



KIT & KIN™

‘PROTECTING YOUR WORLD, NATURALLY.’

FOR PUBLICATION



KIT & KIN x **B&B**

DBA DESIGN EFFECTIVENESS AWARD

NOVEMBER 2020

EXECUTIVE SUMMARY

Kit & Kin makes sustainable nappies, plant-based wipes, organic cotton babywear and natural skincare for babies and mums.

In just three years, Kit & Kin has grown from a standing start to becoming one of the fastest growing baby brands on the market. As both a challenger and change-maker brand, Kit & Kin is defined and differentiated by its three-pillar strategy – to be better for your baby, better for our world, and to give back by supporting the World Land Trust. But in a static market dominated by global players, it has been the strength of its brand design that has enabled this message to reach consumers – first winning hearts through its irresistible illustrated nappies, packaging and accessories, then winning minds through its compelling story-telling and impactful messaging.

Kit & Kin's business achievements include:

- ☁ Exceeding REDACTED CONFIDENTIAL DATA by **5%**
- ☁ REDACTED CONFIDENTIAL DATA
- ☁ Successfully transitioning from DTC to retail
- ☁ **Distributing to 31 countries worldwide**
- ☁ REDACTED CONFIDENTIAL DATA

Kit & Kin's societal achievements include:

- ☁ Purchasing and protecting **806 acres of rainforest** across seven countries
- ☁ Preventing **30 million** standard disposables from reaching landfill
- ☁ Creating the **world's first reusable nappy** from ECONYL®
- ☁ Donating **3000 nappies** a month to UK baby banks



CONTEXT OVERVIEW

PROJECT BRIEF

In the UK alone, at any one time, 2 million families are purchasing nappies – and in a single year, the **UK throws away 3 billion disposables** – that’s around 500,000 tons of oil-based plastic waste going directly into landfill each year. Every single one of those nappies will take up to **500 years to biodegrade**.

Inspired and motivated by these statistics, entrepreneur Christopher Money, along with Spice Girl and UNICEF ambassador Emma Bunton, created a nappy that was not only made using **sustainable plant-based materials**, but also performed as well as the leading nappies on the market. In addition, it was kinder to baby’s skin and less likely to irritate or cause nappy rash. This nappy offering was accompanied by a range of mother and baby skincare. At this point, B&B was appointed to create the brand.

The scope of work ranged from initial **strategic thinking**, including **brand positioning and creative strategy**, followed by **name creation**, then design phases incorporating **visual identity, product and packaging design, website and digital look and feel, and broader brand world**.

The creative objectives of the brief were:

BRING MODERNITY TO MATERNITY

by creating a contemporary and desirable brand for design-savvy parents

SHIFT PERCEPTIONS OF ECO NAPPIES

by successfully balancing environmental and performance credentials

BUILD TRUST AT A TRYING TIME

by articulating the benefits of our offer without creating anxiety or guilt

The business objectives of the brief were:

SALES & GROWTH

REDACTED CONFIDENTIAL DATA

Grow the business by 200% over Year 2

DISTRIBUTION & STRETCH

Stretch from DTC to retail in year 1 with one UK multiple contract

REDACTED CONFIDENTIAL DATA

REDACTED CONFIDENTIAL DATA

ENVIRONMENTAL & SOCIAL IMPACT

Lead the way for sustainability within the nappy category

Create the Kit & Kin Foundation to protect the world’s rainforests

DESCRIPTION

'B&B's strategic solution was simple – to win hearts through irresistible design, then minds through clear, concise and precise messaging.'



To understand the Kit & Kin brand, it's essential to appreciate the seriousness of its ethical commitments. Its products use natural, plant-based and sustainably sourced materials, and are clinically and dermatologically tested to safeguard babies against eczema and nappy rash; its packaging is sustainable or recyclable, its nappy factory is carbon neutral and its skincare cruelty-free; and every product sold helps fund the purchase of rainforest through the World Land Trust to help maintain that vital eco-system.

But while these credentials are exceptionally praiseworthy, they are not necessarily front of mind for an exhausted new parent. Understanding and speaking to this particular consumer mindset was key to the branding challenge, particularly in a market so dominated by global brands with single-minded performance-focused messaging. The success of the brand relied on shifting the dominant perception that eco nappies failed to perform; that a choice had to be made between doing the best thing for the planet or the best thing for you and your baby.

