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Air Wick Essential Mist: Driving Category Growth with Innovation

For publication



Executive Summary

This is a story of how innovation and design can bring new growth to a lack-lustre, mass-market category. A collaboration that has resulted in Air Wick Essential Mist: a breakthrough air-care product that's satisfying the demand for a less artificial, more natural home fragrance.

Today's air-care shelf is a crowded one, where brands and own label battle it out for a share of our noses. But with little true innovation in the past few years, there's also been minimal growth. Excitement – and consumer interest – increasingly lie beyond the typical air-care aisle, with more premium and natural offerings, in the wellbeing realm of essential oils, aromatherapy and vaporisers.

To capitalise on this, Reckitt, owners of Air Wick, the leading grocery air-care brand, launched Essential Mist, a premium vaporiser that's shaking up the middle ground in the main air-care aisle. Its unique diffuser technology silently swirls a fine mist of natural essential oil into people's rooms, at perfectly-timed doses throughout the day.

Air Wick Essential Mist has been the most successful product launch in Reckitt's air-care history.

1.

In just three years, it has turned-over £100m in revenue, adding incremental sales to the category and the Air Wick brand.

2.

People are readily paying more than twice the price for Essential Mist, compared to the average unit price of air-care, showing that the premium quality of the design is helping justify the extra investment.

3.

Overall, the performance of Essential Mist is bucking the downward trend for main aisle air-care – with sales growth in the UK four times that of the wider category, and household penetration up every year.

4.

And they're buying it more than once, with repeat purchase tracking Reckitt's well-established, best-selling automatic spray, Freshmatic.



reddot design award



Right from launch it was a hit with consumers. Early home-user research clearly shows the design is attractive, easy to use, and delivers a soothing, natural essential oils experience – all important elements of the brief, with test scores consistently beating Reckitt's target. With two awards to its name – a Red Dot from the design community and Consumer Product of the Year, voted for by consumers – Reckitt is delighted with its success. Portable, flexible and natural – Air Wick Essential Mist has carved out a new niche in a crowded category.

“Essential Mist is the most successful new segment launch of Air Wick in recent years. The strength of the commercial success and consumer appeal lies in creating an aesthetically beautiful, simple to use diffuser that shoppers can often purchase for less than £10 / \$10. We are proud of this perfect mix of fashion and function and look forward to innovating on the Essential Mist platform for years to come”.

Ioannis Dostas, Air Wick Global Category Director.



Project Context and Overview

Outline of Project Brief

Reckitt, owner of Air Wick, asked us to create a brand-new product for the home-fragrance market. The company wanted to bring some fresh news to a traditional category that's lacked excitement in the last few years, polarising around mass-market, functional plug-ins at one end and more premium, experience led, aromatherapy vaporisers at the other.

Reckitt saw an opportunity to launch its own vaporiser into the main air-care aisle, under the Air Wick brand, that diffuses essential oils for a more natural and ambient fragrance. This was to be a first-to-market; a breakthrough product aimed at attracting new, younger buyers and therefore helping Reckitt to grow the category for home air-care.

Our scope of work included working closely with Reckitt to develop the brief through user research, and then create a new delivery device to be super-convenient, mess-free and attractive enough for people to use and display in various rooms in the house.

As such, the design had to achieve the following:

1.

Position the product at the premium end of the supermarket air-care aisle, and justify its higher price point, compared to the other home fragrance products on the shelf;

2.

Deliver a natural and sensuous 'essential oils' experience, meeting the 'well-being' need;

3.

Overcome certain barriers to purchase and inspire more people to buy a home fragrance device more often, and use it in more rooms throughout their homes.



Market Overview and Business Challenges

Air Wick is a global brand and leads in the traditional, mass air-care segment. With Air Wick, Reckitt competes in every main segment of home-fragrance, from Gels to Aerosols, Electrical Plug-Ins to Reed Diffusers, Wax Melts to Automatic Sprays and Scented Candles.

