



Baileys Strawberries & Cream

DBA: DESIGN
EFFECTIVENESS AWARDS

October 2019

FOR PUBLICATION



BAILEYS™

Strawberries & Cream

LIMITED EDITION

750ml LIQUEUR 17% Alc/Vol



EXECUTIVE SUMMARY



*Most successful
spirit launch*
**IN WHOLE MARKET IN
TWO YEARS**
(NIELSON)



SALES
50%
ABOVE TARGET



DELIVERED HALF OF
brand growth



*Recruited
new consumers*
**INCLUDING YOUNGER
BUYERS**

Baileys has the largest number of customers of any spirit or liqueur in the world, but they drink it infrequently. Sales peak seasonally at Christmas, and competition from other categories and private label has been increasing. Baileys needed to fight back – to refresh the franchise and shake up the category. This loved brand needed to remind consumers to buy the brand all year round, and recruit a new generation of fans.

Baileys Strawberries & Cream launched Spring 2018. In a stagnant liqueurs market, it was instrumental in recruiting customers and driving growth. In a single year, Strawberries & Cream saw sales increase.

**3% of Baileys brand total sales
makes it the best performing Baileys
innovation.**

Not only did Strawberries & Cream solve summer, it reinvigorated the Baileys brand. In one year, Strawberries & Cream recruited new customers, with customers going on to try Original Irish Cream. The Baileys brand saw substantial growth, making it the only major liqueur brand in growth.



SUCCESSFULLY POSITIONED AS A CELEBRATORY SUMMER DRINK, SELLING MORE THAN PIMMS

Baileys limited editions receive little advertising or promotion, they must attract consumers at shelf. The role of design was critical. It did much more than signal a new flavour. It revolutionised Baileys shelf presence and made it relevant for new customers. The iconic bottle shape and logo were kept, everything else re-invented. A wholly different approach was taken.

The label was exchanged for a maximum impact high colour sleeve: ground-breaking in the category. The colour set it apart from Original Irish Cream and created an eye-catching block of pink in store, attracting impulse purchase. The style-led look succeeded in recruiting new younger shoppers. The design reinforced Baileys strategy of being more 'adult treat', as per confectionary or ice-cream, than 'liqueur' and even recruited buyers from confectionary. It was successfully positioned as a celebratory summer drink, selling more than Pimms in the UK and opening up new reasons to buy.

"Strawberries & Cream has opened up new seasons and new customers for the Baileys brand.

It has delivered the highest sales of any Innovation and helped people re-evaluate the core brand.

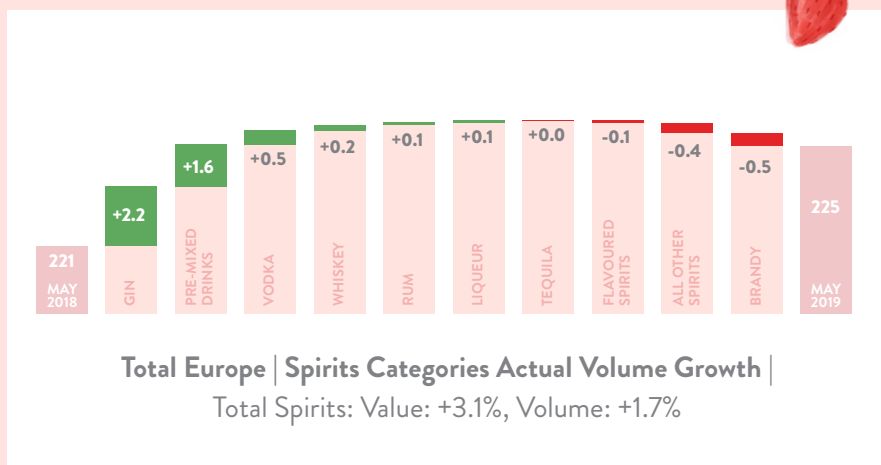
One of the key success factors has been the different approach taken to design. Disruptive and beautiful at point of purchase, its bold and beautiful presence at shelf was a primary driver of purchase and trial."

