



Horlicks®

Submission Title
Horlicks India Restage

Industry Sector
**Nutritional Food
Product Packaging**

Company
GlaxoSmithKline

Design Consultancy
**GSK Nutrition Design Team
& Cowan**

Submission Date
1st July 2016

Executive Summary:



Giving record
share of
69.5%

2X
CATEGORY
GROWTH
+10%
SALES
GROWTH
IN THE FIRST YEAR



Horlicks is the long standing number 1 Health Food Drink in India and the 3rd largest food and beverage brand with sales of £450M. It sells over 2 billion packs a year.

For 75 years it has been enjoyed by Indian families, and trusted by generations of mums for it's nutritional benefits that help kids grow 'Taller, Stronger and Sharper'. However India has seen rapid economic growth over recent decades bringing greater prosperity and brand choice. Brands need to stay modern and relevant to keep up with fast changing consumers who have an unquenchable thirst for 'new'.

The challenge - Restage the entire Horlicks range to create an architecture for the existing portfolio plus future proof the full 5 year innovation pipeline into adjacent categories to achieve growth ahead of the Category and increase share. No small ask given Horlicks is 66% of the Category with 5% growth year on year.

The GSK Nutrition Design Team collaborated with Cowan to deliver a striking design solution centred around a bold 'Chevron' device that hero's the iconic brand. This gave greater visibility in store and communicated our nutritional advantage by framing the Chevron with the key natural ingredients on the left side and the Clinically Proven growth benefits up the right side. The graphics work in unison with bespoke jar structures to provide reassurance and trust through quality execution that was only possible thanks to cross-functional collaboration across GSK functions from Design to Supply Chain.

Results exceeded GSK's expectations delivering +10% growth in the 1st year, 2x Category growth and +3.5pts of share gain to give a record share of 69.5%. All while distribution, A&P investment and pricing remained consistent with previous year.

281 Words

Project Overview:



Outline of project brief:

Horlicks is the undisputed Health Food Drink (HFD) Category leader in India with 66% share and sales of £450M¹. It sells over 2 billion packs a year.

Awareness and penetration of the brand are not an issue with Horlicks top of mind scores outperforming all other HFD products.

However, India is one of the fastest changing markets on the planet with a rapidly growing economy and population who have changing socio-economic status, more consumer choice and an unquenchable thirst for 'new'.

Our challenge for 2014 was to redesign every SKU in the existing business, with a full suite of new structures and new graphics, as well as provide a full architecture for today as well as the 5+ year NDP pipeline, showing a cohesive though category relevant master design for all NDP launches.

Showcasing the unique clinical science credentials is core to the redesign and fundamental to all GSK products.

Business Objective:

- Increase sales above category growth
- Increase market share
- Packaging COGS savings to allow for reinvestment into formulation
- Parity in portfolio blended GM%
- Increase brand equity scores
- Drive frequency and increase consumption

Design Objectives:

261 Words

1

Create an architecture to collect all parts of the existing portfolio.

- Deliver above category growth on base HLX
- Unlock growth for 'Extensions range through design'
- Increase portfolio market share
- Use design to 'ring fence' copycat players

2

Future proof through design architecture the 5+ year NPD portfolio allowing for brand stretch in to adjacent categories.

- High Science HFD's
- Protein
- Broader Foods portfolio

Description:



Horlicks is a truly iconic and behemoth brand in India with over 75 years heritage and a claim to be India's top packaged beverage behind bottled water². In the 2015 Millward Brown 'Brandz Top 50', Horlicks is the 3rd largest Food and Beverage player, and 24th largest in all sectors in India.

The Base range contributes 70% of the brand sales. It is a nutritional powdered drink made from wheat, milk and malted barley and fortified with vitamins and minerals. Enjoyed by the whole family, Horlicks has been trusted by generations of mums for it's nutritional benefits that help kids grow 'Taller, Stronger and Sharper'³ with the '5 Signs of Growth'.

