Submission Title:
TESCO FINEST*

Category:
OWN BRAND FOOD, DRINK AND OTHER

Client Co:
TESCO PLC

Design
CONSULTANCY: HONEY

Submission date:
27/06/14

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EXECUTIVE SUMMARY

TESCO finest* IS, AT £1.2 BILLION, THE BIGGEST BRAND IN BRITAIN

But though regular tweaks to its presentation since launch in 1998 had kept it of interest (51% of Tesco customers bought finest* at least once a month), **recent economic times were changing attitudes; consumers now needed clearer justification for paying a premium. There needed to be tangible proof of quality to achieve engagement.**

OLD DESIGN (NOT BY HONEY)

The finest* identity was seen as very slick and sophisticated, but dated, missing the connection that others, especially M&S and Waitrose, had achieved. Others could own their territories - M&S has indulgent, restaurant equivalent, Sainsbury's has best of home cooking...

...but finest* was simply seen as the best range available in Tesco - with no story and no emotional connection.

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However, with a focus on authenticity, quality, inspiration and innovation, the redesign has reversed finest* previous performance:

THE SHARE OF **SALES** GOING TO finest* WITHIN TESCO HAS **GROWN** IN NEARLY **EVERY CATEGORY** DESPITE DELISTINGS OR TRANSFERS FROM THE finest* RANGE OF LINES EQUIVALENT TO 17.4% OF SALES.

FROM LAGGING BEHIND THE MARKET TO **DELIVERING ABOVE AVERAGE GROWTH** (8.7% FOR TESCO COMPARED WITH 8.4% MARKET GROWTH)

MARKET RESEARCH HAS SHOWN **HIGHLY SIGNIFICANT CHANGES IN ATTITUDE** SINCE THE NEW DESIGN'S INTRODUCTION, WITH, FOR EXAMPLE, AGREE COMPLETELY SCORES FOR 'LOOKS AUTHENTIC' JUMPING FROM 12% TO 38% AND LOOKS A BIT TIRED' DROPPING FROM 52% TO 14%.

And this at a time of nearly 400,000 fewer customers per 12 week period y.o.y. (nearly a quarter of them defined as Upmarket) and an overall 3.7% y.o.y. loss of LFL Tesco sales. (Dunnhumby)

The successful relaunch has been achieved in spite of advertising that actually led to a reduction in sales of the products featured and a delayed merchandising plan.

word count: 291

PROJECT OVERVIEW

OUTLINE OF PROJECT BRIEF

Tesco was the first of the Big 4 into the market with a premium range in 1998. Tesco finest* is the quality flagship for Tesco, the unambiguous definition of the best that they can offer, appealing both to Trade up Treats buyers (occasional indulgence) and Premium Core (buying a significant amount of their mix from finest*). However, despite occasional tweaks, the current identity now lagged behind the market. (See below).

It could be said that choosing a time of high food inflation; real constraint on consumer spending power; a like for like drop in total Tesco sales of 3.7% and the loss by major multiples of hundreds of thousands of shopping visits to discounters might not seem like the best time to relaunch your premium offer. However, Tesco was aware that finest* did not have the sharpness of proposition that consumers now demanded. Customers now want more tangible justification of premium than just a corporate guarantee and they want to see more emotional involvement and commitment.

Internal focus at Tesco had been on the successful relaunch of the Everyday Value range and the development of the core Tesco range.

The finest* brand had begun to look too corporate, lacking emotional connection, and there was now a need to upgrade and sharpen the definition of the offer through range and presentation by entering into an enjoyable 'food conversation' with the customers.

Core words to be achieved became:

- *Inviting*
- *Authentic*
- *Knowledgeable*
- *Confident*
- *Inspirational*

PROJECT OVERVIEW

DESCRIPTION & MARKET OVERVIEW

finest* is, at £1.2billion, the biggest brand in Britain. It holds 14.3% of the 'Best' market (Kantar), compared to Tesco's total grocery share of 26.6%

M&S, through their 'Not just food...' 'food porn' ads and their more premium shopping context, have the high ground on quality. Waitrose have the advantage of reputation and positioning. Compared to these two, Tesco of course does not have the same quality heritage. On the other hand, improvement in the perception of finest* would have a beneficial effect on the perception of Tesco as a whole.

The relaunch of Sainsbury's Taste the Difference in Oct 2010 had not been successful, rising to an additional 400,000 shopping occasions during the heavily discounted launch but then dropping back immediately afterwards to 100,000 fewer than pre-launch average and losing high income older users, their previous mainstay (Kantar). They do, however, benefit from the Jamie Oliver halo effect.

ASDA and Morrison's premium ranges have a lower quality image commensurate with their store image.