– Jennifer English, Global Brand Director, Diageo

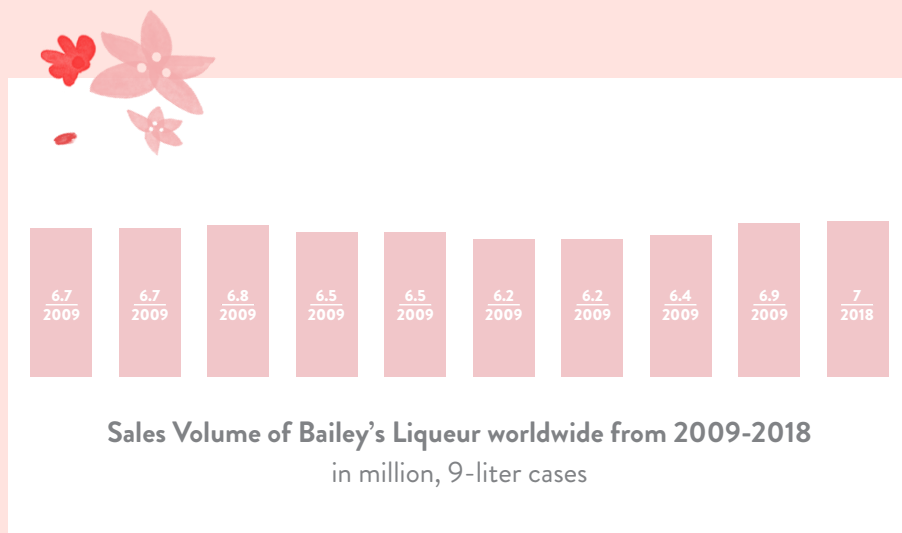


OVERVIEW OF THE MARKET

Right now, liqueurs are a tough market. In 2019, the European liqueur market grew by just 0.1% in volume. Spirits grew by 3.1%, driven largely by gin at 2.2% and pre-mixed drinks at 1.6% (See right. Source: Apollo Data to May 2019, Total Europe). Cream liqueurs had fallen out of favour as consumers opted for gin-based cocktails or lower calorie alternatives.



BACKGROUND & DESCRIPTION OF BUSINESS



Baileys was created in Dublin in 1974 as the world's first cream liqueur. It uses indulgent Irish ingredients: dairy cream and whiskey. It is sold in over three quarters of the world and over 150 countries. Turnover in Europe in 2018 was [redacted]. But the majority of Baileys customers were aged 55+ (Source: Diageo). From 2011, sales declined steadily for 4 years.

Cream liqueurs had gone out of fashion. Occasions were disappearing and they were being consumed less. Gradual recovery began in 2016 following a number of innovations.

Baileys Chocolat Luxe was brought to market in 2013. Over five years it reached sales of [redacted] in 2019. Other innovations have included dairy-free Baileys Almande launched 2017 and Pumpkin Spice launched 2018.

PERFORMANCE SURPASSED ALL INNOVATION PRECEDENTS BY MORE THAN

50%



BUSINESS OBJECTIVES

The business challenge was to reinvigorate an iconic 45-year old brand in a stagnant market. Building on the positioning of the Baileys brand as an ‘adult treat’, Diageo decided to launch a new summer-themed variant Strawberries & Cream to drive summer sales. But more than that it wanted to attract new customers and achieve a halo effect for the parent brand. The objectives for the year to May 2019:

01

TO ACHIEVE
TARGET SALES

02

TO RECRUIT NEW
CONSUMERS

03

TO ACHIEVE
GROWTH

01

TO STAND OUT
ON-SHELF &
DRIVE IMPULSE
PURCHASE

02

TO BE
PERCEIVED AS
AN INDULGENT
ADULT TREAT

03

TO ATTRACT
YOUNGER
CONSUMERS

DESIGN OBJECTIVES

The new product relied on design to do much more than signal a new flavour. Off-trade is the core market for Baileys and advertising spend was limited. Emphasis was on the bottle design doing most of the work on shelf in supermarkets. Plus it needed to attract younger customers and become relevant for social summer occasions and gifting: the look was critical.

SCOPE OF WORK

The project involved working through all elements of the strategic and creative development process from in and out-of-category audits, to concept development, and creative delivery of the pack design itself with in-store collateral. The brand tool-kit delivered provided the assets for implementation by partners globally.

OUTLINE OF PROJECT BRIEF

- Strawberries & Cream launched Spring 2018 as a limited edition. It was brought back Spring 2019 and will be back in 2020.
- This case study focuses on Europe only, which accounts for [redacted] of Baileys global volume (the USA accounts for [redacted]). This is because Diageo reports on performance by territory with different reporting periods, so we have chosen the biggest market.
- We use supporting statistics from UK and German market research because these insights are only available by country and over half Europe's sales come from Great Britain. Germany is the next biggest European market.
- The design fee was £60,000.
- Strawberries & Cream has been a success worldwide.



