



*Money bags
Or how creativity turned
a legislative headache into
a successful new income
stream*

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SECTOR
FOOD & DRUG RETAILERS

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Executive Summary (297 words)

Money bags Or how creativity turned a legislative headache into a successful new income stream

On October 5th 2015, new legislation came into force that brought England in line with the rest of the United Kingdom and saw shoppers in large stores charged 5p for every plastic carrier bag they used. As for other multiple retailers, the introduction of this legislation had considerable implications for Booths, a small chain of 28 high quality food and drink stores based in the North-West of England. To be honest it was something of a headache, throwing up compliance, tax and customer communications issues that they could well do without. As we know, gnarly issues like this often prove to be the grit in the oyster that makes a pearl of an idea. In this case, Smith & Village's solution for Booths is a classic example of how creative design thinking can turn a problem into something unexpectedly successful and how effective design can be a money-spinner.

The shopping bag has always been treated by some retailers as an icon of their brand. Whilst this is a path that has been well-trodden by high-end retailers, it is not one that more every day retailers, like supermarkets, had ever ventured down in a deliberate way. Smith & Village's simple idea to implement that strategy, to introduce fabric bags that become icons of the Booths brand rather than just things to put shopping in, has had a remarkable effect for the perception of Booths's brand and for their bottom line. From something unimportant, that were there simply because they had to be, shopping bags at Booths have become true icons of the brand, loved by consumers, communicating Booths's values way beyond their stores and their traditional locations and a successful category in their own right that in 2015-2016 was worth over £200,000.

Results for the sale of fabric bags:

*Value to the company
2014-2015*

£38,474

*Value to the company
2015-2016*

£234,502

*Increase in sales of
fabric bags*

£196,028

*% increase in sales of
fabric bags*

510%



3.1 *Outline of project brief* (544 words)

Since 2011, Booths have worked with Smith &+ Village on all aspects of the creative strategy of their brand. In the run up to the introduction of the 5p charge for carrier bags, Booths were aware that they had to do something to change their existing range of carriers and minimise customer irritation. They understood that some sort of higher value bag for life would have to be created but did not have a clear vision of the form that it would take and consequently did not present a brief for this project in the traditional sense. Instead they outlined the issues that they were facing and asked Smith &+ Village to propose a solution.

The issues were:

- How do you engage customers in this change of legislation, rather than simply alienate them by asking them to pay for something that has traditionally been free?**

- How can we make the changeover as painless and as cost efficient as possible for Booths?**

- Can we use this as an opportunity to make bags more of an ambassador for the brand as part of a wider communication campaign about the Booths brand?**

Our solution to these issues, which we outline below, introduced the idea that, because of their design values, Booths's fabric bags could become an income stream in their own right. Booths immediately accepted this argument as the right strategic solution for the bags issue. Sales of fabric bags pre-October 2015 were worth less than £1000 per week to Booths. With the introduction of the new bags, Booths set a target of doubling sales to £2000 per week.



3.2 Description and background

Booths is a family-owned, independently run chain of quality food, drink and grocery stores in the North West. Founded in 1847, the company now has 28 stores. It operates an annual turnover of £280m a year.

Their traditional heartland is the market towns of Lancashire, Yorkshire, Cumbria and Cheshire, where they have often been the only supermarket, consequently both brand awareness and appreciation for the brand is extremely high. Since 2011, Booths have worked with Smith & Village on the creative strategy of their brand. The work has included a new corporate identity, a total overhaul of own label products, new communications strategies in the form of a lavish annual Christmas book and in-store campaigns and new store interior concepts. The relationship between client and agency has always been fruitfully collaborative and has enabled Booths, a relatively small player in the shark-infested waters of food and drink retail, to use rigorous creativity to approach pressing issues from a very different angle. The introduction of the 5p charge for bags in October 2015 brought with it a raft of such issues, from compliance and tax questions for the business to significant challenges for customer communications.

Smith & Village's approach went far beyond allowing the transition to happen smoothly. It allowed for the creation of a new product category that saw a radical growth of sales.

