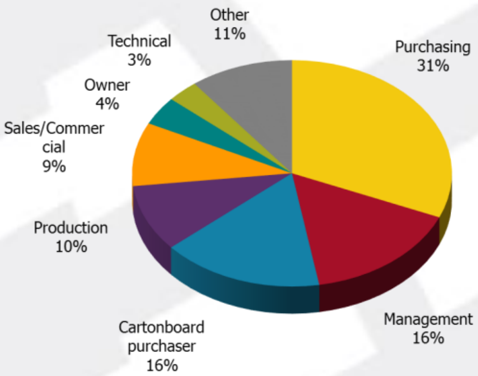
News Release

Opticom International Research

Leading cartonboard suppliers reaffirming their positions among carton converters – results show there is a clear correlation between spontaneous awareness and purchased brand

Stockholm, Sweden, August 28, 2014 - Opticom International Research today announces the results from "The Brand Tracking Survey – Cartonboard for consumer packaging 2014" defining and ranking **the most valuable cartonboard brands in Western Europe according to carton converters**.

The ranking of brands, the Opticom Brand Equity Index, takes into account both awareness of and satisfaction with the brand. Satisfaction encompasses quality and service associations, perceived brand performance as well as loyalty towards the brand.



The results are based on interviews conducted in February-April 2014 with 220 carton converters from eight Western European countries: Germany, the UK, France, Belgium, the Netherlands, Spain, Italy and Switzerland (new). All the converters who participated in the survey to some extent use virgin fibre cartonboard for their cartons and produce folding cartons for at least one of the following end use segments: Cosmetics & beauty care, Pharmaceuticals & healthcare, Chocolate & confectionery, Frozen & chilled food, Dry food, Wines & spirits. In total 58 different brands were evaluated by the converters. To qualify for the ranking, a brand must be evaluated by a minimum of ten respondents. Respondents cover a range of functions although most are related to purchasing and selection of cartonboard.

Main findings

The survey shows that the levels of awareness for most of the FBB brands remain on similar levels as in 2012, whereas SBB brands show a positive development. Another important finding from the survey is that the brands overall are closing the gaps between converter expectations and brand fulfilment. The 2014 edition is also following up on identifying demands on a number of service and relationship aspects and how satisfied converters are with those – supply chain related aspects in particular being the hot topic of the year.

Loyalty in the sense of being likely to continue using the current main brand and not switching to another main brand remains very high overall, although about half of the converters prove to be more price sensitive than others.

Overall, Opticom's *Brand Equity Index*[1], reveals a market that is still, on a total level, quite heterogeneous in terms of both brand presence and drivers for choice but nevertheless, it shows some potential for the right brand with the right profile to increase its market share across segments and borders.

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[1] *To qualify for the European ranking a brand must be evaluated by minimum ten respondents in total of whom minimum three in two of the seven markets covered in the survey The BEI consists of four different sub-indices: spontaneous brand awareness, top of mind, quality associations and loyalty*

Most valuable brands in Western Europe - based on the Opticom Brand Equity Index

When taking into account brand awareness, performance and loyalty in ranking the brands based on Opticom's *Brand Equity Index*, the most valuable cartonboard brands in Western Europe according to carton converters are:

Ranking 2014 (2012*)	Brand	Owner of the brand
1 (1)	Invercote	Iggesund
2 (3)	Incada	Iggesund
3 (2)	Tambrite	Stora Enso
4 (5)	Performa	Stora Enso
5 (8)	Ensocoat	Stora Enso
6 (4)	Carta range	Metsä Board
7 (9)	Rochcoat/blanc/perle	Careo
8 (6)	Simcote	Metsä Board
9 (new)	Excellent Top	MM Karton
10 (10)	Linoplex/-freeze	MM Karton

** BEI 2012 based on recalculation including the 2012 data from Switzerland for comparison.*

Position of the leading suppliers reaffirmed

Iggesund's and Stora Enso's positions as owners of the most valuable brands are reaffirmed. Levels of awareness of the top brands continue to be fairly stable since 2012 but rankings of individual brands have changed. Still, the supplier awareness is much higher than brand awareness overall.

Compared to last edition, Excellent Top (from MM Karton) has qualified for the ranking for the first time. Brands no longer qualifying due to fewer converters evaluating them are Algro Design (from Sappi), BillerudKorsnäs (from BillerudKorsnäs) and CMPC (from CMPC).

Purchase driven mainly by product quality and value for money

The results show that there is a clear correlation between spontaneous awareness and purchased brand. The survey also looks into purchasing behaviour such as how influential brand owners are when selecting cartonboard grade and/or brand, how often they use a certain brand and which the most important drivers behind the brand usage are. The most important drivers for choosing a brand in 2014 are product quality and value for money. These results vary somewhat depending on the segment and brand.

Quality expectations are met and brand owners are loyal

The brands are on an overall level closing in on the gaps between importance and performance across the board of evaluated criteria; individual brand performance is still however not altogether fully in line with expectations as there are larger than average gaps among certain brands for some criteria.

Converters are still very loyal to their current main brand when it comes to the likelihood in continuing to purchase the brand, not replacing it for another main brand and also to recommend it to others. Some brands however have a more homogenous group of customers than others as made apparent by the net promoter score.

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Sustainability & environmental aspects

For the first time in 2010, Opticom looked into the environmental aspects when choosing a cartonboard brand. In 2012, a follow-up was done and it was also expanded to cover sustainability in a wider scope. The 2014 results show that the level of knowledge is uneven among the converters and many still don't recognise a brand and/or a supplier leading in these areas. Among those recognised as leading suppliers, Iggesund and Stora Enso are clearly pointed out and Invercote among the leading brands. What will it take then for a brand and/or supplier to *really* take the lead on an overall level in the coming years?

Cost issues are challenging

For the first time, Opticom looked more closely at the most critical challenges that converters need to overcome to maintain and strengthen their competitiveness as well as what a cartonboard producer can do in order to help the converters in meeting their challenges. Among others, cost related issues are the main challenges for the converters. However the answers are somewhat market related. And converters consistently ask for support related to cost/price aspects.

The Opticom Brand Tracking Survey adds value to you if you are interested in finding out any of the following:

- How do your customers (the converters) view your brand? What overall strengths and weaknesses does it have?
- Is your brand well-known where distributed? That is, does its awareness reflect its availability in the various markets?
- What do users of your brand value when it comes to quality and service characteristics?
- How well does your brand fulfil converter demands; both in absolute terms and in relation to competition?
- How loyal are converters to your brand? Are they sensitive to changes in e.g. pricing, product quality or logistics?
- How do converters view sustainability and environmental aspects and how do they rate the performance of different suppliers and brands in that respect?
- What makes a brand better than others when it comes to environmental aspects? And what makes a supplier better than others when it comes to sustainability?
- What are the most critical challenges converters need to overcome to maintain and strengthen their competitiveness? And how can a cartonboard producer help converters to meet their critical challenges?

The findings provide useful information that enables owners of the cartonboard brands to for example:

- Define where to focus efforts to create a stronger brand position; is it question of raising awareness of the brand or more about influencing converters' quality perceptions or even improving the actual quality of the brand?
- Analyse brand positions in the various markets and end-use segments to see where they have competitive advantages and not.

For more information, or ordering of the survey, please contact Camilla Wiwe at:

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