

Midday



For Publication
Primal Pantry DBA Winner 2019

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EXECUTIVE SUMMARY

- 21,000 orders in first two weeks
- From zero to £2m turnover in four years
- Cracked the mass market: Tesco, Sainsbury's, BP, WH Smith
- Out-paced the category and similar start-ups
- Export sales of £510k
- £3m investment based on it being “a strong recognisable brand”

“Our product can be made in anyone's kitchen. Our biggest asset is our branding, it's what people remember. The branding has worked really hard for us – we've smashed all our targets.”

Suzie Walker, founder, The Primal Pantry

The Primal Pantry is a start-up business founded in 2014 by first-time entrepreneur Suzie Walker. She developed the product in her kitchen, inspired by snacks she made for her toddler. Driven by the lack of choice in healthy snacks on the market, she set about launching a 'raw' bar made with just a few ingredients. She knew there was demand for less processed snacks but, even so, this would not be easy. The **high cost of quality ingredients** meant it would be a huge challenge commercially. If it was going to work, **it would need to sell at volume and at a higher price than competitor brands**. A further challenge was that 'raw' snacks were unfamiliar in the UK, physically unattractive and easy to copy. It was going to need really good branding and packaging.

Three audiences were critical in establishing mass-market success: consumers, retailers and investors. The key was in **being brave and standing out**. In 2014, many healthy snack brands looked macho and were aligned with sports. Thinking about young urbanites, particularly women with busy lifestyles, the team saw an **opportunity in creating a desirable healthy snack brand** with everyday appeal. This would open it up to wider demographics and purchase occasions.

The Primal Pantry was positioned as **a treat that's good for you, not a compromise**. Leveraging its USP of simple ingredients, **the brand concept was: 'elegant simplicity'**. Here, 'healthy' would be expressed through a polished minimalism enabling it to stand out from the prevalent distressed/artisan look. This ethos was carried through all aspects of the design: its bold two-colour packaging, minimal 'cave' illustrations and soft pastel hues.

The dream was to turnover £1m by the end of year 3. In fact it achieved £1.7m, exceeding the target by £700k and **Year 4 saw sales of £2m**. The brand was listed by **Sainsbury's, Waitrose, Tesco, BP and WH Smith** and now sells in over **7,000 distribution points** across the UK. The **target for international export was achieved twice over**.

The Primal Pantry has gone from strength to strength, launching High-protein Bars in 2017 and now employing 15 staff. **£3m private equity funding** was secured in 2018 based on it being “a strong and recognisable brand”. This is expected to drive the business to further future growth.

And there is an even bigger picture. An important aim for Suzie was to open up access to healthy snacks, and healthier lives, for a wide population – which is exactly what she has done.

~~FAKE~~
~~CHEAP~~
~~BLAND~~
REAL.



REAL FOOD UNTAMED



OUTLINE OF PROJECT BRIEF



The business challenge

The Primal Pantry was a start-up business, led by first-time entrepreneur Suzie Walker who wanted to bring a healthy raw snack product to a mass market.

This kind of product was going to be difficult to make work commercially due to the **high cost of ingredients** and low margins – the very reason so many products contain cheap processed ingredients. If it was going to work, it would need to sell at **volume** at a higher price than leading competitors. The challenge was in creating **mass-market appeal** for what was both an **unfamiliar** and physically unattractive product.



Suzie had a background in the food industry and knew that while the product was unique in the UK market at the time and tasted great, it was **easy to copy**. Strong branding and packaging was essential.

Scope of work at the outset

The initial scope of work covered branding, packaging design and design for digital. Budget limitations meant that there was no separate strategy phase but strategy was developed in tandem with the design.



Design objectives

- To make a healthy snack desirable, particularly for women and young affluent urban customers
- To stand out as something different in the healthy snacking category

Business objectives

Objective 1. SALES: To grow the turnover to £1m by the end of year 3

Objective 2. DISTRIBUTION: To be listed by one major UK supermarket by the end of year 3

Objective 3. EXPORT: To develop export sales of £250k by the end of year 3

Objective 4. INVESTMENT: To secure major investment to further drive the business

DESCRIPTION



Background and description of the business

The Primal Pantry is a range of healthy snack bars made from few ingredients. There are now two ranges: **Primal Bars**, with six flavours, and **High-protein Bars**, with four flavours.

The business was founded in 2014, personally funded by food nutritionist and first-time entrepreneur Suzie Walker with co-founder Dominic Maxwell. Both had worked in the food industry. Suzie developed the first products in her kitchen at home inspired by the healthy snacks she made for her toddler.

