

TESCO

Everyday Value

packaging

redefining a sector to meet new needs



Category Packaging

Sub-Category Own Brand Food

Client Company Tesco

Design Consultancy Rocket Design Consultants

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Executive Summary

In 1993, Tesco were the first to launch a value range. Much has changed since then. Not only have all of the other major players launched their own but the tough financial times have changed the attitude towards Value ranges from 'it's for poor people' to 'it's a sensible purchase, if the quality is OK, to stretch the budget'. However, while the logic was there, in 2011/12, it was not translated into action with Tesco customers. While own brand market growth was steady at about 4.9% y.o.y, Value growth was only 2.6%.

Evolutionary design developments of the Tesco Value packaging design had failed to overcome the harsh, economy image of the range and consumers were losing patience with it. The blue lines and white background signified an industrial lack of care and gave no reassurance about the quality of the product inside. In addition, the packs were highly visible in the basket and tended to stigmatise.

The range was rebranded from Value to Everyday Value, which embedded it in 'normal' shopping requirements. As well as softening the appearance and showing greater quality and care, the redesign highlighted product attributes on each pack and confirmed Tesco's commitment to a high standard of food production. Qualitative research confirmed that this was what both prime Tesco shoppers and prime shoppers of competitive stores were looking for; 9 out of 10 strongly approved. (Omnibus)

In the 18 weeks after the relaunch (4/12), Tesco's Everyday Value sales rose like for like by 9.8%, against a market average of 3.3%.

(Tesco sales data/Kantar)

Tesco often struggles with its image as a monolithic organisation; **1 in 3 Tesco shoppers say that their impressions of Tesco as a whole has improved since the relaunch.** (Kantar)



Project Overview

Outline of project brief

To redesign the Tesco Value range of 660 products, reframing perception from a low price, compromised value proposition, that was acting as a deterrent to buy for many, to a quality benchmark within grocery value ranges, removing any sense of stigma and creating a range that budget-minded shoppers (the majority today) would be happy to put in their baskets.

In detail:

"I need to shop to a tight budget but I still want to buy good quality products across the store"

- To eliminate any sense of stigma associated with buying Value
- For the packaging to reassure on quality by showing the product where possible
- Telling customers what makes the product 'Value' or by stating the product standards/ ingredients/ technical spec

Description and Market Overview

Since value ranges were introduced in the early '90s, there has been some confusion about their role – do they represent 'cheapest you can get' or a value for money proposition based on a guaranteed quality level. Clearly, the latter is preferable but the presentation of the products tended towards the former. There was a perceived stigma attached to having such products in the trolley.

The recession has combined, at best, static earnings with inflation in food prices, increasing the desire, even necessity for a Value proposition. There was therefore an urgent need to reframe the communication.

Morrison's had successfully relaunched their value proposition, Sainsbury had redesigned and Aldi had entered the sector. The launch of Waitrose Essentials, while not strictly a value range in the same sense, had raised the bar in terms of quality, proposition and presentation.

Overall, the value market was growing by 13.5% per year, with Tesco growth lagging behind at 6.7%. Part of this was due to the long presence of the Tesco Value range compared to newer arrivals but there was clearly a lack of dynamism.

In recent years, the design system has been tweaked three times. Although some of the harshness of the original design was eliminated, it was clear that the basic blue and white gave the wrong signal.

Project Overview cont.

Research among Tesco shoppers was damning:

"I hate, hate, hate the white. It just says basically I couldn't give a xxxx! It's like we couldn't even be bothered to put any colours in. There must be a reason they are all white and it must be that it's cheaper and less hassle"

"There's a common perception that they are rubbish food, that they're not healthy"

"I think that it looks like it's been designed by someone rich looking down on us like they're just peasants. If they are buying cheaper, it can look cheap. They don't matter!"

"It hasn't changed since it was launched - was that in the 1930's?"

"Those stripes - they have to get rid of them, they've been around so long"

"The prison bars - that's what they mean to me, you're so poor so you've got to buy the prison bars"



The New Design

Naming

At the start of the process, a range of naming options were researched:

Value alone was not a satisfactory name, as it carried connotations of cheapness and lower quality.

Four alternatives tested were:

Great Value

Market Value

Everyday Value

Family Value

Of these, Everyday Value was selected as the one that neutralised any negatives and normalised the purchase.



Design

We took into account everything customers told us about the negatives of the current pack and what they needed to see. This led us to:

- Lose the white and use natural colours
- Use different colours to make shopping baskets look less desperate
- Use softer typefaces
- Have clear packs or windows where ever possible so that they can see what they are buying
- Use a relaxed, chatty tone of voice not a corporate, authoritative one
- Give great product photography when it's needed, e.g. on ready meals



The New Design cont.

