Google, YouTube and Social to make yourself real

FOCUS



Creative Strategy

Build a founder-led POV and leverage the creator community to prove it

FOCUS



Channel Mix

Climb the channel ladder in sequence; D2C and Marketplaces are home base

FOCUS



Media Activation

Win the customers already looking for a solution. Make it easy to find, trust and buy from you.

FOCUS

Brand Positioning – Establish a sharp position



OWN ONE PROBLEM AND SCALE ONE HERO PRODUCT

Challenger brands that scale start by solving one consumer problem better than anyone else and then build a single hero product around it. A sharply defined niche creates clarity, while relentless focus on the hero product builds trust, repeat purchases, and operational discipline. Expanding too early blurs positioning and dilutes brand equity. It also diverts capital from high-performing areas.



BUILD THE PRICE SIGNAL EARLY

"Premium" is a credibility claim that must be established before growth pressure creates the temptation to discount. Setting price architecture deliberately at Stage 1 (who this is for, and why it costs what it does) is structurally cheaper than rebuilding it in Stage 2.



DESIGN THE EXPERIENCE ALONG WITH THE PACKAGE

The strongest Challenger Brands treat unboxing as an extension of their positioning, not a post-purchase afterthought. Every element – from packaging to presentation – reinforces the brand's promise, creating a memorable first physical interaction that elevates perceived quality, builds advocacy and drives repeat purchase.



BUILD A COMMUNITY WHILE LEVERAGING YOUR CUSTOMER BASE

The strongest Challenger Brands extend the relationship beyond the transaction by creating relatable communities. Consistent engagement, shared values, and meaningful participation transform one-time buyers into long-term advocates.

CASE STUDY

The Whole Truth built a dominant position in clean-label nutrition bars before expanding into any adjacent format: holding price, protecting the founding SKU, and letting the product prove repeatability before anything else was introduced¹

Source : 1. The Whole Truth: How a Midnight Snack Sparked a Food Revolution – Medium | The Whole Truth: Food Revolution Or False Advertising Decoded – Confetti | The Whole Truth Foods Case Study How Transparency Built a Clean Label Brand – Brands Trending Now

Credibility – Earn the first purchase



BUILD SEARCH AND SOCIAL PRESENCE

Google and YouTube form the foundation of the legitimacy check. A brand that is visible across these platforms is more likely to convert buyer interest than one with little or no presence.



UTILIZE EXPERTS TO ESTABLISH CREDIBILITY

Credibility built through expert endorsements and verifiable claims is durable and should be prioritised from the first day.



ESTABLISH SOCIAL PROOF AT EVERY TOUCHPOINT

Challenger buyers trust peers over brand communication. Reviews, user-generated content (UGC), and visible community presence provide the proof that real people have bought and used the brand. Structuring for UGC from the first purchase cohort is the most capital-efficient credibility investment available. Build the conditions for customers to share and work as a recommendation engine for your brand.

CASE STUDY

Blissclub built its community using real women in photoshoots, chat groups as social proof infrastructure, and creator content as primary credibility signals

Source : 1. She Built the Community Before She Built the Leggings, The Unstoppable Story of Blissclub – MarkHub24 | She Built the Community Before She Built the Leggings - Laffaz | How BlissClub Grows – The Growth Loop

Creative Strategy – Build the foundational Creative systems



LEAD WITH A POINT OF VIEW

Build a narrative around what the brand believes in, before what it sells. Stand out by leaving the standard feature pitch and leading your narrative with a delightfully quirky, imaginative vision of how things could be, positioning your product as the creative catalyst that brings a fresh, fun, and better experience to life.



