

Lean Cuisine

putting the love back

Submission title

Putting the Love Back
into Lean Cuisine

Sector

Food Producers

Client

Nestlé

Design consultancy

Pearlfisher

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Executive summary

Lean Cuisine's redesign represents a stunning reversal of fortune. Both the brand and the category it dominates in the United States were in steep, long-term decline, starved of affection from even its longstanding loyalists – until Pearlfisher's new packaging hit the shelves and reversed the decline immediately. Yes, immediately.

Lean Cuisine's new look arrived on shelves in mid-May 2015. Within a week, sales declines slowed; within a month, they stopped. By July 2015, the brand was in growth for the first time in seven years. In those few weeks, Lean Cuisine went from -20% sales trend decline to +15% sales trend growth; from a dollar volume decline of -4.45% to growth of +4.31, with no promotion of any kind beyond the impact of the brand in the hand.

Lean Cuisine is the dominant brand in the frozen nutritional meals market by a large margin, and its renaissance also drove an incredible turnaround for the category overall, transforming a declining YoY dollar percentage change of -8.6% in the back half of the year prior to re-launch, to a positive 3.5% in the back half of the year following. The redesign has recruited new consumers, improved overall buy rate, increased household penetration and reintroduced existing buyers to previously indistinguishable SKUs.

Crucially, the new branding helped to redefine what Lean Cuisine stands for. No longer associated with diet, deprivation and unsatisfying food from a bygone era, the redesign gave physical expression to Lean Cuisine's repositioning as a modern brand helping busy women lead healthy lifestyles with delicious and convenient meals.

Lean Cuisine has now become a positive, empowered choice for millions of consumers.

project overview

Outline of Project Brief

Back in 1981 the clothes were big but the women were small. This was the age of Cindy Crawford and Christie Brinkley – supermodels who, for the first time, had names and personalities. Women were also beginning to climb the workplace ladder, leaving less time to properly prepare meals and prioritise health. Enter Lean Cuisine – a breakthrough brand that defined the frozen low-calorie and diet space when thin was in and deprivation was the default association with ‘healthy eating.’ Emerging as a healthy, convenient and modern alternative to the ‘TV dinner’, which was perceived by many women as high-fat and calorie dense, Lean Cuisine’s popularity rocketed.

Three decades later, everything has changed. ‘Diet’ has become a seemingly meaningless four-letter word and, as consumer attitudes towards health and wellbeing have moved on, so have their purchasing habits. Today, healthy eating is not about a single number on a scale, it’s an equation – what we eat, how it’s prepared, how it tastes and how it makes us feel. It’s not just about what we take away – it’s about what we’re adding. Our daily vocabulary around food now regularly includes ‘protein’, ‘super-food’, ‘organic’ and ‘gluten-free’. We are looking for things that not only help us look good, but also help us feel healthy.

In Lean Cuisine’s category, competition had grown significantly. Brand loyalists were aging and dwindling, while the new cohort of millennial consumers were hardly beating a path to Lean Cuisine’s door. The brand and the category were in serious long-term decline. The amount of Lean Cuisine product purchased by the brand’s core consumer dropped by 70% and retailers’ shelf space shrank by 12% by 2014. The brand was in trouble and in danger of becoming an anachronism; there was a need for drastic change.



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Nestlé briefed Pearlfisher to:

- Reposition the brand from diet-focused to a modern health and wellness partner that delivers contemporary cuisine to feeds the mind, body and soul
- Redesign the packaging to bring the brand's culinary and taste credentials strongly to the fore
- Modernise the brand identity and packaging for the 21st century
- Overhaul and organise the brand architecture, differentiating the sub-brands and simplifying the navigation to aid both consumers and retail partners
- Stem the decline in sales by driving reappraisal at the hands of the loyal Lean Cuisine consumer, whilst also attracting new audiences

Description

International food and drink giant, Nestlé – whose portfolio spans baking, confectionary and ice cream, coffee, frozen and chilled meals – has consistently been named the world's largest food company in the world since 2014. Celebrating its 150th anniversary in 2016, Nestlé posted \$92 billion in revenue and \$9.4 billion in profit, recorded in the twelve months ending on April 22nd 2016.