Pre 2010 Design



History

Pre 2010 the Horlicks range looked fragmented and although sales were strong, the lack of a 'family' meant that there was no brand halo effect, or loyalty to the brand as consumers grow up and naturally move through the portfolio.

2010 Bauhaus design



The 2010 restage⁴ brought consistency in a fragmented range and unlocked growth in the base Horlicks business, however the lack of differentiation through the family was stifling growth of the extensions range and making NPD innovation difficult to position in an on brand but differentiated way.

275 Words

Portfolio at a glance:

- Base range – 30 SKU's including 4 flavours and 8 different sizes
- Extensions range: Junior, Women's, Mother's, Lite – 24 SKU's
- Foods portfolio: Biscuits, Oats, Savoury Oats – 22 SKU's

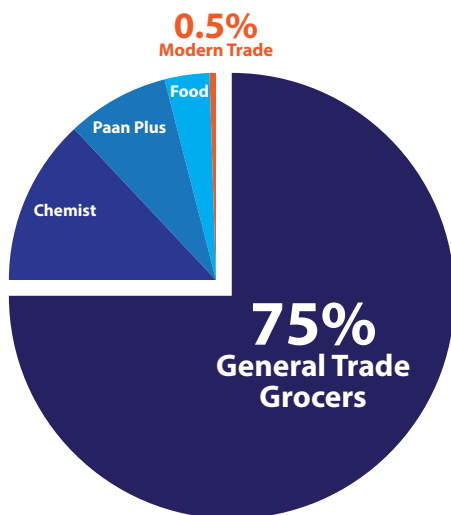
2014 Chevron design



Overview of market:



General trade



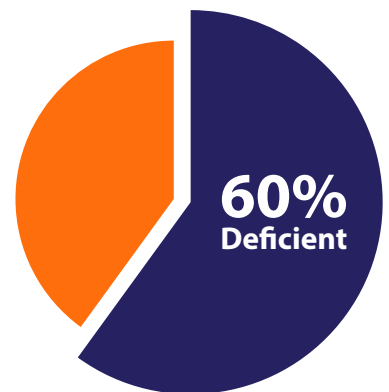
Retail Channel Divisions

India has seen huge economic and population growth over recent decades leading to improving socio-economic status and an influx of consumer brands. This has led to increased consumer choice and greater competition at the shelf. Indian consumers are looking for brands that reflect their forward looking attitude and are new, fresh and relevant.

Whilst the country advances at a pace there is still a widespread and traditional routine of drinking a hot beverage in the morning and afternoon.

Alongside the historically limited access to dairy products this has contributed to a huge HFD category in India (£682M). The category is seen as an accessible way to get nutrition in a country with a historic lack of access to a balanced diet. The poor diet has contributed to a child population with developmental issues including stunting and low weight and also micronutrient deficiency.

Micro Nutrient Deficiency in Indians 6-14yrs old (2014)



The retail challenge:

75% of Horlicks volume is sold through General Trade, that brings challenges with cramped, dark and dusty shelves and in many cases product behind counters that shoppers need to ask for. It's important to stand out. Modern Trade is only a tiny part of sales channels and growing very slowly.

An expanding category:

Horlicks owns the Base level HFD Category, but the higher tier HFD category is growing as consumers move up the social economic scale and seek out more nutritionally advantaged products for higher price points. International brands including Abbott, Heinz and Mondelez are investing and innovating more in the Category.

253 Words

Project launch date and budget:

Base Range launch – Aug '14
Extensions Range launch – Jan '15
High Science Range launch – Mar '16
Protein Range launch – Oct '16

Total Design budget – £125K

Outline of design solution:

“Horlicks ‘Chevron’ is the most comprehensive piece of design thinking the brand has ever seen. The cohesion of the core design principles through the huge variety of products and categories has allowed Horlicks to truly shine as one of India’s most important brands.”

