

WICKED



Prepared exclusively for **TESCO**

EMBRACING PLANT POWER TO DRIVE GROWTH FOR TESCO

Industry Sector:
Food Producers

Client Company:
Tesco

Design Consultancy:
Elmwood

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elmwood

EXECUTIVE SUMMARY

Veganism and flexitarianism (a mainly vegetarian diet with a little fish or meat) was on the rise. In fact, in 2017 flexitarianism was one of the most striking food trends, with one in three people saying they were trying to reduce their meat intake.

In response to this trend, Tesco decided to offer its customers wider choice and more plant-based food options in the ready meals and food-to-go aisles. So they partnered with chef brothers Chad and Derek Sarno, co-founders of the US-brand Wicked Healthy. Using their culinary expertise the two crafted the plant-based range Wicked Kitchen exclusively for Tesco; a range that celebrates everything fantastic about plants and puts them centre-stage.

Tesco needed Wicked Kitchen's brand design to embrace the bold attitude of both Derek, Chad and their flavourful food, and appeal to a much wider audience than just vegans.

Elmwood made sure, they got just that.

Not only was Wicked Kitchen **the first exclusively plant-based own-label offer to launch in UK supermarkets**, but it sold 2.5 million units in the first 20 weeks after launch.

In the first 6 months, it achieved 152% of its sales value target and it has successfully brought plant-based food to the mainstream.

It was also named 2018's **'Best Vegan Range'** by the PETA Vegan Food Awards for being a "real game changer, and proving that plant-based meals can have all the punch, crunch, and zing needed to satisfy hungry bellies and discerning taste buds."

Finally, the brand was **responsible for more than 20% of the additional meat-free take home sales in the first half of 2018**, and more than 10% of own-label sales in the same period, therefore **contributing considerably to the growth in the plant-based and vegan food market.**

152%

of sales value targets achieved in the first 6 months.

2.5 million units in the first 20 weeks after launch.

20% of the additional meat-free take home sales in the first half of 2018



PROJECT OVERVIEW



Tesco wanted to launch a range to celebrate everything great about plant-based food. **It wasn't about meat-free or meat substitutes**, just great wholesome plants and putting them centre-stage.

OUTLINE OF BRIEF

Through 2016 and 2017, Tesco had seen continued increased demand from its customers for plant-based and vegetarian products. It already had some related offers in its own-label range, including Vegetarian Kitchen, Free From and Meat Free, as well as various branded offers from both established and new brands to the market.

But, the category had a tendency sometimes to conjure up a range of diverse opinions, and so Tesco wanted to launch a range to celebrate everything great about plant-based food. It wasn't about meat-free or meat substitutes, just great wholesome plants and putting them centre-stage.

The retailer had also seen the growth in flexitarianism and, as part of its strategy to 'serve its customers a little better every day' wanted to offer them more choice and to make plant-based options more accessible to the everyday consumer; particularly in the ready meals and food-to-go aisles.

No other supermarket was doing this well so Tesco's main aim was to be the first to market with an exclusively plant-based own-label range. The key to its success would be for its appointed agency Elmwood to create a brand and packaging design that celebrated vegetables, and inspired its customers to eat more veg as part of a wider desire to eat more healthily.

KEY OBJECTIVES

1. Be the first major multiple to market with an exclusively plant-based own-label offer.
2. Make plant-based food more accessible to the everyday consumer.
3. Drive significant sales in the first year to achieve confidential internal sales target.

PROJECT OVERVIEW

The retailer already had a well defined proposition that it wanted Elmwood to convey through the brand and packaging:

THE PROPOSITION

Welcome to Wicked Kitchen: an exciting new range of innovative, ready-to-eat or ready-to-cook food. Our veg-based meals celebrate everything that's wicked about plants and puts them centre stage – and centre plate – like never before. Right where they deserve to be.

Every dish is created and crafted by two pioneering chef brothers who've been transforming humble vegetables into the stuff of plant legend for the last two decades.

So when it comes to taking what were everyday flavours and textures to the next level of taste-bud-tingling artistry, Derek and Chad Sarno are your guys.

But Derek and Chad aren't health gurus or doctors or nutritionists. They're proud graduates of the University of Common Sense who simply believe that eating more vegetables is good for all of us – so they've made them irresistible.

From crispy carrot pastrami to super-satisfying barbecued 'shrooms, our vibrant, sexy soups, wraps, meals and salads have all the zing, punch and crunch to help you on your way to 5 a day.

So go for flavour, go for healthier and go green (and red, orange, yellow and any number of other vibrant colours). Get more of your mighty veg with Wicked Kitchen. Oh and by the way, the planet benefits from all that plant-based deliciousness too. You win, the planet wins, it's a win-win.