In the US, Lean Cuisine is one of ten brands that sit within the Chilled and Frozen segment of the Nestlé portfolio. With dishes including Apple Cranberry Chicken, Spinach Artichoke Ravioli and Thai Style Noodles, they aim to provide busy women with healthy, convenient and great tasting meals made with the highest quality ingredients.



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Overview of the market

The US frozen food market had been in steady decline for a number of years, due in most part to consumers' perceptions of frozen ready meals as processed, unhealthy and lacking in flavor and taste. Between 2014 and 2015, unit sales dipped by 2.5% across the category, while the value of the frozen ready meals segment shrunk by \$1bn each year between 2010 and 2015 – a greater proportional decline than that of the frozen food category as a whole.

Frozen diet foods specifically suffered an even more dramatic downfall, with volumes decreasing by 7% between 2012 and 2014. As category leader and owner of Lean Cuisine, Nestlé was commanding a +40% value share of the market, meaning that the fate of the frozen food market was, to a large extent, resting on the future performance of a brand with plummeting sales.

In the face of drastic consumer mindset shifts, the concept of 'diet food' had adopted negative connotations in the United States. In May 2015, searches for 'diets' in Google were down 30% despite the fact that 70% of the nation had just loosened their belts a notch.

As a result, the competitive set for convenient and healthy meal options changed. Lean Cuisine was no longer only up against direct competition such as Healthy Choice and Smart Ones, but faced increasing pressure from 'full fat' frozen ready meals, both fresh and chilled, and even 'healthy' quick-serve restaurants such as Chipotle and Panera.

With the amount of product purchased declining by 70% and retail shelf space shrinking by 12% in 2014 alone, Nestlé senior management publicly acknowledged the difficulties facing the brand – and the category overall. Recognising that fundamental change was needed to regain and retain relevance with a modern, health-conscious consumer, Lean Cuisine turned its attention to NPD and invested in a significant brand overhaul.

“The reality is that, if your brand has lost hundreds of millions of dollars, you’re not going to have the same marketing budget that you did four or five years before. My budget was about half of what it used to be so, in my mind, packaging was probably the number one touchpoint over TV, digital, and everything else we were doing.”

Daniel Jhung, Vice President
of Marketing at Nestlé USA





outline of design solution

Brand Repositioning

The evidence was clear for all to see. Evolve or die.

Pearlfisher's work began with an intensive immersion with Nestlé's internal chefs, to define the cultural, category and consumer shifts driving our changing relationship with food and health and the subsequent future of the market. It quickly became clear that, not only did people's perceptions of the brand need to change, but their perceptions of the entire category too.

By defining a new brand positioning that taps into the true meaning of Lean – meaning strong and empowered – and Cuisine – meaning culinary enjoyment – Pearlfisher has successfully repositioned the brand in the hearts and minds of both new and existing consumers, and has defined a new relevance for frozen food overall.

Portfolio architecture

There were over 100 SKUs in the Lean Cuisine portfolio which had become overly complicated as the range grew. With too many lines, unclear differentiation and no intuitive navigation, the range lacked coherence, lessening its appeal for consumers. Pearlfisher's first task was to simplify and unify the portfolio architecture around a shift in brand proposition to wellness and health.

Based on extensive research, Pearlfisher segmented the Lean Cuisine portfolio by 'Food Moods' in order to create stronger immediate connections with – and meaning for – consumers. The four new lines are:

- Comfort: familiar, go-to meals that deliver savory flavors and desirable benefits
- Favorites: classic and simple dishes that can be safely relied upon
- Craveables: delicious bar-food made to satisfy a craving without over indulging
- Marketplace: modern, restaurant-quality recipes made with current, popular ingredients

“The brand was in a free-fall, and the team had significantly fewer resources with which to turn things around, but there was a silver lining: “Because of the state of the business, we were able to really tear down the brand completely and build it back up again, one piece at a time. Everything was very thoughtfully researched and executed—I don't see that with every redesign.”

Debbie Bester, Design Manager at Nestlé USA

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By providing something to suit every mood whilst facilitating busy lives with quick, convenient and healthy meals, the new architecture reassures consumers that Lean Cuisine understands their world.

Packaging

Like the women it appeals to, the new packaging is warm, feminine, balanced and strong. Using a clever combination of overt and subtle provenance, modernity, taste and goodness cues, Lean Cuisine now looks and feels like it fits in the 21st century. Bold, colourful and forward-looking, the brand can once again confidently present itself as a category leader.