LEVERAGE THE FOUNDER

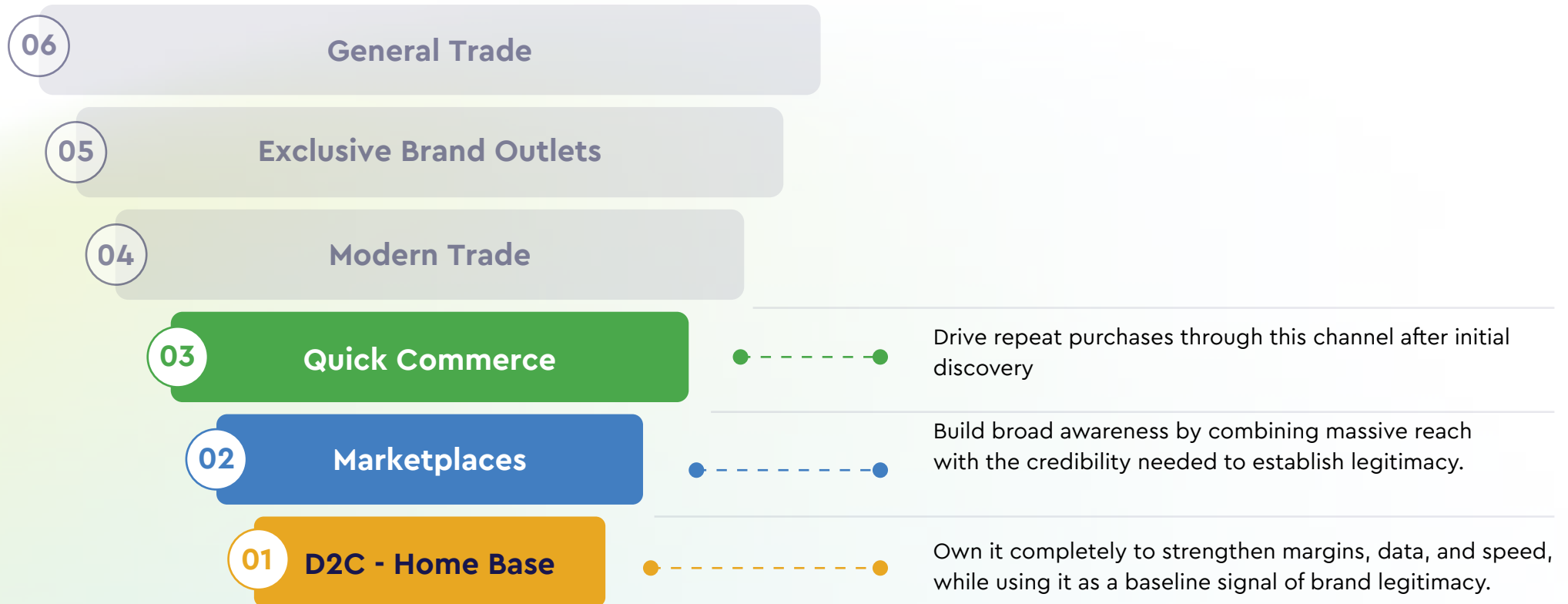
A founder's voice needs to be opinionated, educational and specific to the niche. Brands where the founder is the visible voice earn credibility faster than those that outsource it.

CASE STUDY

Mamaearth's founding story, a parent's search for products safe enough for their own child, became the brand's most durable creative asset. Ghazal Alagh's visible, opinionated voice on ingredient transparency built the parent community that did the early discovery work¹

Source : 1. His Mom's Habit of Reading Labels on Her Baby's Skincare Led to a Solution for 1.5M Families – The Better India | Ghazal Alagh's Inspiring Journey: From Motherhood to Mamaearth's – Kanavu

Channel Mix – Climb the channel ladder in sequence



CASE STUDY

Snackible's D2C website is its innovation lab — the only place its entire range lives. Small-batch experimental flavours launch here first, generating immediate, unfiltered feedback from its most engaged customers. The website is not a sales channel; it is the R&D engine¹

| Source : 1. Mu(n)ch Better with Snackible, India's Leading Healthy Snacking Brand – FMT Magazine

Win the customers already showcasing intent



PRIMARY GROWTH JOB - CONVERT

Convert : Win existing demand before creating new demand. Winning brands reduce friction between search, evaluation and purchase by being visible and actionable wherever demand emerges.

Google Growth Enablers : Search | AI Max for Search | Merchant Center | Performance Max



STRENGTHEN - CONVINCE & OUTLEARN

Convince: Aid brand claims with visible proof instead of asking buyers to take your word for it. Deploy creator endorsements, peer reviews, and transparent storytelling to eliminate hesitation right at the point of purchase

Google Growth Enablers : YouTube Creator Partnerships | Demand Gen

Outlearn: Turn every transaction into an intelligence asset. Capture first-party data early so every customer interaction makes your next acquisition cheaper and smarter

Google Growth Enablers : Google Analytics 4 | Google Tag Manager | Enhanced Conversions

CASE STUDY

DailyObjects optimized its shopping feeds and activated performance max to improve product discoverability across google shopping. The brand delivered a 31% increase in paid shopping traffic, 10% growth in organic shopping traffic and 32% higher organic impressions, improving revenue efficiency.