The challenge for Reckitt is to find opportunities for growth in a mature, global market. Category penetration for classical air-care – Air Wick's heartland, and the kind of products typically found on a supermarket shelf - continues to decline in the majority of countries around the world, down to 57% in 2019. This is driven largely by younger consumers; penetration amongst the under 35 year-olds is the lowest, and they are exiting the category faster than their older counterparts¹. Getting these consumers to buy into the Air Wick brand is crucial to category growth and an important factor for Essential Mist.

¹ Nielsen Home Panel FY 2019

A Natural Opportunity from ‘Outside of category’

Air Wick increasingly has to compete with natural, premium alternatives from outside its core mass-market territory, such as Essential Oils. Fuelled by the desire for a natural scent with well-being benefits, the market for essential oils is growing at pace, at twice that of air-care as a whole and over four times sales through traditional groceries¹.

Capitalising on this consumer trend for wellbeing is a key part of Reckitt’s strategy for Air Wick. Reckitt’s aim is to create a more premium segment in mass-market air-care, which borrows all the natural characteristics and benefits of essential oil diffusers to recruit new buyers to the Air Wick brand.

Our challenge was to design the product that would allow Reckitt to do this, a higher-end device not previously available to buy on the regular, supermarket shelf. The new device needed to make using essential oils less niche and more accessible, as essential oil diffusers are typically fiddly and messy to use. We needed to create a product that eliminated this hassle, whilst emulating the more natural and ambient experience vaporisers deliver.

Insight-led Innovation

Right from the very earliest stage, this was a collaborative project. We worked side-by-side with Reckitt’s Consumer Product Insight team in the United States to conduct in-home qualitative research with both existing consumers and consumers not currently engaged with the category. This helped us understand the tension-points consumers were having with existing products. We built their insights into the design at every stage of the project, from start to finish, testing different systems and delivery technologies against various use-case scenarios. Essential Mist is a direct result of these findings.

This fieldwork research showed that although people want their homes to smell fresh and natural, there’s a general dissatisfaction with existing, traditional home-fragrance formats. These barriers to purchase fall into three main areas and became important issues to address in the design:

1.

A perception that air-care fragrances are artificial and overpowering;

2.

That products don’t give users enough control over how much scent they emit;

3.

And aesthetics, size, noise and portability are limiting use around the house.



Because of this, many buyers continue to use products for purely functional reasons, such as in the kitchen or bathroom to specifically protect their homes from bad odours. Formats such as Liquid Electrical devices, for example, are viewed as more natural but need to be plugged in and cannot easily be moved around. Automatic Sprays are portable, but seen as chemical and noisy. Likewise, Aerosols were judged to be artificial and overpowering.

¹ Nielsen, Euromonitor, Grandview, ViralLaunch, Amazon Seller Calculator

Design Solution

The result is Air Wick Essential Mist, a completely new fragrance delivery device. Portable, flexible and natural – it has carved out a new niche in a crowded category, and is meeting people’s more emotional needs for home fragrance.

Sleek, silent and subtle, Air Wick Essential Mist is designed to sit unobtrusively in any room, whatever the homeowner’s style. It’s unique diffuser technology transforms essential oils into a fine mist, adding to the sensual experience and producing a natural and consistent fragrance. Its smaller size, understated aesthetic, and use of batteries rather than a plug in, means users can pick the device up and place it discreetly anywhere around the house, as needed.

It’s also refillable, making it a sustainable choice and giving customers the option to personalise the experience with different fragrances. The small glass containers of oil that slot into the device are reminiscent of the little bottles of essential oil, boosting its natural cues.

An eight-hour automatic cycle makes sure that fragrance is released only when needed and the intensity of the scent can also be adjusted and controlled – both crucial aspects of our brief from consumers. It also runs completely silently, adding to its discreet credentials.

We also designed the platform to provide Reckitt with a roadmap for future development, with the opportunity to add functionality as needs change. The premium design and innovative technology of Essential Mist has meant that the brand has been able to extend successfully into new areas, such as the launch of a Bluetooth version in 2020, an important development for the brand that allows users to personalise their product experience to an even greater extent.