Against this, the finest* proposition was just 'the best at Tesco' (Basis Research); the brand did not own any emotional territory.

word count: 510

OUTLINE OF DESIGN SOLUTION

The theme of the design approach was to:

MOVE AWAY FROM A FORMAL, CORPORATE PRESENTATION, *to...*

Something that created a personal connection, supporting the proposition of care in sourcing, in selection and in recipe to create a range that was interesting, involving and of discernable high quality.

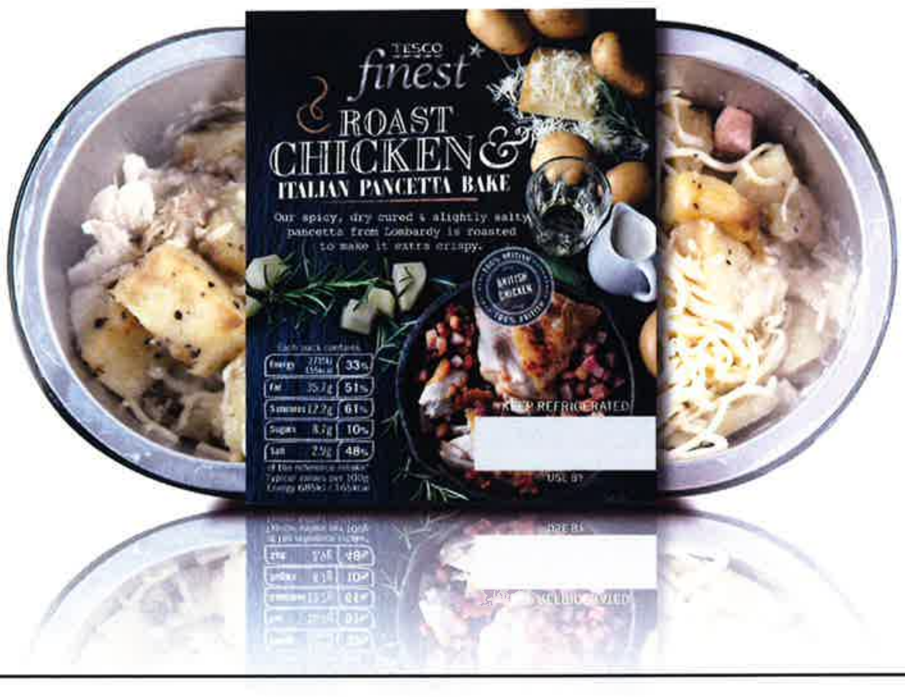
At the heart is a refreshed brand logo with a lower case f and softened, hand-drawn lettering. We stacked the Tesco logo above finest*, giving it the role of guarantor and enabling Tesco to draw quality cues generally from finest*.

The black, a strong identifier, remains, often textured and with a matt finish, to emphasise the artisanal values. The silver, however, was lost on shelf and did not convey the new values. Silver foil is now used for the logo, giving shelf pop and supporting a premium proposition.

To confirm authenticity, we brought to life the artisanal quality and individual personalities of the suppliers and the products across the range. We did this by telling the stories of the products on pack through both photography and copy, focusing on the authenticity and provenance of the goods. The design is inspired by external benchmarks for the ranges e.g.:

- **Produce** - Farmers' markets
- **MFP** - Ginger Pig
- **Cakes** - London Bakeries i.e. Hummingbirds
- **Chocolate** - Chocolatiers i.e. Valrhona

Specifically with the ready meal range, we focused our pack photography on their premium, specially selected ingredients and expertise, rather than majoring on the final cooked products.



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With the huge variety in ready meals, the key challenge was to create packaging that clearly defines the different sub-ranges and SKUs, allowing customers to quickly and clearly identify the different ethnicities and product lines, whilst also maintaining their finest* brand identity.

Through maintaining a similar style across all the lines, the finest* brand was not lost in translation. We diversified the range of ready meals both structurally and graphically, for example using metallic grey for Indian dishes to represent the Balti dishes in curry restaurants, and Terracotta to identify casseroles and warm hearty British dishes.

The same personality and identity of finest* was carried across into wines and spirits, allowing their authenticity and personality to shine through. We created a distinguished range of flowers and plants for finest* by creating new structures for the orchid boxes and using higher quality materials for the bouquets, like for like sales of flowers and plants increased by 11% in the 12 weeks after launch.

In summary, research confirms that the design has moved:

- **From tasteful to tempting**
- **From elegant to generous**
- **From polite to passionate**
- **From corporate to inspiring**

"I've never been involved in research that has been so positively in favour of a new design"

FLAVOUR RESEARCH

word count: 442

RESULTS

Premium Market Growth for the 12 weeks to 2/2/14 is 8.4%. Tesco finest* overall growth in the same period is 8.7%.

