

ESTD ROCHESTER - NEW YORK

RAGÚ 



PROJECT TITLE: *Ragú*

CATEGORY: *4 Branded Packaging*

SUB-CATEGORY: *4.1 Branded Food*

DESIGN CONSULTANCY: *Path*

CURRENT DATE: *08 July 2013*

EXECUTIVE SUMMARY

Ragú was relaunched in July 2012, following Symington's purchase of the brand from Unilever in 2011.

In only 7 months, and despite a 2-3 month turnover from old to new packs on-shelf, the brand has had a significant impact on a challenging and crowded sector.

There has been no advertising.

Did we achieve the client's original objectives for the redesign?

Symington's wanted to:

- ✓ Move Ragú towards becoming the no.2 challenger brand (Dolmio being no.1).
- ✓ Give it a credible, relevant Italian/American personality and positioning.
- ✓ Raise brand awareness to encourage trial and generate loyalty.
- ✓ Target growth areas with NPD.

We have achieved their objectives, and more...

a 43% YOY increase, compared to a 42% (3.5% pm) decline for Dolmio.

Ragú has gone from a 25% decline to a 43% increase (April 2012-13), whilst Dolmio has declined by an average of 3.5% per month.

growth 12 times greater than the overall market.

Ragú has grown 12 times faster than the total Italian sauce market (to year end April 2013) and has been a growth driver for the whole market.

a 50% increase in market penetration.

Penetration has increased by nearly 50% with 17% of all households buying Ragú in the last year.

a more authentic, premium positioning.

Research concluded that "since the redesign, Ragú has made a significant jump from non-authentic, standard brand to authentic, more premium brand".

three NPD range extensions in only 7 months.

Range extensions are helping to drive sales and increase Ragú's presence on-shelf.

an increase of x2.5 to x4 in listings.

Listings have increased in all four major supermarket chains.

chosen by Tesco.

Tesco loved the redesign so much that Ragú was chosen for a tomato-themed campaign to increase footfall.

an 8,000% ROI.

Design fees were recouped in just over 2 weeks. ROI is currently 8,000%.

Word count: 300



PROJECT OVERVIEW

OUTLINE OF PROJECT BRIEF

Ragú was the original pasta sauce brand in the UK, launched in 1988, but in America since 1937. Previously owned by Unilever, it had gradually lost its market position to Dolmio. This decline had accelerated in recent years, further exacerbated by lost listings and distribution. Unilever downgraded the brand to a 'non supported' brand in 2008 and finally put it up for sale in summer 2010. It was bought by Symington's in May 2011.

Symington's objectives in buying Ragú were to:

- move Ragú to the no. 2 challenger brand
- give it a credible, relevant Italian/American personality and positioning
- raise brand awareness and improve product quality to encourage trial and generate loyalty
- target growth areas with NPD⁽¹⁾

The old packaging was seen as a major problem: there was no consistency and it felt cheap rather than loved and cherished. There was nothing to indicate heritage or Italian cooking credentials. In addition the range was confused, with poor product differentiation. The redesign needed to bring out Ragú's 74 year, authentic Italian/American heritage, with love and passion, and create a brand architecture that could accommodate range growth going forwards.



Old Packaging

DESCRIPTION

Ragú is an Italian sauce brand, used for convenience in recipes like Spaghetti Bolognese and Lasagne. It is predominantly tomato-based (as is much of the Italian sauce sector), with some exceptions (eg. white sauce for Lasagne).

Products can be used on the hob as a 'pour-over' sauce or in the oven as a 'bake' sauce. Individual products in this sector are usually usage-specific, so either bake, pour-over, or stir-in.

Product format is mostly family-sized jars, although single-serve has increased in popularity in recent years. Ragú had historically only been available in 500g jars.

⁽¹⁾ Symington's presentation to Sainsbury's May 2011
'Nurture and grow to be loved brands.'

PROJECT OVERVIEW

OVERVIEW OF MARKET

The Italian sauce sector is particularly challenging. Price promotions are almost constant and it is a crowded market – a factor that the supermarkets use to their advantage.

Before Symington's bought Ragú in May 2011, the market was fairly static. It was dominated by Dolmio (37.8% share) and Ragú's brand share had dropped by 25% to 6.8%. Other significant players were Loyd Grossman (12%) and Homepride (9.2%).

Own label was also significant (24.1%)⁽²⁾.