Primal Bars contain no more than five ingredients and **High-protein Bars** contain no more than eight. None contain preservatives, additives, refined sugars, GMO ingredients, or Sulphur Dioxide. All are suitable for vegan, dairy-free and gluten-free diets. At launch, ingredients were limited to 'paleo' foods, which is to say raw fruit and nuts and no cereals. Now, the range focuses on the important dietary characteristic of this concept: simple ingredients.

Design solution

In 2014, many healthy snack products looked macho and were aligned with sports and adventure, the 'trail mix' legacy. In store, these were merchandised within 'special diet' categories and many of these brands expressed their 'natural' proposition through distressed artisan-style graphics. Working with the design team, it was decided that there was an opportunity in creating a desirable brand for mass market everyday appeal. The Primal Pantry brand concept was: 'elegant simplicity'.

Scope of work delivered

The initial project included core elements of the identity still in use four years later: logo, colour palette, typography and illustrations. Following the delivery of the initial branding and packaging design, the design agency continued working with The Primal Pantry for the next three years, and continue to do so. The scope of work has extended to cover the new range of High-protein Bars and non-packaging items such as promotional materials. Over this period, the agency worked collaboratively with the brand owner to define a set of brand values and establish a rationalised brand strategy.

OVERVIEW OF MARKET

Healthy snack bars now growing at 9.3%

The UK 'healthy snack bar' market (including breakfast bars) is now worth £365m and grew by 1.5% in 2017 with a 61% penetration of the UK market. Within this, fruit and granola bar sales grew by 9.3% (Kantar Worldpanel). Looking at The Primal Pantry's closest competitors, we know that both Natural Balance Foods (Trek and NAKD) and Bear are now owned by **Lotus Bakeries** whose growth in the last year was reported at 6%, and **Graze** has reported growth of 8% (AskAttest.com).

The opportunity in 2014

The market in 2014 was quite different to 2018. Now, snacking is seen as a necessary source of energy for busy people and consumer interest in healthy eating has never been greater. But The Primal Pantry launched near the start of this trend, when there was limited innovation in snacking. The 'better-for-you' snacking category – bars, popcorn, puffed snacks and bean-based snacks – was not yet well-established, presenting an early challenge for the brand in trying to reach a mass market.

Leading the charge

The snacks market was (and even today remains) dominated by global crisps and chocolate brands with big marketing budgets. In 2014, the leading alternative snack bar was **NAKD**, an on-the-go bar launched in 2010. Its sister energy bar **TREK** launched in 2014, both produced by Natural Balance Foods whose turnover now stands in excess of £20m. Another leading brand was the cereal bar **Eat Natural** which had been on the market since 1997. All three of these brands were actually highly processed with numerous ingredients and did not cater for those on special diets. **Bear** snacks launched in 2010 with its fruit spiral snacks aimed at children.

The Primal Pantry offered something different in a bar: it was raw with no cereal. This was a bar that could sit in a number of niche categories: vegan, on-the-go, sports nutrition and free-from. The challenge for the design was to express its uniqueness – simple ingredients – and make that appealing.

Since its launch there has been an explosion in nutritional bar brands brought to market. There are now around 35 brands on the market in the UK including **Grenade** and **Kind**, spurred by increased consumer demand for protein-rich snacks, and the impending sugar tax. The challenge in the last year has been to compete with new entrants and stay relevant in a swelling category.

The need to justify a higher price

A challenge for healthier products is the cost of ingredients and pressures on margins. A third of shoppers pay no more than £1 per pack for their healthy snack bar (Kantar Worldpanel). In supermarkets, individual The Primal Pantry bars retail at £1.25 compared to NAKD bars at 75p and Eat Natural bars at 85p. The design needed to help justify this higher price.

Key facts and design budget

The initial spend on the branding and design was £10,000.

The Primal Pantry launched in 2014, then known as Primal Kitchen. Due to a name conflict in the US it changed to The Primal Pantry in 2017 with the design retained unchanged.

RESULTS

Cause and effect – what did the design actually do and how?

There were three audiences for the branding: consumers, retailers and investors. For all three, the design made the brand stand out, express a point of difference and look desirable. The following features of the design directly impacted the sales, distribution and investment achieved.

➤ **Standing out as something new**

This was a product unlike anything else on the supermarket shelves in 2014 and the design was fittingly innovative. The team rejected over-used design cues associated with organic and natural health foods, preferring a polished and minimal look. This meant that it stood out and piqued the interest of consumers, retailers and investors alike. The tagline says it all: 'Going against the grain'.

"I liked the packaging, it brought something new and different." Buyer, BP

➤ **A clear point of difference: simple ingredients**

The design expressed the USP: few ingredients. The packs have a minimal look with only two colours, uncluttered by superfluous information. The focus is on what is in the bar (not what has been left out as was the approach with free-from).

