

DESIGN EFFECTIVENESS AWARDS 2010

WAITROSE COOKS' INGREDIENTS HOME BAKING

4 Packaging

4.4 Own Brand – Food

Client: Waitrose Limited

Design Consultancy: Lewis Moberly



Authorisation:

Chris Moore

on behalf of Waitrose Limited

Robert Moberly

on behalf of Lewis Moberly

Entered by Lewis Moberly 27 May 2010

THIS VERSION IS SUITABLE FOR PUBLICATION PURPOSES

EXECUTIVE SUMMARY

Who can resist a spot of home baking to save money, derive some emotional and physical solace and emulate Nigella?

Against an average UK increase of 4% in value, the redesigned Waitrose Cooks' Ingredients Home Baking range grew by an astonishing 109% in value comparing 2008 to 2009 figures.

Some specific product lines have shown an even more significant growth e.g. Baking Powder has grown by +526% in value, Bicarbonate of Soda +442%, Sugar Sprinkles +337% and Vanilla Sugar +190%. The Waitrose buyer believes this is primarily because the new pack design and copy has drawn attention to these products.

Across the redesigned range the value has more than doubled to a significant sum for products that are only ingredients.

Design costs were paid back by the increased revenue generated from just 1 week of sales.

Profitability was also reached within a week. *"This is a significant achievement,"* says Chris Moore, Grocery Buyer, *"and one that reflects the great immediate response we have had from consumers buying into the brand."*

Consumer response to the new packaging has been overwhelmingly positive and has encouraged an ethos of investment in design at Waitrose.

PROJECT OVERVIEW

1 Outline of project brief

- **The business objective:** to draw together and increase sales of home baking products
- **The challenge:** to provide a powerful creative concept, unite a visually eclectic range of around 30 products, encourage women to buy more baking products and to do all this cost effectively.

2 Description

Waitrose, part of the John Lewis Partnership, has nearly 230 stores and is the UK's seventh largest supermarket group. Renowned for its food expertise and quality, it targets a discerning customer base many of whom are keen cooks. It has a larger proportion of customers who are either Food Lovers or Badge Foodies (those who buy the 'right' brands) than any other supermarket group.

3 Overview of the market

The credit crunch has encouraged a resurgence in home baking. As well as saving money, by reverting back to the practises of our parents and grandparents, home baking also provides emotional comfort.

Celebrity chef cooking books and programmes – think Nigella licking her fingers(!) – the featuring of New York's Magnolia Bakery in 'Sex and the City' and the creation of the Hummingbird Bakery in the UK have also encouraged cupcake mania.

Mintel shows a consistent, small, steady rise in home baking with 2009 growing by 4% over 2008.

Chris Moore, Grocery Buyer, saw the opportunity to increase sales and further differentiate Waitrose by bringing its home baking products under the Cooks' Ingredients brand umbrella.

4 Project launch date

The first redesigned packs began to appear on shelf in October 2008 and, gradually, over a period of 3 months, replaced the original packaging.

5 Size of design budget

Given in Judges version.

6 Outline of design solution



The label and the language

The labels feature a strong, typographical style which unifies a diverse range of pack sizes and formats. The background colours are all pale pastels, many of them pretty pinks, blues and mauves reflecting the sweetness of the products and reinforcing their appeal to women. This restrained colour palette helps create a highly visible block on shelf. Each label is an evocative call to action – 'a sprinkle of this' and 'be lavish with that' – reflecting the gusto and informality of confident cooks. Moving along the shelf, the labels create an animated dialogue with the consumer, encouraging both experimentation and collection.

The typography-led design is economic to implement and ensures ease of printing for the suppliers. Only 2 colours are used – black on a pastel background.

6 Outline of design solution (continued)



The pack structure

The simple pack structures had to remain the same so that suppliers did not have to change their packaging lines or costs. Where possible Lewis Moberly opted for transparent packaging to show off the enticing products, such as Mini Marshmallows, Silver Pearls and Lavender Sugar, and help self selection. Combined with the label descriptions, they create an inviting, mouth-watering range that is easy to shop.

The 'white powder' products which are boring to look at and hard to tell apart e.g. Baking Powder and Corn Flour are in opaque, white packs.

WAITROSE COOKS' INGREDIENTS HOME BAKING

SUMMARY OF RESULTS

These are all perfect examples of the power of good design. Pack size and price remained the same. All that changed was the pack design. This has increased shelf impact and encouraged consumers to be seduced into buying in their droves.

