

DBA DESIGN EFFECTIVENESS AWARDS 2010

It's a Highland Spring thing



CATEGORY
4.2 Branded Drink

CLIENT COMPANY
Highland Spring

DESIGN CONSULTANCY
999 Design Group

DATE OF ENTRY
3 June 2010

999

EXECUTIVE SUMMARY

Highland Spring, the UK's biggest spring water brand with 31.4% share of the overall UK market*, wished to springboard their highly successful Sparkling Water to the next level by re-energising the product and simultaneously evaluating its carbon footprint.

999's brief was to take the UK's leading branded sparkling water and:

- increase its sales performance
- enhance its on shelf presence
- improve its green credentials

It was a tough challenge given the backdrop, market research had revealed that the bottled water market in the UK had shrunk by 5.5% overall in 2008. The result is the most radical product redesign in the company's history and one of the most effective. Due to large volumes the new products were phased in from summer 2009.

ROI FOR DESIGN SPEND

Based primarily on the re-designed bottle and label design, a leading UK retailer has listed the new 500ml product in over 1000 stores, replacing the San Pellegrino 500ml sparkling product.

The retail value of this and other retail sales growth areas was in excess of **£740,000** (1.2m Litres) in the first three trading quarters. This dramatic leap has been achieved without 'Price Promotion' activity and with no direct television support.

Market share has grown from 26.2% to **29.5%**** in this period.

The Sparkling water market has grown by 9% in this period with Highland Spring Sparkling responsible for 64% of this growth.

The new Highland Spring Sparkling SKU is also driving new customers to the category with 46K who hadn't previously bought bottled water purchasing the product.***

At this stage the sales achieved to date represent a solid return on investment of **1600%**. Essentially the redesign will have paid for itself within the first 3 months of going on sale. (295 words)



500ml SPARKLING PET

* Source: Zenith Report on UK Bottled Water, ** Source: Nielsen Take home, *** Source Dunn Humby 12 weeks to 23/5/10

740K
ADDITIONAL SALES
IN 6 MONTH PERIOD

29.5%
INCREASE IN
MARKET SHARE

1.2M
ADDITIONAL LITRES
OF WATER SOLD

3.1 PROJECT OUTLINE

Highland Spring briefed 999 to create a new premium look and shape for the Sparkling range bottle to maximise on shelf appeal and sales of the product as an 'at home on dinner table' product, and also review the manufacturing aspects to reduce raw material usage and transport costs.

New pack designs were required for the following bottle variants:

- 500ml Sparkling PET
- 1.5L Sparkling PET

Highland Spring objectives were:

- A more premium bottle shape to reflect the brand's iconic glass bottle design
- An 'at home on dining table' look for consumption with food and as a healthy partner or alternative to beer or wine when dining
- Design within the constraints such as bottle height, circumference, paper label, collar and pallet formations
- Be as lightweight as possible to reduce PET/paper usage and cut transport costs/environmental impact
- Total design budget - £46K

9%

SAVING ON
RAW MATERIALS
(PET PREFORMS)

12%

LIGHTER WEIGHT BOTTLE
COMPARED TO THE CLOSEST
BRANDED WATER COMPETITOR

39%

SAVING ON
LABELLING STOCK

3.2 PROJECT DESCRIPTION

Highland Spring Sparkling is the top selling carbonated water in the UK.

Research had shown that while Highland Spring Sparkling was the top selling bottled water in the category, its visual appeal as a premium brand that people would confidently display on the dinner table was under question. San Pellegrino and Perrier were researching more favourably in this respect.

Also, the huge quantities of Highland Spring Sparkling that were being transported throughout the UK raised some corporate social responsibility issues and the company asked 999 to look at developing a new shape that would match the criteria for a trendier, sexier bottle but also make significant positive impact on the amount of raw materials used in production and the subsequent reduction in transport costs. Production line constraints also had to be taken into the equation.

POSITIVE ENVIRONMENTAL IMPACT

There were opportunities to make a positive environmental impact too. After the redesign, savings on raw materials were significant at: 12% saving on Poly Ethylene Terephthalate (PET) usage and 39% saving on label paper stock. The new bottles are now 100% recyclable and are the lightest branded bottles in the sparkling category, using 12% less PET than the nearest competitor bottle, weighing in at 21.5g for the 500ml and 38g for the 1.5 L bottle.



3.3 MARKET BACKGROUND

The UK bottled water market declined in 2008 by an estimated 5.5% overall to 2,055 million litres. In terms of consumption per person, bottled water stood at 33.7 litres per head up from 29.6 litres in 2002, but down from a high of 37.6 litres in 2006. The market's sales value decreased by 4% overall to reach an estimated £1,497 million.

Packaged waters declined by 4.5% to 1,695 million litres. Bulk water sold through coolers fell further by 10.0% and now accounts for 17.5% of the total market. PET held a 75% packaging share. Glass increased slightly to 7% and returnable polycarb held 17%.

Supermarkets' share of sales stood at 47.6%. Horeca (Hotels/ Restaurants/Cafes) increased share slightly to reach 10.6%.

UK produced waters fell slightly to 1,658 million litres. Imports fell also, to 457 million litres, with share down to 22.2% of consumption. Exports rose to 60 million litres, 3.6% of UK production. France continues to dominate UK bottled water imports. Italy and Ireland are also prominent.

Still water decreased to 1,785 million litres, accounting for 86.9% of overall volume. Carbonated water held 13.1% of total volume and has stabilised its share in recent years. Mineral water took 60.9% of the overall market, spring water gained share to hold 27.4%. The top 10 companies accounted for 68.5% of sales and the top 10 brands 44.2%.

3.4 PROJECT LAUNCH DATE – Summer 2009 onwards

3.5 DESIGN BUDGET – £46K

An additional of £37k was spent on market research, launch activities including presentation cartons, sales presenters, trade advertising, website update and a range of PR activities including advertorials and consumer competitions.

3.5 OUTLINE OF DESIGN SOLUTION

The design is a simple, elegant and timeless form incorporating Highland Spring's iconic brand mark and unique tartan sash. It complements the existing glass product perfectly, extending a 'family' aesthetic across the Highland Spring range. The product now has the quality aesthetic to sit comfortably on any dinner table and has derived extra on-shelf appeal from the new design.

The reduced label area and 'Sparkling' text embossing give the range an enhanced premium feel. The removal of the neck label, replaced with the embossed 'sparkling' descriptor gives the product a 'naked' but confident look displaying more of the product within.

The streamline profile makes it easier to hold and pour. All technical and logistical restrictions were overcome.



1.5L SPARKLING PET

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