CASE STUDY

Nestasia activated Performance Max and product feed optimisation to capture intent across discovery and shopping moments. The brand delivered 57% higher CTR and 35% incremental conversions, turning home décor discovery into more efficient customer acquisition and sales.

The Business Signal – Prove the core model is profitable and ready to scale



REPEAT IS EARNED, NOT BOUGHT

The hero product is real when customers return on their own. Cohort-level organic repeat rate, improving cycle-on-cycle, is the single most important number at Stage 1.

Track: Organic repeat rate by cohort. LTV:CAC ratio.



D2C CONTRIBUTION MARGIN IS POSITIVE

D2C is the learning engine, but it must pay for itself. Otherwise every channel added after it is a loss multiplier, not a growth lever. The gross margins should be understood by channel before any expansion decision is made.

Track: D2C contribution margin, Gross margin by category.



FIRST-PARTY DATA IS BEING CAPTURED AND USED

The data advantage of D2C is only real if it's being actively collected. These include purchase frequency, repeat triggers, LTV by acquisition channel and return behaviour. A brand that reaches ₹150 Cr without this infrastructure has to rebuild it under commercial pressure.

Track: Customer value by acquisition channel.



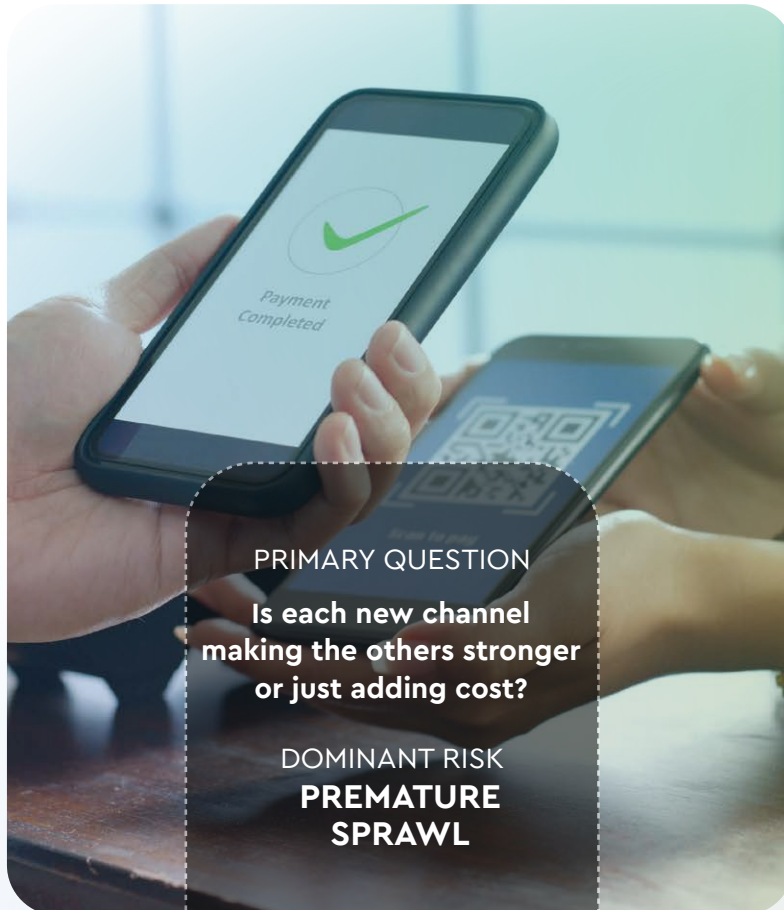
THE ACQUISITION STRATEGY IS PROVEN

Growth should not depend on a single platform, creator or campaign. The business should have a deep understanding of platform mix, best performing audiences and communication strategy that makes future growth easier.

Track: Campaign effectiveness, Creative performance, Audience Engagement.

ACCELERATION ₹150-300 Crore

The core is proven, now the brand goes wider. The test is whether each new channel compounds the others, or just spreads you thin.