➤ **Championing everyday healthy snacking**

The brand personality conveyed via the visual and verbal identity spoke to an emerging consumer mind-set: those suspicious of processed foods. The brand values run through all that the brand does: Honest, Simple, Fun and Brave. This connected with customers.

➤ **Embracing elegance and opening up new segments**

The design has greater appeal for young female consumers than macho sports-focussed bars. With its polished minimal design and pastel colours, it is positioned as a treat that's also good for you. It isn't just about sports nutrition or special diets, but everyday snacking – on the commute, in the office. Importantly, the design makes an inelegant brown product desirable. Even stylish! This opened up new markets for the bar in terms of demographic and purchase occasion.

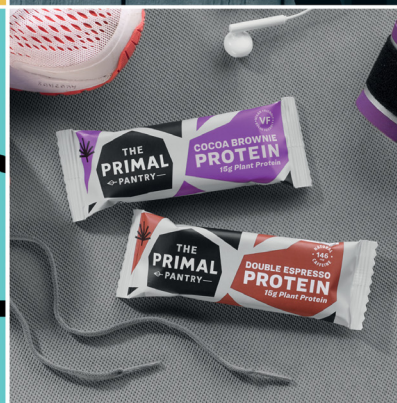
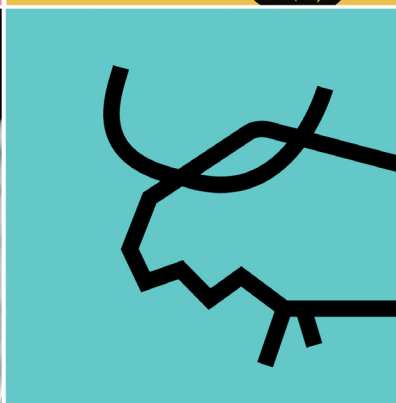
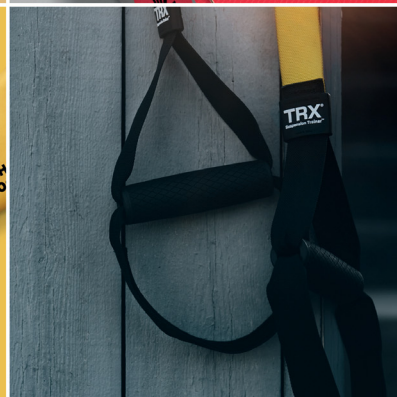
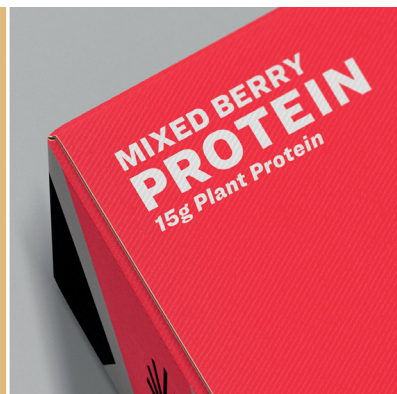
Both The Primal Pantry's direct online sales data and supermarket feedbacks indicates that the brand **over-indexes for female, young, affluent, educated, city-based customers.**

➤ **Hardworking visual assets**

On a practical level, the solid black 'cave' shape holding the name, gives the brand shelf presence and the minimal illustrations are well-suited to digital promotional channels.

REAL FOOD UNTAMED





Did the design deliver on the objectives?

All the initial objectives were not only met but surpassed, as evidenced below.

Objective 1. SALES: To grow the turnover to £1m by the end of year 3

The brand was immediately well-received. Promoted only through her personal networks and her own social media channels, Suzie received 21,000 orders in the first two weeks. The dream had been to reach a turnover of £1m by the end of year 3. This target was exceeded by £700k. Growth each year has been high, almost tripling in year 2 and slowing to 18% in 2018, still much higher than the rest of the 'granola and fruit bar' category which saw 9.3%. This was achieved despite charging more per bar than leading competitor brands.

Y1 2014-2015	Y2 2015-2016	Y3 2016-2017	Y4 2017-2018
£365k	£906k	£1.7m	£2m
	148% growth	88% growth	18% growth

Objective 2. DISTRIBUTION: To be listed by one major UK supermarket by the end of year 3

Suzie knew they could get the product stocked in health food stores but one of the aims was to establish mass market distribution. Initially, the aim was to get listed by Ocado and Wholefoods in year 1, which they did. But the big challenge, given the unfamiliar nature of the product, was to secure a major supermarket listing by the end of Year 3. This target was exceeded with deals going ahead with Sainsbury's and Waitrose in Year 2 followed by Tesco in Year 3. Recently, the brand has gained orders from WH Smith and BP retail. It now sells in over 7,000 distribution points across the UK. Significantly, it is merchandised within snacks and not solely on the specialist diet shelves.