PROJECT OVERVIEW

Wicked Kitchen is a range of (initially 20) ready meal and food to go options, created in partnership between Tesco and pioneering chefs and plant pushers, Derek and Chad Sarno of Wicked Healthy. Prepared exclusively for Tesco, the range first launched in January 2018 in 600 stores nationwide.

BACKGROUND TO THE PROJECT

In October 2017, Tesco appointed Derek Sarno, co-founder of Wicked Healthy, as its Director of Plant-Based Innovation. This was as part of a wider commitment by the retailer to identify and increase plant-based food options both in-store and online, and to make plant-based food more accessible to the everyday consumer.

Tesco had seen demand for vegetarian and plant-based food soar as a result of lifestyle choices such as 'Meat Free Mondays' and flexitarian diets – a primarily vegetarian diet with occasional meat or fish – and wanted to capitalise on

the upward trend by launching its own-label range. It had even made the decision to merchandise it in the regular ready meal and food-to-go aisles to attract the 'flexitarian' consumer, which offered a much larger commercial opportunity for the retailer.

Therefore it was most important that the own-brand not only encouraged customers to eat more veg, but inspired them to make them the focus of the plate, and not to default to meat substitutes. It also had to embrace the bold attitude of Derek, Chad, Wicked Healthy and their flavourful food.

THE DESIGN SOLUTION

Tesco wanted to inspire and excite their customers with Wicked Kitchen. To do this the brand Elmwood created draws on the artistry, craft and precision involved in each dish.

The big idea for the brand was 'grabbing veg by the bulbs'. Something that would capture the spirit of the Sarno brothers and their no compromise love of big, bold flavours. A colourful and vibrant brand that would be delivered with bags of edge and attitude that allows vegetables to take centre-stage.

WICKED KITCHEN

BRAND MARQUE

The chef's knife represents the skill and precision executed by the brothers, and the devil horns are a nod to their ethos of 'shooting for 80% healthy, 20% wicked and you'll be 100% awesome'.

PACKAGING

The use of black type on white allows the food to be heroed, in keeping with the brand's ethos towards vegetables. And also retains a more provocative attitude. The swoosh again refers to the skilled chef, and draws the eye to the product name across all 20 packs.

The Wicked Kitchen packaging really celebrates plant-power and what makes the range unique. Everything about it is different and disruptive – locked into Derek and the Wicked Healthy brand – and shows the passion for what the brothers are doing, in a down to earth, straight-talking way.

COLLABORATION

The whole project is all about bringing the collaboration between Tesco and Derek to life in a compelling way to bring plant-based foods to a wider audience. Derek sums it up like this:

"It's hands-down the best thing I could do to bring more plant based foods like Wicked Kitchen to the mainstream. It's epic! Tesco supplies me with the best resources and ingredients available. I get to develop the most amazing, quality-driven, plant based fresh food line in the world. Unleashing mighty plant flavours to the masses."



RESULTS

VEGANISM

According to The Vegan Society, there were approximately 540,000 vegans in the UK in 2016 – a 360% increase in number since 2006. The most popular reasons cited for becoming vegan are health, the environment and animal welfare (Lightspeed/Mintel, 2016).

FLEXITARIANISM

The number of people following a flexitarian diet is also on the increase; 24% of the UK population in 2016 vs. 28% in 2017 (Mintel, 2017). The most popular reasons for following this type of diet are quite different to those for following a vegan one. Research by Kantar (2017) identified seven main drivers (*see right*).

And it's for these reasons that flexitarians also don't see their diet as restrictive. They see it as more about exploration and trying new things. Which can also explain the success of various campaigns (such as Meat Free Monday and Veganuary) that encourage consumers to cut out meat temporarily. It's not about a permanent and rigid way of life. Veganuary, for example, had more than double the number of participants in 2017 vs. 2016 – from 23,000 up to 59,500 participants (The Vegan Society).

Increased demand leading to increased market value: So with veganism and flexitarianism both on the increase, it's not a surprise that demand for meat-free and plant-based products has also increased.

In 2017 meat-free take home sales were worth circa **£308m, up from £268.6m in 2016** (The Grocer).

Most of the supermarkets had pockets of vegan and vegetarian products in-store, but no dedicated plant-based range to make the category easy to shop.