Key Facts

Launch Date: Test-launched in France in 2016, and then launched in key global markets in 2018 (USA, UK, Germany).

Design Fees: ‘REDACTED CONFIDENTIAL DATA’



Results

Reckitt is delighted with the performance of Essential Mist; a breakthrough innovation, described by Reckitt as the most successful air-care product launch ever. Essential Mist is on track to create revenue of £100 million this year, and has defined a new, premium segment within mass air-care – all in just 3 years.

Field research carried out in the US, Home User Tests in key markets, as well as sales and penetration data for Essential Mist, clearly shows that the new product is hitting all its targets and the design has met its objectives.

User research shows the design of Essential Mist is attractive and easy to use – important elements of the brief

Air Wick Essential Mist launched in France in 2016, and then the US in 2017. Reckitt carried out Home Use Tests in both regions to assess the design and functionality of the device. Users were given a five point scale to score certain benefit statements. Reckitt's KPI target is for 70% of respondents to strongly agree or agree with a statement - anything over this is considered to be very good. Essential Mist scored 70% or over on the majority of measures:

More than 90%

of respondents in the US and France strongly agreed or agreed that Essential Mist has a sleek and contemporary design.

More than 80%

in the US and France thought the device was a good fit with their home décor.

72%

agreed or strongly agreed that the black design looked premium, and 75% that it looked new and different to other products on shelf.

80%

of US respondents strongly agreed or agreed that the device could be used in any room in the house, and they were proud to showcase the product in their homes.

97%

and nearly every single respondent 97% in US and 96% in France - found the product easy and convenient to use.

100%

in both the US and France found the device to be quiet when running, an important benefit when it comes to being discreet enough to use in any room in the house.

And delivers a natural, sensuous experience

The opportunity for Essential Mist is to bring a more natural scent experience into people’s homes, to meet emotional desires around wellbeing, rather than just fix bad odour. Making sure the design delivered on this was a central part of the brief. Home User Tests show that the Essential Mist product experience scores above target on naturalness and wellbeing, with over 70% of respondents strongly agreeing or agreeing with the following:

That the device delivered ‘a fine, soothing, natural fragrance mist’

That it provides ‘a fresh and natural experience’

Is ‘more natural compared to other artificial fresheners’ on the market

It ‘fragrances the home with natural essential oils’

And ‘enhances the atmosphere in my home’



In a controlled way, delivering just the right amount of scent

Not having enough control on how much fragrance most existing air-care products delivered was one of the main tension points that came out of the field research in the US. Essential Mist has an 8-hour automatic cycle, making sure it only runs when needed, as well as the ability for users to adjust the intensity of the fragrance, making it more efficient. Home Use Testing of Essential Mist proves that this functionality is eliminating this barrier to purchase, again ticking off an important element of the brief.

76%

of French home users said that the 8- hour timer was just about right.

83%

in the US thought the device had settings that suited their needs and 78% said it had the right fragrance intensity.

80%

in France and US strongly agreed or agreed that the device was effective.