Y1 2014-2015	Y2 2015-2016	Y3 2016-2017	Y4 2017-2018	Y5 (secured) 2018-2019
Health food stores Planet Organic Ocado	Sainsbury's Waitrose Google UK HQ	Tesco Virgin Airlines City Jet	WH Smith Travel Coop	BP Allies & Morrisons

Objective 3. EXPORT: To develop export sales of £250k by the end of year 3

The target for international export was achieved twice over, with sales of £510k in Year 3.

Y1 2014-2015	Y2 2015-2016	Y3 2016-2017	Y4 2017-2018
2 international markets	11 international markets	20 international markets, £510k	25 international markets

Objective 4. INVESTMENT: To secure major investment

2014	2016	2018
REDACTED DATA	REDACTED DATA	£3m
Valuation: £1.5m	Valuation: £6m	Valuation: £10m

In the first year, investment came from the founders themselves and family and friends. In 2016 £750k investment was secured which helped to fund the increase in production. A big coup came in 2018 when the business gained investment of £3m from NVM Private Equity. This new funding is set to drive the business to the next level. The investment has been credited to the development of a strong and recognisable brand. This investment has valued the business at £10m.

Charlie Pidgeon, investment manager of NVM Private Equity said:

“In a short period of time the business has built **a strong and recognisable brand** and has accumulated an impressive roster of retailers stocking the business’s products. Having been impressed with the team’s achievements to date, we believe the business has the potential to become a category leader in the rapidly growing healthy snacks sector.”

Other achievements

Social media success

The appealing design has lent itself to attractive, shareable content that has fuelled success on social media leading to 11k followers on twitter, compared to Trek’s 5.9k followers and Squirrel Sisters’ 5.2k followers.

TREK	Squirrel Sisters	The Primal Pantry
5,900 twitter followers	5,200 twitter followers	11,000 twitter followers

Job creation

The growth of the business has led to the creation of new jobs. The company now employs 15 staff.

The end game – better health

The Primal Pantry has opened up snacking options for consumers. Ultimately, it has enabled people with busy lifestyles to eat more healthily. Suzie is driven by the knowledge that the success of the brand potentially means improved health for urban office workers.

THE PROOF OF EFFECT AND ANY INFLUENCING FACTORS

– Aren't healthy snacks simply a boom category?

Better-for-you snacks and bars are certainly in demand, even more now than in 2014. However, with an explosion of start-up brands on the market, plus global brands' new healthy offerings too, there are winners and losers in this category. Strong branding is what makes the difference.

The Primal Pantry responded early to the consumer appetite for healthy snacks. Its challenge was to stand out and get noticed as an alternative. In comparison to a similar independently owned UK start-up, Squirrel Sisters, which launched its healthy raw bars two years later in 2016, we can see this business achieved only **REDACTED DATA** of The Primal Pantry's turnover by its third year.

	Y1	Y2	Y3
The Primal Pantry	£365k	£906k	£1.7m
Squirrel Sisters	REDACTED DATA	REDACTED DATA	REDACTED DATA

(Source: Squirrel Sisters Kickstarter campaign)

– Is it simply an amazing product that sells itself?

Yes, The Primal Pantry bars are delicious! They have great nutritional credentials and provide a good option for many niche consumers such as those on vegan, gluten-free and paleo diets. However, there were challenges in marketing this product. In 2014, the idea of a 'raw' snack was unfamiliar in the UK. Plus the product itself lacks visual appeal, being a dark brown mass compared to golden baked cereal products like flapjacks. The product alone might have been expected to gain traction in health food markets but the challenge was to break into mass-market retail through establishing a desirability, which is what it has done.

– Did marketing drive growth?

The founder describes the growth of the business as organic, driven in part by the product benefits and enabled by the packaging. There has been minimal spend on marketing and PR efforts to date as all of the investment in the business was required to fund production and logistics.

– Did the founder's personality and reputation drive growth?

Suzie and co-founder Dom have of course been instrumental in growing the business and have good connections in the food industry. But this only helps so far, providing a foot in the door, the proof is in whether savvy buyers can be convinced and whether consumers buy the product, which is where the branding comes in. Suzie has only 996 Linked In connections and had considerably fewer in 2014, which does not make her a significant influencer compared to thought-leaders with hundreds of thousands of connections.

– Have the brand ambassadors driven growth?

The Primal Pantry has four brand ambassadors all connected with sport and fitness. This is a recent initiative and did not fuel the critical early growth of the business.

– But didn't it used to be called Primal Kitchen, what went wrong?

The brand launched with the name The Primal Kitchen. Due to a name trademark conflict with a US brand, it changed its name to The Primal Pantry in 2017, keeping all other aspects of the branding the same. It is a testament to the strong, recognisable visual branding that this change took place seamlessly, with minimal confusion among consumers or retailers, and no consequential drops in sales.