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DBA Design Effectiveness Awards Entry
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Horlicks®

— take a moment —



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HORLICKS BRAND REDESIGN

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BRANDON.

Executive Summary

The UK Malted Drinks category had been in decline for several years, with some retailers reducing fixture space, in favour of more innovative offers mimicking those seen in coffee shops.

Horlicks, once one of Britain's most-loved brands, had also seen volume and value sales decline over the years due to a decline in buyers. Consumer perceptions (or misconceptions) of the brand had kept its consumer base firmly in the aged 65+ bracket, and in danger of further decline. In order to ensure the brand's longevity and status as category leader, owners Aimia Foods wanted to reposition the brand to address these misconceptions, attract a broader audience and recruit new buyers.

We evolved the brand from a 'bedtime drink for your grandparents' to an antidote to the 'always on' world in which we live. And our new positioning 'take a moment', not only encouraged people to slow down regardless of the time of day – or time of life – but also addressed the brand's key issues.

By retaining key memory structures of the colour blue and the logotype, but building on them with associations of positive nostalgia, the packaging design shifted the brand from functional to emotional escapism.

Before



After



Executive Summary

As a result, Horlicks is now relevant to a wider range of consumers and has seen a significant impact on the business.

Horlicks has:

- Recruited +146k new buyers in the under 65yrs age group, surpassing its 100k a year recruitment target by 46%¹
- Increased value sales by +16.7% YOY¹, that's an additional £3.1m added to the brand, and
- Exceeded both the Malted (+10.8%) and Hot Milky Drinks (+13%) categories in terms of value growth¹.

And, for the first time since Aimia Foods purchased the brand in April 2018, Horlicks has experienced significant penetration growth of +9.6%².

Not only that, but with sales back in growth, Horlicks was able to invest in range extensions for Vegan and Christmas at the end of 2020, along with a launch through Walmart in Canada.

But the last word goes to The Mirror³, which in January 2020 ran the following article:

'Stressed-out millennials hooked on Horlicks as antidote to busy lives; Young people have helped boost sales of the traditional bedtime drink, which first hit shelves almost 150 years ago'.

We couldn't have written the headline better ourselves!



1 – Kantar Worldpanel Online (52 w/e 27/12/20), Total Food Beverages retail sales value

2 – Kantar Worldpanel Online (52 w/e 10/7/21), Total Food Beverages retail sales value

3 – The Mirror (Jan 2020) 'Stressed out millennials hooked on Horlicks'

Context and overview

Background and brief

The business

Horlicks, owned by Aimia Foods, is a hot drink traditionally crafted using malted wheat and barley, and is enriched with vitamins and minerals. It has been comforting families for nearly 150 years and is the brand leader in the Malted Drinks category ahead of Ovaltine.

The challenge

There are many iconic British brands that, throughout their longevity, have managed to keep their hardcore fans loyal. However, for Horlicks, this had led to two consumer misconceptions which were keeping its consumer base firmly in the aged 65+ bracket – and in decline. Firstly, that it's a bedtime drink, and secondly that it's a drink for your nan.

But Horlicks is a drink for everyone; one that can help people relax, unwind and recharge (and an antidote to the 'faster, harder, stronger' energy drinks that are on the market). Horlicks came to us to bring this positioning to life on pack, attract a broader audience and communicate the wider product benefits that are relevant in modern life, to ensure the brand's longevity and status as category leader. And all without alienating its existing customers.

Key objectives:

1. Change the brand misconceptions
 - to appeal for a wider range of usage occasions and not just a drink before bed
 - to appeal to younger consumers
2. Halt the decline in sales
 - by specifically recruiting 100k new buyers in the under 65yr age group.

As the brand had been in penetration and buyer decline for many years, Aimia Foods' main objective when purchasing the brand was to bring new consumers in and lapsed ones back to Horlicks.
3. Cement its position as brand leader in the malted drinks category.

Market Overview

In 2018, the UK Hot Milky Drinks (HMD) category, which encompasses both Chocolate and Malted Drinks, had seen its value drop by -2.5% (£3.3m)⁴ – which compounded a loss of £15.2m in the previous year⁵. This was partially due to Malted Drinks having been in decline for five years.

As a result of this trend, supermarkets reduced fixture space for both Malted and Chocolate Drinks in favour of more innovative offers mimicking those offered in coffee shops, and that would recruit new shoppers to the category.

