

**NAKED
NOODLE**

Project Title: **Naked Noodle**

Category: **Packaging**

Sub-category: **Branded – Food**

Client Company: **Symington's**

Design Consultancy: **Path**

Date: **July 2012**



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EXECUTIVE SUMMARY

Symington's stands out as an independently-owned innovator in the FMCG industry.

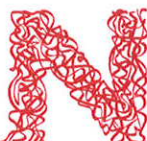
Naked Noodle epitomises the company's entrepreneurial spirit – a new brand launched to fill a gap in the market, tapping into the growing acceptance of Asian 'fast food', the economic pull of 'packed' work lunches and the opportunity afforded by a commodity category which alienates many consumers.

A key criteria from the outset was that Naked Noodle should be an authentic, quality product proposition, with packaging to match.

Measured on any level against Symingtons' original objectives, the brand has exceeded expectations, with **NO additional support**.

(298 words)

SYMINGTON'S OBJECTIVE	DESIGN ACHIEVEMENT
Launch a new, authentic Ramen noodle brand, with minimal investment.	Total investment (solely in design) was minimal. Consumers have qualified Naked Noodle as a quality, authentic product (see p17).
A new brand to target new users.	Appealing to a younger, more affluent, professional consumer (see p18).
Tap into the growing acceptance of Asian noodle snacks.	Created a new category, with copycat product in Batchelors Deli-Box (see p15).
Gain a listing in one major retailer.	Listings in 4 major retailers with an increase of 1134% in distribution (see p13).
Sales of 1,655 pw.	Sales of 4,833 units by wk 2 (300% beyond projection), now averaging 12,140 units pw, rising to 35,827 pw by October (see p10).
Recoup investment within 15-18 months.	Total investment recouped (via profit) within 15 weeks . ROI (profit) now 468% , ROI (turnover) now 1524% .
Reinforce industry perceptions.	"It's typical of Symington's to try something like [Naked Noodle] and see if it works" (see p15).
Exploit the Naked Noodle name.	Protectable brand which is already being extended.
Tap into home-packed work lunches.	"Men in suits will buy it" (see p18).
Avoid the consistent price discounting in this category.	Only on price promotion for 3 weeks.



PROJECT OVERVIEW

OUTLINE OF PROJECT BRIEF

- Launch a new, authentic, Ramen noodle soup brand into the dry soup category, with minimal investment.
- Use a new brand to target younger, more affluent soup consumers and those that don't currently buy into the category.
- Tap into the growing acceptance and food credentials of noodle restaurant chains like Wagamama.
- Gain a listing in one major retailer.
- Achieve sales of 5 units per variant, per week, per store.
- Recoup the investment (from profit) within 15-18 months.
- Reinforce industry perception of Symington's as an entrepreneur with the agility to take risks and respond to market opportunities.
- Exploit the Naked Noodle name, which Symington's registered several years ago.
- Tap into the increase in 'home-packed' work lunches, as a result of the recession.
- Avoid the price promotion/discounting strategy adopted by most competitor brands in the dry soups category.

DESCRIPTION

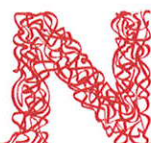
The product is an authentic Ramen noodle dry soup, sourced in China but soon to be manufactured in-house by Symington's (see p16). To make up, consumers simply add boiling water and leave it to stand for 4 minutes. The carton has been chosen to mimic a New York-style takeaway packet. An inner, removable cup makes it easier for consumers to drink the last drop of soup.

Naked Noodle taps into the growing acceptance of Asian noodle cuisine and the success of snacks like Pot Noodle and Golden Wonder's Nation's Noodle/'Normous Noodle. It addresses a gap in the market for a similar 'on-the-go' noodle snack targeted at women and more affluent, professional consumers.

The price point of £1 ensures it remains an affordable lunchtime snack, with the opportunity to sell into all multiple retailers.

PRICING OF NAKED NOODLE AND COMPETITIVE PRODUCTS:

BRAND	RRP	COMMON DISCOUNTS
BACHELOR'S CUP A SOUP	£1.09	2 FOR £1.50
AINSLEY HARRIOT'S CUP SOUP	£1.09	2 FOR £1.50
CAMPBELL'S CUP SOUP	£1.08	2 FOR £1.50
GOLDEN WONDER NATIONS NOODLE	£1.00	2 FOR £1.50
KABUTO (DRY) RAMEN NOODLE SOUP	£2.45	NONE
NAKED NOODLE	£1.00	NONE



OVERVIEW OF MARKET

MINTEL⁽¹⁾ PAINTS A PICTURE OF A MATURE AND DECLINING SOUP MARKET OVERALL

Soup experienced a challenging 2011....as a result, usage of soup fell from 80% of adults in 2010 to 77.5% in 2011, continuing a long-term downward trend.

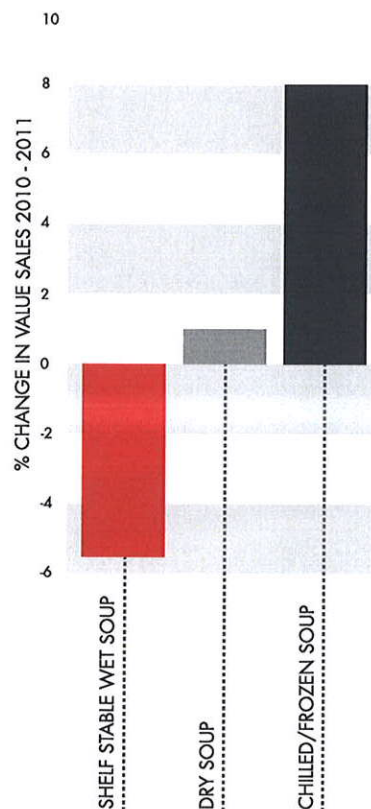
"This played a role in prompting total retail sales of soup to fall 1% in value to £591m over 2010 and 2011, an estimated volume decline of 1.5%. ...Indeed, the user base was nearly 10 percentage points smaller in 2011 than it was in 2007, suggesting soup has not benefitted from the economic downturn and continues to face intense competition from other light meals and snacks.

