



DBA DESIGN EFFECTIVENESS AWARDS 2010

Project Title: Balance Water
Category: 4.0 Packaging
Sub Category: 4.2 Branded – Drink
Client Company: Balance Water
Design Consultancy: Blue Marlin
Current Date: 03 June 2010

bluemarlin

EXECUTIVE SUMMARY

Balance Water is a unique product – unflavoured functional spring water designed to affect emotional wellbeing using pure, natural flower essences. Launched in the US in 2007, Balance Water was very much a niche product served in upmarket hotels and first class airline cabins, and sold in specialist health food stores. The founders had ambitious plans to take the brand mainstream and tackle the likes of Evian head on for a place in people's everyday drinking repertoire. But they were never going to manage it with the previous packaging.

Blue Marlin's new design transformed the brand's fortunes in an instant. In just three months, the new look resulted in an 800 per cent sales increase and massive gains in distribution. The investment in new packaging was repaid in less than 12 weeks and has also resulted in distribution gains in its home market, Australia.

All this was achieved during one of the least economically auspicious times in living memory. The recession hit Americans hard – in real terms, certainly, but it has also had a long-term psychological effect. Consumer confidence has yet to return and sales of non-essentials, such as bottled water, have been hit hard. Even the biggest players have found the going tough, which makes Balance Water's gains all the more impressive. Yes, Balance grew from an admittedly small sales base, but the fact that a premium priced brand recruited customers when shoppers were turning their backs on mass market bottled water in droves is noteworthy.

Balance has had no PR, marketing or advertising support – the design alone has been responsible for its performance.

(299 words)

PROJECT OVERVIEW

Outline of Project Brief

Balance Water needed a powerful new identity and dynamic packaging to help it make the leap from being an exclusive upmarket brand to mainstream premium drink. It enlisted the help of Blue Marlin and challenged us to create new livery that would:

- Direct all brand communications and expression
- Provide a clear and distinguishable point-of-view for the brand
- Clearly define and explain the proposition
- Shift consumer perception
- Feel premium yet appropriate for the mass market
- Drive sales and gain distribution

Description

Balance Water's mission is to bring balance to its consumers through Australian bush flower essences, which have been used as remedies for thousands of years. It tastes of natural spring water, but the flower essences change the way one feels to enhance emotional wellbeing. Different variants address different need states. For instance, the travel variant is designed to help balance out the affect of air travel on the body and mind.

The brand also takes the environment very seriously and goes out of its way to minimise its carbon footprint. None of these messages were getting across strongly enough through its previous on shelf incarnation to justify its price point or explain its raison d'etre. Ranged alongside plain bottled waters and functional drinks, it looked like an expensive alternative and was getting lost in a very crowded category.

Balance Water needed to broaden its distribution and widen its user base beyond its small band of hardcore loyalists.

Overview of Market

The economic downturn coupled with rising environmental concerns hit bottled water sales, which slumped 11 per cent between 2006 and 2008, according to some sources, and by nine per cent in 2008 alone, according to others. Sales fell one per cent in 2009 and the market is not predicted to return to steady growth until 2011.

Some of the leading brands in the bottled water sector reported disappointing results. Nestle stated that sales of Perrier, Poland Spring, and Arrowhead fell in the US during the first nine months of 2008 and decreased by three per cent globally. Even Fuji Water, one of America's favourite premium water brands, felt the squeeze and was forced to lay off 40 per cent of its staff.

Reports from the Beverage Marketing Corporation and Food & Water Watch echoed market pessimism and added that environmental concerns contributed to consumer behaviour in turning away from bottled to tap water.

Although the "water plus" sector has fared slightly better than plain bottled water, functional beverages overall have seen a similar drop in sales. Balance Water is the only product on the market to contain all natural ingredients, but it is not the only unflavoured functional drink. Glacéau's Smartwater dominates the sub-sector, and is a Goliath to Balance Water's David. Bought by Coca Cola for \$4.1bn in 2007, it is backed by a multimillion dollar marketing drive that includes advertising and celebrity endorsement. That's not an option for Balance Water, which relies solely on its on-shelf presence.

Project Launch Date

The new design was rolled out from November 2009

Size of Design Budget

Less than £50,000

Outline of Design Solution

The aim was to provide a clear and distinguishable point of view that defines the Balance Water proposition and to create sensational packaging that really makes its presence felt.

An examination of the product range was undertaken, and its target market clearly identified. It was imperative that Blue Marlin understood what the product did for consumers, and how – or indeed if – this had previously been translated into language, colours and graphic elements.

It quickly became clear that we had to find a way to tell its story and explain its core benefits without overwhelming consumers with too much information, even though the brand had an awful lot to say for itself. We also spotted a gap in the Balance portfolio and urged the client

to develop the new "Relax" variant, which has quickly become one of the brand's best sellers.