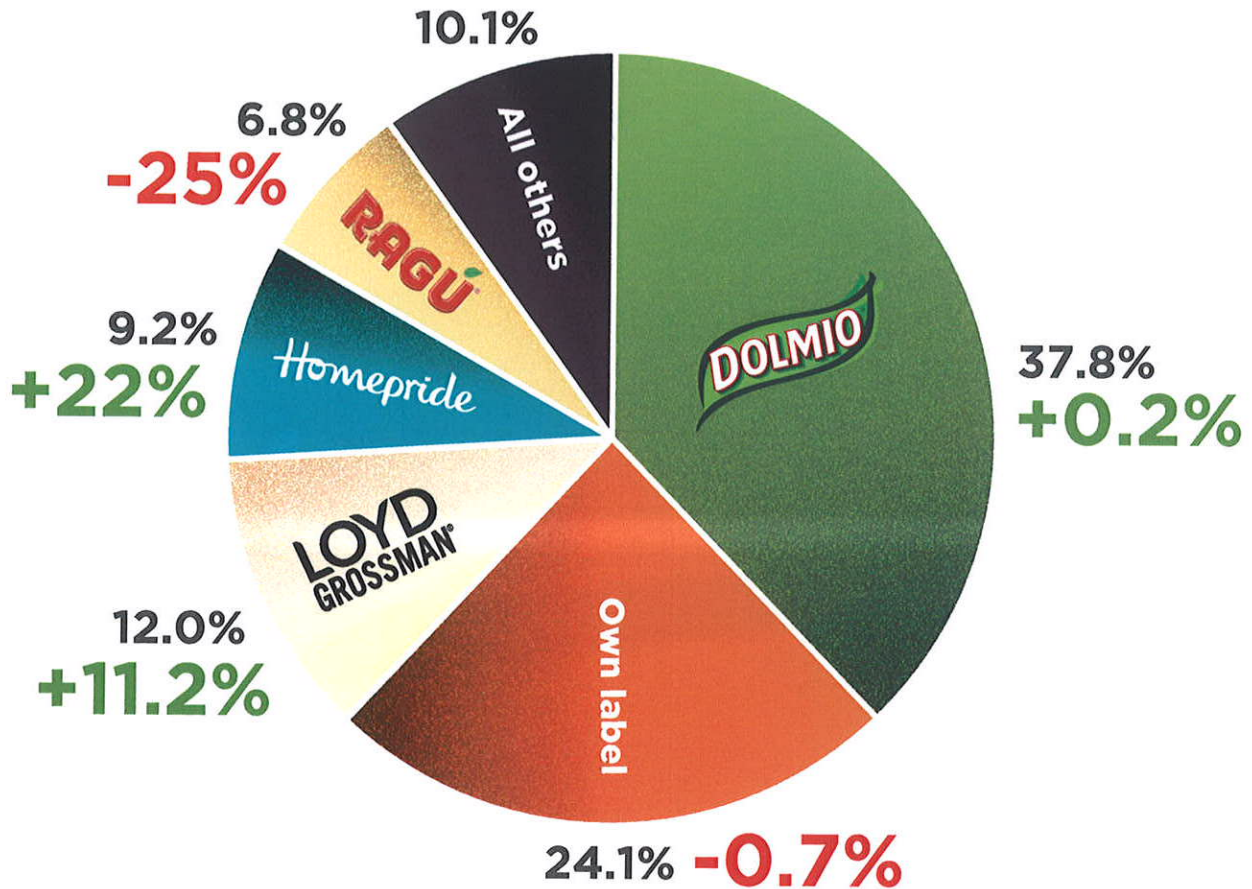
Over previous years the market has fluctuated, peaking in 2009 when the recession forced more people to cook at home, but slowing since then as market saturation and heavy promotional activity hindered market value⁽³⁾.

It is a difficult sector for brand owners, with the supermarkets driving prices down and sub-categorising the sector

(tomato based sauces, sauces for lasagne, pasta bakes, etc.) thus hampering the ability to consolidate brand presence on-shelf.

Ragú's biggest challenge is Dolmio (owned by Mars), the market-leading brand, with nine separate product ranges and a heavy advertising budget.

ITALIAN SAUCE SECTOR 2012 (£357m) and % CHANGE (+2.3%)



⁽²⁾ Kantar Worldpanel, 52 w/e 17 April 2011.

⁽³⁾ KeyNote Cooking Sauces & Food Seasonings market report 2013.

PROJECT OVERVIEW

PROJECT LAUNCH DATE

July 2012

SIZE OF DESIGN BUDGET

£52,550

OUTLINE OF DESIGN SOLUTION

The word 'ragù' means 'sauce for meat' in Italian, and was lovingly made by Italian mammas at home, with recipes passed down from mother to daughter. There were no jarred sauces in Italy in the 1930s, so when Assunto Cantisano and her husband emigrated to Rochester, New York, in 1937, Assunto continued to make her own sauce. Her neighbours loved it so much that they begged her to make more. Soon she was making large quantities in Mason (preserving) jars and selling it in the Cantisano's corner shop. It was honest and wholesome, with the ingredients listed clearly on the label. This was the beginning of the Ragù brand.

When Symington's bought Ragù from Unilever in May 2011, 74 years later, it had become an unloved, unrespected, budget brand and needed to reconnect with its pioneering heritage and market-leading quality. Symington's intention was to recapture the original Ragù story, starting with the 1940s Mason jar and label.