B&B's strategic solution was simple - to win hearts through irresistible design, then minds through clear, concise and precise messaging. The design deliberately challenges the conventional codes of natural and eco brands, which would likely communicate a lack of performance, and builds instead on a Scandinavian-inspired landscape with subtle natural cues and the associated expectation of trust, safety and performance. This contemporary desirability was key: understanding modern parents, their world and lifestyle enabled us to create a brand parents wanted to interact with and even display in their nursery - not hide away under the bed. Vital to the success of the branding however is the design of the nappies themselves - each one features an animal face on the bum offering exceptional cuteness, collectibility and instant Instagrammability.



Rather than overegg its ethical credentials, Kit & Kin reveals its safety and sustainability messages in a playful and relatable way. Characterised by its gentle, kind and supportive personality, Kit & Kin instantly stands out in a marketplace dominated by big corporations and helps modern parents see the value in eco-friendly products that work without harm.

OVERVIEW OF MARKET*

The UK baby market (incorporating food, nappies, milk, healthcare and toiletries) is in decline overall, in part due to a falling birth rate that hit a record low in 2018. Kit & Kin's primary sector (average 86% of sales value), nappies, saw growth of just 0.7% between October 2018 and 2019, while its additional sectors, wipes and toiletries, declined by 4.5% and 14.8% respectively.

The nappy category is dominated by big corporations such as Pampers (P&G), Huggies (Kimberly Clark) and Johnson & Johnson (SCA). Their sales dwarf those of start-ups such as Kit & Kin, with Pampers making £183.4m in the UK during 2019, compared to Kit & Kin's REDACTED CONFIDENTIAL DATA. However, Pampers is also the second-fastest-falling baby brand, with value sales of its core products down 6.1% on volumes that are down 8.7%.

There are two contrasting forces eating away at mainstream brand dominance. The first is the rise of low-cost own-brand nappies: Tesco's Fred & Flo offer sells at 5p a nappy compared to the market average of 14p. The second is the emergence of premium-priced sustainable brands, led by Kit & Kin, whose nappies fetch an average of 21p in retail. That consumers are willing to pay a 50%+ premium for Kit & Kin is testament to both the quality of the product and the strength of the brand.

*All info from The Grocer, Infant Care Category Report, 2020.

