



 **gradient** / intuition alone
is never enough



Unraveling the Oatly Brand:

How Gradient helped Oatly uncover **key drivers of premium brand perception** using a **brand equity analysis**



Oatly's initiative with Gradient aimed to uncover the brand attributes that justify Oatly's premium pricing and drive sales funnel conversion. It was driven by a set of clear objectives:



1. Identify Category Brand Drivers: Determine the alternative milk brand attributes that are most impactful overall in driving awareness, consideration and purchase.



2. Benchmark Oatly Performance: Evaluate how Oatly as a brand performs on those key attributes relative to competitors.



3. Simulate Brand Perception Shifts: Model the impact on Oatly's metrics if perceived as higher/lower on specific attributes

The goal was to empower Oatly to confidently convey the brand qualities that quantitatively drive premium value perception and conversion through the sales funnel. By leveraging advanced modeling, Oatly gained data-backed insight into optimizing messaging and perception.

Results, findings, and implications: Oatly uncovers taste and texture as the key premium brand drivers over sustainability



Taste Trumps Sustainability - For the alternative milk sector overall, taste and texture attributes drive consideration and purchase rather than sustainability merits.



Weaving In Taste Messaging - Oatly's brand identity has heavily emphasized sustainability over taste. The findings required integrating taste and texture mentions into positioning.



Category-Wide Learnings - While Oatly thought eco-friendly features were key, quantifying category perceptions revealed taste as more valuable to command premium pricing.



Brand Benchmarking - The analysis enabled benchmarking Oatly's performance on those high-value attributes relative to competitors to inform branding strategy.



Simulated Outcomes - Advanced modeling simulated Oatly's sales funnel conversion rates if perceived as stronger on key attributes like taste, providing data to optimize messaging.

As a result of our research, Oatly gained several powerful insights:

The analysis exposed a mismatch between what Oatly believed justified its premium brand value and what actually drives sales funnel conversion.

- Oatly emphasized its sustainability merits and eco-friendly production, yet taste and texture prove more influential brand drivers for commanding higher pricing.
- Likewise, Oatly's brand identity conveyed assumptions about consumer motivations, but the data revealed key perceptual gaps limiting purchase consideration.

The bottom line: Oatly had conviction about its differential premium equities, but the research quantitatively pinpointed the attributes most financially impactful - an ability to justify higher prices.

However, certain patterns emerge, like the massive influence of taste perceptions in the plant-based milk category overall as the key driver, outranking factors like sustainability that Oatly stressed in branding.

The findings equip Oatly to realign messaging to lean into those high-value equities, backed by statistical rigor rather than assumptions.

I always recommend Gradient first to anyone that's looking for quantitative research. This is my third company that I've been in, where I've been like:

"We are bringing these guys in."

Heidi Hackemer

Former Executive Director at
Oatly Futures Lab

Methodology



1. Defining the Buyer Universe. Gradient had to make decisions around appropriately scoping the target audience to survey for diversity of perspective within potential Oatly customers.



2. Custom Survey Design. Gradient designed a survey to collect data assessing brand associations and preferences from the defined buyer universe.



3. Regression Analysis. Developed a statistical model using the survey data to quantify which Oatly brand attributes influence awareness, consideration and purchase.



4. Sector Benchmarking. Compared Oatly's performance on influential attributes versus competitors to inform branding strategy.



5. Periscope Simulation Tool. Created simulated scenarios using the Periscope tool to model impacts on sales funnel conversion rates given different Oatly brand perceptions.

Examining Oatly's Brand Equity



Introducing Oatly

Oatly is a Swedish company that pioneered the oat milk category and has rapidly gained popularity for its sustainable line of oat-based milk substitutes. However, as the plant-based dairy alternative market grew crowded, Oatly questioned if its branding still resonated in converting buyers. This initiative with Gradient set out to statistically quantify which specific brand attributes and associations justified Oatly's premium pricing and market prominence. It aimed to ground Oatly's assumptions in data-backed insights around tangible equities driving consumer choice beyond sustainability merits or general brand sentiment.

How was it to work with Gradient?



*"Most quant companies come to you with their methodology and a very rigid approach. The reason why I always recommend **Gradient** first to anyone that's looking for quant is because they do a style of quant where they really listen to what you need and then they get creative with you to make sure that you're really answering the most important questions. I'm working with a team that inherently understands emotion and creativity and understands how quant needs to service those things. I think many who do quantitative research do not inherently understand that this is all in the service of bravery, creativity, people, emotion... but Gradient does."*

- Heidi Hackemer, former Executive Director at Oatly Futures Lab





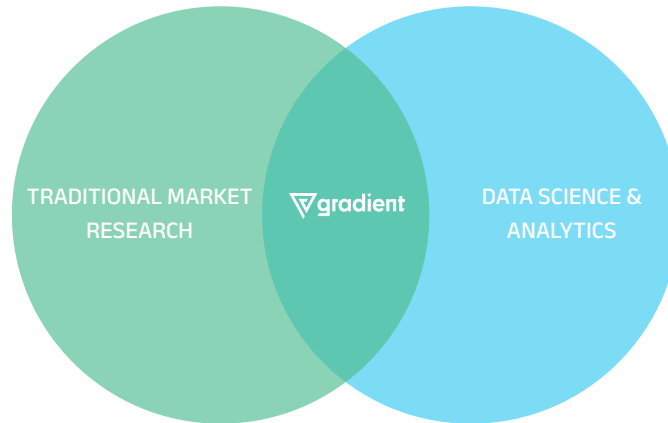
Gradient is your quantitative decision science partner

Who we are

Gradient equips our clients with **evidence-based clarity to answer their most challenging strategy questions** and achieve their growth goals.

We uncover critical objective realities for our partners with bespoke, consultative research programs that push the boundaries of custom statistical methodologies.

We work with startups, Fortune 100 brands, consulting firms, and political campaigns.



What makes us unique

We aren't a SaaS product or an off-the-shelf solution; nor are we a traditional research firm, producing the same reams of spreadsheets for every client.

Gradient seeks continuous improvement for our methodologies and for your organization. We integrate into your business, share your goals, and can't wait to champion your successes.

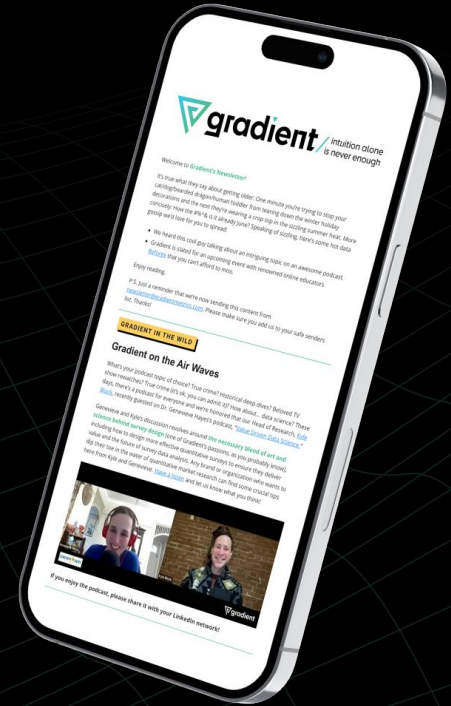
Do you have similar **brand equity** questions and need objective clarity on how to grow your business? Get in touch with us and let's see if we can partner with you to answer those questions

Contact us 





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