A distinctive but united expression across the range

Whilst common brand elements, such as the logo and brand icon, unite the range under the Lean Cuisine masterbrand, each part of the range is now defined by its own distinct visual expression in the form of secondary typography, color and photography.

Consistent brand elements

Brand Icon

Based on a subtle brand monogram of “LC”, Pearlfisher’s new brand icon evokes steam swirling up from hot food. Embedded in the icon is an infinity symbol, representing holism and the continuum of health.

Master Logo

The new identity reflects the simplicity of the original mark whilst retaining the character of the previous incarnation. Emphasis is placed on ‘Cuisine’ rather than ‘Lean’ to reflect the brand’s prioritisation of enjoyment and culinary fulfilment, as well as to adhere to FDA guidelines on relative type sizes for brands that make nutritional claims. The placement of the Lean Cuisine flourish before the brand name and above the “u” in cuisine evokes steam rising off of a cooling vessel.

Distinctive brand elements across the range

Color

Taking the brave step to move away from the white box – previously a core equity for the Lean Cuisine brand from its launch 30 years before – the design warms up the range with the bold introduction of new equities: a black box for Marketplace; a wooden table-scape for Comfort; a homely and familiar fabric napkin for Favorites.

Photography

The new photography style breaks typical category conventions of food styled perfectly on a white plate. Across the range, each image is now true to the mood in which consumers enjoy the food, right down to the last detail. The Marketplace line, for example, does away with plates – the food now sits directly on a black restaurant slate, a direct reflection of a chef's considered presentation – while the Favorites range with its napkin, everyday cutlery and kitchen table background, reflects the kind of meal you'd cook at home yourself, if only you had the time.

“Often brands have an equity—a color or some other visual element—that they feel is a sacred cow. Lean Cuisine had used a white box for more than 30 years with orange as a secondary color. Many brands would think you can’t walk away from that. In the case of Lean Cuisine, it was a hard pill for some stakeholders to swallow.”

Daniel Jhung, Vice President of Marketing at Nestlé USA



summary of results

Please note, some figures have been omitted for confidentiality purposes

Defrosting consumer perceptions

Lean Cuisine's long-term sales decline was arrested virtually overnight. The swing from six years of sales slippage to value and volume growth was as extreme as it was swift.

Sales trend reversal

Lean Cuisine went from negative sales trends in April '15 of -20% to positive sales trends in July '15 of +15% (vs. the previous year).

Dollar volume uplift

The brand's slowed dollar volume decline of -4.45% in 2015 (vs 2014) represents a significant reversal of continuous negative sales trends from the previous year: -14.7% in 2014 (vs 2013). The immediate reversal of the decline was the result of the launch of the new design, which took place 5 months into 2015. Remarkably, just a year later, the dollar volume showed growth of +4.3% (2016 vs 2015).

CDP growth

Prior to the redesign, Lean Cuisine was declining in CDPs across most top 10 retailers. Following the redesign and brand relaunch, Lean Cuisine drastically slowed xAOC CDP declines – from -12.5% to -4.5% – and actually experienced CDP growth with major retailer partners: Target, Kroger, Albertsons/Safeway and Food Lion.

Breaking the ice for the entire category

Lean Cuisine's performance drove an incredible turnaround for the frozen nutritional meals category as a whole, reversing a declining YoY dollar percentage change of -8.6% (back half 2014) to a positive 3.5% (back half 2015).

Line extension leads to growth

The Lean Cuisine Marketplace line – the most premium-looking of the range – alone generated an extra \$58 million in retail sales during the year after the new design was launched.



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A powerful taste reappraisal

The relaunch achieved its stated objective of driving reconsideration of the brand with existing consumers whilst attracting new ones. Following the rebrand, 73% of consumers indicated that they would purchase the new design over the old one. Additionally, 78% of consumers felt that the new design successfully addressed the key strategic objective: to position Lean Cuisine as a modern health and wellness partner, rather than a “diet” brand.

Not only that but the figures match up in store: household penetration increased by 9% post relaunch and buy rate increased by 8.6%.

Impact of design celebrated by Nielsen

The redesign of Lean Cuisine won the grand prize at the inaugural Nielsen Design Impact Awards - the first U.S. package design award to leverage retail performance. As a complement to retail data, Nielsen surveyed thousands of consumers to assess how well each redesign addressed its core communication objective and to gauge purchase preference for the new packages over the old ones.