77%

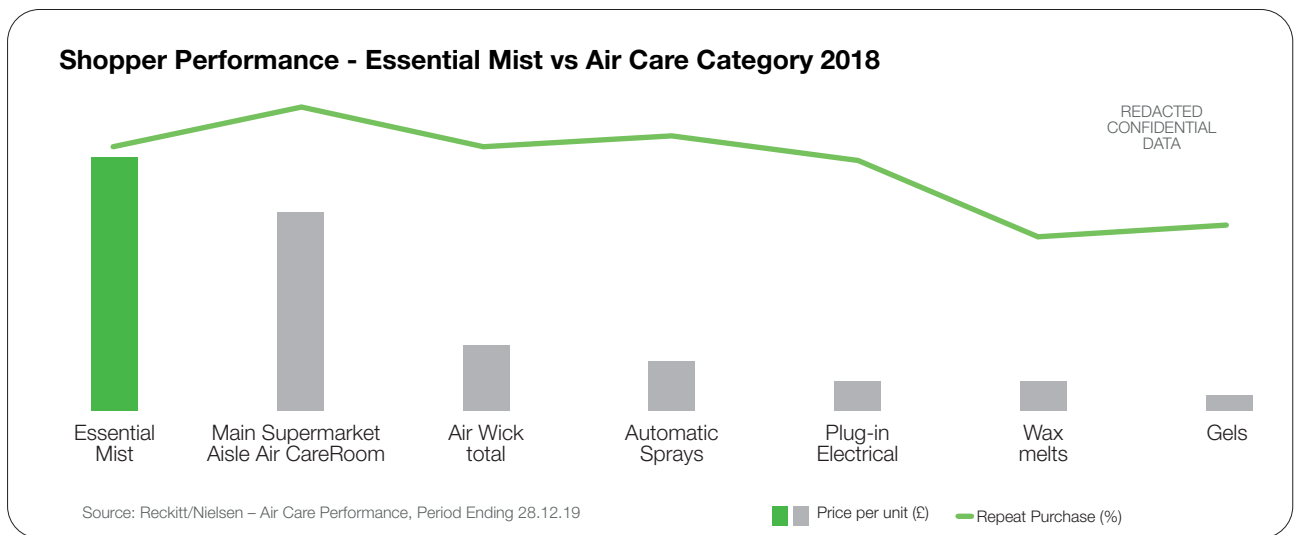
of users strongly agreed or agreed that Essential Mist diffuses the perfect amount of fragrance in the air.

Proving itself on shelf, as consumers continue to spend more on Essential Mist, than average for the category.

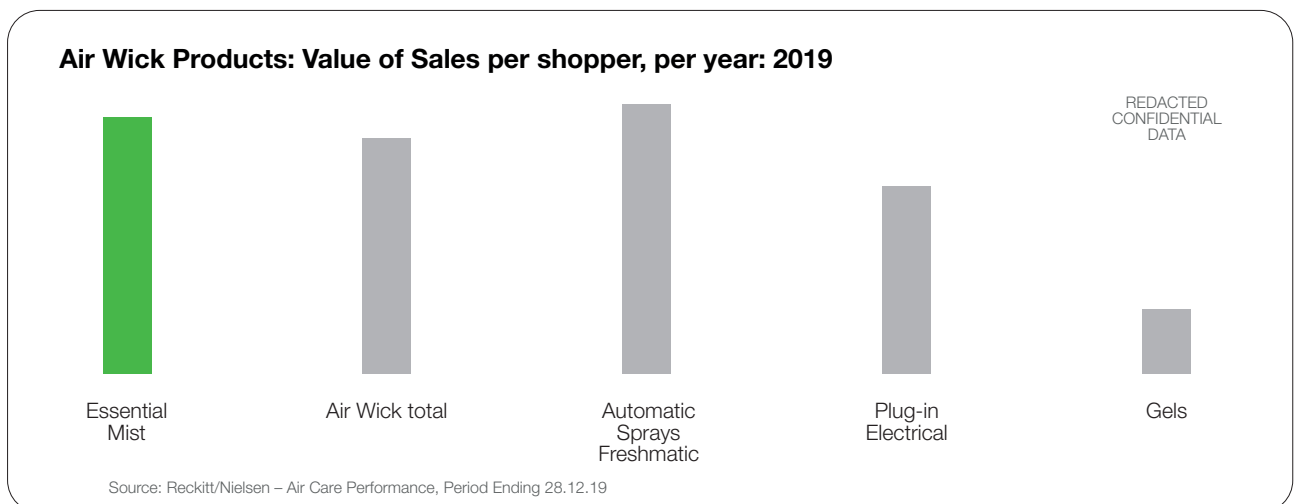
Price per unit and repeat purchase data proves that the design of Essential Mist is persuading shoppers to pay more per unit than the category average, and to buy the product more than once.

