

Nestlé Acti-V

**Category**

*Food Producers*

**Client**

*Nestlé*

**Design Consultancy**

*Elmwood*

**Date**

*June 2015*

# FORM FOLLOWS FUNCTION

for Acti-V  
in Hong Kong



elmwood

## 2. EXECUTIVE SUMMARY

Nestlé's Acti-V yoghurt was facing keen competition from an array of imported competitors, and its sister brand Dairy Farm because consumers were unsure of its point of difference and why they should pay more for it. In the year between May 2012 and May 2013, Acti-V's sales declined by -10%.

Our packaging redesign made the functional benefits appeal on an emotional level, whilst clearly illustrating the additional benefits of FORTIS® and why this was worth the price premium.

### The results:

Acti-V increased its market share by 3.6%, without cannibalising sales from its sister brand, in a market that grew by 10%. In fact, Acti-V's increased sales outperformed the market growth by 1%, actually growing the yoghurt category in Hong Kong.

### Some Acti-V highlights:

- +37% sales increase
- Market share from 6% in Feb 2014 to 9.6% in March 2015
- Just two months after its launch (in May 2014 alone) the increase in sales contributed to an overall growth of 17% for Nestle yoghurt, against a market growth of 10%

[121 words]



Old design



New design

### 3. PROJECT OVERVIEW

#### Outline of brief

Despite being the market leader, Nestlé's Acti-V brand was in decline (in the year between May 2012 and May 2013, Acti-V's sales declined by -10%), and facing increased tough competition from imported brands; all eager to appeal to an increasingly sophisticated and demanding consumer base. The specific objectives of the rebrand were to:

1. **Increase sales, gaining market share from competitors, rather than cannibalising sales from sister-brand Dairy Farm.**
2. **Convey the superior brand benefits, thus elevating Acti-V above regular yoghurt and illustrating why it's worth paying more for.** (Acti-V had unique digestive health benefits, which were not being communicated adequately; therefore consumers were unsure why it was worth paying more for. Acti-V includes a patented ingredient FORTIS®, bifidobacterium that helps digestive well-being and transit, meaning it is positioned as premium, including the price).
3. **Create a design language that would aid navigation across the three lines of the Acti-V portfolio.**

Consumers were switching between Nestlé's brands because they were unsure of the difference between them as they share a similar flavour range and packaging design language. As such they were unable to recognise Acti-V as something worth paying more for.



Before  
re-design



### 3. PROJECT OVERVIEW CONTINUED

#### Description

Nestlé Acti-V is a functional yoghurt, which comes in pots and drinks. The pots come in four different flavours (strawberry, apricot, blueberry and apple), and the drinks in three flavours (mango, peach and apple). There are also three lines across the Acti-V portfolio – core, (the original range) Dual Layer and Super Fruits (new lines added at the time of the redesign).

#### Overview of market

Hong Kong's unique history makes it a cosmopolitan city, therefore highly sympathetic to western culture. This is reflected in a highly diverse FMCG market with a host of imported brands fighting for share, alongside native Hong Kong and Chinese brands, in many grocery categories – certainly in yoghurts. The yoghurt market is split between regular, functional and premium yoghurt, and people tend to shop by price, brand and/or taste.

Nestlé is market leader and has a third of the yoghurt pot market from its two brands – Acti-V and Dairy Farm. Acti-V has been losing share to its main imported competitors from Japan, Switzerland and Australia – next to them Acti-V looked local, not premium and lacked shelf stand-out.

**Project launch date:** Gradual roll-out from March 2014

**Size of Design Budget:** US \$50,000

[351 words]

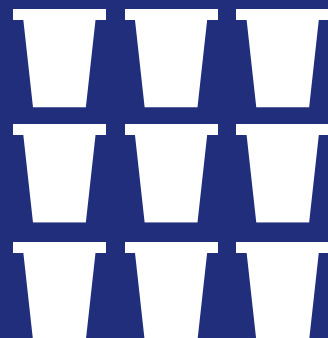
Some of Acti-V's main competitors



TWO Nestlé yoghurt brands make up

**32%**

of Hong Kong's yoghurt pot market



## 4. OUTLINE OF DESIGN SOLUTION

Choosing Acti-V should be natural and intuitive for its key target audience – young, self-conscious females who make discerning choices and want to feel and look their best. Acti-V isn't about scary biological facts. It's about creating emotional appeal, aspiration and premium values from a product that's key point of difference is functional, thus creating shelf stand-out.

The brand marque was not up for grabs – it was more about using the packaging to reposition the brand and illustrate it was worth paying more for. So, we needed to bring to life the 'magic' of FORTIS®, without totally redesigning this sub-brand.

The outlined shape of a female torso and hips (used as a small element in the previous design) is brought to the fore and creates a holding device within which we can tell the story of FORTIS®, making it the aspirational central visual 'target' for immediate shelf stand-out.

Bespoke fruit kaleidoscopes are used to catch the consumers' eye and create a genuinely beautiful point of difference from the competition – most other brands use pictures of fruit and other ingredients to show flavours. Our approach is more suggestive and aspirational.

Finally the eye is drawn, through the more impactful tip of the arrow, to the sub-line or variant message at the bottom of the pack, where a subtle new holding device is used to communicate the Dual Layer and Super Fruits lines. Clearly demonstrating the effects of the culture, without being off-putting or too 'medical'.

[243 words]

This simple, elegant shape was an aspirational symbol for the target audience.