Jayant Singh
(VP and GM India & ISC)

Bauhaus provided strong brand equities for the master brand including the bold vertical brand marque, clear colour palate and the visualisation of ingredients.

The Restage built on these equities with a family of bespoke 3D jar structures, that all take their inspiration from the hero ‘base’ pack, while adding in personality to make it relevant to its own lifestage. The graphics intricately map on to the new structure with 5 defined connection points and aligns to the ‘flow’ feature of the bespoke cap to deliver a completely unified design.

Given that over 700 million jars are hand sleeved every year this was no small feat and required an intimate knowledge and collaboration between the GSK Nutrition Design Team, Technical Packaging and Supply Chain teams at GSK. This results in a unique structure and sleeve combination on each of the Horlicks extensions delivered in a way that makes the product uncopiable by the branded and own brand competitors with the less integrated manufacturing processes they have.



Outline of design solution:



The Chevron

As the Chevron rolls out across the extension SKU's it has the flexibility to adapt and allow the personality of the lifestage to come through while retaining the key visual equities of the Chevron.



The keystone of the Restage design is the 'Chevron' which boldly holds the brand marque and works in unison with the nutritional core ingredients on the left side and iconic product benefits on the right.

The nutrition science story is integral to Horlicks and it was essential to have it integrated into the design architecture. The upward arrow communicates the growth and development benefits of the product and brings it to life in a consumer accessible way.

Flavour makes up the rest of the pack with rich colours and texture that give cues to the velvety, smooth taste of the product, while ensuring standout at the fixture in an India GT store.

Summary of results:

Design Objectives:

Create an architecture to collect all parts of the existing portfolio.

- ✓ Deliver above category growth on base HLX
- ✓ Unlock growth for 'Extensions range through design'
- ✓ Increase portfolio market share
- ✓ Use design to 'ring fence' copycat players

Future proof through design architecture the 5+ year NPD portfolio allowing for brand stretch in to adjacent categories.

- High Science HFD's
- Protein
- Broader Foods portfolio

Sales numbers:

YOY sales of Horlicks was at +5% at the month before launch and in line with category growth. Post launch the 3 month sales moved to +19% growth for base Horlicks, with the 1 year sales coming in at +10% growth, doubling growth YOY and Vs the category.

Sales growth led to share gains of 3.5pts from 66% share to 69.5% share⁵.

The lead Extensions SKU for Horlicks (Horlicks Junior) saw +25% growth in first 3 months post its launch in Feb 2015, the sales increase was attributed to the new design being a better fit to the target consumer than previously.



Equity / Relevance:

Top of mind recall scores increased 11% from June 2014 to June 2015 (from 46 to 51), while brand relevance scores remained static, showing the design had consumer cut through without diluting the key brand message.

The full design architecture for Horlicks restage was locked in Dec 2013, with the initial launch in mid 2014 onwards. Q1 2016 has seen the launch of the high science portfolio, based exactly on the 'Restage' principles, with adjacent category launches into protein planned for Q4 2016 also based exactly in the 2013 architecture framework.

Reduction in production costs:

Packaging COG's were reduction £500k mainly through light weighting of jars, the savings were all reinvested into the formulation to up-weight the nutrient profile inline with the changing consumer need and so the portfolio was delivered on target at parity GM%.

Other influencing factors:

Distribution of Horlicks remained consistent for the Restage launch at 1.95 Million outlets. The Restage received no additional A&P support like for like vs. previous year. Pricing on Horlicks was in line with India inflation (6%) and the for the year.

Sources of data:

357 Words

1. Neilson and GSK data sources India and ISC market sales.
2. Kitamura, Makiko, Bloomberg, Jan 2012
3. 'Taller Stronger Sharper' NIN Clinical Study by GSK
4. 2010 restage designed by The Brand Union - India
5. Neilson and GSK data sources for rolling YOY HFD sales.