KEY FACTS

Kit & Kin launched in March 2017.
REDACTED CONFIDENTIAL DATA



KIT & KIN NAPPY DESIGN LIFESTYLE PHOTOGRAPHY



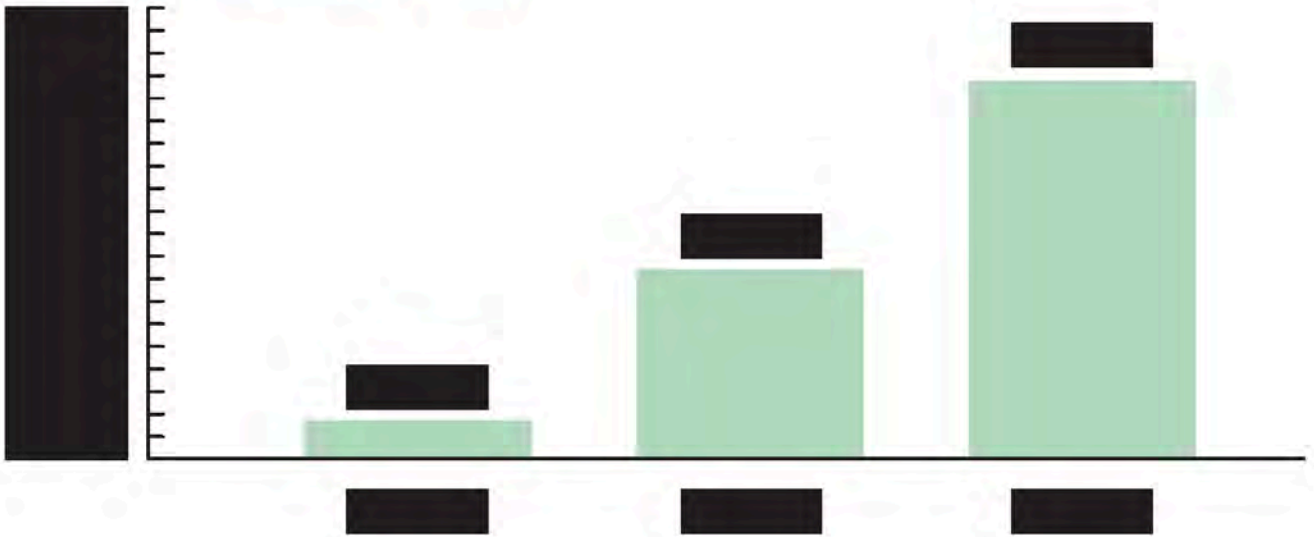
RESULTS

SALES & GROWTH

Smashing Year 1 targets

In its first year, Kit & Kin REDACTED CONFIDENTIAL DATA from a standing start, beating its initial REDACTED CONFIDENTIAL DATA