Shoppers love the new look

Some examples of spontaneous consumer testimonials:

“My husband and I would just like to say WOW! to the Lean Cuisine team. The packaging looks great!”

“At first I was sceptical on trying the Lean Cuisine Marketplace meals, however I am truly impressed. I also love the black box that is elegant looking. I definitely plan on buying more and recommending them to people. Thank you so much for exceeding my expectations.”

The bigger corporate picture

In February 2016, CEO Paul Bulcke remarked that consumers were coming back to Nestlé’s US frozen food brands “in a remarkable way”. At the full year results presentation 2015, Bulcke commented on the significant contribution that Lean Cuisine’s remarkable turnaround had made to the overall performance of the company’s US food business. In 2015 he commented, “Our organic growth of 4% was supported by increased momentum in real internal growth combined with continued margin improvement. Additionally, we grew or maintained market share in the majority of our categories and markets”.

In their 2016, Full Year Results statement, Lean Cuisine’s organic growth was name-checked as one of the contributing factors for Nestlé USA’s increased performance.

“The bold new Marketplace packaging signified a major pivot away from our ‘diet’ heritage towards our new modern health positioning, motivating consumers to re-engage with the brand. This complete turnaround demonstrates the power of investing in effective package design and designing it with consumers in mind.”

Daniel Jhung, Vice President of Marketing at Nestlé USA

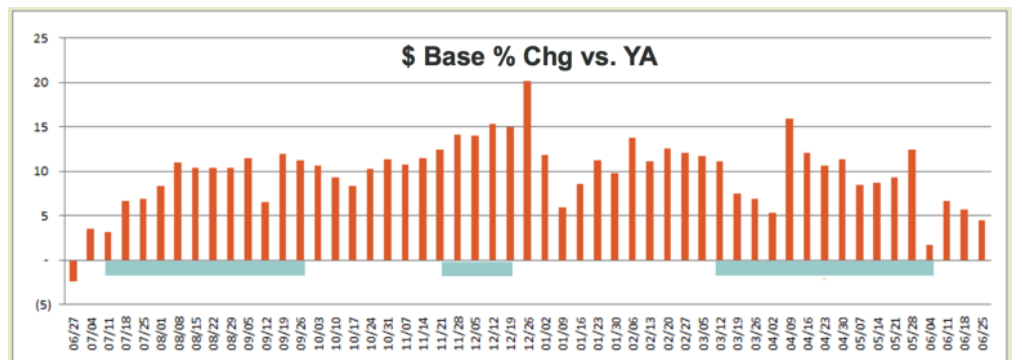


Other influencing factors

In the three-month period immediately following the launch of the new design, no form of promotional activity – advertising, social media, direct marketing or price promotion – was undertaken by Lean Cuisine. Twelve new recipes were launched as the redesign was executed, featuring new product claims including High Protein (4 SKUs) and Gluten Free (2 SKUs). However, given the size and scale of the range – which ran to over 100 SKUs – their contribution is slight.

Three months after the new brand and packaging launched, Nestlé began to activate social media, digital communication and traditional ATL support, driving the upward sales trend that design alone had already induced. The two ATL campaigns – #WeighThis and Night Nurse – ran between July and October 2015, November and December 2015, and March and June 2016.