THE FIVE CODES AT THIS STAGE



Brand Positioning

Defend the core while premiumising into new price tiers

HARNESS



Credibility

Sustain that trust and capitalize on it for gaining a wider audience

HARNESS



Creative Strategy

Expand brand reach through diverse creative voices and formats

HARNESS



Channel Mix

Extend into new channels only where the economics are clear

FOCUS



Media Activation

Create demand beyond today's buyers. Reach new audiences, build preference and capture future demand

FOCUS

The three codes to harness at Stage 2

BRAND POSITIONING

Premiumise up,
never discount down

Challenger Brands arrive at Stage 2 with a genuine premium asset that has an over-indexed perception of exclusivity and luxury. Reaching the wider audience means building a distinct sub-brand which is separately positioned with its own price point. From there, expand into what each customer cohort already buys – drive higher frequency, larger basket, broader distribution. The brand promise stays constant; the product mix evolves.

CASE STUDY

Honasa built Derma Co as a distinct premium brand rather than stretching Mamaearth upward: separate positioning, separate price point and shared infrastructure only where the economics allowed²

CREDIBILITY

Performance-based
credibility
builds lasting trust

At Stage 2, credibility must be demonstrated through performance, not just presence. Category-leader positions on marketplaces, strategic earned media, credible retail presence, and expert endorsement become the key trust signals at this stage. As review volume and SKU count scale, protecting rating integrity becomes an operating discipline for the brands.

CASE STUDY

Wakefit's 100-night trial was credibility infrastructure for a wider audience: marketplace bestseller status and review integrity became their key trust signals³

CREATIVE STRATEGY

Expand creative,
broaden reach

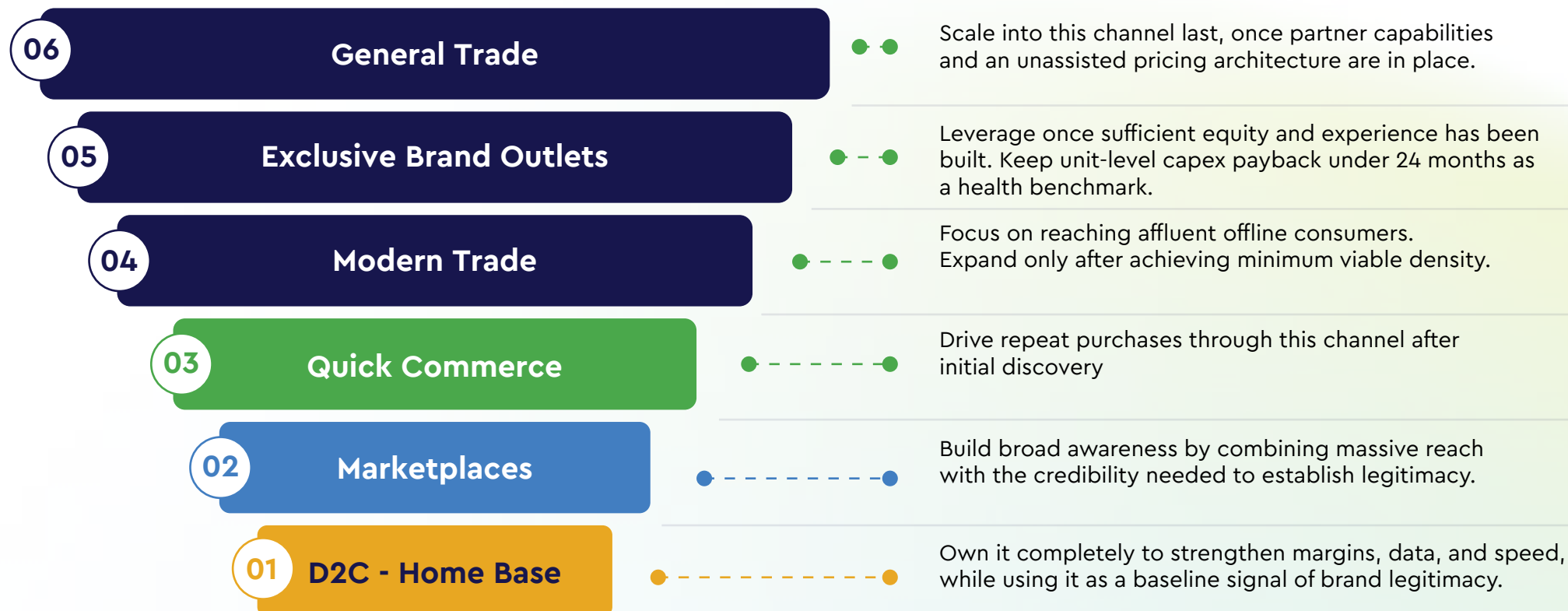
Stage 2 is where the brand voice has to reach a wider set of audiences by widening the creator network (more formats, more voices, broader reach) and building further social proof.