3.3 Overview of market

This project has been a genuinely market leading exercise. No other food and drink retailer has taken the strategic decision to monetise the legislative issue of having to pay for bags in store.

Booths's strategy has been unique and uniquely successful.

3.4 Launch Date

5 October 2015

3.5 Budget

£25,000

Income so far from bag sales has meant that fees have been covered 9 times already in just 1 year.

**For every
£1
invested in design
£9
has been received
back in sales
so far**



4 Outline of design solution (510 words)

The carrier bag has traditionally been one of the greatest ambassadors for any retail brand. It is a simple, cost-effective way of giving instant brand positioning and driving brand recognition. Fashion houses have always used a strong, iconic carrier bag as part of their communications: just think of Selfridges and Bloomingdales. In recent years, other retailers have tried to emulate this success. Often their attempts lack the single-mindedness of the fashion houses but where it works, it can be very powerful. Two successful examples are IKEA and Daunt Books.

Smith & Co Village's solution to Booths's bag issues was simply to stop thinking of them as supermarket carriers and turn them into desirable icons of the brand. What if we treated Booths's bags like the Bloomie's range of Brown Bags?

Surely with a range of beautifully designed fabric bags, we would be able to solve all compliance issues, say something very eloquent about the Booths brand, achieve high recognition and drive sales.

Our thinking identified five key characteristics for the new bags that we saw as the keys to success:

Fit for purpose/utilitarian/high quality:

if the bag isn't right, it won't get used; if it is right, it has a life beyond its original purpose. Therefore make bags for different occasions.

Reflect the brand values:

make the bag something the carrier aspires to be connected with

Keep it singular:

make the bag have a consistent, single-minded message about the brand

Cross the gender divide:

don't rule out half your consumers. make the bags embraceable as a man-bag

and most significantly

Make people happy to pay:

counter the new 5p levy by giving consumers something interesting, desirable and engaging that they are more than happy to buy into.

Based on this, we went on to create a range of bags that could appeal to different occasions and different customer groups:



4 *Outline of design solution*

The large jute shopper

The perfect bag for the weekly family shop; big, sturdy and durable. It has a clear, appealing message about Booths, their Northern roots and their food expertise, and because of its versatility, a range of uses beyond the world of Booths shopping.





4 *Outline of design solution*

The fashion bag

These witty, irreverent cotton bags have a real attitude that says something new and powerful about Booths.

We used a contemporary colour palette and the amusing slogans that all make reference to Booths's home counties of Lancashire, Cumbria and Yorkshire, make the bags immediately appealing to customers.

We wanted them to act as unique pieces of brand communication by being fantastic pieces of brand merchandise all, and we deliberately created five of them so they could work as collectors' items and encourage sales.





4 Outline of design solution





5 Summary of results

The issues presented by the introduction of the 5p levy on plastic bags has turned into a sales opportunity with radical growth for Booths. The introduction of a determined strategy for fabric bags, combined with their striking design has led to impressive results.

Notes:

These figures are based on 52 weeks to 18 June 2016 against the prior 52 weeks value sales excluding VAT.

Before 5 October 2015, Booths sold a single jute shopper

Value of fabric bag sales to the business

*Value to the company
2014-2015*

£38,474

*Value to the company
2015-2016*

£234,502

This represents a
510%
increase in sales,
essentially creating a
new product category
where there had not
previously been one.

This equates to
an average of
£6000
per week
value of sales of fabric
bags, far outstripping the
£1000
per week
of the previous year and
exceeding the target figure of
£2000
per week
meaning sales exceeded
expectation by
300%

Unless otherwise stated,
all results are sourced from
Booths's internal data.



5 Summary of results

As well as introducing the fabric bags, Booths also introduced a 10p plastic bag for life as an alternative to the standard 5p carrier bags. Value sales for these carrier bags have also risen but to a far lower extent (159%) than sales of fabric bags.

From this, we can conclude that the design appeal of the fabric bags is such that it actively encourages customers to purchase those rather than their plastic equivalents.