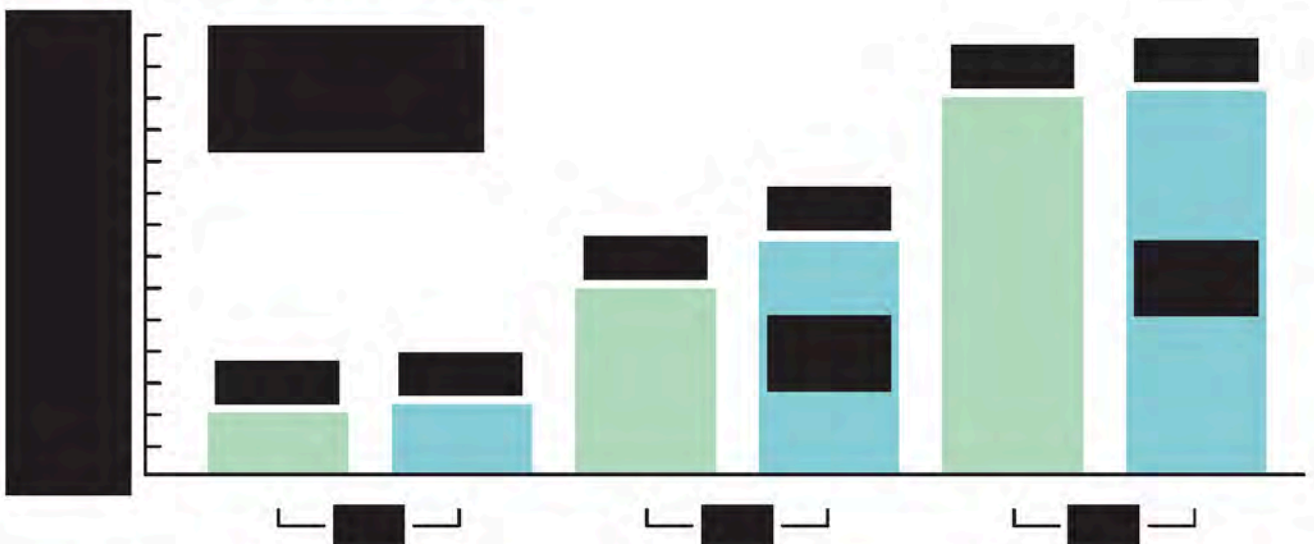
REDACTED CONFIDENTIAL DATA*



Sustained growth year on year

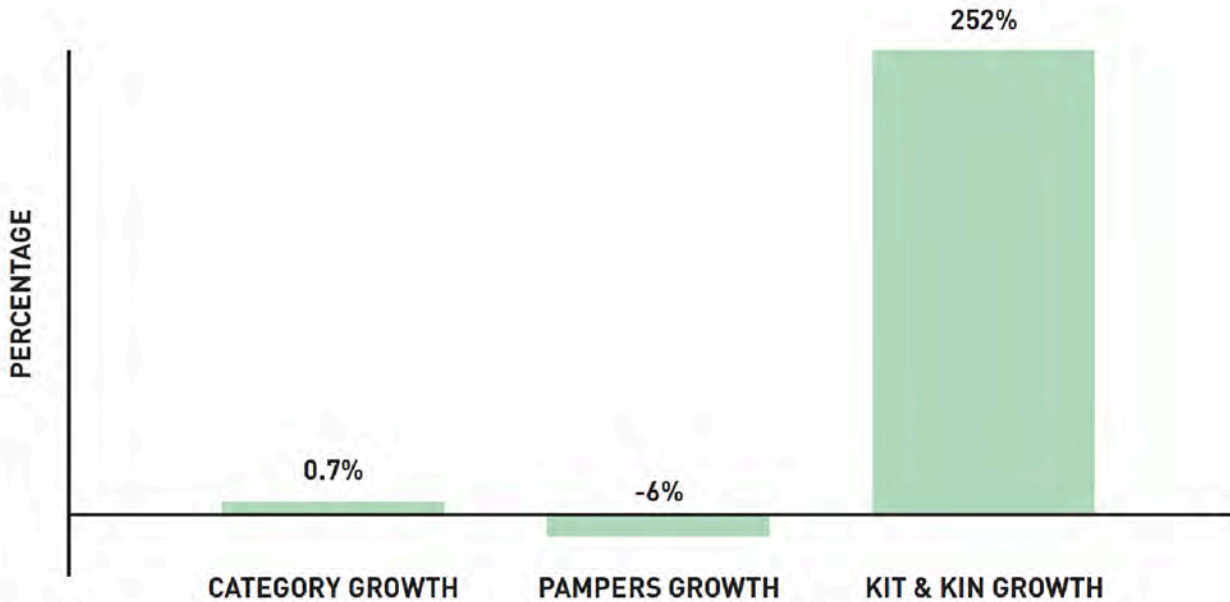
The brand launched with the goal of growing its business by 200% over Year 2 REDACTED CONFIDENTIAL DATA and an additional 100% over Year 3 REDACTED CONFIDENTIAL DATA. Again, sales outstripped expectations, reaching REDACTED CONFIDENTIAL DATA - REDACTED CONFIDENTIAL DATA and REDACTED CONFIDENTIAL DATA - a further increase of 96%. Nappies account for the majority of these sales, representing an average of 86% of sales value.

REDACTED CONFIDENTIAL DATA*



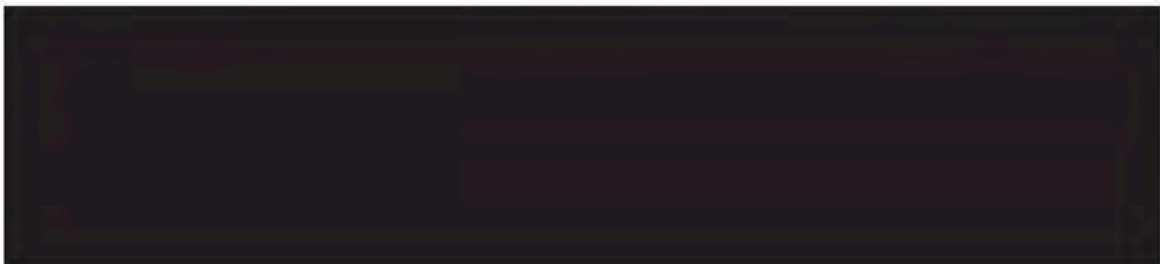
Outpacing category growth

REDACTED CONFIDENTIAL DATA in 2018/19 and 96% in 2019/20 are all the more admirable when seen within the context of the category. The UK nappies market saw growth of just 0.7% in 2018/19, and the brand leader Pampers declined by 6%. For context, an average of 85% of Kit & Kin's sales are made in the UK.



Worth paying more for

As stated, Kit & Kin nappies fetch an average of 21p in retail more than four times the cost of Tesco's own brand offer. The brand's unique combination of sustainability and desirability convinces consumers that it's a price worth paying.