Over this period, Horlicks, once one of Britain's most-loved brands, had seen volume sales fall by as much as 9% year-on-year (YOY), with value sales in the 52 weeks to 20 May 2018 down by -10.5% to £12.3m⁴. At the same time, closest rival Ovaltine saw value sales increase by +1.7% to £10.6m⁴.

In order to survive, Horlicks needed to address this fall in sales by also appealing to a different audience.

⁴ – The Grocer's Top Products, Dec 2018

⁵ – Kantar (52 w/e 21/5/17) in The Grocer's Focus on Hot Beverages, Sept 2017



Context and overview

Solution

The insight

Today, we're all very hectic with busy work and home life schedules – in fact, a study in 2018 by the Mental Health Foundation uncovered that 74% of people felt so stressed that they have been overwhelmed or unable to cope. Modern life can be chaotic meaning that it can be hard to switch off and find 'me time'. Indeed, our research showed that as many as 44% of Horlicks' current consumers were already turning to the brand for general relaxation purposes (rather than sleep), highlighting an opportunity for the brand to broaden its usage occasions.

It also indicated positive nostalgia associations – "there's just something really comforting about a warming mug of Horlicks". Its caffeine-free, malted taste seemed the perfect remedy to the 'always on' world in which we live.

Take a moment

This led to our new positioning 'take a moment', which not only encourages people to slow down regardless of the time of day – or time of life – but also addresses the brand's key issues. It speaks to lapsed, existing and new consumers in a way that's relevant to the brand.

Building on memory structures

When it came to the existing packaging, we asked both users and non-users what they could recall about the brand's appearance – without any prompting. All they could name were the logotype and the colour blue. Therefore, we wanted to build on these key memory structures to provide Horlicks with distinctive assets that could build brand equity on-and off-pack, as well as move it away from the category codes of functional and ingredient-led imagery such as chocolatey swirls (Hot Chocolate) and barley (Malted).

We contemporised the brand mark, adding a reassuring and uplifting smile in the 'H', removing the bevelling and softening the type to add warmth and iconicity.

The image shows the 'Before' version of the Horlicks logo. It features the word 'Horlicks' in a dark blue, serif typeface. The letter 'H' is stylized with a double-stroke effect and a slight shadow, giving it a three-dimensional appearance. The logo is set against a light blue background.

Before

The image shows the 'After' version of the Horlicks logo. It features the word 'Horlicks' in a dark blue, sans-serif typeface. The letter 'H' is stylized with a simple, clean design and a slight shadow, giving it a three-dimensional appearance. The logo is set against a light blue background.

After

From functional to emotional

Going against category norms, we moved away from how the product's made to how it makes you feel, which was more appealing to a younger consumer. Born from nostalgia, but with a contemporary twist, our new brand identity reflects a daydream like moment in a mug – reinforcing the new positioning, and instantly moving the brand from functional to the emotional escapism that consumers were clearly seeking.

Context and overview

Gone are the clouds and barley that did nothing to create desire from a younger audience, replaced instead with a warming mug of Horlicks up front and centre to build on the brand's distinctive assets. Across all variants, a meandering, steamy vapour road slowly leads its characters to an inviting home, which encourages consumers to 'take a moment', and also gives each pack a warm, human element.

Finally, our unique, consistent and seamless illustration architecture creates a suite of distinctive assets to bring strong product blocking and shelf-standout.

'Take a moment' has also provided the brand with endless campaign ideas and social media engagement.

Key Dates: October 2019

Design fees: REDACTED CONFIDENTIAL DATA



Results

By building on the brand's distinctive assets and transitioning from functional to emotional benefits, we have driven brand reappraisal and set the business up for success.

Results against original objectives

1. Change brand misconceptions

Initial research was carried out post redesign with 462 respondents. It revealed that the new packaging more strongly communicates all of the emotional and brand related elements, and appeals not just to Horlicks users but HMD consumers in general.