The design promotes four key elements:

1. The Selfish Benefit (personal effect)
 - Restoring balance, bringing back your personal equilibrium
 - Calm energy, with each variant having an added benefit
2. Why It Works (reason to believe/efficacy)
 - Substantiation/credibility
 - The flower essences: what they are, what they do
3. How It's Made (credibility)
 - Where the essences come from
 - All natural/hand-gathered in the wild
 - Developed by chemical engineers, biochemists
4. Environmentally Friendly
 - Better than other bottled waters
 - 100% biodegradable
 - Recyclable and recycled content

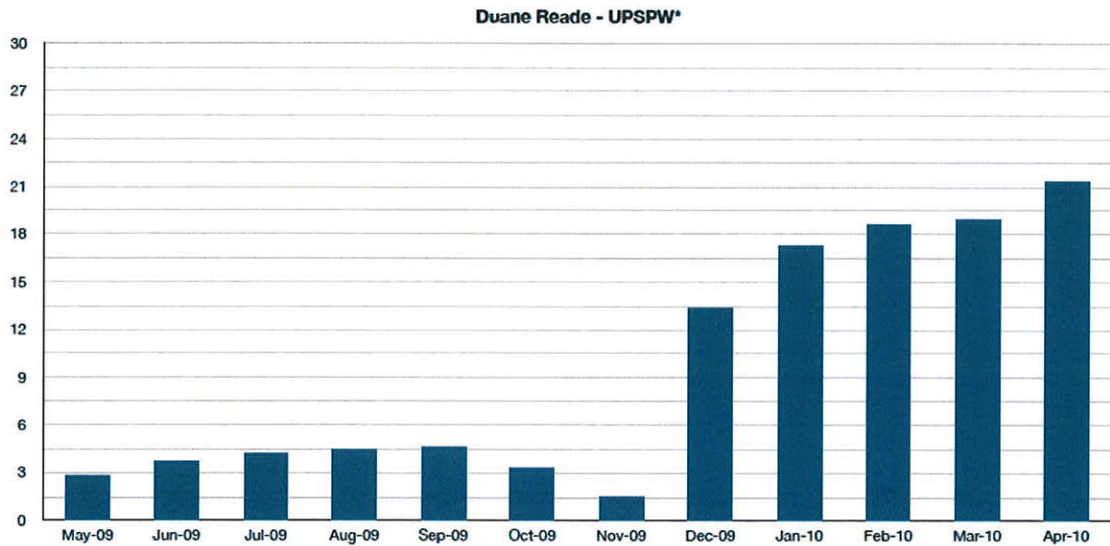
The new design meets all the objectives using a combination of accessible graphics, colour and language, conducive to Balance Water's brand mission: "a balanced world". It simplifies the positioning of each of the four variants and creates an eye-catching look, whether they are ranged singly or as a group. The new look illustrates the benefits of Balance Water in an elegant, clear, compelling and uncomplicated style, while the packaging reflects the purity of the product.

(304 words)

SUMMARY OF RESULTS

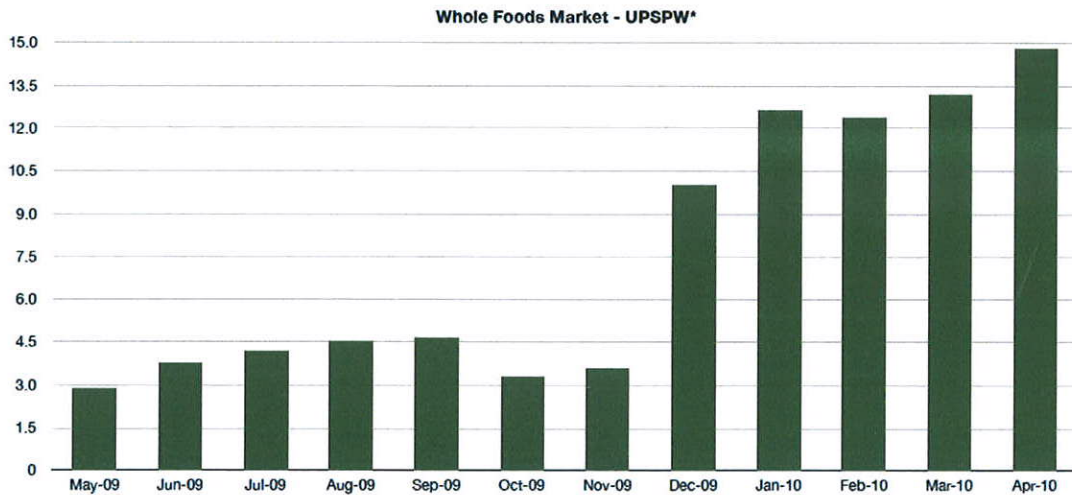
Increase in sales

Balance Water's biggest account, Duane Reade, reported that sales increased by 800 per cent in the three months post launch of the new packaging. The New York retailer increased its order from one pallet per sku per month to two palettes per sku per week. Whereas the original bottles would sit on Duane Reade shelves for up to two months, once the new look made its debut, they sold out in three days. Sales have continued to grow.