DISTRIBUTION & STRETCH

Launching into retail

Kit & Kin launched online as a DTC brand with ambitions to win a UK retail listing within its first year. By the end of that year, it had won three – in Boots, Tesco and Ocado – proving the brand’s ability to compete in-store through packaging alone (to be clear, Emma Bunton does not appear on the brand’s current packaging). Kit & Kin’s four key listings in UK multiples (Waitrose is now a customer too) account for around a third of the brand’s sales.



It is testament to the brand that Kit & Kin has been able to operate so successfully as both a DTC and retail brand, with a brand design that enables it to communicate with consumers across these different two sales channels.

REDACTED CONFIDENTIAL DATA
As a DTC brand, Kit & Kin now sells in 31 countries worldwide, and is available in a range of overseas stores through its network of distributors. REDACTED CONFIDENTIAL DATA.

‘...collectability and desirability of the branding is absolutely key to sales success.’

New product development

Kit & Kin’s product range at launch comprised disposable eco nappies, skincare and wipes. The success of the launch enabled the brand to introduce its range of 100% organic cotton babywear a year ahead of schedule, coming to market in Year 2. In addition, the phenomenal consumer response to the nappy design has seen the range of animal designs increase from five original animal faces to 18 over three years – a clear sign that the collectability and desirability of the branding is absolutely key to sales success.