"The value of shelf-stable wet soup tumbled by 5.3%, dry soup posted a slight increase of 1.1% (mainly due to own-label NPD) and chilled/frozen soup climbed a relatively impressive 8.1%."

The dry soup category remains crowded and commodity-driven, with few food credentials. It is dominated by Batchelors and Campbell's – two well-established and well-loved brands. It accounts for 16% of the overall soup market, chilled/frozen soup 27% and shelf-stable wet soup 57%.

ACCORDING TO KEY NOTE⁽²⁾

"Over the past several years, the dry soup sector has struggled, because it is thought to be the least healthy of the three categories.... Manufacturers are seeing a strain in their overall profits [as commodity prices rise and retailers force manufacturers to bear the cost]. ..Supermarkets' own-brands are challenging manufacturers' position on retail shelves and threatening profit by pushing down prices.. Excessive promotions are hindering corporate profit....The competition in the soups industry is intense.

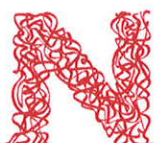


RETAILERS AND MANUFACTURERS HAVE RESPONDED WITH INCREASED NPD AND ADVERTISING BUDGETS⁽¹⁾

"The share of new soup products in total food NPD climbed to a 4 year record high in 2011 as own label gained momentum. The top two companies bringing new soups to market were Asda and Morrisons, helping own label account for a hefty 59% of new launches in soups in 2011 [NB. Predominantly in chilled/frozen soups]...Just as the level of NPD hit a recent record high in 2011, so the total value of advertising expenditure rocketed to its highest since at least 2007...up 171% on 2010."

⁽¹⁾ Mintel UK Soup Report May 2012

⁽²⁾ Key Note UK Soup Market Report February 2012



PROJECT OVERVIEW

IN CONTRAST TO THE SOUP SECTOR, INSTANT NOODLE [SNACKS] HAS SHOWN RELATIVELY SOLID SALES GROWTH OF 8% BY VALUE AND 3% BY VOLUME⁽³⁾

"Compared with soup, the instant noodles sector has a more overtly youthful image, thanks to the high-profile advertising campaigns of Pot Noodle and Golden Wonder Nation's Noodle. This ties in with younger consumers being the biggest users of noodles. Around 7 in 10 adults used noodles last year, according to the report. Soup manufacturers could therefore benefit from taking cues from the rival market in order to increase usage among 16-24s, who are the lowest overall users of soup".

Naked Noodle has effectively created **a new category of noodle soups**, in between the two existing categories, which leads to significant merchandising challenges.

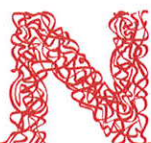
KEY OBSTACLES IDENTIFIED:

1. As the first product in a new category, Naked Noodle has no natural home and relies entirely on the packaging to communicate its product proposition.
2. With only three product variants, it also needs to work hard against the much broader portfolios of competitive brands (in both sectors).
3. As a new brand, it is competing against well established and much-loved brands (Batchelors, Campbell's, Golden Wonder).
4. It is also competing against 'foodie' brands like Ainsley Harriott.
5. There is a mass of NPD in the hot snacking category: Mug Shots, 'Normous Nation's Noodle, etc. and in the chilled soups category.
6. The packaging needs to counteract perceptions that the dry soup category lacks food credentials, and instead reflect an authentic, quality Ramen noodle soup.
7. It also needs to signal more premium, contemporary cues to attract a younger, more affluent consumer.
8. Competitors offer almost continuous price promotions, and several advertise heavily.

Project Launch Date **June 2011**

Size Of Design Budget **N/A**

⁽³⁾ Mintel Pasta Rice and Noodles Report UK March 2012



PROJECT OVERVIEW

OUTLINE OF DESIGN SOLUTION

The original sourced product (from China) was authentic, but the brand and packaging would not have appealed to the UK market, particularly to Symington's target young, female professional. It looked cheap and lacked premium cues or food credentials.

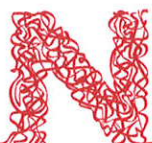


Concepts explored a range of Wagamama-inspired designs to convey Oriental authenticity, restaurant quality and food credentials. Premium brands in other sectors were also referenced, as were other Japanese retailers (Muji, Uniglo). Contemporary styling was key.



The brand identity needed to be protectable, sophisticated and convey the core concept of an extended brand (products containing noodles), with an element of wit or humour (which is what makes some of the pot noodle snacks so successful).

**NAKED
NOODLE**

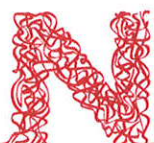


RATIONALE BEHIND CHOSEN DESIGN

The chosen concept was felt to signify the authenticity and premium cues most successfully, with good shelf stand-out against Batchelors/Campbell's (in the dry soups category) and Pot Noodle/Nation's Noodle (in the noodle snack category).