DESIGN SOLUTION

The design was about much more than signalling a new flavour. Strawberries & Cream retains the iconic Baileys bottle and logo. The rest of the design employs a radical new direction driven by four key principles addressing pragmatic and emotional challenges:

SUMMER: THE NEW FRONTIER

The Strawberries & Cream colourway offers a stark contrast to the dark hues of Original Irish Cream associated with Christmas. It is intended to **disrupt preconceptions of Baileys and firmly position Strawberries & Cream as a summer drink**, targeting celebratory summer social occasions.

POSITIONED AS AN 'ADULT TREAT'

The lettering on pack employs a contemporary hand-lettered look. It borrows from the **semiotics of confectionary and ice-cream**, positioning the product more as 'adult treat' than 'liqueur' with the intention of broadening purchase occasions. Again, the design goes beyond simply expressing the strawberry flavour, creating a proposition with greater depth and impact.

ATTRACTING A YOUNGER MARKET THROUGH STYLE

Pink is much more than a flavour cue in this design. It is about style. This punchy shade known as 'millennial pink' was selected to chime with current style trends and appeal to 18 to 44 year olds. Illustrated elements are painterly and creative – a refreshing alternative to the formality of traditional label design in the category, and more in tune with contemporary food and drink aesthetics on Instagram.

MAXIMUM PRESENCE IN STORE TO DRIVE IMPULSE PURCHASE

The key market is **off-trade**. With limited advertising budget, the bottle is designed for **high stand-out in supermarkets** to maximise impulse purchase. The full sleeve design allows for bright colour from neck to base, providing opportunities for **strong in-store merchandising** through creating a wall of colour.





FINANCIAL RESULTS



SALES
50%
ABOVE TARGET

Strawberries & Cream has been on shelf for two summers. The results here are based on the financial year to May 2019, the only period for which data is available. However, the continued success of the product in its second year is evidenced by Diageo's commitment to bring it back in 2020 in both Europe and the USA. Results here are for Europe only which accounts for [redacted] of global volume.



DELIVERED HALF OF
brand growth



Recruited
new consumers
INCLUDING YOUNGER
BUYERS



A Summer drink
BIGGER THAN
PIMMS IN UK



BAILEYS IS NOW
THE ONLY
liqueur in growth



Most successful
spirit launch
IN WHOLE MARKET IN
TWO YEARS
(NIELSON)



BAILEYS MARKET
SHARE
increased



FINANCIAL RESULTS

This phenomenal success relative to other variants shows that this was not driven by flavour novelty but resulted from the combination of factors solved by design: shelf presence which drove impulse purchase, style-led appeal for new younger customers, and occasion relevance as an adult treat. These are evidenced further in the next section.

OBJECTIVE 1

To achieve Strawberries & Cream target sales.

The most successful Baileys product innovation to date had been Chocolat Luxe, which saw sales of [redacted] in 2019 after 5 years of growth. Strawberries & Cream exceeded this by more than 50% in one year. It became **the most successful innovation**, delivering 3% of Baileys total sales, compared to Chocolat Luxe's 2%.

In the UK, it achieved **higher sales than iconic summer drink Pimms** (Source: Diageo). **One bottle sold every minute during Easter in Germany** (Source: Apollo May 19). According to Nielson, it was the most successful new spirit launch in whole market in last two years.

OBJECTIVE 2

To recruit new customers to the Baileys brand

Strawberries & Cream recruited new customers to the Baileys brand. Significantly, these included a higher proportion of 18-44 yr-olds, an age group underrepresented within core brand customers (Source: Diageo). This was achieved through the style-led look of the design which chimed with this younger demographic.

In the UK over half of Strawberries & Cream customers were new to the Baileys brand. Also in the UK, many Strawberries & Cream customers said they bought Original Irish Cream for the first time after trying Strawberries & Cream. This indicates that the product successfully recruited and passed on younger customers to the wider Baileys brand. (Source: KANTAR Innovation deep dive July/August 2019)

OBJECTIVE 3

To see Baileys value grow

In the year that Strawberries & Cream launched, Baileys brand sales grew by [redacted] in value, a whole percentage point above expectation. Strawberries & Cream sales accounted directly for half of the growth, and far from cannibalisation sales of other Baileys products, the launch had a favourable impact on the overall brand's performance.