CASE STUDY

Blissclub widened its creator network across economic strata, languages, and cities to cover activewear benefits and extended the use case beyond fitness into travel, work, and everyday wear⁴

Source: 1. Kantar Research 2024–25; Elevation Capital | 2. Beyond the Hype: Analyzing Positioning Durability, House-of-Brands Architecture, and Founder-Couple Equity in Digital-First Brand Scaling – International Journal of Computer Information Systems and Industrial Management Applications | 3. How a Newcomer Like Wakefit Built a ₹400+ Crore Empire in Just 3 Years – Klub Zero | 4. Blissclub Debuts First Menswear Line in India – Indian Retailer | Why Blissclub Works – Mavraa

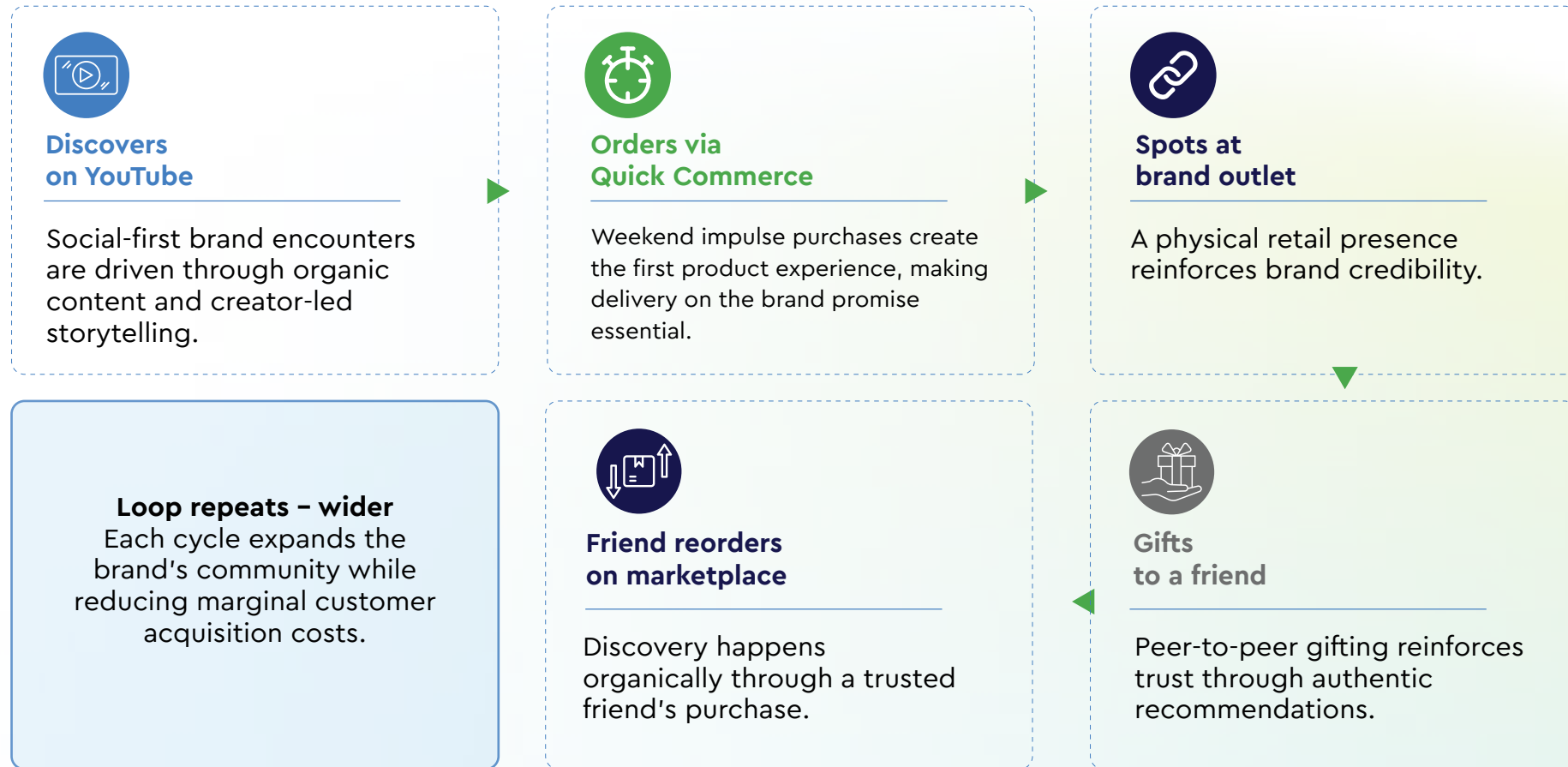
Channel Mix – Expand into offline retail only after establishing online profitability