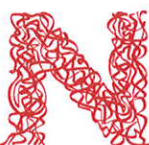
1. Block coloured top face contrasts with black to give good shelf standout.
2. The black/coloured design scheme echoes Oriental/Asian influences (particularly the black/red Chilli Beef flavour).
3. NY-style takeaway carton conveys authentic Oriental cues and a desirable contemporary quality for the younger, more affluent target audience.
4. Tamper seal on top face will replace shrink wrap seal once Symington's are manufacturing in-house (see p 11) and provides clear quality cues.
5. Clear variant differentiation on lid and face of pack.
6. Composite logo device of 'N' and 'Naked Noodle' name is protectable, communicates 'noodles' visually, and conveys an element of fun.
7. Matt black pack signifies the premium, authentic nature of the product and contrasts well against brands like Batchelors, Campbell's and Pot Noodle snacks.
8. Light-hearted 'noodle' copy adds an element of fun and quirkiness.
9. Noodle copy also reflects a careful, considered brand, implying that the product inside will be of equal quality.
10. A photo of the finished product is important for a snacking impulse buy, to reinforce food credentials and to communicate the product proposition.
11. Contemporary graphics will appeal to our target market of young, potentially female, professionals. A 'delicate' touch contrasts with the overtly male influence in the pot noodle category.

(319 words)



PROJECT OVERVIEW

SECTION 3



SUMMARY OF RESULTS

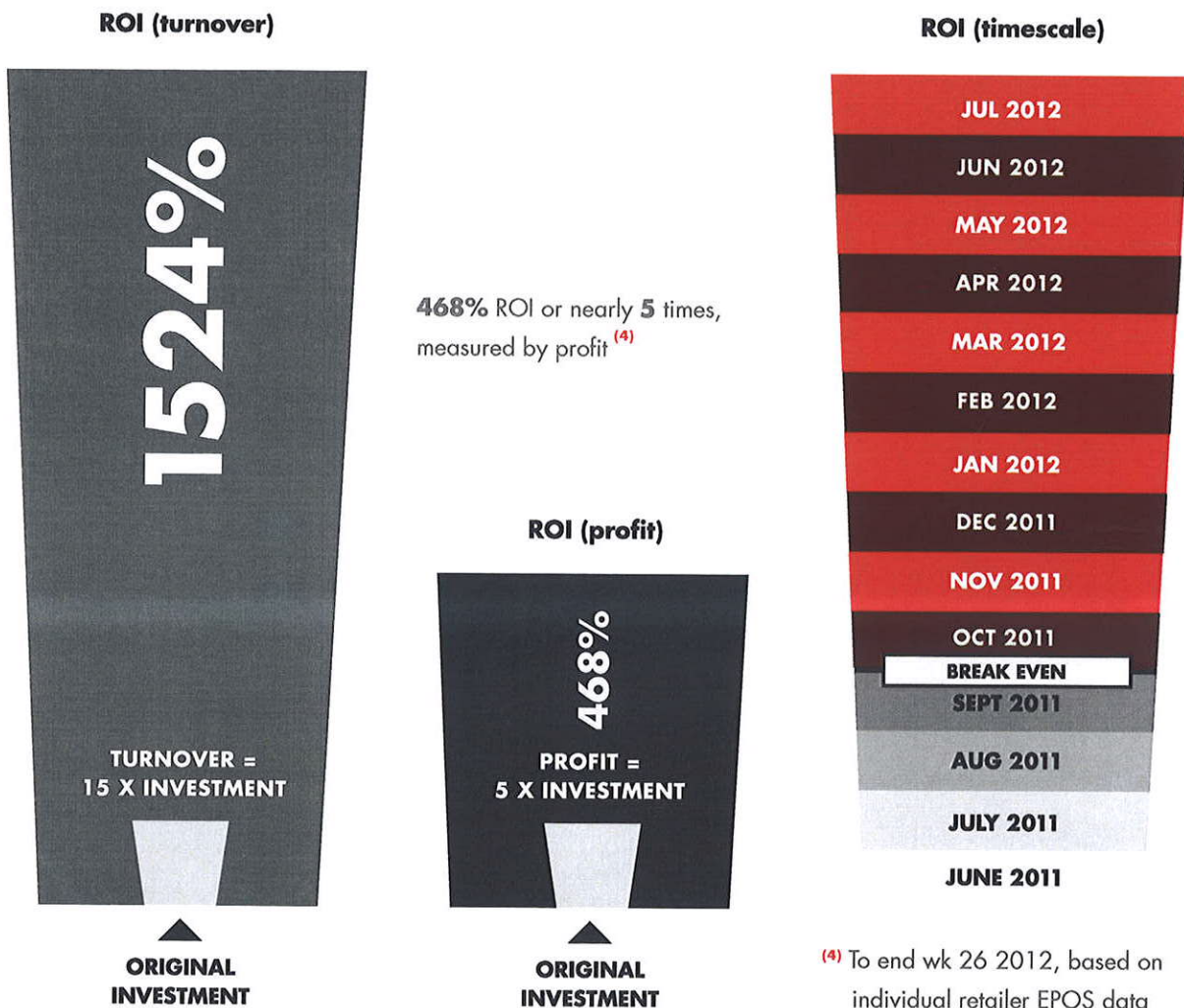
1. MEASURABLE AND GROWING RETURN ON INVESTMENT

The following results can only be attributed to the packaging design as there was **no other support**.

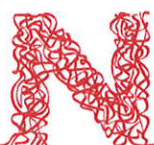
Total investment **1524%** ROI, or **15** times, measured by turnover ⁽⁴⁾

Total investment in new brand returned from turnover within **7** weeks and from profit within **15** weeks. ⁽⁴⁾

Launched June 2011, paid for itself out of profit by the end of September.