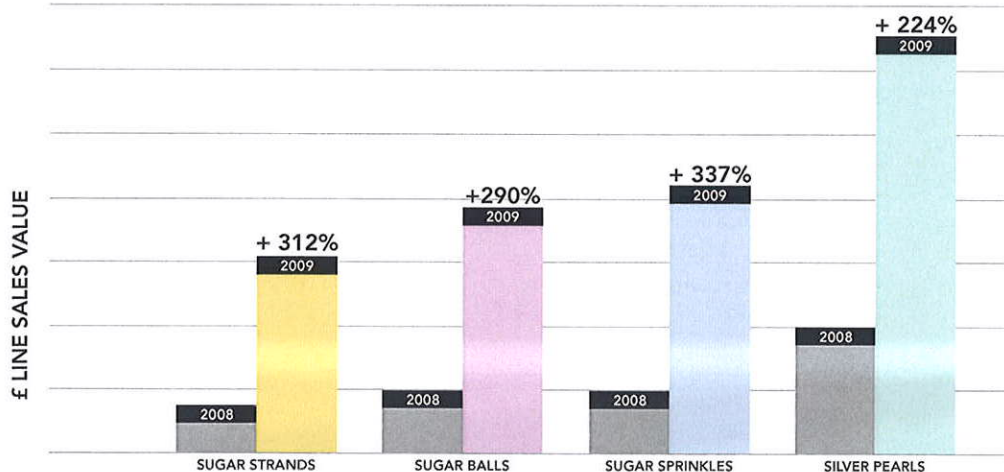
Increase in sales

By a direct comparison of total 2009 sales with those in 2008 seasonality can be ruled out. This comparison also discounts the 3 month changeover period at the end of 2008, effectively counting these sales as being in the original packaging.

Against an average UK market value growth of 4%, overall line value sales more than doubled with an increase of 109%.

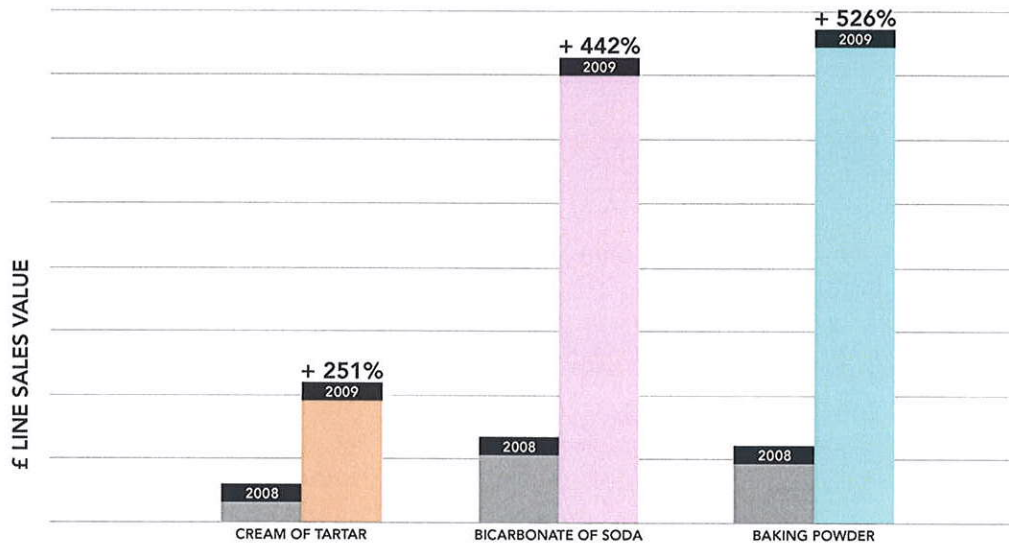
Some individual products grew even more dramatically:

CAKE DECORATION LINE SALES % INCREASE IN £ VALUE



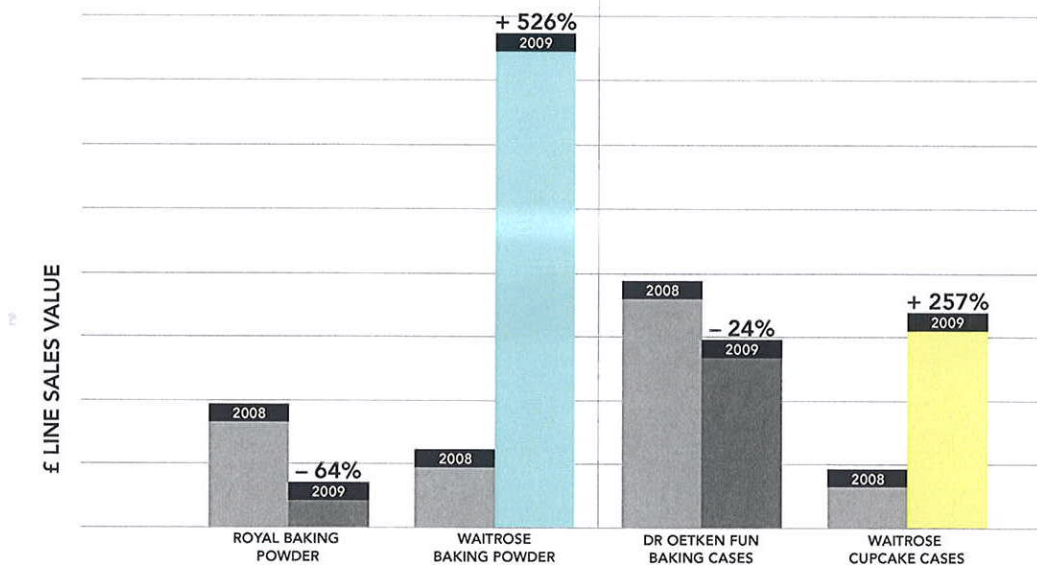
WAITROSE COOKS' INGREDIENTS HOME BAKING

BASIC BAKING PRODUCTS LINE SALES % INCREASE IN £ VALUE



At a time when Waitrose's baking products are showing stratospheric sales increases against an overall market average growth of 4%, other similar manufacturer branded products are showing a decline in sales. This supports the case that consumers are responding very favourably to the new pack designs rather than simply to the products.

WAITROSE VS BRANDS & INCREASE OR DECREASE IN £ VALUE



The most recent sales information shows that home baking sales in Waitrose have increased by 18.4% over the last 12 months compared to an average of 7.8%.

WAITROSE COOKS' INGREDIENTS HOME BAKING

Increase in market value

The market value to Waitrose in 2009 has more than doubled.

Waitrose distribution

Baking product distribution remained constant throughout Waitrose's stores so sales increases were due to higher penetration and consumers buying more. The products are also available via Ocado, the internet retailer in which the John Lewis Partnership has invested.

Consumer behaviour and attitudes

No formal market research has ever been carried out on Waitrose baking products so information about who is buying the products is anecdotal. Managers believe that it is regular customers who are keen cooks. *"From the very beginning our general thought was that this was a range that could be even more sellable to our customer profile,"* said a London manager.

Observing consumers in front of the baking section in the Finchley Road store shows that many are buying on impulse and selecting more than one product. On being stopped and questioned afterwards their comments included:

"The packs are just so pretty I couldn't resist."

(Female aged 22)

"I didn't really intend to do any baking this week but when I saw them on shelf I thought it would be fun to make some fairy cakes with my daughter."

(Female, aged 41)

Several said that the range had reinforced their opinion of Waitrose:

"I can always get the ingredients I want in Waitrose. They often have really cute things like these silver balls."

(Female, aged 38)

"You can always find interesting products here."

(Female, aged 36)

WAITROSE COOKS' INGREDIENTS HOME BAKING

Staff morale

The John Lewis Partnership is renowned for the good relationships it fosters with its 'partners' – those people it works with both internally and externally.

These are just a few of the positive comments given by staff:

"The range enhances our reputation as the supermarket for people who love cooking."

"It creates a really visually impactful display on shelf."

Further developments

Waitrose Cooks' Ingredients Home Baking redesign has been so successful that Lewis Moberly has since extended the range e.g. introducing Fudge Chunks, and Jelly Diamonds.

Payback on design costs through increased revenue

Design costs were paid back by the increased revenue generated from just 1 week of sales.

Profitability

Profitability was also reached within a week. *"This is a significant achievement,"* says Chris Moore, *"and one that reflects the enthusiasm with which consumers immediately bought into the baking range."*

Why the design was so commercially effective

"What's special about this design," explains Chris, *"is that it created shelf presence and has proved very seductive."*

Research resources: Mintel, Waitrose's sales data.

NO OTHER INFLUENCING FACTORS

The launch of the redesign of Waitrose Cooks' Ingredients Home Baking was low key – there was a press launch and the range featured in Waitrose Food Illustrated. But apart from that the packs simply went out on shelf.

"Packaging design is the main way of promoting these baking products," says Chris. *"Design is key to attracting attention in store and then getting our shoppers to fill their trolleys!"*