



DBA: DESIGN EFFECTIVENESS AWARDS 2018

KENCO: IDENTITY & PACKAGING REDESIGN

JACOBS DOUWE EGBERTS

NOVEMBER 2018
FOR PUBLICATION

EXECUTIVE SUMMARY

KENCO: A COFFEE COMPANY FIT FOR THE MODERN COFFEE WORLD

While premium coffee experiences — out of home cappuccinos and in-home coffee capsules — have been booming, instant coffee has been shrinking at an alarming rate. Kenco as a brand had become closely attached to instant and limited by its connotations, missing out on this growth. It needed to broaden its coffee associations and become more relevant by:

USING DESIGN TO RE-ASSERT ITS COFFEE HERITAGE AND AUTHORITY AS A COFFEE COMPANY

THE UK IS DRINKING MORE COFFEE, BUT LESS INSTANT

The UK market sees continued growth in coffee, with coffee consumption soaring to 95m cups a day in 2018, up from 70m in 2008. The coffee shop is now an established feature on the high street with people buying 2.3bn cups out of home a year. The increasing expectations and sophisticated tastes have challenged the instant market that still makes up 65% of all coffee consumed in the UK. A third of Millennials say they would not consider drinking instant coffee and Nielsen data shows, in the 12 months before the redesign, the UK was drinking 685million less cups of instant coffee compared to the year previous — a decrease of 4% in volume.

As one of the original UK coffee brands, Kenco was at risk of losing relevance in a new modern coffee landscape. In a shrinking market, it needed to move away from being perceived as just a pure instant brand and grow through extracting value and increasing penetration.



RE-ASSERTING CREDIBILITY AND QUALITY THROUGH DESIGN

To gain value Design Bridge needed to re-establish Kenco as an authority on coffee and more clearly celebrate its continued commitment to high quality and sustainable coffee “for the many”. The redesign needed to boost its taste and quality associations to appeal to the modern coffee consumer and their varied coffee tastes. The result is a confident harmonised design that celebrates the brand’s rich heritage whilst fitting with 21st century design codes of the coffee shop and craft brands. The new logo and pack design outperforms the old design on key attributes of “heritage”, “quality” and “expertise” and has doubled the value growth of the brand in the 12 months after launch. With a clear and unified range that speaks to quality and credibility, the brand has seen an increase in households purchasing the brand and a significant increase in the number of households buying more than one type of product from Kenco.



ACHIEVEMENTS — KEY FIGURES

13.3%

**GROWTH IN VALUE SALES IN
THE 12 MONTHS AFTER LAUNCH**

In a market shrinking in volume by 4%. More than doubling the value sales growth of the previous year (4.8%) and out performing the category value sales growth of 7.2%.

KEY BRAND EQUITIES OF “HERITAGE”,
“QUALITY” AND “EXPERTISE”

IMPROVED BY OVER 14%

IN QUANTITATIVE CONCEPT TESTING

THE BRAND HIT THE TARGET OF

1 MILLION

**ADDITIONAL HOUSEHOLDS IN 2017 AND
ON TRACK TO DO THE SAME IN 2018.**

**RESTORED RETAILER
CONFIDENCE**
WITH DISTRIBUTION UP BY 6%

THE AMOUNT OF HOUSEHOLDS SHOPPING ACROSS THE RANGE HAS

INCREASED BY 5%

**IN THE 6 MONTHS AFTER THE REDESIGN
AND IS RETAINING THIS SHARE.**



“I feel the new identity for Kenco has brought back much needed pride in our brand. With the new design, Kenco has established itself as a Coffee Company that is more than just instant coffee. It has strengthened our brand image around heritage, quality and expertise and has allowed us to credibly expand into new categories. Growing our sales in a challenging environment and renewing trade confidence that we’d lost”

— Martin Andreasen, Marketing Director UK/I, JDE

OUTLINE OF PROJECT BRIEF

BRIEF IN BRIEF

Redesign Kenco's identity and packaging to improve performance on and away from shelf to find further growth in an increasingly competitive and diverse market.

OVERARCHING MARKETING AND BUSINESS OBJECTIVE

Move Kenco away from being perceived as a pure instant brand and grow Kenco through penetration – helping reach the target of 1m more households each year.

STRATEGIC BRAND OBJECTIVES

- **ENHANCE QUALITY PERCEPTIONS THROUGH OVERALL DESIGN AND LOGO**
- **IMPROVE RANGE UNDERSTANDING AND UPGRADE SHELF IMPACT BY HARMONISING DESIGN ARCHITECTURE**

THE BUSINESS CHALLENGE:

Kenco has seen a lot of change in its nearly 100 years of experience; in 2017 it found itself lacking relevance in a very different coffee market landscape. Out of home coffee was increasing people's expectations of coffee and stealing share from the instant in-home market. At shelf, Kenco faced fierce competition from brands old and new, with dominant market leader Nescafe and quickly rising supermarket own brands. As JDE's UK No.1 coffee brand, Kenco was expected to fight back.

