

DBA: Design Effectiveness Awards 2018

Gordon's

HELPING A GREAT BRITISH
ICON REIGN IN GIN ONCE AGAIN

GORDON'S - DIAGEO

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For publication



EXECUTIVE SUMMARY

HELPING A GREAT BRITISH ICON REIGN IN GIN ONCE AGAIN

In 2016 Gin was booming.

A new cohort of premium players entered the market contributing to major category growth.

As a longstanding premium mainstream player, Gordon's needed to ensure it could ride the wave of popularity and stand out proudly in an increasingly complex market.

It needed to appeal to the incoming cohort of younger legal purchase age gin drinkers.

Design Bridge undertook an integrated 2D & 3D redesign of Gordon's London Dry (for GB) and Export (rest of world) - seeking to improve brand perceptions, optimise the bottle structure and significantly reduce production costs.

This entry looks at performance globally where the new re-design was introduced. This entry looks at the exceptional design effectiveness results, from multiple perspectives:

- GPROI
- Sales
- Equity
- Environment
- Efficiency
- The new design change

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THE RESULTS

- The methodology: Diageo commissioned a study in 2018 from Data2Decisions to measure the sales effect of the 2016 bottle redesign.
- Best in class econometric modelling has been used to isolate the pack change impact from all other factors - advertising, promotion, weather, seasonality, competitor activity, category growth, pricing and macroeconomic influences.
- The data modelling was completed in GB for the green bottle and in Spain for the clear Export bottle as a proxy for rest of world markets.

YR1
GROSS
PROFIT
5:1

YR2
GROSS
PROFIT
9:1

6%
VOL
GROWTH
GLOBALLY
in 2016-17
Following the redesign

Gross profit ROI on the project in Year 1 was 5:1
(Year 1 bears the cost, so the ROI is even higher from Year 2 - 9:1)



- Outpacing gin globally, which grew in volume by 3% (CAGR) between 2014-2016 (Source: IWSR).
- Sales directly attributable to the redesign, independent of other factors increased by 3.1% (Source: Data2Decisions).
- Meaning an extra 27 million G+T's per year, 50+ per second minute.

THE RESULTS

Environmental Impact

from **50%** to **100%**
recycled glass

33% lighter bottles
- less fuel costs

- Cost of goods - reduced by 6%.
- Combined incremental gross profit in Year 1: 6.5M.
Redacted confidential data.
- Brand perception improved in research: more modern, exciting, premium, better quality, leading the way, etc.

Source: Diageo internal figures unless otherwise stated



"The redesign caused an impressive increase in sales, and has successfully acted as catalyst for accelerated growth and the launch of exciting innovations. A fantastic redress for a fantastic brand"

Kathy Parker
SVP, Marketing & Innovation, Diageo

"We outperformed all our expectations for Gordon's with the new design. To achieve a 5:1 ROI through incremental sales, reduced costs, improved brand equity and contribute to Diageo's commitment to reducing environmental impact feels like the holy grail of re-design results."

Mark Jarman
Global Head of Gordon's.

OUTLINE OF PROJECT BRIEF

GORDON'S KNEW THAT IT NEEDED TO STAND OUT MORE PROUDLY IN AN INCREASINGLY COMPLEX LANDSCAPE.

Design Bridge was briefed to reinvigorate the 2D packaging design whilst being sensitive to its 247 years of history. The evolutionary redesign would remain true to its roots, engaging hearts and minds of consumers while asserting the brand's quality and trust credentials.

The brief emphasised the need to make Gordon's fit for the future, strengthening the current offer (London Dry + Export) and paving the way for future innovations. Finally, this future-driven mindset would also extend to the 3D structural design, light-weighting the pack and enabling it to be as efficient as possible in production.

BUSINESS AND MARKETING OBJECTIVES

- Drive reappraisal of the trademark and support the growth of Gordon's.
- Deliver a break-even gross profit return in Year 1.
- Create a packaging solution with zero cost of goods (COGs) increase whilst improving sustainability.
- Drive up brand equity.



DESCRIPTION

LOOKING BACK TO MOVE FORWARDS

Gordon's underwent a fully integrated graphic and structural redesign.

The journey began by returning to the brand's archives to understand more about Gordon's special place in the hearts and minds of gin-lovers.

The answer lay in the historic Gordon's advertising campaign 'The heart of a good cocktail', along with heart-shaped labels from 1920s bottles.