CASE STUDY

The Souled Store went offline only after online had proven PMF with 15%+ contribution margin post-marketing. The brand's expansion from licensed merchandise into casualwear meant stores could offer a full wardrobe solution, not just novelty product. The result: capex payback under 12 months across the first ten stores

Channel Mix – Turn individual channels into a compounding growth loop



CATEGORY-WISE GROSS MARGINS (GM) DETERMINE EXPANSION

BPC ~75% GM

This category can afford an omnichannel presence and retail capex.

Apparel 50–65% GM

Inventory risk means every channel expansion is a real P&L decision.

Food ~35% GM

Every channel needs a standalone case. Presence everywhere is a margin challenge.

Media Activation – Create future demand by reaching new buyers



PRIMARY GROWTH JOB - CREATE

Create: Reach new audiences before competitors do. Use discovery channels to generate future demand and tap into new consumption occasions.

Google Growth Enablers : YouTube Video Reach Campaigns | YouTube Shorts | Demand Gen | Customer Match



STRENGTHEN - OUTLEARN

Outlearn: Not every customer interaction contributes equally to growth. Use measurement studies to isolate the specific audiences, channels and journeys that actually create incremental demand, then scale them.

Google Growth Enablers : Measurement Studies e.g. Search Lift | Conversion Lift



MAINTAIN - CONVINC & CONVERT

Convince: Build preference beyond early adopters and existing customers.
Convert: Ensure discovery, consideration and conversion work together as one connected journey.

CASE STUDY

Foxtale leveraged Customer Match and Demand Gen to connect acquisition with remarketing and refine audience targeting across the funnel. The brand achieved 200% higher conversion value, 43% higher ROAS and 20% lower CAC, expanding customer demand more efficiently.

CASE STUDY

XYXX combined YouTube Video Reach Campaigns, and YouTube Shorts to build awareness and consideration beyond active shoppers. The campaign delivered 108% growth in D2C sales, 24% increase in brand searches and a 12.6% lift in ad recall, creating stronger future demand.

The Business Signal – Prove the channel expansion is sustainable and profitable



THE EXPANSION HASN'T COMPRESSED THE ECONOMICS

The selling costs need to be stable or declining on a cohort basis. Blended gross margin should hold as offline channels enter the mix. New channels hitting payback targets means the brand equity preceded them.

Track: Blended gross margin vs Stage 1 baseline. Selling costs as a percentage of revenue, cohort-on-cohort.



THE NEW COHORT LOOKS LIKE THE FOUNDING COHORT

If brand positioning held through expansion, Stage 2 cohorts should retain comparably to Stage 1. Materially worse LTV from newer cohorts means the core has been diluted in the push for reach.

Track: LTV and repeat rate by acquisition cohort, Stage 1 vs Stage 2.



ORGANIC ACQUISITION IS GROWING

As the creator network widens and earned presence compounds, organic share of new customer acquisition should be increasing. Stable or declining CAC despite higher revenue confirms the brand is earning discovery.

Track: Organic share of new customers, CAC trend cohort-on-cohort.