The first challenge was that the original Mason jar was square and Symington's high speed filling lines required a round jar. The brief was therefore to create a new jar with the same robust, established cues as the Mason jar but which would run efficiently on a modern production line. The sides of the jar were flattened whilst the bottom and top touch points remained round. A large side embossing and deep lid referenced key details from the original Mason jar. This concept met both glass manufacturer and production line briefs so well that the final production jar is virtually unchanged from this conceptual drawing.

The front and back label were shaped to hold the curved Ragù branding, which was stripped of its superfluous drop shadows and gradients and then redrawn to regain its original clarity, a proud manifestation of the Cantisano shop front.

The basil leaf accent hints at the brand's fresh, authentic Italian heritage whilst the label substrate was specifically chosen

for its aged, rustic qualities. The final piece of the puzzle was to introduce Assunto Cantisano and tell her story visually. Research told us that featuring a picture of the founder or maker on a pack helps the consumer identify with the brand and increases the propensity to purchase.

Eric Cash, a Californian illustrator, was commissioned to bring Assunto to life on-pack with a 1940s, Norman Rockwell style portrait. This, accompanied by her signature and a focus on the brand's provenance in Rochester NY, and 70+ year heritage, all work to reinstate Ragù as the original, Italian sauce.

This gave us all the necessary elements of the core pack design. The only task then left was to ensure clear differentiation across product variants and an architecture that could support range extensions moving forward.



Word count: 457



PROJECT OVERVIEW

DESIGN DEVELOPMENT



RAGÙ

SUMMARY OF RESULTS

FROM A 25% DECLINE TO 43% GROWTH

The new design (launched in July 2012) took a few months to replace old packs on-shelf, which explains why Ragú's sales only start to increase from September onwards.

Ragú year on year (YOY) sales for May 2012-May 2013 rose by an average of

19%

In January to May this year, YOY growth averaged

36.6%

By April 2013, YOY growth was running at

42.8%

There has been no direct advertising.

Growth has been at the expense of Dolmio, whose YOY sales have declined every month, by an average of

3.5% pm

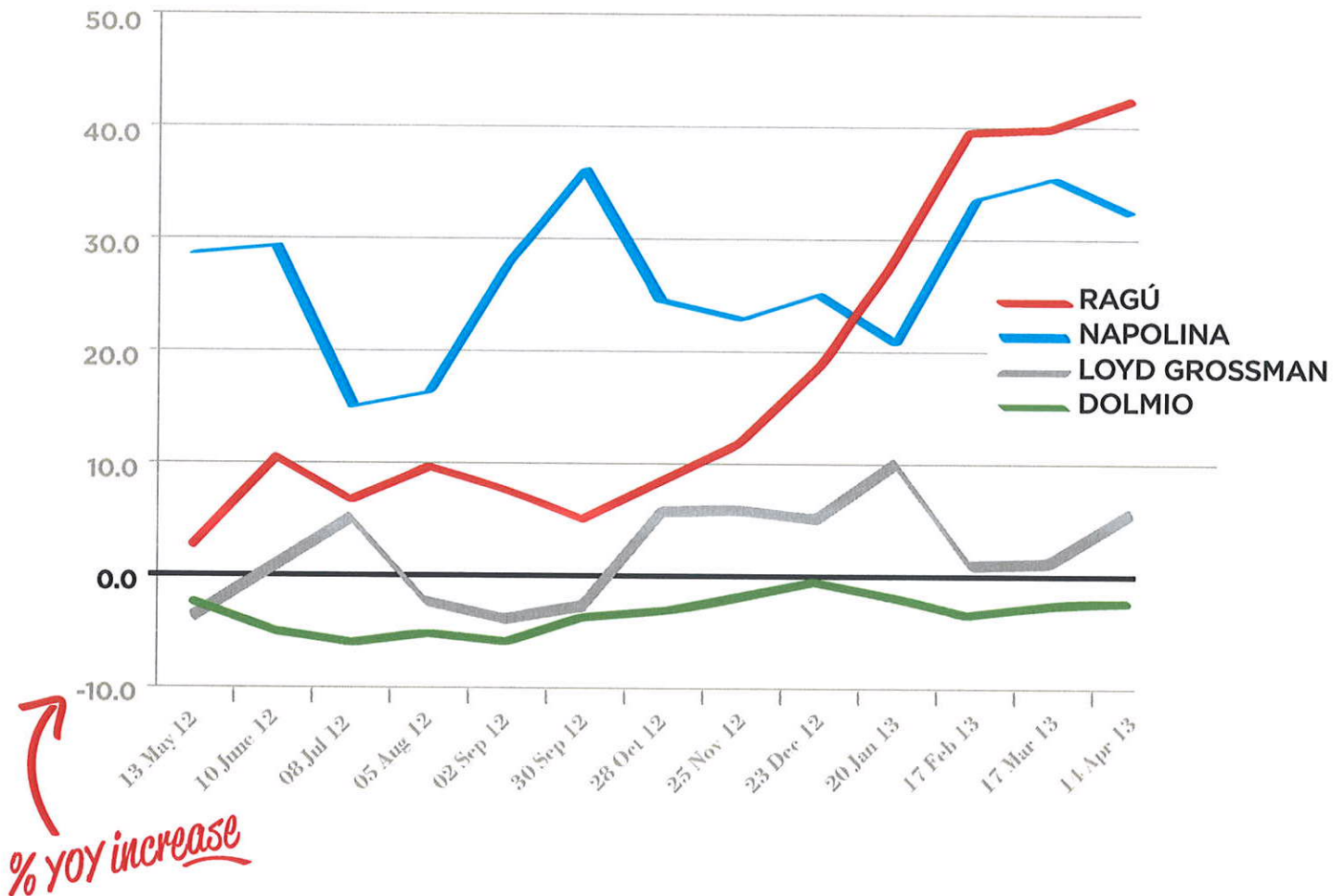
despite national advertising.