The result was an increase in Baileys market share by [redacted] percentage points. Baileys is now the only major liqueur in growth in the whole market. (Source: EOYR Apollo Data R12 to May 2019, Total Europe)

The background is a light pink color with a decorative border at the top and bottom. The border features various elements including strawberries, white flowers, and abstract pink and red shapes. The text is centered in the middle of the page.

“We can confidently conclude that £60,000 investment in packaging design has been the single most significant factor in driving incremental sales.”

– Jeremy Lindley, Global Design Director, Diageo



THE CAUSE AND EFFECT OF THE DESIGN SOLUTION

The design was critical in the success of this product because it maximised its store presence and encapsulated 'summer celebration', establishing a new occasion to drink Baileys. Design alone drove impulse purchase in store among younger customers.

01 

**AWARENESS DRIVEN
BY HIGH COLOUR
BOTTLES IN STORE**

To stand out on-shelf and drive impulse purchase

Off-trade is the important market and impulse purchase was the key to attract new customers. The unconventional brightly coloured bottle created a strong presence instore and lent itself to creative merchandising. 44% of customers in Germany and 32% of customers in the UK became aware of the product because they saw it in a shop. This compares to 12% in Germany and 17% in the UK who became aware from TV advertising. (Source: KANTAR Innovation deep dive July/August 2019)

02 

**SUCCESSFUL
RECRUITMENT FROM
'TREATS': ESTABLISHING
NEW OCCASIONS**

To be perceived as an indulgent adult treat

With traditional occasions for liqueurs disappearing, Strawberries & Cream needed to target celebratory summer moments and be seen as an adult treat. Through the use of decorative illustration and hand-lettered type, the design succeeded in positioning it as an adult treat. 92% customers agreed that they saw Strawberries & Cream as a 'treat'. The product is actively recruiting volume from Treats and Desserts in both markets: 16% in Germany, 27% in the UK. (Source: KANTAR Innovation deep dive July/August 2019)

03 

**YOUNGER CUSTOMERS
RECRUITED TO THE
BRAND BY STYLE-LED
LOOK**

To attract younger customers

The majority of Original Irish Cream customers are aged 55+. The stylish and fun Strawberries & Cream design succeeded in attracting a new generation of customer to the brand. Trial of Strawberries & Cream was highest among the 18-34 age group. It has a higher repeat rate with a younger consumer 18-44 compared to other variants. (Source: KANTAR Innovation deep dive July/August 2019)



THE PROOF OF EFFECT AND INFLUENCING FACTORS

Were sales driven by advertising?

The advertising and promotion budget for Strawberries and Cream was 50% lower than previous innovation projects Chocolat Luxe and Almande. With the majority of sales expected from off-trade, emphasis was in-store. Based on pre-launch research, the brand team believed that presence at shelf would work harder and lower advertising investment could be justified. Only 12% of customers in Germany and 17% of customers in the UK became aware of the product from TV advertising. Conversely 44% in Germany and 32% in the UK became aware in store.*All advertising and social media activity used the bottle design as the hero. Driven by the style-led design, the product achieved double the expected organic digital sharing. (Source: Diageo)

Did sales of Strawberries & Cream reduce sales of Original Irish Cream?

Diageo data shows that there was no reduction in the sale of Original Irish Cream as a result of the introduction of Strawberries & Cream. In fact, the value of the entire Baileys brand grew in value and market share demonstrating a positive halo effect.

Were sales driven by price promotion?

Price promotions for Strawberries & Cream were in line with levels of promotion for other product innovation launches such as Chocolat Luxe. However, Strawberries & Cream still achieved 50% higher sales than its benchmark target.

Were sales driven by product novelty?

Strawberries & Cream was launched as a limited edition summer product in 2018 and 2019. However, it out-performed all other Baileys limited edition innovations. The design did more than simply signal a new flavour. The style-led, fun look connected with younger customers and celebratory occasions. Based on its performance over two summers and consumer feedback, Diageo has committed to bringing it back in 2020.



*(source KANTAR Innovation deep dive July/August 2019)

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“We broke the design rules for this project, experimenting with a different approach to achieve shelf impact and create desire. It worked. The product innovation received less advertising support than any previous project and sold 50% more. We attribute its success to the standout design which has now set the pattern for future innovations.”

– Jeremy Lindley, Global Design Director, Diageo