⁽⁴⁾ To end wk 26 2012, based on individual retailer EPOS data



SUMMARY OF RESULTS

2. VOLUME SALES EXCEEDED EXPECTATIONS BY 300% IN WEEK 2

Symington's projected modest sales of **5 units per variant, per week, per store (1,665 units)** for Naked Noodle, hence the minimal investment in design and lack of any marketing support.

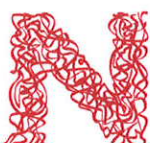
It exceeded the company's weekly sales expectations by nearly 300% within the second week (projected sales of 1,665 units per week, second week's sales totalled 4,833 units).

In terms of total volumes sold since launch, these are now running at 585% or **5.8** times projected totals. By October this figure will be 677% or **6.8** times projected totals and by the end of 2012 it will be 893% or nearly **9** times projections.

Weekly volume sales are an even better indicator of current performance, with sales now averaging **7.3** times (729%) projections, based on the last 8 weeks' figures. These are expected to rise to **21.5** times (2152%) Symington's initial weekly projections by October.

Forecasts as per sales chart overleaf are based on weekly confirmed/likely sales.

- A confirmed agreement to roll out to another **239** Asda stores in October.
- A confirmed agreement that Asda will take a new Naked Noodle Snack Pot range (see p14), with a knock-on effect (estimated at a factor of **1.2**) on core products due to increased interest and shelf presence.
- A confirmed agreement that **Sainsbury's** will stock all 3 variants in wk 34, volumes agreed, across **300** stores.
- An expectation to roll out to another **247** Tesco stores in the Autumn.
- An indication that Tesco will stock all three variants and that current merchandising problems will be resolved by the Autumn.

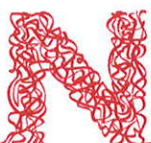
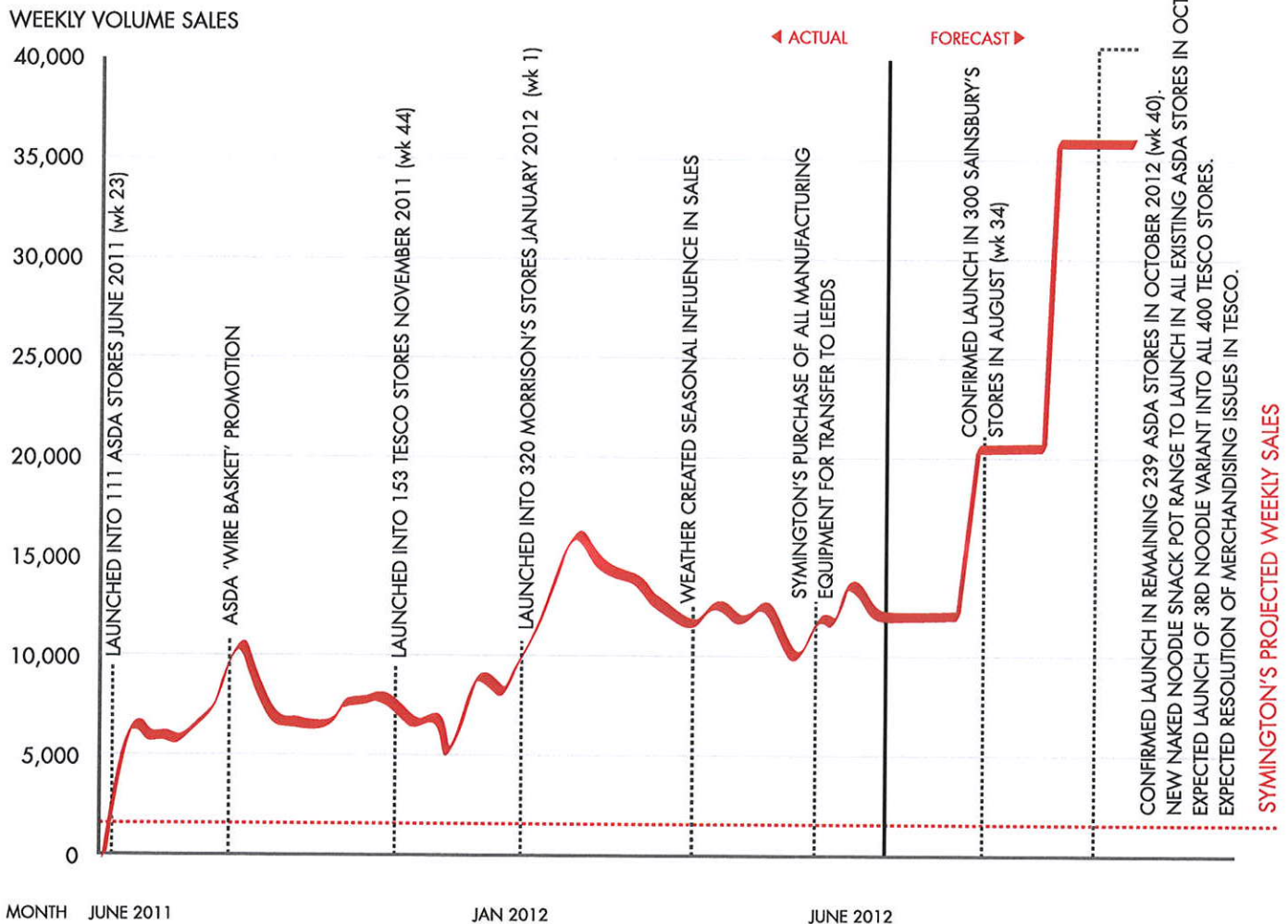


SUMMARY OF RESULTS

FORECAST ASSUMPTIONS:

1. Forecasts based on an average of previous 8 weeks' figures across all retailers.
2. Assumed impact of new Naked Noodle range on existing products = factor of 1.2, due to increased shelf presence and knock-on effect of positive response to new products.
3. Assumed impact of resolved merchandising issues in Tesco = factor of 1.2.
4. Assumed impact of additional 247 Tesco stores factor of 2.6.
5. Assumed impact of addition Asda stores = factor of 3.1.