The average price per unit in the main supermarket, air-care aisle is £2.00. Essential Mist launched at a 200+ price index to the market. Even on promotion, Essential Mist is priced at around £10 with refills at £4. In its first year, shopper performance data shows that the average price per unit paid for Essential Mist was more than twice that of the category, at £4.79.

And shoppers are not just buying Essential Mist once, but are coming back for more. Repeat purchase for Essential Mist over the same period is in line with the rest of Air Wick’s portfolio, at around ‘REDACTED CONFIDENTIAL DATA’, even matching that of Freshmatic, Reckitt’s blockbuster automatic spray, which boasts the highest repeat purchase performance in Air Wick’s portfolio.



Another metric, the total value of sales per shopper per year, provides further evidence that Essential Mist is convincing shoppers to pay a higher price. Value per shopper for Essential Mist is higher than for Air Wick as a whole, again on a par with Freshmatic, and considerably more than other mainstream air-care products, such as gels and plug-ins.

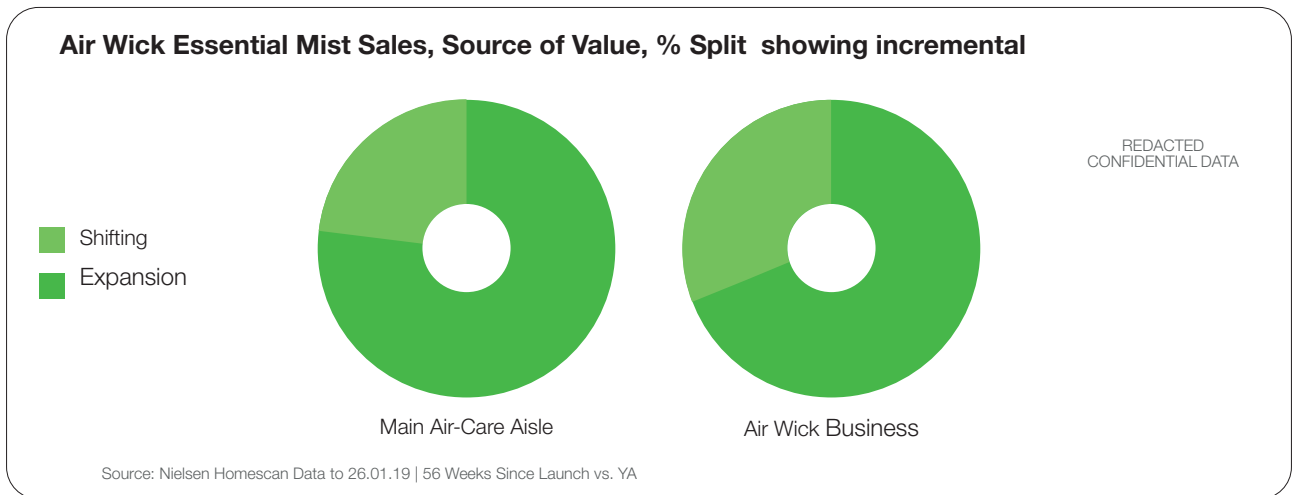


Driving incremental sales and growing the air-care category through ‘premiumisation’