This is ahead of Sainsbury (8.4%), ASDA (2.8%), Co-op (-2.9%) and M&S (5%) (Kantar)

Honey delivered a **re-design of over 1200 SKUs within just 8 months, also acting as brand guardian on the input from 3 other agencies**

Switching gains from M&S in the 12 week period are worth £3.8 million. finest* has also gained significantly from the Co-op and ASDA (Kantar)

(It is worth bearing in mind that 1% growth for finest* equals £12 million per year).

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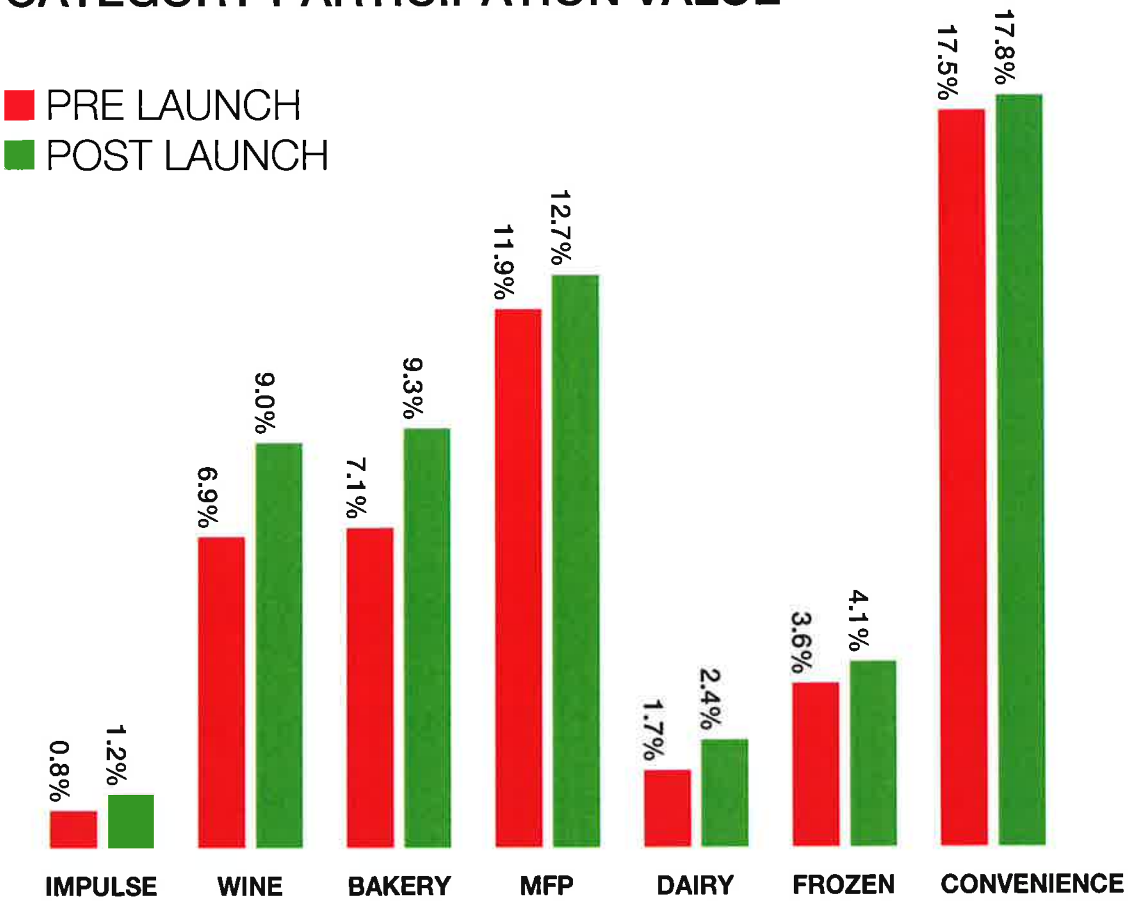
CATEGORY PARTICIPATION VALUE