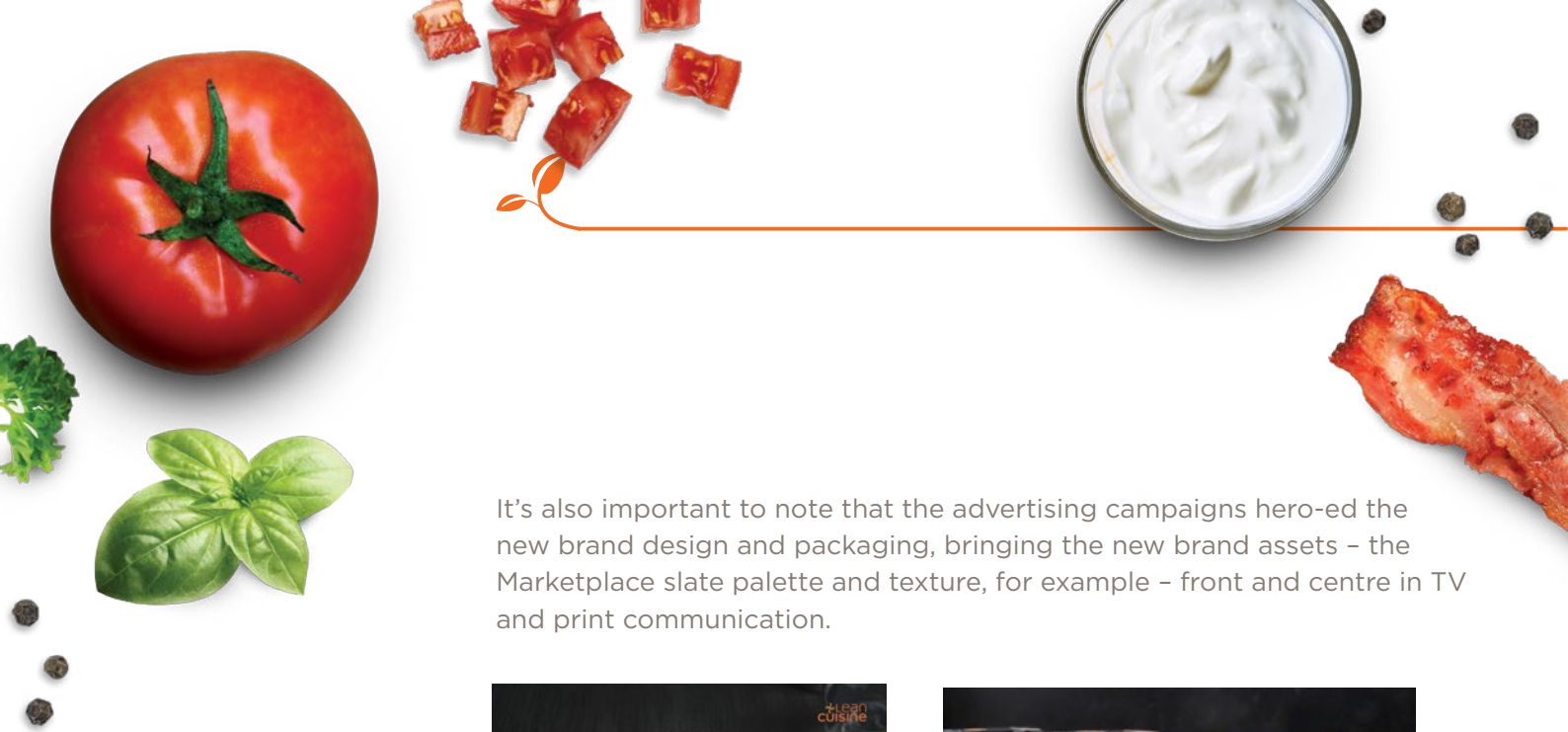
The chart below illustrates the positive impact that the advertising had on dollar base percentage change for Lean Cuisine from June 2015 to June 2016; however, it's important to note that the positive percentage change continued even in periods when advertising wasn't running. As late as two months after campaigns stopped airing on TV, the positive sales trend continued.



Blue boxes denote advertising campaign period

“I knew the packaging was responsible for turning things around because there were three months where we only had the packaging on shelf—we had no TV or digital advertising during that time, and we started to see a significant lift in volume. Then the marketing we did afterwards really supported the packaging. I think the new design was likely the number one reason that the brand was able to turn itself around; it changed the brand’s equity and its fortune.”

Daniel Jhung, Vice President of Marketing at Nestlé USA



It's also important to note that the advertising campaigns hero-ed the new brand design and packaging, bringing the new brand assets – the Marketplace slate palette and texture, for example – front and centre in TV and print communication.



Lean Cuisine print and TV advertising 2015

Research resources

Fortune – Special Report: The War on Big Food, 21st May 2015

Forbes: The World's Largest Food And Beverage Companies 2016: Chocolate, Beer And Soda Lead The List

Google Trends search data

Euromonitor Report on Packaged Food, 2015

Nielsen, Apex Market (Total Grocery + Dollar + Target + WM, Frozen Aisle and Frozen Prep Foods Databases data through 1/9/2016)

Nielsen Design Impact Awards data (2017)

Nestlé in the USA & Frozen Meals Performance, published February 2017