* Note: UPSPW is the Average units per store per week per sku. We have 4 skus in Duane Reade so actual volume is 4x these numbers.

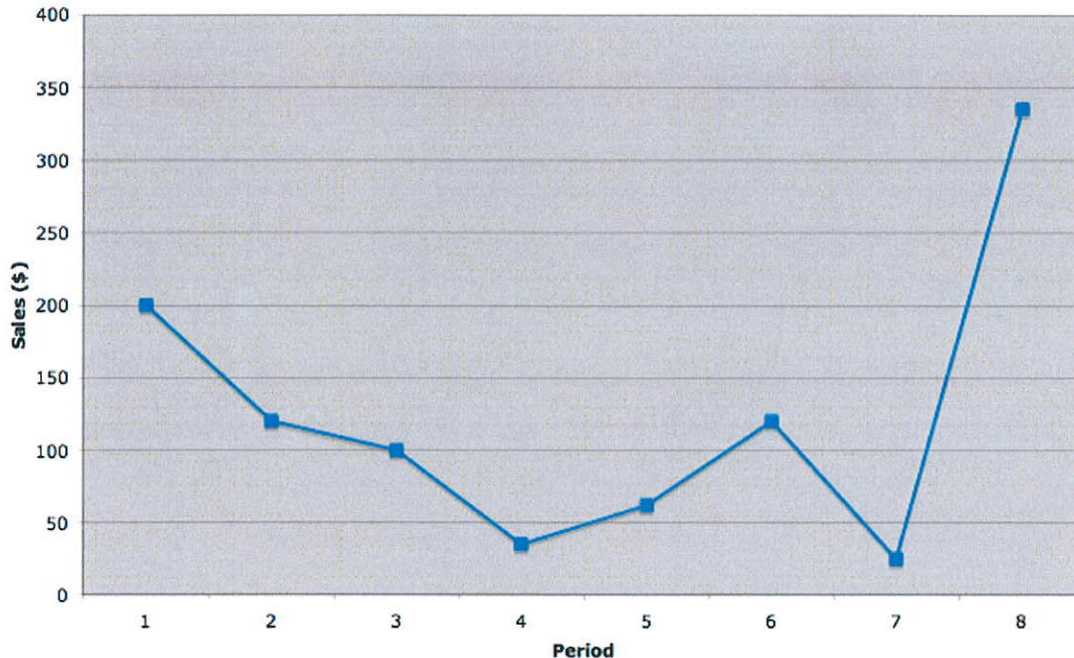
Whole Foods Market has seen a five times increase in sales since the distribution of the new design.



* Note: UPSPW is the Average units per store per week per sku. We have 2 skus in WFM so actual volume is 2x these numbers.

Whole Foods Market's Tribeca store introduced the newly packaged product at period seven, the result shown below was a massive increase in sales.

WFA Tribeca sales by period (Oct09- Present)



Increases in market distribution

New customers include Shaw's, Earth Fair and Wegmans.

Balance Water began being sold in Whole Foods Market in only two regions. It is now distributed in the six major regions covering the East and West Coasts of the US. West Coast stores are in the process of adding Balance Relax to their range. It has subsequently gained distribution in the North West region.

It has picked up 180 new independent accounts so far and is in discussions with four other major supermarket chains.

In addition, the original Balance Water bottles had been dropped by the two biggest retailers in its home market, Australia. Since the redesign, Woolworths and Coles have both relisted the product.

Improvements in consumer perception or behaviour

Since the redesign the sales force say that one meeting equals one sale. Everyone who sees it loves it, they say.

Whole Foods Market recent sales increase is due to customers now understanding that it is 'not just a bottled water', it is a wellness product that is bottled locally and comes in a biodegradable bottle.

Return on design investment

The new design paid for itself in less than 12 weeks.

Testimonials

"Best looking beverage labels I have ever seen."

- Jason Benjamin, VP Sales, Exclusive Beverages NY

"I've been in this business 20 years and this is one of the best looking and most effective range of labels I have ever seen."

- Robert Sipper, President Managing Brands, Beverage Consultants

"Our new look will help us to take Balance Water to the next level. The new design is creatively and strategically right to enable us to grow. It's early days but we are already seeing an eight times increase in rate of sale and several accounts that didn't range us previously have now reconsidered and are stocking Balance Water. The labels are making a world of difference to us."

- Martin Chalk, Balance Water Company Co-founder

RESEARCH RESOURCES

Balance Water internal sales data

Mintel International

Zenith international

WaterAid

Food & Water Watch

Beverage Marketing Corporation

OTHER INFLUENCING FACTORS

Was it advertising? Promotion? PR?

No, there has been no other marketing or PR activity around the launch to promote sales of Balance Water. No employee training has taken place, and the website has barely changed since the rebrand. The brand has been 100 per reliant on packaging to sell itself, proving that the increase in sales has been purely been the result of effective design.