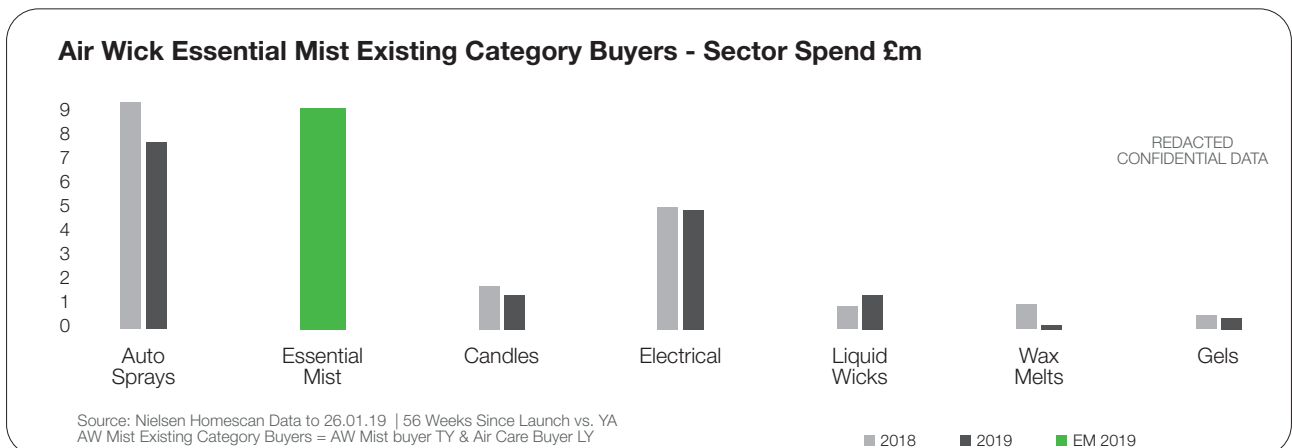
We’ve seen from the above analysis that the premium experience that Essential Mist offers means shoppers are happy to pay more for a superior home-fragrance product. Incremental sales and category penetration figures for Essential Mist, show that this ‘premiumisation’ is helping Reckitt to grow its business and the main air-care category – one of the main business objectives for the new brand.

Sales for Essential Mist for 2018 amounted to ‘REDACTED CONFIDENTIAL DATA’ in the UK – one of the new product’s most important markets. ‘REDACTED CONFIDENTIAL DATA’ of this value was incremental to the main air-care aisle, and ‘REDACTED CONFIDENTIAL DATA’ was incremental to the Air Wick business. Essential Mist has expanded the main category for home-fragrance, pulling in new buyers from outside of category to the Air Wick brand.

Even those buyers who weren’t incremental, but were shifting their purchase to Essential Mist, were still trading up from other established formats and segments with lower spend, such as wax melts and gels. In particular, existing category buyers who bought Essential Mist were shifting from Automatic Sprays – indicating that the design of Essential Mist is meeting their need for a more natural and controllable home fragrance experience.

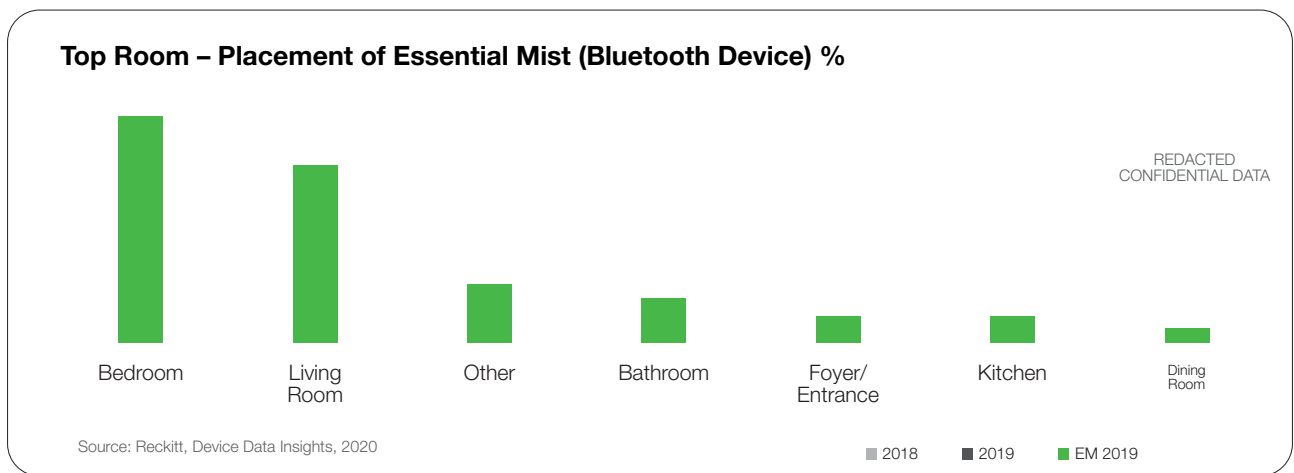


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The design is overcoming barriers to purchasing home fragrance products – a key part of the brief.