NAKED NOODLE TIMELINE: KEY HIGHLIGHTS

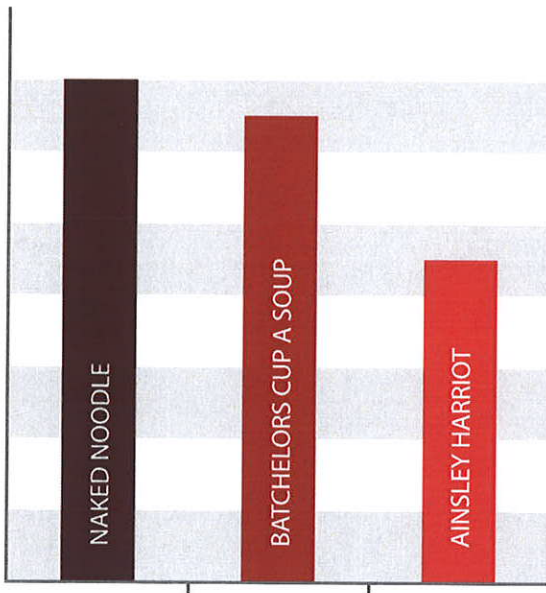


SUMMARY OF RESULTS

3. PER STORE PER WEEK SALES IN ASDA OUTPERFORMING COMPETITORS

For the 26 week period from 26th November 2011 to 26th May 2012, average sales in Asda outperformed Ainsley Harriott's Cup Soup on a per store per week basis, although Batchelors performed better on volume sales (highlighting the constant price promotions).

VALUE SALES PW £



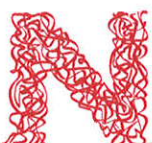
VOLUME SALES PW



Weight of purchase for Naked Noodle was **2.4 packs per trip**, indicating that consumers are interested enough to try more than one flavour⁽⁵⁾. This is consistent with the balance of sales across all three variants.

⁽⁵⁾ Kantar WorldPanel data June 2012

⁽⁶⁾ Retailer EPOS data



SUMMARY OF RESULTS

4. A 1134% INCREASE IN DISTRIBUTION IN JUST OVER A YEAR

Naked noodle was initially launched in **111** Asda stores in June 2011 (all 3 variants).

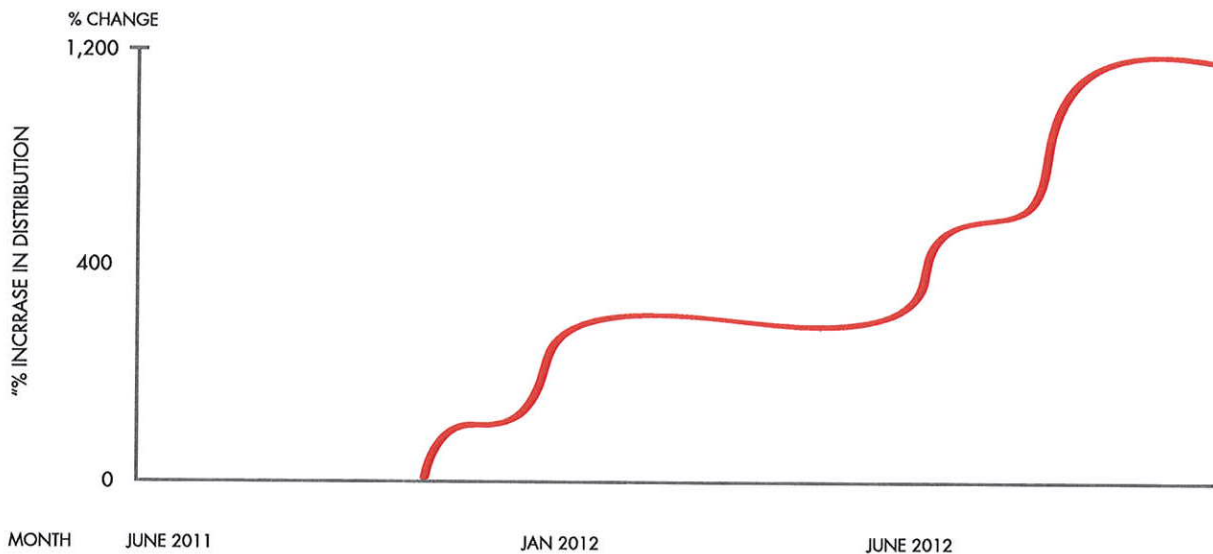
Symington's then secured distribution for **2** of the **3** variants in **153** Tesco stores in October 2011.

Morrison's (**320** stores) signed up to take the full range in January 2012.

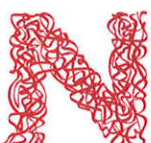
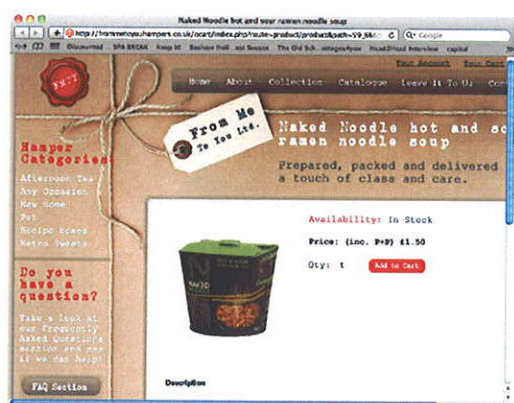
Asda has since agreed to roll out to its remaining **239** stores in October.

