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Boring Brands, Sweet Loyalty

Investors often gravitate towards brands that feel exciting: disruptive narratives, new categories, fast growth. Yet some of the most valuable brands do not compete on aspiration or novelty at all. They win by being familiar. They sit quietly in cupboards, embedded in routines, chosen with little conscious thought. What looks like boredom is, in fact, habit. And habits are powerful. They shape behaviour, make decisions easier, and gradually create loyalty that is stronger than simple preference.

This idea becomes clearer when looking at individual businesses. Some brands illustrate how repetition, rather than reinvention, can be a powerful source of value creation over time. In these cases, what appears uneventful on the surface often conceals a deeply resilient commercial model. Nichols plc, is a textbook example. Nichols is a UK-listed soft drinks group focused on the development, marketing and distribution of beverages. Its core asset is Vimto, a long-established fruit-flavoured soft drink sold in both ready-to-drink and concentrated cordial formats across multiple international markets. In a soft drinks market crowded with functional claims, wellness fads and short product cycles, Vimto does not rely on differentiation through novelty. It relies on behavioural inertia. First created in 1908 as a herbal tonic of fruits, herbs and spices, “Vimtonic” was designed to provide “vim” and “vigour”. More than a century later, that origin story has evolved into something far more defensible: cultural relevance that has endured across generations.

Nowhere is this more evident than in the Middle East, where Vimto has become synonymous with Ramadan. For over 100 years, it has formed part of the ritual of breaking the fast, with more than 25 million bottles of cordial sold during the holy month each year. This is not marketing-led demand; it is cultural embedment. It represents a depth of brand attachment that cannot be manufactured quickly, regardless of capital deployed. It is the result of repetition, shared experience and intergenerational transfer, where consumption becomes part of identity rather than choice. In the UK, the pattern is different but no less telling. Despite intense competition from global brands, Vimto remains the ninth most chosen beverage brand - a reminder that longevity often outperforms novelty. Familiarity, in this sense, becomes a competitive advantage in its own right.

This form of demand has important financial consequences. These brands do not require constant reinvention to sustain relevance. Instead, they benefit from a quiet, resilient loyalty in which consumers are not actively choosing, but simply not switching. That dynamic supports strong returns on capital, as growth does not depend on perpetual category disruption or escalating marketing spend. The business can prioritise efficiency and margin discipline rather than excitement.

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By contrast, brands built on novelty face an inherent fragility. When excitement fades, so often do volumes, followed by price. Does anyone remember Prime? Launched in 2022 by influencers Logan Paul and KSI, the brand saw explosive early demand driven by social media hype, limited availability and resale premiums, before more recently facing slowing sales and excess inventory as novelty wore off. For investors, the error is to assume that attention and value creation are the same thing. Many of the strongest long-term compounders rarely dominate headlines but are relied upon quietly but dependably by their loyal followers.

Whether it is a familiar product on a supermarket shelf or a staple of a long-standing cultural ritual, the relevance of these brands is often enduring. They adapt to different contexts without losing their core identity, reinforcing their place in everyday routines across time and geography. In a market obsessed with disruption, it is these kinds of businesses that offer something increasingly scarce: predictability. Revenues supported by habit, margins protected by discipline, and a business model designed to compound quietly over time. For long-term investors, that kind of "boring" is often where the real value lies.

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