Loyd Grossman has grown YOY but only by an average of

2.4% pm

Napolina sales have increased, driven by the launch of their pasta bakes.

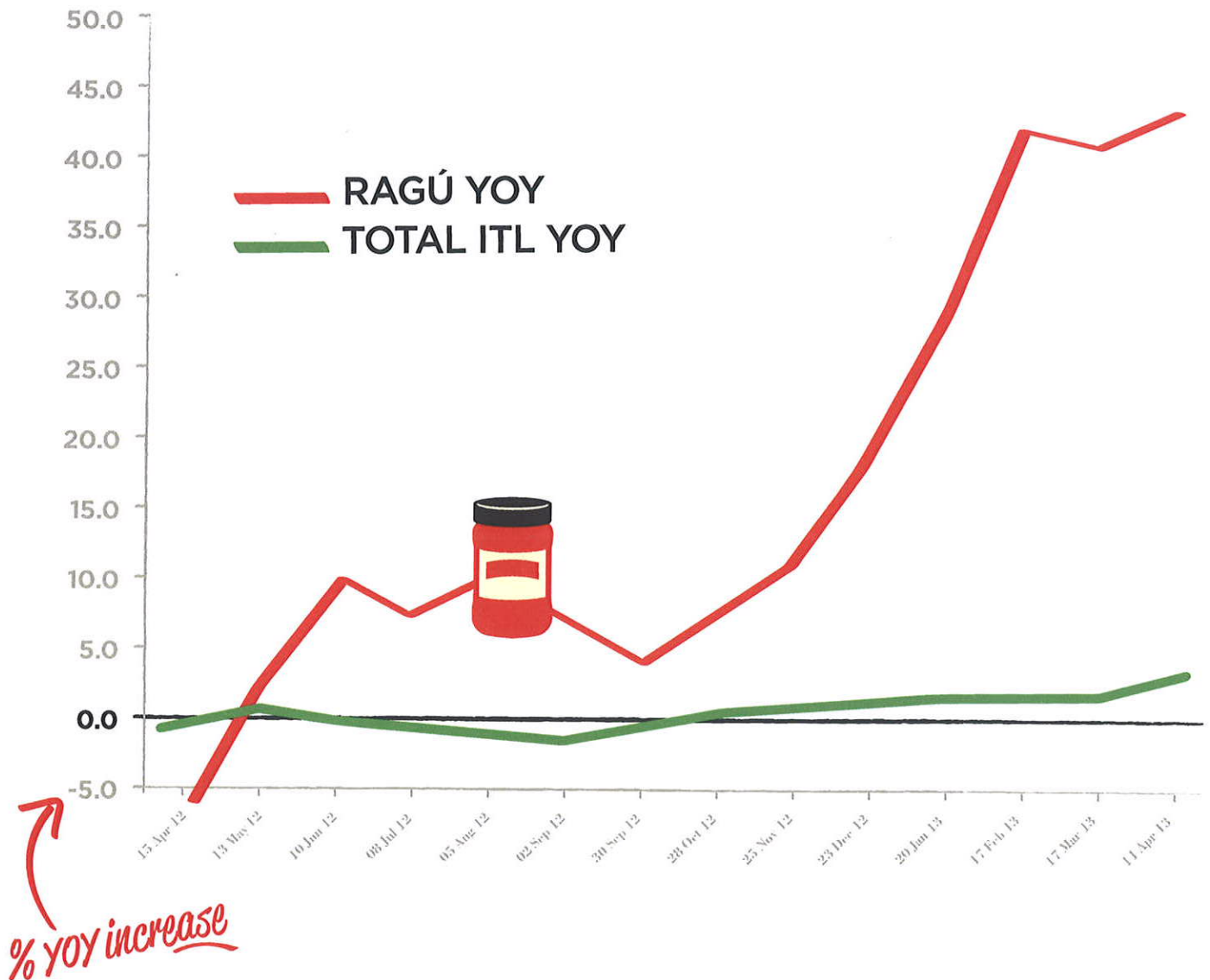
However, in 2013 Ragú's growth has overtaken Napolina and these Napolina line extensions have recently been delisted in most accounts as sales didn't justify the additional shelf space. We expect Napolina's growth to decline as a consequence in coming months.