Sainsbury's has just confirmed all 3 variants in **300** stores.

Symington's expects – quite realistically – to roll Naked Noodle out into a further **253** Tesco stores in the autumn, meaning that by the end of 2012, it will then be in a total of **1370** stores – a **1134%** increase on the original 111 Asda stores.



This only takes into account the major UK retailers. In addition, the brand is starting to appear elsewhere:



SUMMARY OF RESULTS

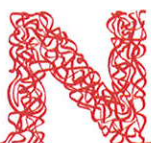
5. SO SUCCESSFUL IN ASDA THAT THE RETAILER REQUESTED NEW PRODUCTS

The brand had only been in Asda stores for 6 months when the retailer asked Symington's to develop more Naked Noodle products.

"We don't often see such a successful new brand launch in this type of mature, commodity-driven category. Naked Noodle definitely appeals to a new dry soup consumer – younger, more professional, with probably a more female bias. With only three variants, its shelf presence invariably suffers against the likes of Batchelors, and we would love to stock a wider selection of Naked Noodle products", Rob Paton, Buyer (Savoury & Canned), ASDA

The new Naked Noodle Snack Pot range is a wet snack, which is microwaved for 2 minutes to serve. This takes the brand into the higher value protein-based ambient snack sector, retailing at £2.19 (versus £1.00 for the core range). This range extension is likely to have a knock-on effect in terms of enhancing the brand's food credentials and authenticity, as well as adding shelf 'inches' and thus increasing its brand presence.

Naked Noodle Snack Pots will launch in Asda in October 2012.

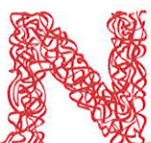


SUMMARY OF RESULTS

6. A RAMEN NOODLE SOUP CATEGORY WHERE NONE EXISTED

Naked Noodle has undoubtedly shaken up the dry soups sector and effectively created a new category of Noodle soup snacks. This is most evident by the copycat launch of Batchelor's Deli Box Noodles in May 2012.

It is too early to comment on the performance of Deli Box, but its positioning in this new category is more Anglophiled (and thus less authentic), and very much locked into other (blue) Batchelors dry soup ranges. The flavour variants and design are more akin to a stereotypical pot noodle snack than an authentic Ramen noodle soup.



SUMMARY OF RESULTS

7. A TRULY COMMERCIAL VENTURE

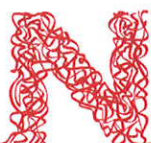
Symington's is unique in the UK FMCG industry. Independent, agile, prepared to take a risk and with a real commitment to design, the launch of Naked Noodle "to see how it goes" is typical of the company's agility and entrepreneurial spirit.

The fact that the one aspect the company was prepared to invest in – albeit a minimal investment – was branding and packaging, is testament to the value it places on design in the marketing mix.

Following Naked Noodle's almost immediate success in Asda, the company has decided to buy the necessary equipment in order to manufacture in-house.

This will result in:

- 1.** 10 new jobs, 2 specifically for the Naked Noodle brand.
- 2.** An increase in profit margin.
- 3.** More control over production.
- 4.** A reduction in the product's carbon footprint, via reduced shipping and elimination of the current shrink wrap (a legal requirement when being shipped from China).
- 5.** Faster speed to market on future NPD.



8. CONSUMERS LOVE NAKED NOODLES!

Qualitative research (June 2012) has shown strong support for the packaging⁽¹⁾.



Typical comments:

"I would try them just for the packaging and the look alone, even though they're not a well-known brand."

"Looks more like a takeaway so you'd probably think you're getting a better quality meal [than Pot Noodle] for a similar price"

"[Pack format] fits what you're eating"

"Packaging just looks more sophisticated – it looks like a better quality meal"

"Looks like the producer knows what he's doing"

"It looks more oriental"

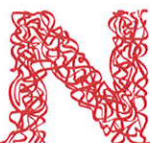
"Reminds me of getting a Chinese in New York"

"A trendy little packet that stands out a lot more than a Pot Noodle"

"I'd definitely try them."

"I'd get the packet out of the bin afterwards and use it for something 'cos i think it's quite nice!"

⁽¹⁾ Principle research focus groups, June 2012.



SUMMARY OF RESULTS

9. REACHING A YOUNGER, MORE AFFLUENT CONSUMER

In consumer research ⁽⁶⁾, the general consensus was that professionals would definitely be attracted to the authenticity and premium quality of the packaging:

