

KENWOOD

Kenwood Packaging Design



Category

4 Packaging

Sub Category

4.3 Branded Other

Client Company

Kenwood

Design Consultancy

FLB Ltd

Date

June 2010

Executive Summary

Kenwood, part of the De'Longhi group, is a large brand of small domestic appliances (predominantly kitchen appliances) that sell in over 100 countries. Until 2008 Kenwood's packaging, despite theoretically following a design template, was inconsistent as each product's pack communication was led by the product attributes rather than the brand. It was also split into two quality tiers, core products in a predominantly blue pack and premium products in silver.

In 2008 Kenwood agreed a set of 'Brand Fundamentals' and tasked flb with developing a consistent brand and packaging approach that ensured that all visual manifestations of the brand reflected those fundamentals. This led to a single tier of quality so that all Kenwood products are seen as best in class, whether a white plastic kettle or a kitchen machine worth several hundred Euros.

The retail environment in which these products are sold is generally cluttered and offers the consumer little help. The packaging plays a vital role as a "silent salesman", emphasizing the features and benefits of the products, often in multiple languages. It is important that the Brand plays a leading role in this communication.

In April 2009 Kenwood was relaunched in new packaging. 2009 has been Kenwood's most successful year to date, with sales and market share in the second 6 months of the year reacting strongly to the redesign. In July-December 2009 Kenwood's sales of kitchen appliances in W. Europe were **up 15.5% y/y**, when the overall kitchen appliance market achieved just **4.2% growth** and the market leader, Philips, only achieved flat sales. Kenwood's value share of the W. Europe Kitchen Appliance market grew from 3.7% to 4.1%.

In the UK, share by value increased from 43% to 47.5%, staying ahead of competition despite a more premium positioning and a price increase during the recession.

Pre redesign



Outline of project brief

- Achieve clear representation of the Kenwood Brand Fundamentals on pack

1. Innovation
2. Quality
3. Design
4. Britishness

- Create stronger brand presence and an impression of “best in class”
- Create an effective “silent salesman” that works hard at point of purchase

The competition all tend to have product focused packaging. Kenwood has an opportunity to take the high ground by emphasizing the Brand proposition. The consumer should be given a reason to buy into the Brand rather than the individual product, encouraging repeat purchase and Brand loyalty.

Description

Kenwood have a wide range of products from plastic kettles worth tens of Euros to Kitchen Machines (the iconic “Kenwood Chef”) the most expensive of which retails for over 1000 Euros. All are high quality and compete in the large, well developed SDA (Small Domestic Appliance) market, which is worth nearly 9 billion Euros in Western Europe.

Kenwood was established in 1947 by Kenneth Wood and is a truly British Brand. Over 1000 different Kenwood products are sold in more than 100 countries around the world and the Brand is now owned by the De’Longhi group. Kenwood sales are approaching £200million, with turnover having doubled in the last 5 years and a Kenwood product being sold somewhere in the world every 2 seconds.

Overview of the Market

The breadth of reach of the Kenwood brand is a challenge as well as an opportunity. Many of Kenwood’s packs have to contain up to fifteen different languages, so most communication on the selling faces has to be done using other visual devices.

The variety of retail approaches around the world also throws up the challenge that the packaging may be merchandised any which way, so the pack needs to tell the Brand story around the whole pack and be as effective as possible across all faces.

Consumer perception of the Kenwood Brand (with regard level of quality) varies from country to country. This can be demonstrated by spontaneous product association with the brand in different countries. In France Kenwood is perceived as a premium brand, with spontaneous product association with the brand being food processors and blenders. By contrast the recent perception of Kenwood in the UK has been of a mainstream brand due to the success of its ranges of kettles and toasters, which are also the highest score in spontaneous product association in this country. The two most challenging markets are Germany and Russia, in both of which Kenwood is below the market average when scored against value delivery; but where they also suffer from much lower spontaneous and prompted awareness (Source: Brand portfolio benchmarking, Holden Pearmain research 2010).

FLB needed to create a premium, easy to understand packaging approach that would eliminate possible confusion and transmit the ‘best in class’ message Kenwood wanted.

Project Launch Date

Briefed July 2008, first products launched April 2009.

Size of Design Budget

Design solution £90,000, followed by roll out of the design across all packs approx £400,000.