– to appeal for a wider range of usage occasions – not just a drink before bed

Although the majority of respondents would still drink Horlicks at night, research showed that both users and non-users would also consider drinking it in the afternoon, and significantly more than for the previous design:

+22 ppts increase in perception that it's not just for bedtime (users)⁶

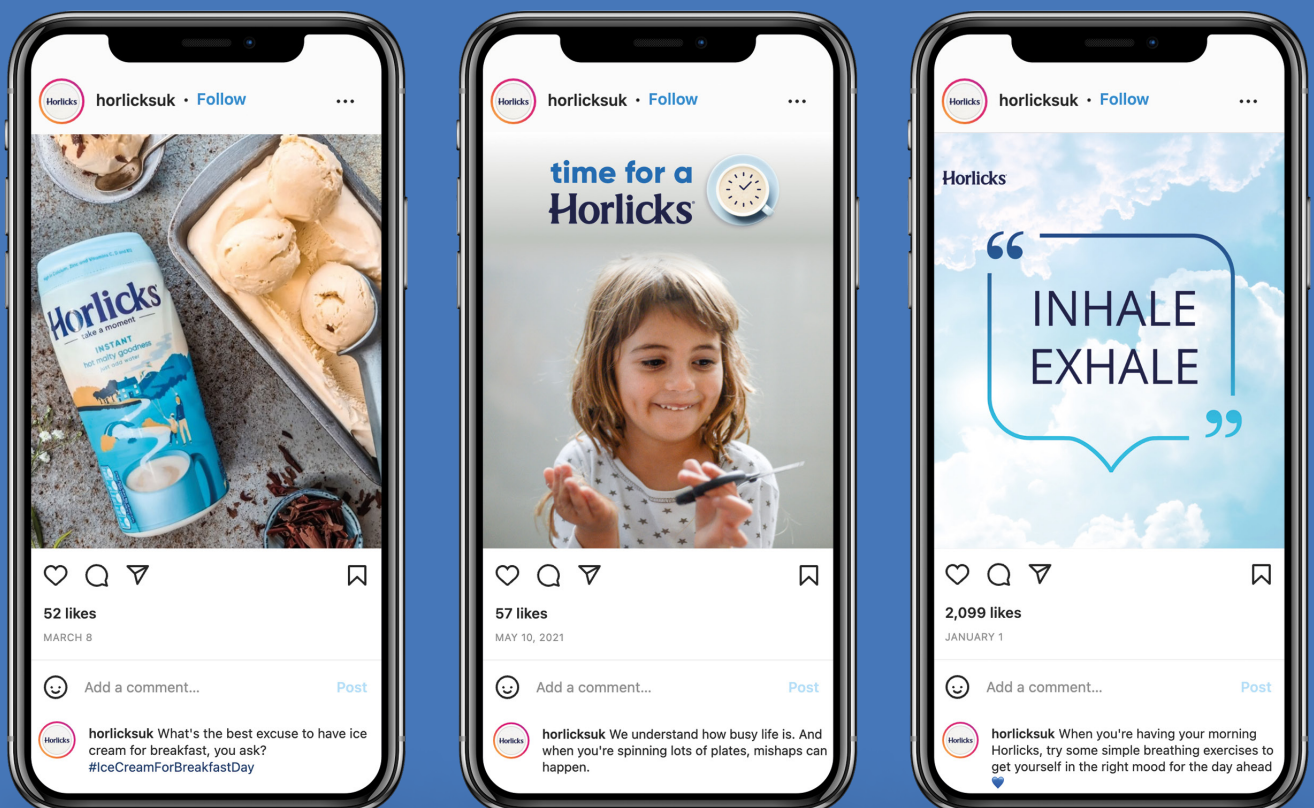
+11 ppts increase in perception that it's not just for bedtime (non-users)⁶

– to appeal to younger consumer

Across the board, the new design scored significantly higher for being modern (+10 ppts) and unique (+13ppts) and it decreased negativity amongst non-users⁶. It also created more openness to buy Horlicks amongst non-users, particularly those in the under 65 yrs. age group (53% vs. 44%)⁶.

Both Horlicks users and non-users felt the new design communicates 'taste' and 'quality' better⁶.

And there was also very little risk identified that the new design would alienate current consumers, making the new design a success on both accounts⁶.



Results

2. Halt the decline in sales by specifically recruiting 100k new buyers in the under 65yr age group

In the 52 weeks ending 27 December 2020, Horlicks recruited +146k new buyers in the under 65yrs age group, vastly surpassing its 100k a year recruitment target by 46%¹. And what's more, +48k of these were in the under 44 yrs age bracket. Kantar data also showed that Horlicks' growth was responsible for recruiting new consumers into the Malted Drinks category¹.

And most impressively, in the 52 weeks ending 10 July 2021, Horlicks achieved a penetration growth of +9.6%² – the first time that the brand has seen penetration growth of any significance since Aimia Foods acquired it in 2018. The analysis from Kantar shows that in this period, Horlicks' growth was due to an increase in buyers at +10.4%, mainly driven by penetration growth of +9.6%².