ASDA had its 'Vegetarian' range from mid-2017, and obviously there was branded competition from the likes of Linda McCartney, Quorn and Cauldron, but **Tesco identified an opportunity to capitalise on the flexitarianism trend, appeal to a wider target audience and take plant-based food mainstream.**

KEY FACTS:

Project launch date: January 2018
Design Fees: Redacted confidential data

THE SEVEN MAIN DRIVERS:

- **Health:** As part of a wider desire to eat more healthily
- **Money:** Cutting out meat due to the high cost of quality meat
- **Sustenance:** Food that keeps people fuller for longer
- **Energy:** Food that provides physical vigour and vitality
- **Quality:** In context of food safety concerns
- **Variety:** New sensory experiences and dietary variety
- **Aspiration:** Act as a status symbol or aspirational lifestyle



RESULTS

RESULTS VS. ORIGINAL OBJECTIVES

1

Be the first major multiple to market with an exclusively plant-based own-label offer In The Grocer's 'Focus on... Plant-Based' report (Nov, 2018), Wicked Kitchen is shown as the first of the Big Four's own-label ranges to launch – in January

2018. Sainsbury's Love Your Veg hit the shelves in June and Morrison's V Taste launched in September. ASDA's Vegetarian range was in-store from 2017, however it was not solely vegan, or exclusively plant-based, therefore Wicked Kitchen was first to market.

2

Make plant-based food more accessible to the everyday consumer. Tesco's strategy was to work in collaboration with the Sarno brothers and Wicked Healthy's ethos of 'transforming humble vegetables into the stuff of plant legend' – to

use their experience and expertise to offer Tesco customers something more exciting and original to help them make reducing their meat intake easier and more appealing.

Here is just some feedback from influencers and customers:

- *"Genius dishes for meat eaters and vegans"*
– **Zoe Woodward, Aloha and Coffee**
- *"The best plant-based food-to-go range."*
– **Daisy Miceli, Veganuary**

Wicked Kitchen was also named 'Best Vegan Range' at the 2018 PETA Vegan Food Awards. This comment from Dawn Carr, Director of Vegan Corporate Projects, PETA UK reveals why:

"A real game changer, Wicked Kitchen's offering proves that vegan meals can have all the punch, crunch, and zing needed to satisfy hungry bellies and discerning taste buds.

The award is well deserved!" It's proof that plant-based food can be made appealing to the everyday consumer, and not in any way be seen as a lesser choice when compared to meat products. It's also why Wicked Kitchen was singled out by Tesco as a driver for growth:

"Humbled and honored to have the Wicked Healthy's #WickedKitchen range named as a driver for growth in one of the largest retailers in the world! Plant based. Foods free from animals. Wicked Healthy is driving innovation mainstream!"

Derek Sarno, Wicked Healthy.

And also why Tesco has been named, alongside Nestlé, as the multinational best positioned to benefit from a transition to alternative plant-based proteins. In its 'Plant-based profits' report, the FAIRR (Farm Animal Investment Risk and Return) Initiative urged global food companies to diversify their protein sourcing away from a reliance on animal products. And in a study of 16 multinationals, backed by a USD2.4 trillion coalition of 57 large investors, Tesco came out on top – due to its stance on plant-based food, the appointment of Derek Sarno as its Director of Plant-Based Innovation, and initiatives such as the launch of Wicked Kitchen.

Drive significant sales in the first year to achieve confidential internal sales target
In just 6 months following the launch of Wicked Kitchen, the range achieved 152% of its value target. That's 1.5x the target in half the time expected.

3

In fact, Tesco sold more than 2.5 million units of its Wicked Kitchen meals in the first 20-week period – more than double the retailer's sales projections. (Live Kindly, Jun 2018)
As a result, total chilled vegan foods soared by 25% at Tesco vs. the previous year. And brands such as Oumph and Vivera actually cited Wicked Kitchen's success as a driver to approaching Tesco for distribution.

The range has proven so successful that in October 2018, Tesco announced the range would more than double by Christmas to 44 lines, and also include baked goods and desserts.

RESULTS

BREADTH OF IMPACT

As expected, the other major retailers have experienced increased demand for vegan and vegetarian food and have responded with new products.

Sainsbury's revealed that sales of its meat-free range grew 20% each week for the first quarter of the year, and as a result boosted its range by adding 22 new vegan and vegetarian SKUs from brands such as Vivera, The Meatless Farm Co. and Fry's (The Grocer, Oct 2018)

Waitrose also added 30 new lines in October, and Iceland added dedicated meat-free freezers in 900 branches following the success of its 'No bull burger', which was its best-selling product of the summer.

So while other retailers are responding to consumer demand, **Tesco is the only one to respond with an inspiring and exclusively plant-based own-label range**

OUTPERFORMING THE MARKET

In the year ending 12 August 2018, meat-free take-home sales increased by 14.3% to £352.1m – an additional £44.1m (Kantar, 2018). In 6 months alone, that means that **Wicked Kitchen equated to more than 20% of those additional sales.**

Additionally, of the £352m total sales, own-label accounted for £73.5m. Which equates to Wicked Kitchen being responsible for more than 10% of those own-label sales. Undoubtedly this played a huge part in Tesco's total meat-free value sales (including other products) growing by 15%.

A success matched only by Sainsbury's, who together represent over half of the meat-free value sales across supermarkets and discounters (The Grocer, 2018).