Outline of design solution

The design solution manages to create uniformity throughout all product lines from the more affordable to the more expensive, clarifying the Brand's perception in the mind of the consumer.

Stunning product photography at a heroic angle and dramatically lit increases the quality perception of the product.

The introduction of "Squarrels" used to communicate the "reasons to purchase" of the products on front of pack with minimal text achieves a multilingual solution without increasing clutter and confusion.

FLB utilized the 6 sides of the pack to evenly distribute fundamental information in a simple, easy to understand manner for the customer.

The KENWOOD brand takes strong ownership of the pack by increasing in size and weight across the top of each face of the pack.

This packaging design change gave Kenwood the opportunity to increase their RSPs in a difficult market and create a consistent brand message that led to a phenomenal increase in sales.

The first impressions are of a premium product from a premium brand, which helped customers justify investing in Kenwood rather than cheaper alternatives.

The contribution of the new packaging has strongly influenced and assisted customers in their decision to purchase a premium quality brand even during adverse economic conditions.

It has been a great achievement developing a strong, coherent brand that on shelf has relevant persuasive appeal internationally.

Iain Stuart-Crush, Marketing Manager, Kenwood Worldwide

It should be noted that the visual approach to all manifestations of the brand, such as Point of Sale material (also predominantly designed by flb), signage, web site, internal communications and display materials, is all based upon the design approach developed for the packaging. The pack design has driven a broader visual relaunch of the Kenwood brand worldwide (see appendix 1).

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Appendix 1

Visual consistency across all marketing materials

Product data sheets



Conference display



On pack POS



Summary of Results

Increase in sales and market share:

The market value of the Kenwood Brand in Western Europe in July – December 2009, vs the same period in 2008, increased from 54.1mn Euros to 62.5mn Euros, an increase of **15.5%** whilst the total market only grew at **4.2%**.

Kitchen Appliances, Western Europe:

	Market value (Million Euros)	Kenwood Share	Kenwood Value
Jul-Dec 2008	1,463	3.70%	54.1m
Jul-Dec 2009	1,525	4.10%	62.5m

Source: GfK Retail and Technology Panel 2009

The 8.4 million Euros of extra value that Kenwood brought to the market accounted for **13.5%** of the increase in the size of the market. Not bad for a Brand with a **4.1%** market share.

When shares for the whole of 2009 are compared (even though the launch didn't take place until April of that year) it is interesting to note that Kenwood arrested the growth of Philips (the market leader) and slowed the growth of what had previously been the fastest growing Brand (off a lower base), Bosch. It is also apparent the premium Brand Krupps is losing share:

Value Share	2007	2008	2009
Kenwood	3.4	3.5	3.9
Philips	14.3	14.6	13.8
Bosch	2.9	4.6	5.7
Krupps	9.1	9	8.7

Source: GfK Retail and Technology Panel 2009

Other highlights:

Since the launch of the new packaging design in April 2009, Kenwood increased its value share of hand blenders in the UK from **11.6%** in June 2009 to **24.5%** in December 2009.

In Western Europe Kenwood's value share of the Food Preparation market increased from **18.7%** to **20%**.

In Greece the equivalent share went from **29.2%** to **34.3%** yr/yr.

In addition due to the evidenced success there was significant improvement in staff morale.

"This new design really reflects the essence of Kenwood. What's more the feedback from all staff has been amazing, particularly the enthusiasm and renewed sense of urgency from the worldwide sales team at our annual conference, which has since translated into significant gains in sales and market share."

Mark Welch, Chief Executive Officer, Kenwood Worldwide

Research Resources

Client

GFK 2009

Holden Pearmain Brand portfolio benchmarking, 2010

Other Influencing Factors

The Kenwood new product launch strategy is based upon products selling themselves through their quality and through the display in store. This predominantly consists of the packaging itself and some on-product point of sale material (usually designed by flb as part of the packaging brief).

Kenwood rarely advertises on TV. There was a 6 week campaign in support of the launch of the "tri-Blade" hand blender in the UK prior to Christmas 2009, the first advertising to have been done by the brand since an equally short tactical burst in 2007, supporting the "Frothie" hot drinks maker.

Apart from that, individual countries will sometimes run press advertising during key seasonal events (such as Christmas), but this is ad hoc. There was no co-ordinated ATL campaign in support of the relaunch.