Improvements and benefits were flagged on pack

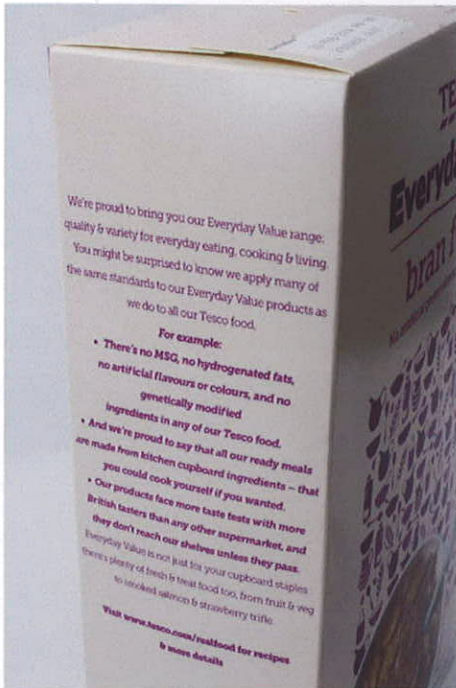


We make a quality promise on every pack



The New Design cont.

We have incorporated a mission statement on each pack, wherever possible.



We're proud to bring you our Everyday Value range: quality & variety for everyday eating, cooking & living.

You might be surprised to know we apply many of the same standards to our Everyday Value products as we do to all our Tesco food.

For example:

- **There's no MSG, no hydrogenated fats, no artificial flavours or colours, and no genetically modified ingredients in any of our Tesco food.**
- **And we're proud to say that all our ready meals are made from kitchen cupboard ingredients - that you could cook yourself if you wanted.**
- **Our products face more taste tests with more British tasters than any other supermarket, and they don't reach our shelves unless they pass.**

Everyday Value is not just for your cupboard staples: there's plenty of fresh & treat food too, from fruit & veg to smoked salmon & strawberry trifle.

Visit www.tesco.com/realfood for recipes & more details

We have improved visibility on packs so that customers can see that we are not hiding anything.



The New Design cont.

We've made improvements to structural packaging to improve the shopping and consumption experience, and provide further evidence that we value both the range and **all** our customers no matter how much money they have.



In summary, each element is designed to improve trust in the quality and to ensure that there is no stigma attached to buying the Everyday Value range.



Consumer Attitudes

Consumer reaction to the new design was:

"Attention to detail - it gives a much better impression of the value range. Looks more amiable and friendly"

Source: Omnibus week 10, Tesco primary shopper

"It shows you are trying to get back to why people came to you in the first place, value for money. When times are getting hard for people they try to get best value in cost"

Source: Omnibus week 10, Tesco primary shopper

"Less of a stigma that you're opting for the cheapo products, makes it sound like everyone buys them"

Source: Omnibus week 10, Tesco primary shopper

"I like the name as it makes you feel that you are still getting a good quality product!"

Source: Tesco Families week 9, Kerry G, Sainsbury's primary shopper

"The colours and layout of the new design is a million times better"

Source: Omnibus week 10, Tesco primary shopper

"Warmer and softer colours... looks less utilitarian and more appealing"

Source: Tesco Families week 9, Jane P, Tesco primary shopper

"I bought baby bubble bath and I would never have bought the Value range one. the packaging was better and the quality seemed ok"

Source: Tesco Families week 9, Sarah D, Sainsbury's primary shopper



"I thought the products were excellent- I had no complaints whatsoever. I wouldn't have bought them from the previous range but as they were so cheap and had nice packaging, I am prepared to try them out"

Source: Tesco Families week 10, Coralle R, Tesco primary shopper

"Investing more in branding somehow suggests the company cares more about it's products"

Source: Omnibus week 10, Tesco primary shopper

The relaunch of Everyday Value has resulted in

- **1 in 3 regular Tesco shoppers saying that their impressions of Tesco have improved since relaunch.**
- **1 in 4 shoppers of other major multiples agree.**
- **9 out of 10 customers say they are satisfied with the price of the items they have bought.** (Source: Omnibus)

In a world where consumers assume that prices are broadly equal in the major chains, the ability to make a strong emotional connection is paramount. This redesign has succeeded in this critical area.

In comparison with some of the other major multiples, Tesco's relationship with its customers is more functional, less emotional. Scores of this kind are significant in redressing that balance.



Tesco shoppers say their impressions of Tesco have improved since relaunch



customers say they are satisfied with the price

Results

Performance against Market

Market Growth in the 12 weeks after relaunch

3.3% 

Like for like growth of Tesco Value in the same period was

9.8% 

3x market growth

(total growth, including new lines, was **10.6%**)

This was made up of a combination of existing shoppers buying more and significant switching from Asda, Co-op and Sainsbury's.

In total, EDV is up as a proportion of the total Tesco sales mix by 0.3%.
Tesco share of the value market has increased to 45.9%, a 20% increase*
demonstrating that the growth has come from competitive gain rather than
from cannibalisation.

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Other Factors

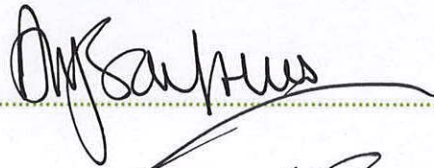
Tesco spend £110m per year on media.

A proportion of this, £4m, was dedicated to introducing the new value presentation.

Ironically the products featured in the advertising have not performed as well as the average.

There was an increase of 35 products in the range. However, unless otherwise specified, data in this document is based on like for like sales.

Signed for Tesco plc



A JAMES

Signed for Rocket Design Consultants



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