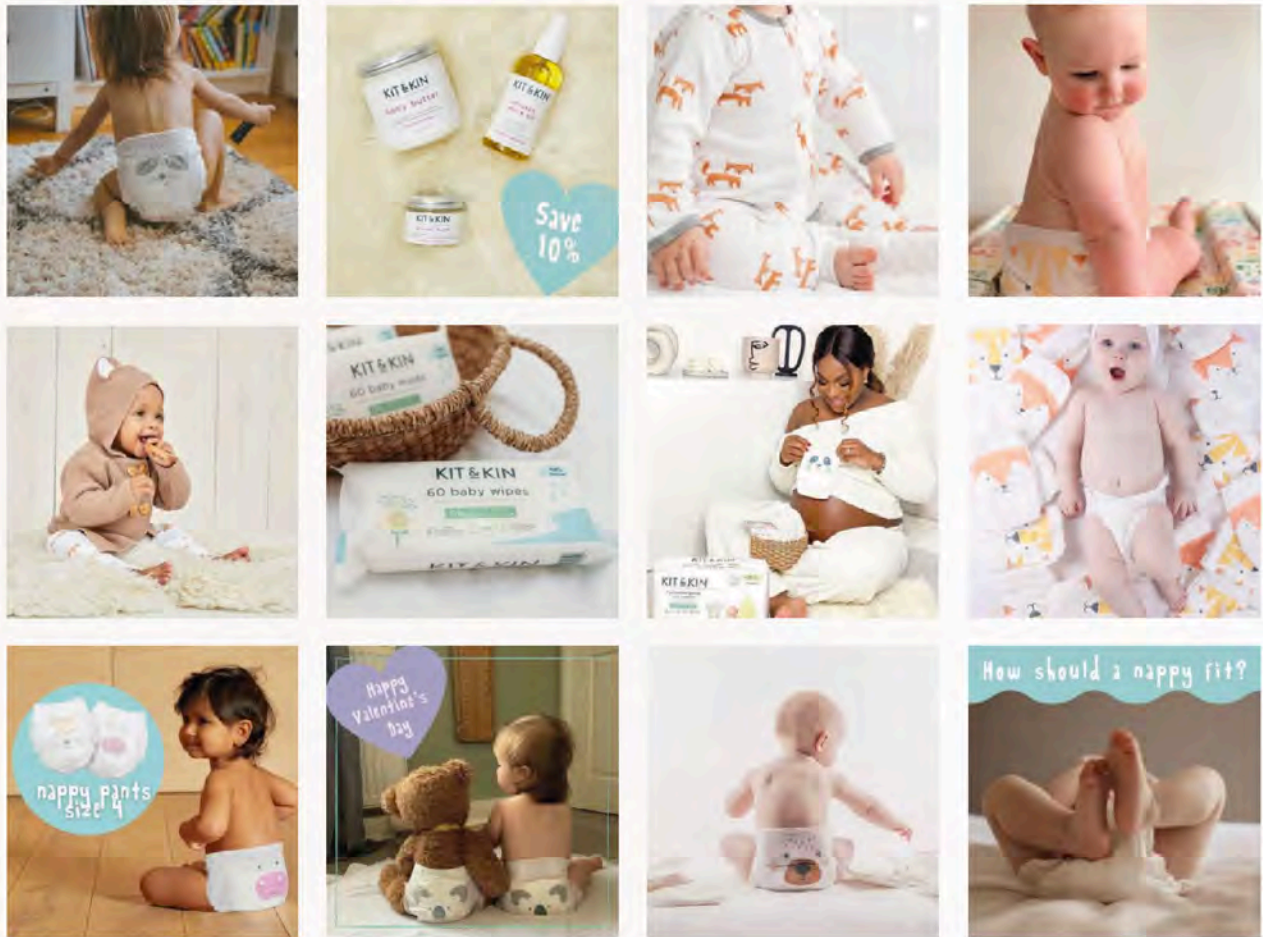
World-first

But the brand’s biggest achievement in NPD has been the development of the world’s first reusable cloth nappy made with ECONYL®, a regenerated nylon made from recovered fishing nets and other nylon waste. The reusables launched in 2020.

ADDITIONAL ACHIEVEMENTS

Digital growth

Kit & Kin's photo-friendly design has ensured the brand is a hit on social media. The brand's Instagram following now stands at circa 50,000, and is growing on average 106% each year, while its Facebook following is 20,000, growing at an average of 84% each year. For context, Europe's biggest eco-nappy brand Naty who have been in business since 1994 have a following of circa 26,000. And rather than passive consumers, Kit & Kin's followers are actively engaged in the brand - posting and tagging images of their children wearing the brand's desirable designs in order to be reposted by the brand. The animal designs drive this engagement and are the prominent feature of the brand's feed. It is worth noting here that Emma Bunton does not play a prominent role in the brand's social media strategy: at the time of writing, she appears in just one post out of the past 138 posts.



27 Industry awards

Kit & Kin has made a huge impact on the baby category, recognised by peers and consumers alike through its 27 prestigious industry awards, covering product performance, environmental credentials and cruelty-free philosophy. Key to this entry has been the brand's success in design awards voted for by parents, including the lovedbyparents.com Platinum award for Best Nappy Design, and the Junior Magazine JADA Absolute Design award.

INFLUENCING FACTORS

Celebrity founder

It would be disingenuous to claim that celebrity co-founder ex-Spice Girl Emma Bunton has had no effect on Kit & Kin's success. However, her role is best understood as an occasional ambassador and endorser rather than a consistent visible presence. As described, Emma does not appear on the brand's current packaging or play a prominent role on social media. She does appear in videos on the Kit & Kin homepage and will occasionally publicise the brand on her own social media platforms. While Emma's profile has won the brand a greater share of organic PR than comparable brands, co-founder Christopher Money is clear that her presence is not the driving force behind the brand's success:

“Kit & Kin’s success can be attributed to three things: number one, our exceptional product; number two, our irresistible branding and nappy designs; number three, our brand pillars – better for baby, better for our world and giving back. When we ask consumers why they buy us, they always like to say it’s about sustainability, but the more we talk the more we learn that it’s the designs they really love.”

Marketing activity

As an entrepreneurial start-up brand, Kit & Kin depends on the strength of its branding and nappy design across all marketing and communications activity.
REDACTED CONFIDENTIAL DATA

Sales promotions

In its listings in the UK multiples, Kit & Kin complies with retailers' desire for occasional promotional activity in line with its competitors, but prefers to maintain its premium positioning without discounts. In contrast, mainstream nappy brands will discount every other month. Online, the brand refuses to participate in Black Friday or other discount deals, preferring to offer value through subscription bundles for loyal consumers.

The trend towards sustainability

While it is of course true that sustainable brands are slowly becoming more popular among consumers, we don't believe that that general trend is a major influencing factor here. As stated, the priorities of a new parent at this often quite testing time are performance and convenience, rather than environmental or ethical factors. The fact that Kit & Kin has been able to overcome the barriers to purchase of the general perception of eco nappies as ineffective and inconvenient – and at a premium price point – is testament to the power of the brand and its design.