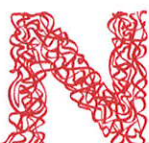
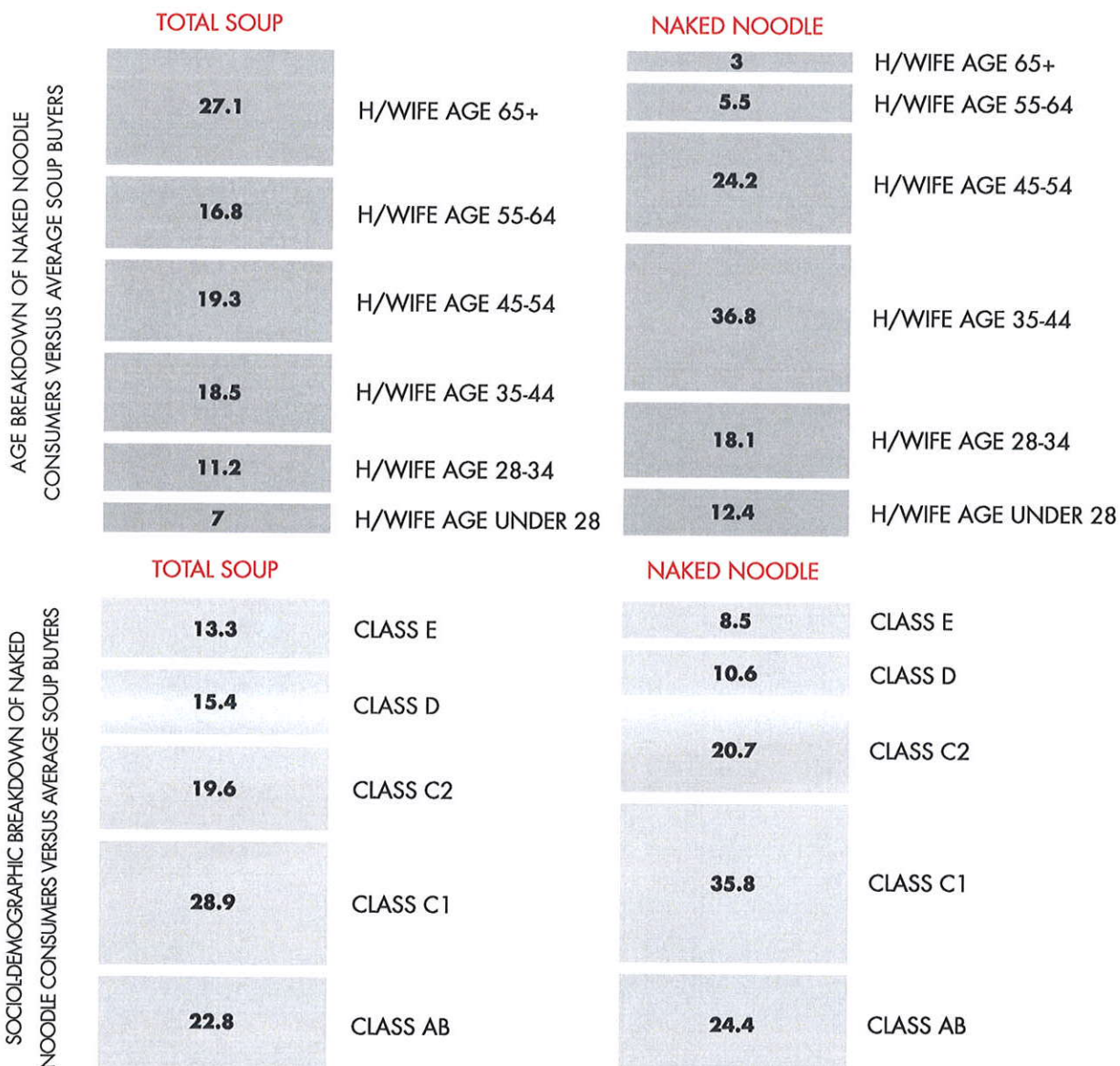
"I could imagine it as a product that young professionals would eat rather than a Pot Noodle which looks a bit cheaper"

"men in suits will buy it"

This is confirmed by Kantar WorldPanel data ⁽⁷⁾.