Following a -1% sales decline in the year prior, during the 52-week period to 27 December 2020, volume sales (kg) increased by +14.7% to 3.1m¹ and value sales increased by +16.7%, adding an extra £3.1m to the brand¹.

REDACTED CONFIDENTIAL DATA

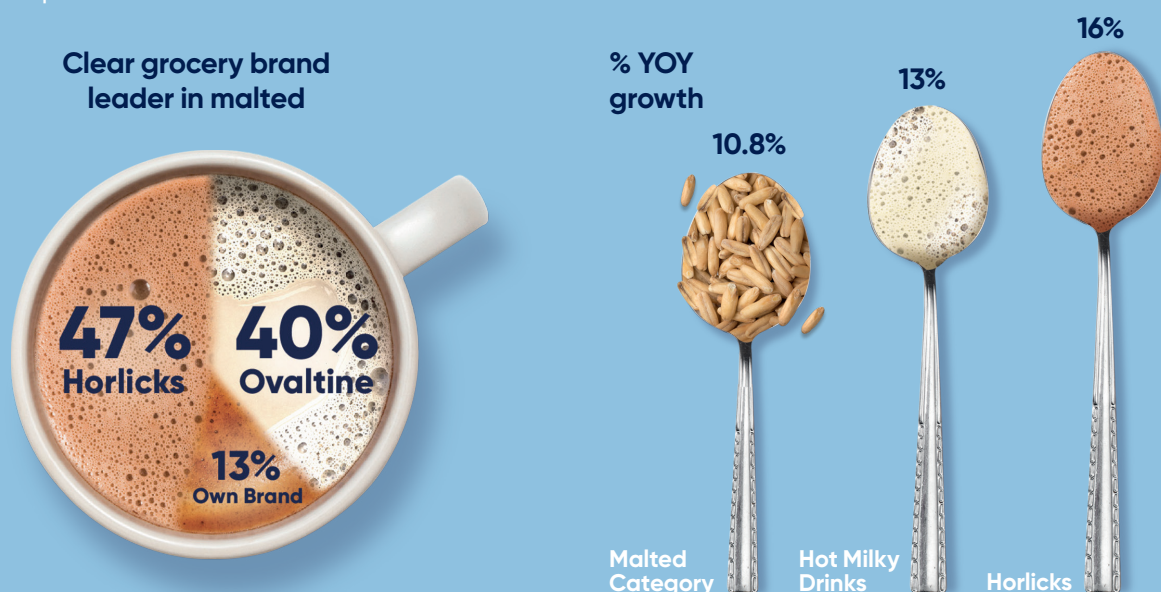
And if that wasn't enough, in January 2020, The Mirror³ ran an article with the headline, 'Stressed-out millennials hooked on Horlicks as antidote to busy lives', stating that young people have helped boost sales of the traditional bedtime drink. We say that's evidence of a job well done!

3. Cement its position as brand leader in malted drinks category

As of May 2020, Horlicks was the clear grocery brand leader in Malted with 47% market share (Ovaltine had 40%), and over the same period, three products generated 56% of Malted's value – two of which were Horlicks products⁷.

And Horlicks has consistently outperformed the category at various points since the redesign:

- In the first six months following the relaunch, Horlicks was the only brand in growth in the HMD category⁷.
- In the 52 w/e 16 May 2020, Horlicks Instant and Original variants were in the Top 5 performing products in the overall HMD category in terms of both Retail Sales Value and Return on Sales (must stocks)⁷.
- Horlicks' growth exceeded both the Malted (+10.8%) and Hot Milky Drinks (+13%) categories in the 52 w/e 27 December 2020¹, cementing its position as category leader in Malted, and being the fastest growing brand in the Top 5 HMD brands¹.



Source: IRI Infoscan (52 w/e 16 May 2020)

Source: Kantar World Panel (52 w/e 27 Dec 2020)

1 – Kantar Worldpanel Online (52 w/e 27/12/20), Total Food Beverages retail sales value

2 – Kantar Worldpanel Online (52 w/e 10/7/21), Total Food Beverages retail sales value

3 – The Mirror (Jan 2020) 'Stressed out millennials hooked on Horlicks'

7 – IRI Infoscan (52 w/e 16th May 2020) Hot Milky Drinks Category, Total Market

Results

Exceeding expectations

With sales back in growth, Horlicks was able to invest in a Vegan range extension sold in ASDA from December 2020. It was also listed by Tesco, Morrisons, Booths and Ocado from July 2021 – after the results period in this document. Additionally, in September 2020, Horlicks secured its first listing in Canada for its core range through Walmart.