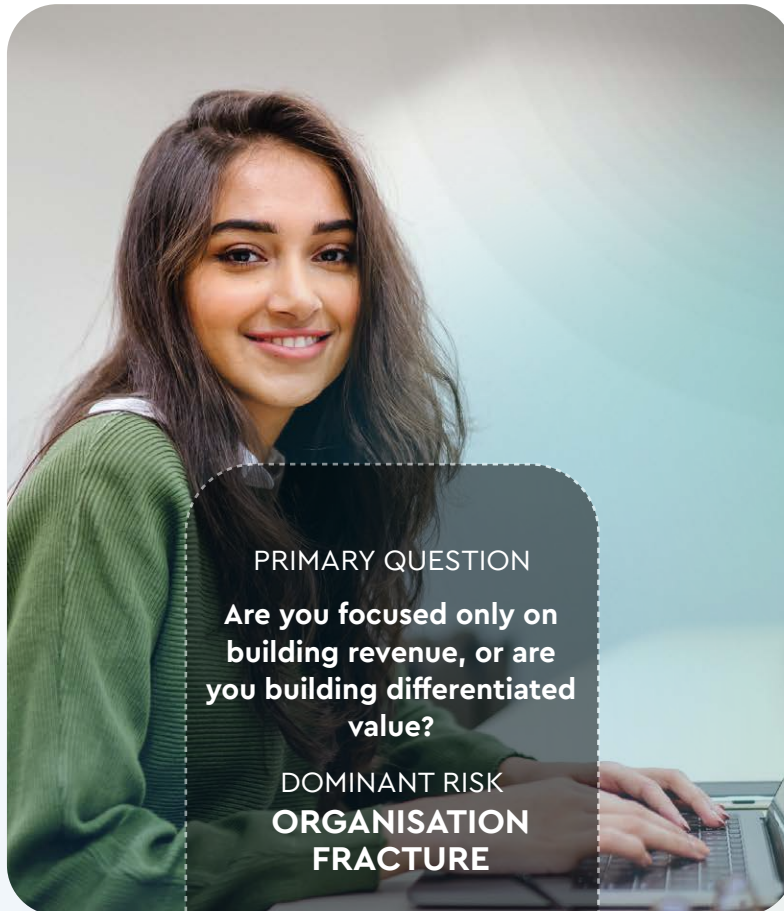
DEMAND CREATION IS DRIVING GROWTH

Growth should increasingly come from audiences, occasions and moments that were not converting previously. As discovery expands, the share of new-to-brand customers should grow without significantly weakening acquisition efficiency.

Track: New-to-brand customers, Assisted conversions, Branded search growth.

INSTITUTIONALISATION ₹300–500 Crore

The decisions that determine ₹500 Cr are largely made. What changes now is the prize: durable value, not just revenue.



THE FIVE CODES AT THIS STAGE



Brand Positioning

Demonstrate pricing power at this stage (margin expansion, lower trade commissions)

HARNESS



Credibility

Capitalise on the trust that you have built

HARNESS



Creative Strategy

Build recurring, returnable content formats that audiences love

HARNESS



Channel Mix

Orchestrate the full mix as one omnichannel engine

HARNESS



Media Activation

Turn every customer into future growth. Create more value from the customers you already have

FOCUS

The four codes to harness at Stage 3 (1/2)

BRAND POSITIONING

Protect equity under the pressure of scale



While volume can be bought with discounts, holding your premium price point must remain the strategic choice; discounting now borrows against the equity built in Stages 1 and 2.

Maintain a single-brand architecture unless a multi-brand approach is strictly necessary to reach distinctly new audiences under holding company, capturing operating leverage across shared infrastructure.

CREDIBILITY

Turn earned trust into a transferable asset that can survive at an institutional scale.



Credibility must shift from winning over experimental shoppers to convincing risk-averse traditional buyers. Trust can no longer be validated transaction-by-transaction; it must be institutionalised into a transferable enterprise asset. This enables the brand to launch adjacent categories under a proven trust umbrella, leveraging its customer base to establish undisputed category leadership across all touchpoints.

CASE STUDY

The Whole Truth protected its premium positioning at scale by making radical ingredient transparency its core identity rather than a marketing tactic. Instead of discounting its hero nutrition bars to chase volume, it used its unified brand equity to expand into adjacent categories like chocolates and peanut butter. This disciplined, single-brand architecture allowed it to capture operational scale while fiercely protecting their price signal¹

CASE STUDY

The Sleep Company won over risk-averse traditional shoppers by institutionalising its credibility through patented SmartGRID[®] technology and physical experience centers. This undeniable, tactile proof established them as the undisputed category standard for sleep ergonomics. It then leveraged this transferable trust umbrella to expand seamlessly into high-ticket office chairs and recliners without having to rebuild consumer confidence²

Source: 1. The Whole Truth – Thought Over Design | The Whole Truth Branding & Packaging Audit – Confetti | 2. SmartGRID – Everything You Need to About Grid Mattress – The Sleep Company

The four codes to harness at Stage 3 (2/2)

CREATIVE STRATEGY

Build episodic IP, not episodic campaigns



At this stage, audiences don't engage with traditional, short-lived advertising cycles; they latch onto recognizable, repeatable formats. To capture attention, brands must stop asking their creative teams about the next campaign and start asking about the next episode. The objective is to build "returnable IP" – proprietary content structures that give audiences a consistent reason to engage over time.