Whilst Kenco had strong ethical associations from their award winning Coffee vs. Gangs campaign, its branding and packaging was not felt to be delivering taste and quality benefits that mattered most to consumers. The range had also become fragmented and diluted over time, lacking clarity and making it difficult to spot and navigate. The design needed to reassert Kenco's credibility and quality and improve stand out and relevance to new and existing consumers.

THE SCOPE:

The strategic brand direction was set before the brief. Kenco needed to overtly express its confidence and coffee credibility that came from its nearly 100 years of sustainable and ethical leadership. Improving its brand attributes of heritage, expertise, authenticity and craft in a way that was courageous and purposeful.

Design Bridge was briefed to redesign the Kenco identity and its entire portfolio, starting with their core, premium and speciality instant ranges as well as their smaller Origins instant range and Tassimo pods. Reinventing the logo, strengthening its heartland of core instants and harmonising the range with a consistent design system. The new design would need to be fit for an expanding range and also live effortlessly across other touchpoints.

BEFORE



AFTER



DESCRIPTION

RE-ESTABLISHING KENCO'S COFFEE CREDIBILITY THROUGH LOGO AND PACK REDESIGN



LOGO – A SYMBOL OF QUALITY FROM A COFFEE COMPANY

The design solution is a liberated brand mark with renewed authority. Adopting codes of modern coffee whilst dropping dated effects and the restrained roundel. The brand mark captures the red brand colour, date of origin and iconic mountain and sunrays in a confident and purposeful stamp. By elevating the 'O' we integrate the sense of a 'company' directly into the brand name. The mark now emanates pride that comes from being a Coffee Company that has nearly a century of experience in bringing quality coffee to the masses.

PACK – DIALS UP RICHNESS OF TASTE AND KENYAN ORIGINS

The old pack had become recessive and wasn't felt to be delivering on the quality cues needed to fight Nescafe and supermarket own brands. It was also detached from the codes of the modern coffee shop. On pack we looked to communicate richness of taste and our Kenyan origins more authentically.

Establishing red as a brand colour and using it to unify a previously incoherent range. We also introduced a champagne gold sky that is used to bring warmth, rich taste and premium cues.

ACROSS THE CORE INSTANT RANGE, WE AMPLIFIED OUR RED KENYAN MOUNTAINS TO BECOME A KEY PART OF OUR DESIGN HIERARCHY TO CREATE AN EYE-CATCHING PANORAMA ON SHELF

The hessian sack is often associated with Kenco, so we used this texture across the pack to bring a feeling of craft and care. A nod to the respected growers of our coffee and the journey our beans have been on from mountain to mug. Whilst the identity was used by multiple agencies after design, it was not a collaborative project.



OVERVIEW OF MARKET

THE UK IS KNOWN TO BE ONE OF THE BIGGEST CONSUMERS OF INSTANT COFFEE IN EUROPE.

However, with the rise of high-street coffee chains, we can have high quality coffee made for us by an expert barista at one of the 23,000 coffee shops across the country. Out and in home, we are spending more per cup than ever before with the humble instant coffee seeing the biggest loss with people trading up to offers such as single serve pods. Our redesign faced tough competition, as in 12 months after Kenco's launch; Nespresso compatible pods saw a massive 63.2% value sales increase compared to 7.2% of instant value growth.

The new Kenco design also faced increased competition from smaller challenger brands in each segment such as Taylors or Little's as well as coffee shop brands such as Café Nero entering the supermarket alongside Starbucks and Costa. Supermarket own brand, as with many categories, has grown significantly with many consumers searching for better value for money. In the 12 months after Kenco's redesign, supermarket own brand instant grew by 17.8% in value sales to take 11% value share of market.

The year before the Kenco redesign, Kenco's instant coffee grew in value share by 4.8% with the growth mainly coming from speciality offers. Nescafe struggled with only 0.4% value growth.

Kenco had to respond to regain its relevance and find further value growth.

KEY FACTS:



LAUNCH DATE: JULY 2017



DESIGN BRIDGE FEES: £192,878

FOR CORE, MILLICANO, SPECIALITIES, MIXERS, TASSIMO, ORIGINS.



RESULTS

Overarching marketing and business objective:

MOVE KENCO AWAY FROM BEING PERCEIVED AS A PURE INSTANT BRAND AND GROW KENCO THROUGH PENETRATION – HELPING REACH THE TARGET OF 1M MORE HOUSEHOLDS EACH YEAR.

In order to change perceptions and increase penetration Design Bridge set about redesigning the identity and packaging that was fit for the modern coffee world. The result is an identity and range architecture that is consistent and confident and encourages reappraisal.

In the 12 months before the redesign, the UK was drinking 685million cups less of instant coffee compared to the year previous (4% decrease). In this tough market Kenco had managed to increase value sales by 4.8%, with its premium instant and specialities supporting this growth.

In the 12 months after launch, Kenco has found more value growth in a volume declining market. The brand has more than doubled its growth levels and has seen a value sales increase of 13.3% which is an increase of over £15million in sales.