The proof of effect and other influencing factors

The repositioning and branding were single-handedly responsible for driving Horlicks' success in 2020/21. But here are some other factors that have been in the mix.

Other marketing activity

Horlicks has an active Instagram and Facebook account. Posts heavily feature the pack designs and play into the brand's positioning of 'take a moment'. The brand's strategy for social is to raise awareness of the brand and potential usage occasions, with the packaging very much attracting attention and driving purchase in-store.

The brand also did some trade PR – focusing particularly on the Grocer – to promote its initial success to retailers. However, this was picked up on by The Mirror, resulting in the article cited previously.

Distribution and price remained the same, as did the level of promotion. Horlicks tends not to see a significant uplift in sales when on deal, so only promotes for one 4-week period in the autumn each year.

Addition of new variants

The success of the original repositioning and redesign was the enabler to NPD. The Vegan SKU launched solely in ASDA in Q4 2020 and while very early indicators were positive it was not responsible for the volume of additional growth in the 52 w/e 27 December 2020.

It is only in the last couple of months that new listings for Vegan have gone live in Tesco and Morrisons, which is outside the time period for figures included in this paper.



Results

A colder winter

The figures in the table below indicate that monthly temperatures have been relatively similar and stable over the last four years⁸. However, January and February of 2021 were noticeably colder than the years prior. This may have impacted on sales in those months, however, sales figures in the 52 w/e 27 Dec 20, indicate that Horlicks value sales had already increased by +16.7% – an additional £3.1m vs. the year prior and just after the redesign.

Statista: Monthly average daily temperatures in the United Kingdom from 2015 to 2021⁸

	BEFORE REDESIGN		AFTER REDESIGN	
	2017/2018	2018/2019	2019/2020	2020/2021
Sept	13.5	13.8	14.3	14
Oct	12.3	10.7	10.1	10.5
Nov	7	8.2	6.5	8.7
Dec	5.1	6.8	6.7	5.3
Jan	5.3	4.2	6.7	3.3
Feb	3.1	6.9	6.4	5.1
Average	7.7	8.4	8.45	7.8

Covid

You could certainly argue that Covid had a huge impact on many categories in 2020, but Hot Milky Drinks wasn't one that attracted press attention for stockpiling and availability issues.

Horlicks was the only brand in growth in Malted in the six months post relaunch and the fastest growing brand in the HMD category, overtaking Galaxy from the previous year⁷. Horlicks' growth also out-performed not just the Malted category (+10.8%), but also the Hot Milky Drinks category (+13%)¹ indicating that something else was at play.

The new design that taps into consumers' desire for relaxation, comfort and a moment of calm, was relevant before Covid and certainly more so during the pandemic. But had the brand not redesigned its packaging, this end benefit would not have been clearly communicated to non-users of the product, and the fact that Horlicks attracted 146,000 new buyers in the under 65 years age bracket, shows that it clearly attracted a new younger audience. As does the article written by The Mirror in January 2020 – before the pandemic hit.

And although, just a couple of months into the pandemic and coming into warmer weather, Horlicks still managed to be the only brand in growth in the HMD category, posting a YOY sales value increase of +3.6% in the 52 weeks ending 16 May 2020⁷.

Finally, Horlicks saw its greatest penetration gains in the 52 w/e 10 July 21, which was after the initial panic buying at the start of the pandemic in March 2020.

The trend for nostalgia

It's true that Covid led to the desire to embrace simpler times and the trend for all things nostalgic. But Horlicks got there before that! Our research showed that people were already crying out for more 'me time' and Horlicks was purposefully designed to encourage people to slow down and to be the antidote to the 'always on' lifestyle we've all become accustomed to. The design clearly captures the emotional escapism that consumers were looking for, and Covid just forced people to stop and put the brakes on.

Use as a cooking ingredient in the Covid baking boom

This may have prompted a general increase in Malted, but Horlicks consistently outperformed the category. And it was the design that sold the emotional escapism element as a comforting drink rather than a baking ingredient.

1 – Kantar Worldpanel Online (52 w/e 27/12/20), Total Food Beverages retail sales value

7 – IRI Infoscan (52 w/e 16th May 2020) Hot Milky Drinks Category, Total Market

8 – Statista (October 2021) Monthly average daily temperatures in the UK from 2015–2021

Horlicks®

— take a moment —