RAGÚ

SUMMARY OF RESULTS

A GROWTH DRIVER FOR THE REST OF THE MARKET



When compared to the total Italian sauce market, Ragú's YOY growth from April 2012-April 2013) is nearly **12 times** higher.

It is significant that the total market started growing again in September 2012, when the new Ragú packs replaced old on-shelf.

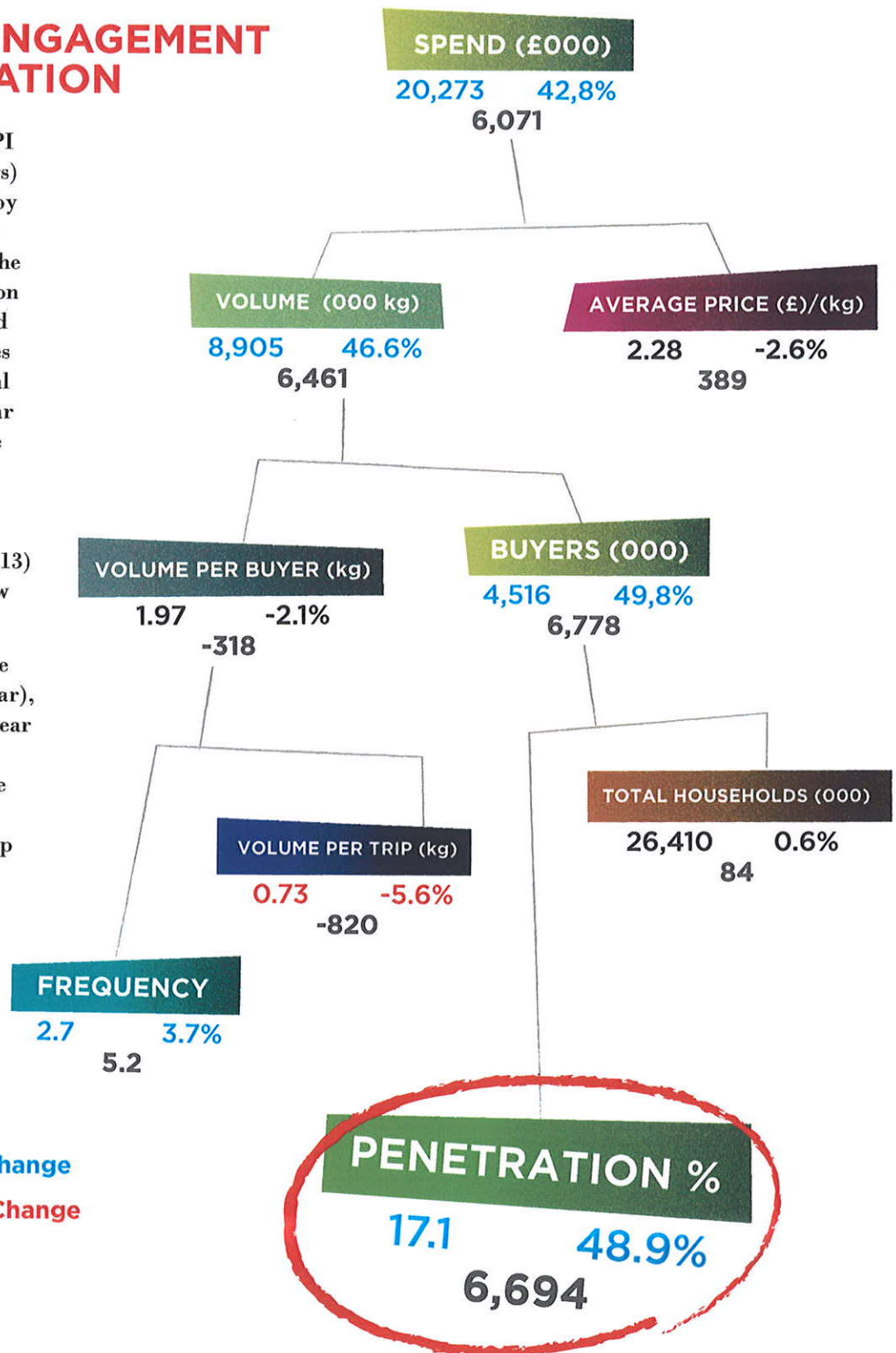
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SUMMARY OF RESULTS

INCREASED ENGAGEMENT AND PENETRATION

The Kantar World Panel KPI (Key Performance Indicators) tree is a standard tool used by global market research consultancy Kantar to analyse the impact of various measures on the overall growth of a brand or category. The three figures for each measure show actual figures (top left), year on year % change (top right) and the actual change (bottom).