The FORTIS® arrow is more obvious and impactful and clearly demonstrates the effects of the culture, without being off-putting or too 'medical'.



## 5. SUMMARY OF RESULTS

### Objective 1:

**Increase sales, gaining market share from competitors.**

In the year between May 2012 and May 2013, Acti-V's sales declined by -10%. In the year between May 2013 and May 2014, Acti-V's sales increased by 37%.

In May 2014 alone, the increase in sales contributed to Nestlé growth of 17%, against a market growth of 10%.

The 37% increase in sales for Acti-V has contributed to an increase in overall Nestlé yoghurt sales of 11% for the same period, outperforming the market by 1% and actually growing the yoghurt category in Hong Kong.

In market share terms, before the redesign Acti-V had 6% share of the entire yoghurt market in Feb 2014, which grew to 9.6% in March 2015.

Retailers are showing an increased confidence in the brand and are stocking Acti-V in favour of competitors - giving new facings for the new varieties, at the expense of imported brands.

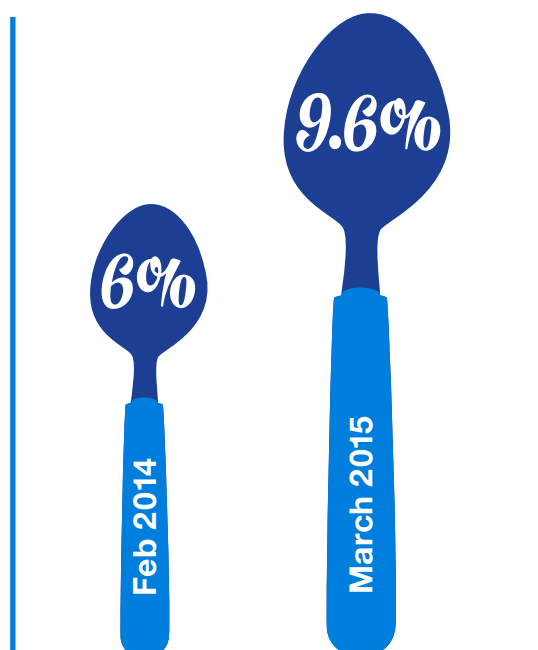
**37%**  
increase  
in sales

increase  
in sales  
contributed to  
Nestlé growth of  
**17%**

**11%**  
increase  
in Nestlé  
yoghurt sales  
**GROWING**  
the Hong Kong  
yoghurt market

Retailers showing  
an increased  
confidence and  
stocking Acti-V  
in favour of  
competitors

share of yoghurt market



## 5. SUMMARY OF RESULTS CONTINUED

**46%**  
increase  
in sales  
in stores where  
people tend to  
shop for yoghurt

### Objective 2:

**Convey the superior brand benefits, illustrating why it's worth paying more for.**

The percentage growth is higher in stores where people tend to shop for yoghurt: +46% v 0% growth in stores where people do not tend to shop for yoghurt.

This was exactly Nestlé's plan – to attract regular yoghurt buyers and get them to trade up to functional yoghurt. We have successfully made the functional element of the yoghurt more emotional and engaged with consumers on more of an emotional level.

### A few words from the client:

"The new pack design is a true success. It clearly conveys the message that Acti-V was created to help consumers look and feel their best. The design really stands out on the busy shelf with encouraging sales data support. We love the design!"

Clara Lo, Marketing Manager,  
Ice Cream & Chilled, Nestle Hong Kong





## 5. SUMMARY OF RESULTS CONTINUED

### Objective 3:

**Create a design language that would aid navigation across the Acti-V portfolio.**

Navigation works vertically and horizontally across the shelf. Acti-V and FORTIS® remain the heroes and a clear target for the eye. From a distance, consumers can instantly recognise the flavour variants through the large kaleidoscope patterns occupying the side panels.

The new design acts as a signpost for the category, drawing consumers in with the kaleidoscope of colour. The two new variants were ranked 11 & 12 in the 410 yoghurt skus within the category within 3 months of launch.



In store the yoghurts are often merchandised with the fruit illustration facing the front.

### Exceeding expectations

The Acti-V redesign proved so popular internally that it was in the top 5 new pack designs in Nestlé's Packaging Award in the Greater China Region.

It also won a silver award in the 'Best Use of Packaging' category at the inaugural Transform Awards Asia Pacific.





## 6. OTHER INFLUENCING FACTORS

### Was it down to the NPD – two new variants?

90% of the sales increase was due to the new lines, which means that 10% of the increase was down to the new design. The extra brought in from the new lines was not at the expense of the rest of the range – they grew too, and the NPD range has hit forecasted sales targets each month since launch without cannibalising the other variants' sales.

Had Acti-V not been redesigned, it would not have gained extra facings and listings and therefore its potential would not have been realised. It is more than likely that it would have continued to face increased competition, let alone grow market share. Redesigning the range gave Acti-V the platform for growth and the credibility to demand a price premium.

### Was it due to price promotions?

Some convenience stores sold on a buy 2 for HK\$16.90, with one retailing at HK\$8.5. This is a highly used promotion across the entire category and has been used by Nestlé for some years so this would have negligible impact on the change in sales.

### Was it due to advertising?

In the month immediately after launch Nestlé outperformed the market by 7%. Advertising (consisting of 1000 Target Audience Rating Points) started in the April so there had been an impact on sales before the advertising started, having reversed the sales decline. The media spend was of a consistent level to previous years and the creative was based on the new packaging designs.



## 7. RESEARCH RESOURCES

All information has been provided by Nestlé.