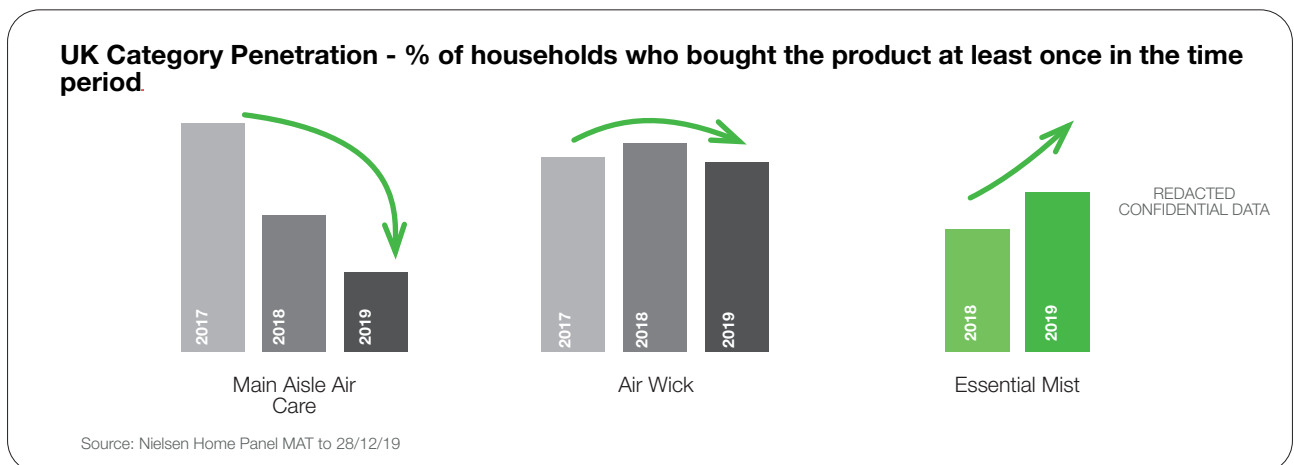
Lack of control, little portability, noisy operation, and an overpowering scent are all issues putting consumers off buying traditional air-care products, especially younger shoppers, and when they do, these products tend to be limited to usage in the more functional rooms around the house. US sales figures from Amazon show that Air Wick Essential Mist is getting younger consumers to buy into the product. Data from the last quarter, shows that 29.8% of spend on Essential Mist is by shoppers who are under 34 years old, compared to 26.4% for Air Wick as a whole. Part of the brief for Essential Mist is to extend usage of air-care beyond eliminating odour in bathroom and kitchen. Results indicate that the design is achieving this, particularly for the Bluetooth version. Data shows that the bedroom and living room account for more than 70% of device placement. People are choosing to place it in the bedroom and living room above all other rooms in the house – a complete reversal of how air-care is traditionally used.



Driving sales up against a ‘legacy’ market where sales growth is modest, and penetration is marginally declining

Essential Mist is a remarkable success story compared to the performance of the category as a whole. Sales of the new device continue to grow – up by a striking 14% in the UK to reach ‘REDACTED CONFIDENTIAL DATA’ in 2019, gaining a 2.4% value share of the total air-care market. This is against a 4.7% decline in sales of main aisle air-care over the same period – Air Wick’s core, supermarket stomping ground.