The KPI tree for Ragú (for the year ending April 2013) shows that penetration is now **17.1%** (so 17.1% of households have bought Ragú over the last year), almost double the previous year (up **48.9%**). It is this that accounts for the **42.8%** increase in spend on Ragú (up by just over **£6m**).



KEY:

- > 3% Change
- < -3% Change

This is supported by consumer comments in research:

“(Assunto Cantisano) is Italian, about 45 years old, a working mum, down to earth and funny... She cooks with home

made, nicer ingredients, like mama used to make them... She’s heart-warming like Rita from Corrie... Makes me trust it more.”

Principles Research focus groups, Jan 2013.

RAGÚ

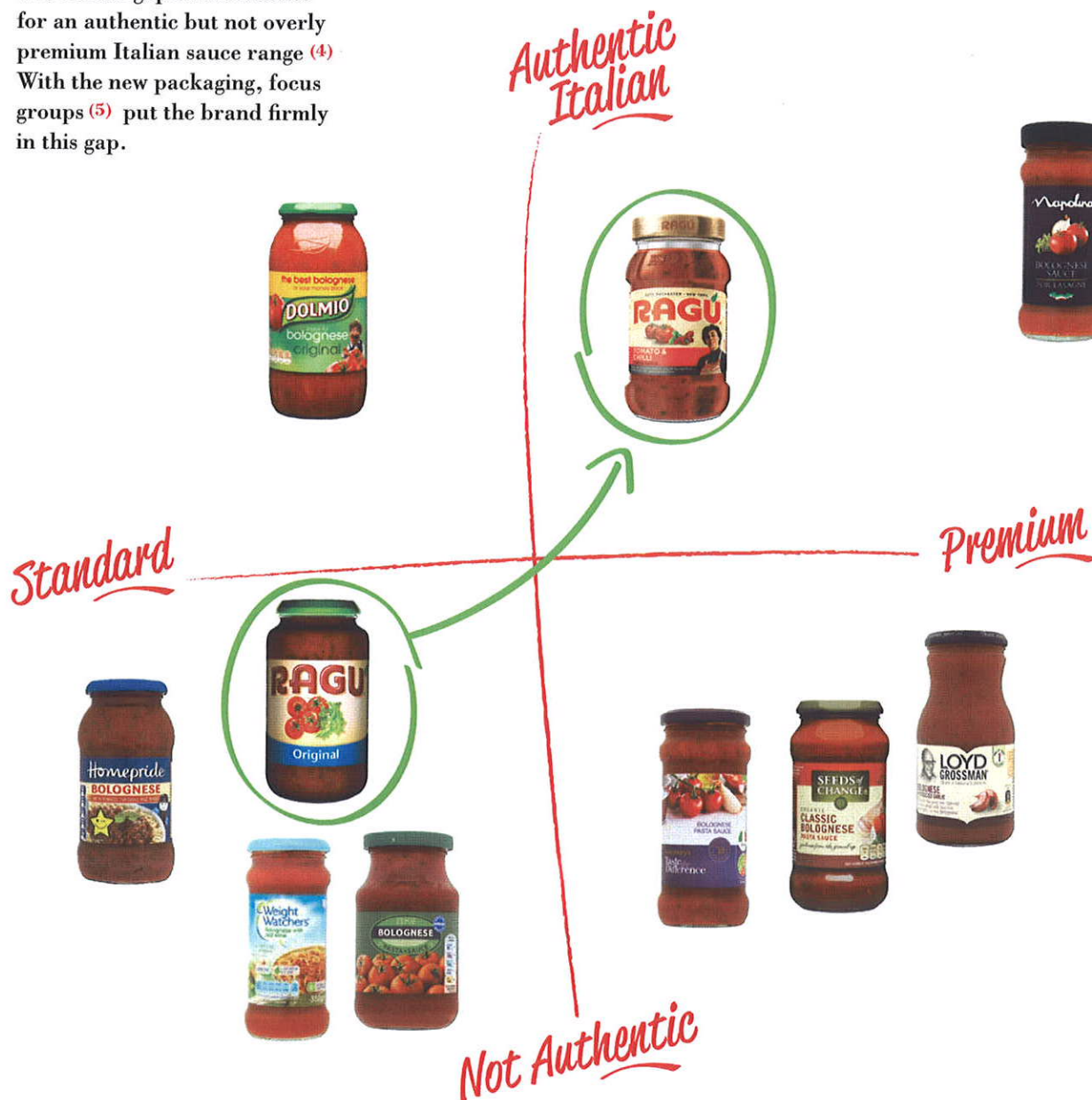
SUMMARY OF RESULTS

IMPROVED PERCEPTIONS

Research prior to the redesign positioned Ragú as a standard and not very authentic product: “Dolmio is real Italian – the Ragú packs aren’t saying that it’s authentically Italian....the red sauce...looks cheap”. There was a clear gap in the market for an authentic but not overly premium Italian sauce range (4). With the new packaging, focus groups (5) put the brand firmly in this gap.