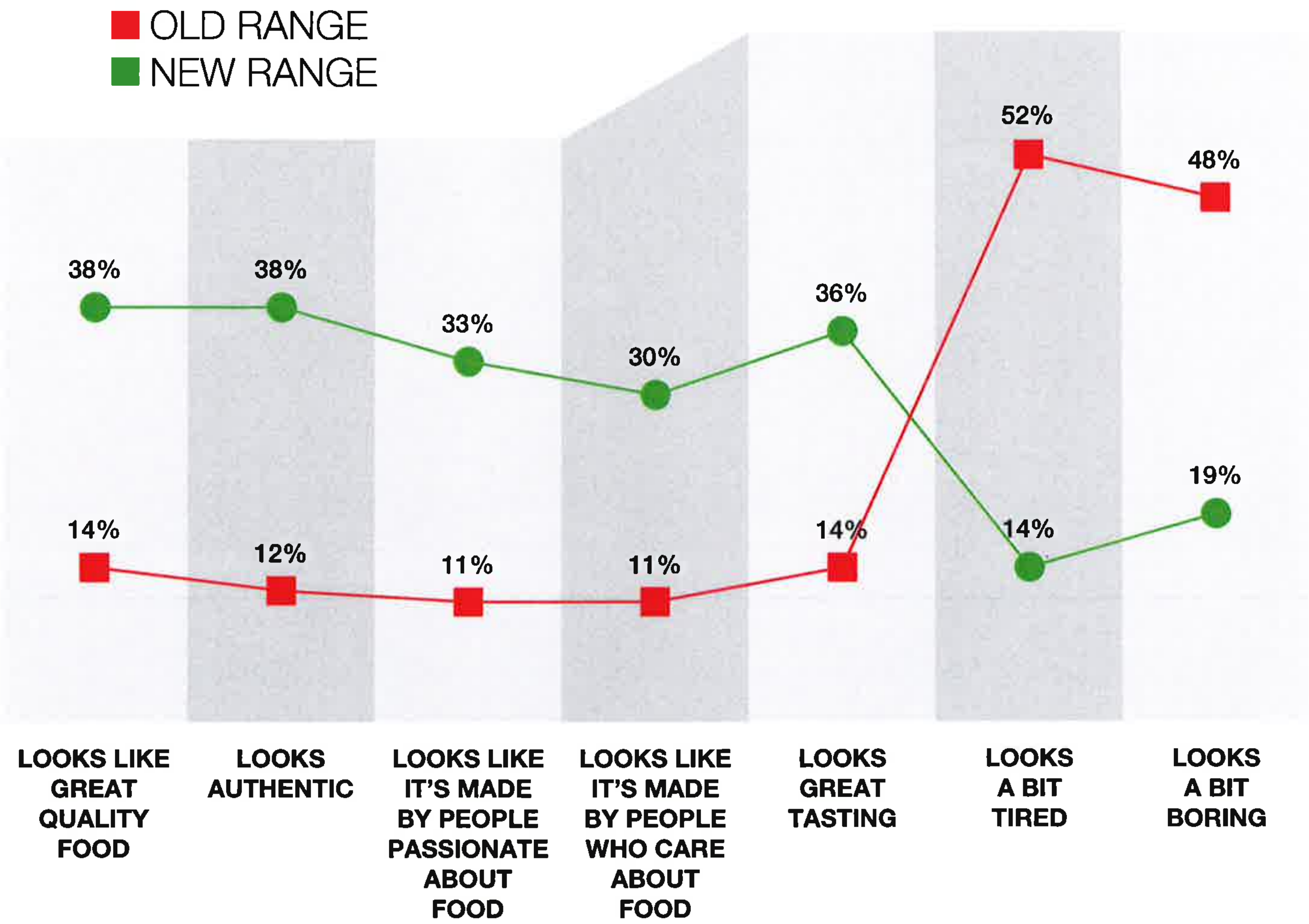


(Tesco Finance Tracker)

The sharpening of the finest* proposition demanded a radical reappraisal of the product range, to ensure that every line fitted the new proposition. In total, 362 SKUs were either delisted or transferred to the Tesco main brand. This included some high volume lines mainly in Frozen, Produce and Convenience and in total these SKUs represented 17.4% of the previous year's finest* turnover.

In total, 469 new SKUs were added, though, of course, it takes time for customers to build a relationship with them. **Despite these upheavals, the new design is delivering, since the relaunch, higher category shares for finest* (proportion of total category sales going to finest*) virtually across the board.**

RESEARCH



Customer perceptions of the new range are significantly higher than those of the previous range. The graph above tracks Agree Completely scores.

Other factors:

The relaunch was supported by a media spend of £1.5m and the Downton Abbey bumpers. However, research showed that 'while the advertising increased finest* quality perception, it did not drive purchase, as the products shown were too niche and we did not articulate the value alongside our quality. The advertising did not help the consumer to transition to the new brand proposition, most critically during the Christmas trade up period.' (Basis Research)
Indeed, the products shown in the ads actually decreased in sales.

The overall merchandising space given was broadly equal to the previous design. A new merchandising strategy was not put in place before the launch and the figures in this submission were recorded before any major changes to merchandising for the range.

Summary:

A brand of this size is always a complex story to tell. However, what is clear is that, while other aspects of the marketing mix have been sub-optimal, the redesign has carried the project forward, has been well received by customers and is delivering improved sales figures.

List of Resources:

Dunnhumby
Kantar
Basis Research
Flavour Research
Tesco Finance Tracker