This heart shape became a focal point of the new design as a symbol of people's lasting fondness for the brand, artfully crafted on the glass bottle with embossed botanical flourishes that encircle the words 'Estd. London 1769', bringing together the brand's history and the gin's refreshing taste of juniper and botanicals.

RESTORING BEAUTY IN EVERY DETAIL

Alexander Gordon's signature and a further heart shape are visible through the gin on a new, reverse-printed back label. The Gordon's word-marque was also re-drawn and the brand's original boar logo restored to the front of the bottle.

These details celebrate Gordon's heritage while ensuring that the brand continues to stand out from the crowd confidently.

A HISTORIC BRAND FIT FOR THE FUTURE

Working in close collaboration with Diageo, we developed a fit-for-purpose 3D design: slimmer and prouder than before, using crisp emboss detailing to counter any potential production challenges presented by light-weighting the glass. Crucially, the new bottle 3D was robust enough to cope with the new, higher line speed and not topple. Embossing acted as the perfect carrier for the brand with a new lower glass weight – form and function working together.



OVERVIEW OF MARKET

A RENAISSANCE

The fastest-growing major category in spirits in 2014, gin was undoubtedly enjoying a Renaissance and blazing a trail for others to follow. Globally, the standard gin category has grown steadily since then – 3% CAGR to 2016/17 (Source: IWSR). But this opportunity also saw the market more crowded than ever before, with new and exciting propositions vying for consumers' attention.

CONNECTING WITH THE NEXT GENERATION OF GIN DRINKERS

Craft and premiumisation had become serious drivers of growth. The overall premiumisation trend within the category was impacting mainstream players such as Gordon's, who were in danger of losing cultural relevance as consumers moved towards more 'change' based propositions. Gordon's stronghold was in the 45 – 65 year old demographic while the rest of the category was being widely drunk by 20-35 year olds. Therefore a key priority was to connect with younger legal purchase age drinkers.

KEY FACTS

Launch date:

mid August 2016, in full distribution by November 2016

Cost of design change

Year 1: £1.3 million

Year 2: £0.7million

(includes design fees, origination, trials, write-off, warehousing, resource and trial costs)



RESULTS

As per the objectives:

1. DRIVE REAPPRAISAL OF THE TRADEMARK AND ACCELERATE GORDON'S GROWTH

Growth significantly outpaced the category

- Gordon's grew in volume by 6% globally in 2016-17.
- Outpacing gin globally, which grew in volume by 3% (CAGR) between 2014-2016 (Source: IWSR)
- Econometrics show the bottle redesign increased sales by 3.1% which equates to an incremental:
Bottles: +1.9 million annually, + 5,200 bottles per day, 4 extra bottles per minute.
G&T's: + 27 million annually, + 73,000 per day, 56 extra Gordon's & Tonics per minute.

The redesign significantly increased sales volume and gross profit.

- Incremental Retail Sales Volume (RSV): £21m p.a. (IWSR data- excludes markets where pack wasn't changed)
- Redacted confidential data.

Combined Incremental Gross profit in Year 1: £6.5m.

Redacted confidential data.

£6.5M
YEAR 1 - GROSS PROFIT

VOLUME GREW

6%
GLOBALLY
in 2016-17



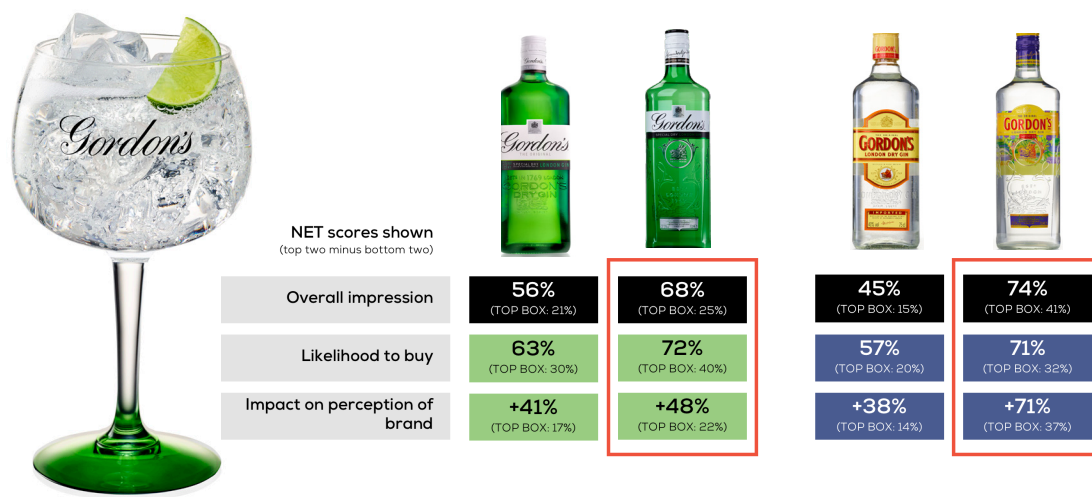
RESULTS

2. DRIVE UP BRAND EQUITY

Enhanced brand perception

The redesign had a positive impact on brand perception, summarised below:

Overall, the new bottles are more appealing than current, with a higher propensity to buy and a more positive impact on brand perceptions.



Specifically ... The London Dry pack (green bottle) design was a resounding success with consumers, who scored it **significantly higher** on the following:

Attribute	Current	Redesign	Change
• Stand out	44%	71%	+27%
• Premium-ness	33%	60%	+27%
• Modernity	39%	52%	+13%
• Excitement	21%	52%	+31%

The Export London Dry pack (clear bottle) performed similarly well on the above measures. In addition it performed **significantly higher** than previous on the following:

Attribute	Current	Redesign	Change
• Leading the way	30%	63%	+33%
• Sophisticated	43%	75%	+32%
• Worth what I pay	43%	69%	+26%
• Better quality than other gins	28%	59%	+31%
• Tastes better than other gins	24%	55%	+31%
• Has a refreshing taste	36%	64%	+28%

3. CREATE A PACKAGING SOLUTION WITH ZERO COGS INCREASE WHILE IMPROVING SUSTAINABILITY

Lower Cost of Goods

- The bottle redesign resulted in an average reduction of 6% in cost of goods across London Dry and Export packs.
- Redacted confidential data.
- This was due to the redesign being lighter by using less glass and more weight-efficient labels and glues. This lower Cost of Goods had a direct effect on the gross margin per bottle.

6%
REDUCTION IN COSTS

Improved environmental impact

- 33% lighter overall, so less fuel needed to transport.
- 100% recycled glass compared to 50% before. Significant reduction in energy use in glass manufacture. Strong contribution to Diageo's overall ambition to reduce packaging weight.
- Less fuel needed to transport.

100%
RECYCLED GLASS

4. DELIVER A BREAK-EVEN GROSS PROFIT RETURN IN YEAR 1

Overall the packaging design delivered an outstanding ROI of 5:1.

- Incremental Year 1 increase in Gross Profit £6.5 million. Year 2: £6.9 million
- Cost of design change Year 1: £1.3 million (include design fees, origination, trials, write-off, warehousing, resource and trial costs). Year 2: £0.8 million.
- Gross Profit ROI – 5:1. This refers to Year One only, and would increase in subsequent years as the cost has been paid off. This exceeds normal Diageo expectations. Indeed in Year 2 it was 9:1.

£6.5m
YEAR 1

£6.9m
YEAR 2

1. The Shall We? Ad Campaign

This launched in July 2017 meaning it coincided with the redesign (and indeed put the new bottle at the heart). The campaign was designed to complement the redesign and perform as desired.

Due to the Econometric by Data2Decisions, we are able to isolate the effect of the sales uplift attributable to the bottle redesign vs the effect of the advertising campaign, as well as all other key factors that could have impacted sales.

2. SKU reduction

In parallel to the bottle redesign, there was an SKU reduction – from 433 to 60 – which resulted in a further reduction in cost of goods. However this was separate to the reduction in cost of goods occasioned by the redesign. The saving from the SKU reduction has not been included in the figures given.

3. Retail and price promotions

Any distribution, pricing or promotional factors have all been removed from the pack sales impact through the econometric modelling.

Paving the way for Diageo's biggest seller of 2017

Redacted confidential data.

Building on the success of the global redesign, in August 2017 Gordon's launched Premium Pink, based on a product rediscovered in the Diageo archive: Gin infused with summer fruits.

This hugely successful innovation has gone straight to being the No.2 gin in value share in GB (AC Nielsen) in less than 24 months, as well as launching internationally.

No Gordon's Pink sales uplift is included however the new redesign architecture has allowed the brand to extend the design into Premium Pink in a highly successful and appealing way.

Revisiting the total brand experience

Through the success of the redesign Gordon's commissioned an additional phase of work with us to update the brand world to ensure it matched the new aesthetic and ambition of the bottle.