Principles Research’s conclusions state that “Since the pack redesign, Ragú has made a significant jump from non-authentic, standard brand to authentic, more premium brand.”

Consumers liked Ms Cansantino: “I can imagine she has recipes that have been passed down”, “she’s welcoming and confident, old school”. The jar and imagery were also well received.



(4) Ragú positioning research, Principles Research, February 2012.

(5) Principles focus group, Jan 2013.

SUMMARY OF RESULTS

A FOCUS ON NPD

Several new product ranges have just launched or are due to be launched: Pasta Bakes, Mama's sauces with meat and Snack Pots.

This will help Ragú to compete even more effectively with Dolmio, and to increase its presence on-shelf. It may also encourage listings whilst at the same time delisting competitive products. Finally, by creating new usage occasions (eg. impulse lunchtime purchases) it will help Ragú target new consumers.



Pasta Bakes

Meat Range

Snack Pots



SUMMARY OF RESULTS

INCREASED LISTINGS

There are now **3 times** as many Ragú SKUs in Tesco and Morrisons and **4.5 times** as many in Asda, compared to before the redesign.

Core products and new smaller 400g jars have secured and increased listings in all four major supermarket chains.

Additionally, 720g variants of the core products and the Ragú Mama's meat range are now listed in Tesco, with the Pasta Bake range due in-store in July/August.

The new Pasta Bake range has gone into Morrisons, with 720g variants due in-store in the next few months.

Asda has confirmed listing of 720g jars, meat sauces and Pasta Bake ranges this summer.

Sainsbury's is unlikely to become as strong an account as the other three major supermarkets since its shoppers tend to be more affluent, older, with more two person households. This does not align well with the Ragú brand which focuses on family meal solutions.

This said, there are still **2.5 times** as many Ragú products in Sainsbury's as before the redesign.

It is clear that Ragú's presence and stand out on shelf has already increased.

We expect the balance of listings and thus presence on-shelf to improve in Ragú's favour as Dolmio's sales decline.

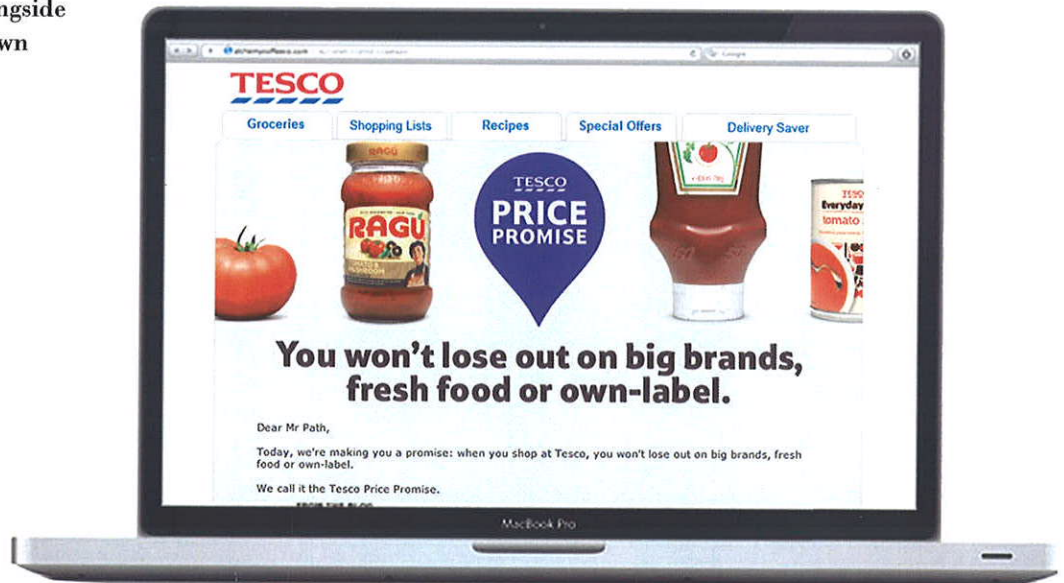


(6) Shots from Tesco's Kensington store.