⁽⁶⁾ Principles Research focus groups, June 2012

⁽⁷⁾ Kantar WorldPanel data, 12 June 2012



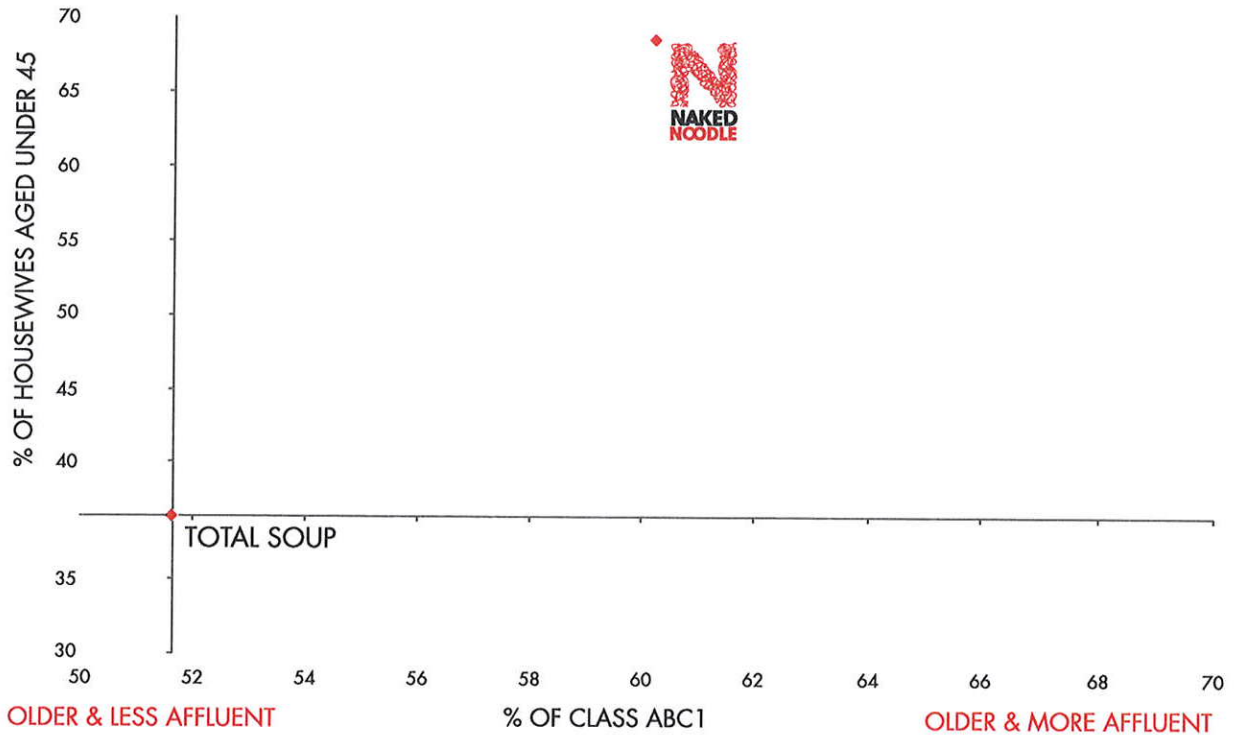
SUMMARY OF RESULTS

WHO IS THE NAKED NOODLE BUYER?
YOUNGER & MORE AFFLUENT THAN THE AVERAGE SOUP BUYER

DEMOGRAPHIC MAP - BUYER PROFILE %

YOUNGER & LESS AFFLUENT

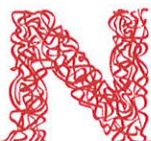
YOUNGER & MORE AFFLUENT



The obstacles and challenges in this market have already been outlined in Section 3 but it is worth remembering that Naked Noodle has achieved all of this, despite:

- 1. A mature, commodity-driven category, which has hardly grown in recent years (this trend predicted to continue)**
- 2. Almost continuous price promotion on competitor brands of 2 for £1.50.**
- 3. Being surrounded on all sides by well established and well-loved brands: Batchelors, Campbell's, Golden Wonder.**
- 4. A lack of food and health credentials in this category.**
- 5. Fewer variants than all competitors (especially Batchelors with 26 variants and corresponding weaker shelf presence.**
- 6. Merchandising challenges as an innovator in a new category.**
- 7. Merchandising issues, particularly in Tesco.**
- 8. Heavy advertising from other soup brands⁽⁵⁾ (Heinz, Baxters, Pot Noodle).**

⁽⁵⁾ Mintel UK Soup Market Report
May 2012



OTHER INFLUENCING FACTORS

There was:

NO advertising

NO in-store trials

NO direct mail/sampling

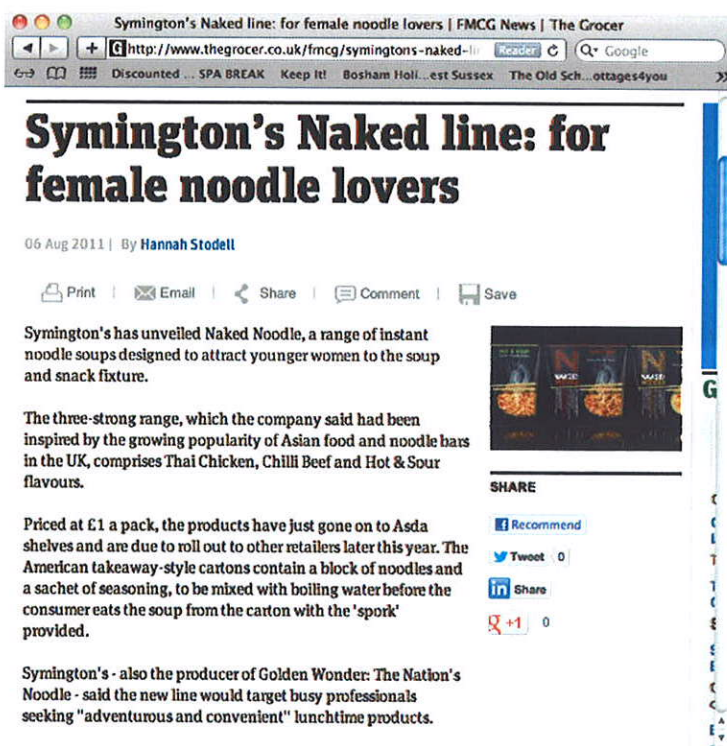
NO other marketing support

Virtually NO price promotion⁽⁵⁾

There was one piece of press coverage (The Grocer, 6 August 2011) from a Symington's press release, 2 months post-launch.

One week 'wire basket' promotion in Asda.

3 week price discount of 430 p in Morrison's⁽⁵⁾



Symington's Naked line: for female noodle lovers | FMCG News | The Grocer

http://www.thegrocer.co.uk/fmcg/symingtons-naked-li... Reader Google

Symington's Naked line: for female noodle lovers

06 Aug 2011 | By Hannah Stodell

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Symington's has unveiled Naked Noodle, a range of instant noodle soups designed to attract younger women to the soup and snack fixture.

The three-strong range, which the company said had been inspired by the growing popularity of Asian food and noodle bars in the UK, comprises Thai Chicken, Chilli Beef and Hot & Sour flavours.

Priced at £1 a pack, the products have just gone on to Asda shelves and are due to roll out to other retailers later this year. The American takeaway-style cartons contain a block of noodles and a sachet of seasoning, to be mixed with boiling water before the consumer eats the soup from the carton with the 'spork' provided.

Symington's - also the producer of Golden Wonder: The Nation's Noodle - said the new line would target busy professionals seeking "adventurous and convenient" lunchtime products.

RESEARCH RESOURCES:

Principle Research qualitative focus groups, June 2012

Mintel UK Soup report, May 2012

Key Note UK Soup Market report, February 2012

Mintel Pasta Rice and Noodles Report UK March 2012

Kantar WorldPanel data

Asda EPOS data

Tesco EPOS data

Morrisons EPOS data