OTHER INFLUENCING FACTORS

Throughout the year that Wicked Kitchen has been in market, the number of people following a flexitarian diet has continued to increase, but Tesco could argue that the growth is partly down to retailers responding to demand and actually making more products available that are more interesting and inspiring than simple meat-substitutes.

Research in July 2017, found that **over half (56%) of Britons adopted vegan buying behaviours**

This trend and a few other factors are explored further in the next section, but it is still clear that the strong brand and packaging that Tesco, Derek and Elmwood have created has been instrumental in Wicked Kitchen's success.

Was the growth in flexitarianism responsible for Wicked Kitchen's phenomenal success? Both veganism and flexitarianism is increasing in 2018. **Latest figures from The Vegan Society show that there are 600,000 vegans in Great Britain, and flexitarianism is predicted to be the biggest food trend of 2018.**

However in 2017, research by Kantar showed that already more than a quarter of all evening meals in the UK were vegan or vegetarian. Add this to the fact that **The Vegan Society's research in July 2017, found that over half (56%) of Britons adopted vegan buying behaviours**, and it's clear that the demand was already there. Wicked Kitchen just made it easier and a lot more interesting to choose plant-based – as was their mission, to bring plant-based mainstream.

And as vegan chef Alexis Gauthier told The Guardian in November 2018: *"You can't convince someone to turn vegan with all the goodwill on Earth by selling them tofu and a green salad."* It was also down to the strength of the Wicked Kitchen proposition and how that was communicated on pack. Around the same time of its launch, Kantar identified that:

"Millennials and foodies in particular are simply trying to branch out from a meat-and-two-veg approach to dinner time. Brands should consider focusing on the 'new, exciting, delicious' labels rather than meat-free or vegan."

Tesco did just that and nailed targeting its audience with the right proposition.

RESULTS

WAS IT BECAUSE OF THE PRODUCTS THEMSELVES?

Obviously people are buying the product and not necessarily the brand. But as is the point of branding, the offer needs to be packaged up into an appealing offer.

And in this case, one that appeals to a much wider audience. And one that will encourage consumers to choose a plant-based product over a meat-based one.

A third of the population identifies with wanting to eat more veg, so it shouldn't be a surprise the whole range is developed with everyone in mind.

WAS IT BECAUSE THE PRODUCTS LAUNCHED IN VEGANUARY?

Sign ups for Veganuary would have happened before January, so that participants could start from January 1st. Wicked Kitchen was launched mid-way through January and only offered its participants more appetising choice. Anyone signing up for Veganuary would already have made the decision to cut out meat for the entire month.

WAS IT BECAUSE OF THE MYRIAD OF INFLUENCERS ON SOCIAL MEDIA?

It's true that social media has had a part to play in the rise of the plant-based lifestyle and #vegan has more than 61 million posts listed on Instagram. However, consumers aren't just blindly following in their footsteps.

According to Google Trends (in the BBC, 2018) the top five most-searched questions on the topic in the UK ask what veganism is and what the arguments are for and against cutting out animal products.

Kantar adds that the vegan market has fundamentally changed over the past 6-7 years, and is no longer seen as a choice for life, but as a choice for one meal, one moment, or one or two days a week.

Consumers are cutting out meat for a number of reasons, and the aspirational lifestyle as showcased on social media is just a very small percentage of that – 16% of Britons said advice from online writers encourages them to reduce the amount of meat (Mintel, 2017 in the Morning Advertiser).

WAS IT BECAUSE THE RANGE WAS COMPETITIVELY PRICED OR ON PROMOTION?

Despite launching in Veganuary, none of the products have ever been sold on promotion; and that's in line with the majority of the market.

According to Kantar, over 60% of sales were made off promotion, indicating that consumers are prepared to pay full price for products with a tempting offer.

DID TESCO'S MERCHANDISING STRATEGY INCREASE SALES?

Wicked Kitchen's initial proposition was to fill the gap in ready meals and food-to-go. It made total sense to do this, particularly in food-to-go where customers want to be in and out quickly – they don't want to have to go to another section of the supermarket to find something to eat.

However, the packaging would have played a major part in the purchasing decisions once there. A study by Mead Westvaco (2014) found that 64% of consumers try a new product because the packaging catches their eye.

WAS IT BECAUSE IT HAD LOTS OF EXTRA MARKETING SUPPORT?

There was no additional support for Wicked Kitchen's launch. There was no advertising – all Tesco ads focused on its 'Food Love Stories' campaign.

There was a launch event for influencers so that they could try the products, but their 'influence' has already been addressed.

References & sources of information:

- Meat Free Foods 2017 Report by Mintel in The Morning Advertiser
- Froghop
- Livekindly.com
- BBC News
- Plantbased News
- The Grocer
- Kantar
- The Vegan Society
- Food Climate Research Network