CASE STUDY

Licious overcame consumer hesitation around premium meats by building a highly returnable "how-to-cook" episodic series. Structured as fast-paced digital cooking shows, these episodes feature experts teaching audiences how to confidently prepare complex cuts like Atlantic salmon or mutton. By providing genuine culinary education rather than functional sales pitches, the series builds viewer confidence and actively creates new demand¹

CASE STUDY

The Souled Store orchestrates D2C, marketplaces and its own stores as one system, even with modern trade or general trade not entering the mix in their context. D2C carries the range and the data, marketplaces drive discovery, stores convert the full wardrobe

CHANNEL MIX

Operate as a unified omnichannel system



By Stage 3, the ladder has been climbed. The challenge is no longer which channel to enter, but making all live channels work as one system. Each needs a defined role: D2C for data and loyalty, marketplaces for discovery, EBOs for equity and experience, modern trade for new cohort acquisition, general trade for scale. Pricing must be consistent across all of them since channel arbitrage erodes margin and signals brand confusion.

| Source: 1. Official Blog – Licious | YouTube Channel – Licious

Media Activation – Turn existing customer value into a compounding growth engine



PRIMARY GROWTH JOB - COMPOUND

Compound: Strengthen customer relationships, increase lifetime value, and turn existing buyers into future demand creators. The best brands extract more value from every acquired customer.

Google Growth Enablers : Customer Match | GA4 Audiences | Enhanced Conversions



STRENGTHEN - OUTLEARN

Outlearn: Use infrastructure, AI, and measurement to identify high-value customers, personalise experiences, and continuously improve growth decisions.

Google Growth Enablers: GA4| BigQuery | Gemini | Smart Bidding | Meridian | Ads Data Hub



MAINTAIN - CREATE, CONVINCE & CONVERT

Create: Continue creating future demand beyond existing customers.

Convince: Continue reinforcing trust and preference at scale.

Convert: Continue making demand capture frictionless.

CASE STUDY

FirstCry leveraged GA4 Predictive Audiences and Google Ads to activate high-value customer cohorts and personalise lifecycle engagement. By targeting predictive first-time purchasers and top spenders, the brand achieved 22% more acquisitions and 15% higher ROAS, strengthening long-term customer value through first-party customer intelligence.

CASE STUDY

Lenskart combined App Campaigns for Engagement, Search, and a full-funnel audience strategy to connect discovery, consideration, and conversion. By sequencing communication across product viewers, cart abandoners, and high-intent audiences, the brand achieved 2x higher ROAS, 247% growth in monthly orders, and 285% increase in revenue.

The Business Signal – Prove the business is evolving from high growth to durable scale



THE P&L CONFIRMS THE CODES ARE COMPOUNDING

When pricing power is structural, channels are orchestrating, and creative is running efficiently, the financial output is margin expansion and a clear path to 15% EBITDA. This means gross margin is expanding, selling costs are stable or declining, and the EBITDA trajectory is visible before ₹500 Cr. A brand that reaches ₹500 Cr without this trajectory has built scale without durability.

Track: Gross margin trend, selling costs as a % of revenue, EBITDA trajectory.



THE BUSINESS RUNS BEYOND THE FOUNDER

Creative campaigns are produced without the founder's daily input. Channel and pricing decisions are made at team level, not routed upward. Brand equity holds under commercial pressure i.e. the channel needs the brand more than the brand needs the channel.

Track: Founder involvement in campaign cycles, team ownership of pricing decisions, price stability without intervention.



CUSTOMER VALUE IS COMPOUNDING

Growth should increasingly come from existing customers buying more often, spending more over time and influencing future demand. As customer relationships deepen, a growing share of revenue should come from the customers already in the ecosystem.

Track: Repeat purchase rate, share of revenue from existing customers, LTV:CAC ratio.

“

Being a challenger brand is partly just a function of being small – when you're small, decisions move fast, there's no five-meeting approval chain. We don't lean on big research firms; we get feedback straight from the marketplaces, and that loop is short enough to shape what we launch next.

Aditya Anand

Co-Founder
Yoga Bar



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