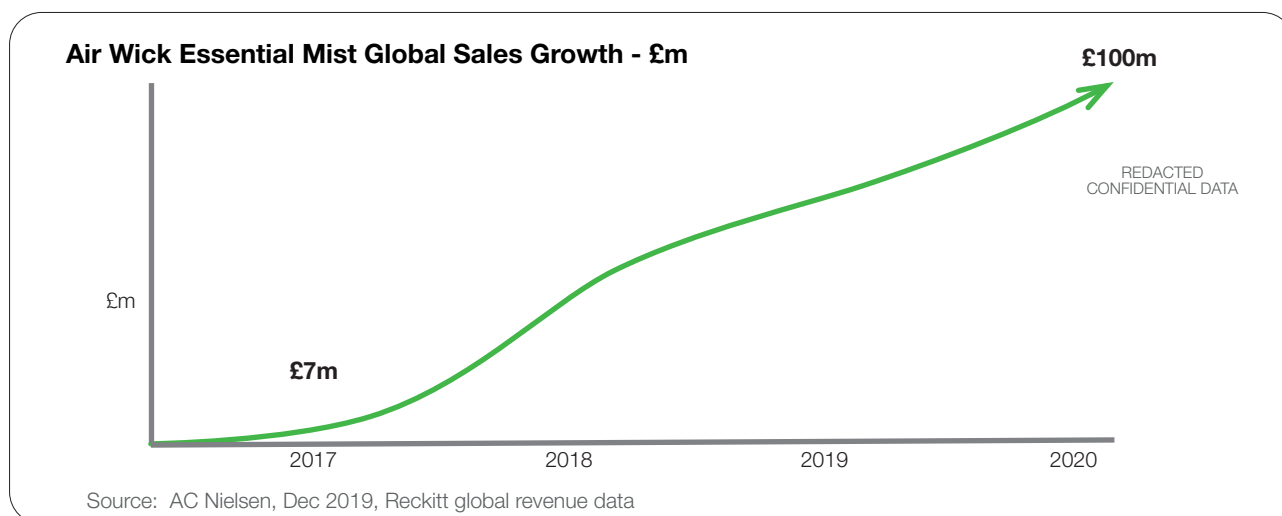
Category penetration shows the same story, with Air Wick Essential Mist bucking the overall downward trend. Household penetration of the category may still be low, but is increasing each year since launch.



And building Essential Mist into a £100 million platform, globally

Essential Mist is now a £100 million revenue global business for Air Wick, providing Reckitt with a future-proofed format, primed to meet consumer’s needs and desires for a more natural, holistic and personalised home air-care product. Sales growth is even outstripping the more buoyant essential oils market, where Essential Mist got its inspiration, which is climbing between 8-10% in global markets each year¹. Launched and performing above the market in the US, France, Germany, Italy, Netherlands and Latin America, Essential Mist is growing at around 30% year on year.

Global recognition also comes in the form of two awards. It won a Red Dot, which contributed to a decision by Reckitt to list the product in Germany as consumers there have high regard for this award, and Consumer Product of the Year 2019, pitched as the World’s biggest consumer-voted award for product innovation.



All whilst increasing Air Wick’s sustainability footprint

Essential Mist is not a single use product; it’s a refillable system consumers can buy into. Refills are made from recyclable glass with minimal paper packaging. The device uses fewer parts and due to its small size uses significantly less plastic compared to other automatic fragrance devices. Ingredients for the essential oils are naturally sourced and Essential Mist doesn’t use any propellants to deliver scent. The timer feature means less wastage than existing automatic sprays because it means Essential Mist can be set to run for just 8 hours a day, instead of 24/7.

Other factors influencing success

The initial launch of Essential Mist in France was relatively low key and, as a test market, it was not given any exceptional treatment. The strength of its performance in France, gave other markets the confidence to list the product and it went on to be launched globally. This launch was supported by a typical level of marketing activity given to other Air Wick products.

We also created a double-facing structural pack for Essential Mist. One side heroes the visibility of the actual device and refill giving shoppers a better opportunity to appreciate how its aesthetic could fit in to their home, and the other side offers an overview of the benefits through graphic communication. It means the design of the device – its shape, size and colour - is also playing a leading role at the shelf to convince shoppers to buy the product.

Price promotions are a key part of the air-care aisle, and Essential Mist has also benefited from being on special offer. Even on promotion, however, Essential Mist is still succeeding at the premium end of the aisle, competing with other Air Wick products, brands and own-label at much cheaper price points.

¹ AC Nielsen, Essential Oils Market Size by Country 2018 vs 2025.