SUMMARY OF RESULTS

CHOSEN BY TESCO

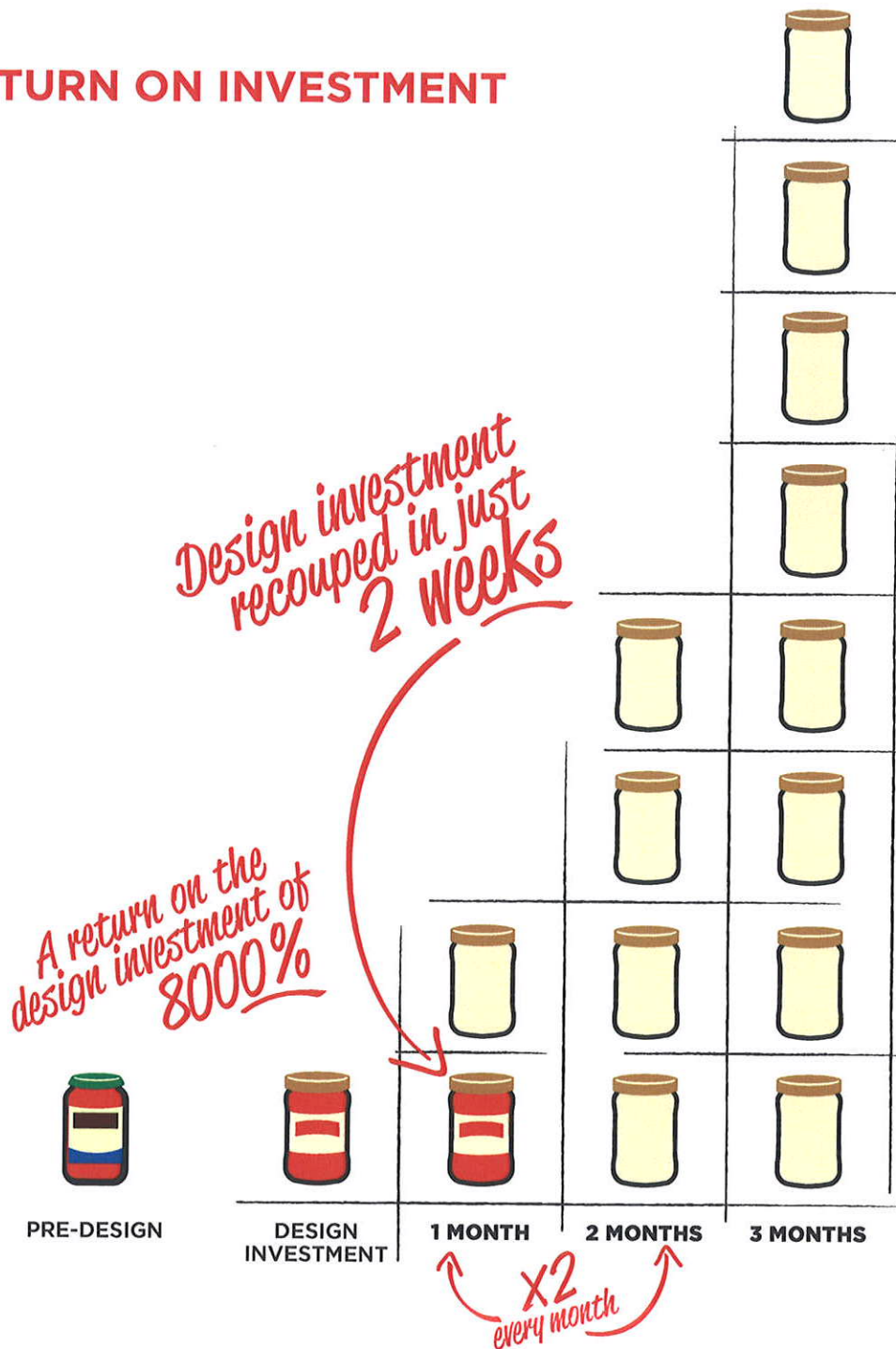
Tesco loved the new packs so much that when they developed a tomato-based campaign to drive footfall into Tesco, they chose to feature Ragú, alongside Heinz ketchup and their own brand chopped tomatoes.



RAGÚ

SUMMARY OF RESULTS

RETURN ON INVESTMENT



Following the relaunch, sales grew by **x2** the design investment every month, so the design investment was recouped in just over **2 weeks**.

In May 2013, less than one year after the relaunch, the new design has resulted in a return on the design investment of **8000%**.

The brand is now worth an additional **£4m**, nearly **80 times** the original design investment.

OTHER INFLUENCING FACTORS

The product recipe has been improved, but only to reduce the water content and increase the tomato content, moving quality in line with the rest of the market.

Promotions continue unchanged and are a key characteristic of the Italian sauce sector.

At no point has there been any advertising.

The only proactive PR was to accompany the relaunch, in the trade press.

However, Tesco has picked up on the new design and featured Ragù packs in their own promotions.



Official website



8/10 Packaging News Shelf Review

Clipper Race New York



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