Outperforming category value sales growth of 7.2% and that of its biggest competitor Nescafe at 8.5%. At the heart of this growth is the brand's bold ambition to reach 1million new households per year. In previous years this target had been out of reach. For a 100-year-old brand, it can only be achieved through appealing to new

consumers whilst also encouraging consumers to buy more products from the brand. With the redesign adopting the new codes of quality coffee and making the range easier to shop through simplified design architecture, the brand met the target of 1million additional households in 2017 and is set to reach the target again in 2018. The latest figures show additional households reached since the redesign is at 995,000 (July 2017 – Sep 2018). Of those households, 23% now buy more than 1 product.

**THIS IS A
5% INCREASE
IN THE 6 MONTHS AFTER LAUNCH
COMPARED TO THE 6 MONTHS BEFORE.**



RESULTS

STRATEGIC BRAND OBJECTIVE 1:

Enhance quality perceptions through overall design and logo.

The Design Bridge redesign looked to improve quality perceptions by adding craft and care into the logo and packaging. The intent being to improve on key attributes associated with quality that apply to more than just instant coffee such as expertise, heritage and authenticity.

Scores positively on key attributes:

The signs were positive for this re-design from initial quantitative concept research. The new logo scored significantly higher than the current logo on the following with instant coffee consumers:

- ☞ **"HAS STRONG HERITAGE"**
- ☞ **"IS CRAFTED WITH GREAT CARE AND ATTENTION"**
- ☞ **"MADE UP OF PEOPLE PASSIONATE ABOUT COFFEE"**

When testing the new packaging against these same key brand equities, we saw a statistically significant improvement of over 14% on the desired equities of "Heritage", "Quality" and "Expertise".

Further shelf test research showed that the overall packaging was identified as looking "high quality", "authentic" and "crafted by coffee experts" and when asking those who prefer the new design, they stated that they prefer it because it is more premium / up market.

Redacted confidential data.

STRATEGIC BRAND OBJECTIVE 2:

Improve range understanding & upgrade shelf impact by harmonising design architecture.

The design looked to improve distinctiveness and stand out by amplifying our recognised brand assets of the mountain and the sunrays. The biggest addition was the introduction of red across the whole range to establish it as a strong brand colour that now unifies the range. By unifying the design with a more confident masterbrand, we wanted to encourage consumers to try more from Kenco by making it easier to find and shop at shelf.

Resulted in people buying more from Kenco

Before the redesign, on average 18% of households were buying more than one product of Kenco. In the 6 months after the redesign that number had risen to 23% and has stayed that way for a further 6 months. This has given the brand confidence to expand further and aim to improve these figures, with new varieties and innovations in the pipeline.

Increased trade confidence resulted in increased distribution

By creating a brand that had more visible courage and credibility, we were able to build our relationship with retailers, resulting in increased distribution of current and new products increasing our physical availability. With "The coffee company" proudly housed in the brand mark, Kenco states its position as a brand that is more than instant granules. Paired with a new design system that effortlessly stretches across segments, Kenco can now be competitive at shelf across the category.

Before the design, distribution was at a rate of -1 percentage point. Whilst this was not an original objective, a full year after re-launch total distribution of feature and display was up 6%, with retailers wanting more from Kenco.



OTHER INFLUENCING FACTORS

IT WASN'T UNTIL 7 MONTHS AFTER LAUNCH THAT KENCO'S NEW COFFICIONADO CAMPAIGN WAS RELEASED USING THE NEW IDENTITY AND PACKAGING. IT WAS A 360 CAMPAIGN WITH A TVC, DIGITAL CONTENT AND POS MATERIALS. THIS MAY HAVE SUPPORTED GROWTH AND IMPACTED FIGURES FOR THE REMAINING 5 MONTHS OF DATA FOR THE MOVING ANNUAL TARGET.

Prior to this, Kenco was running its successful Coffee vs. Gangs campaign from Q1 2014 – Q4 2017. However JDE's internal mental availability tracker showed that the effectiveness of the commercial is decreasing during the last part of 2017. Recognition of the advertisement decreased in Q2 of 2017 and attribution fell significantly in 2017. This is inline with the reduced spending and is expected for a campaign that is 4 years old.

Whilst distribution was a benefit of the redesign, this increased availability may also contribute to the results as we achieved more distribution in white spaces such as value and convenience channels.

Media spend and promotional support in-store was inline with previous years support levels.

New product development has been a priority after the re-design to tap into new coffee segments. However within the key results period (1 year from launch), we saw only variant extensions of specialties.

ON-GOING IMPACT

After the Design Bridge re-design we have seen renewed confidence within the brand and from the trade. With Kenco now acting as a Coffee Company rather than an instant coffee brand, we have seen rapid expansion of the range to meet the needs of a more diverse market. Since the design, Kenco has entered the growing Nespresso compatible capsules category and the on-trend ready-to-drink ice brew category. With an established, consistent design system, they have also been able to quickly extend their specialties range into iced lattes and introduce a range of tasty flavoured instants. Kenco is no longer held back by connotations of instant coffee and has been liberated by design. It continues its pursuit of delivering quality coffee for everyone with renewed spirit and optimism.

COFFICIONADOS SINCE 1923



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