*Bag for life sales
2014-2015*

£13,546

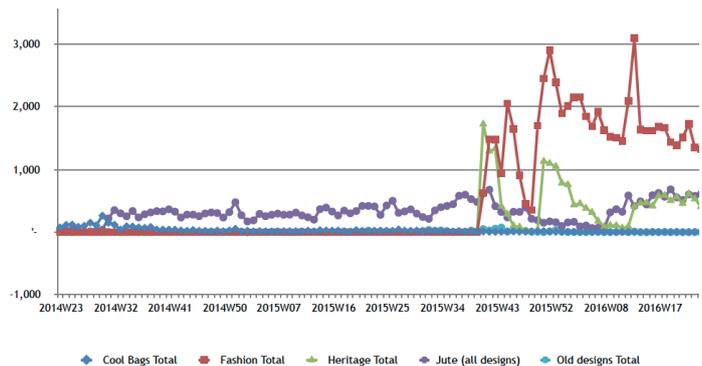
*Bag for life sales
2015-2016*

£35,129

Seasonal uplift means the bags appeal to non-loyalists

Booths's sales have considerable spikes over Christmas and Easter, when non-habitual shoppers come to Booths for their special occasion food and drink. The rise in value for fabric bags over these two spikes was radical, suggesting their appeal to a very wide audience of non loyal consumers.

The fashion bags account for £130,323 of sales. Initially they were sold only in localised stores, relevant to their message. After two weeks of good sales, they were retailed very successfully across all stores.



Anecdotally, the fabric bags allowed Booths to manage the introduction of the 5p bag charge far more smoothly than competitors. The change of policy resulted in fewer than 100 customer complaints, minimal compared to some of the customer relationship issues encountered by other competitors.

6 Other influencing factors - *your questions answered*

Isn't it obvious that you'd sell more bags if you make more types of bag available for sale?

Possibly. But Smith &+ Village's creative strategy deliberately sought to exploit that possibility and we believe that the phenomenal growth in sales of 510% growth can to a very large extent be attributed to the design appeal of the bags. The bestselling bag is probably a case in point. The Cake District bag is bright pink bag and its

design definitely plays up to the current trend for home baking. Because of the appeal and resonance of its design, sales have been worth £45,214, nearly double those of the second bestselling bag.

Could the price have affected sales?

Yes. Booths deliberately made the prices of the bags extremely competitive, for two reasons: firstly to grow sales but also as part of an

environmental drive to encourage customers to trade away from plastic.

Were the bags promoted by an accompanying communications campaign?

Booths do not advertise externally. The bags were accompanied by an in store campaign at launch that presented them to customers in light of the new legislation.



5 Summary of results - Brand recognition and customer engagement

Just as we intended, the bags have become fantastic ambassadors for the Booths brand, something that is especially significant given Booths's absolutely minimal advertising budget. Some of the examples below from social media show how much the bags have started to resonate. They have succeeded in becoming walking advertisements for the brand; they have taken Booths out of its regional base; they have become positive subjects for Tripadvisor reviews and are now being traded on Ebay as collectors items.

from Preston



to the Kings Road London



Avid collectors



Tripadvisor write ups

A Complete Set of 5 Booths Collector's Edition Cloth Tot

Condition: New with tags
Time left: 11d 10h 09m Jul 2016 19:08:22 BST

£35.00

Buy it now

Add to basket

Add to Watch list Add to collection

100% positive feedback New condition

trading on Ebay as collectors items

Catherine Bailey Pete N Di hope you have some of these 😊 x
Like · Reply · Message · 1 · 20 January at 22:38 · Edited
2 Replies · 26 January at 15:16

Dorothy Mead I have the monster Booths one, the Preston not Heston and the Cumbria not Umbria bags that I really enjoy using in Bedfordshire to confuse the locals. But I want the others too - next trip to Booths County, and I'm having them! (And I should point out that all my trips to Lancs/Cumbria have to include a Booths visit)
Like · Reply · Message · 4 · 20 January at 22:12
1 Reply

Maureen Kiernan I had appointment with Consultant Cardiologist yesterday and I had the Withering Heights one, he asked to have a proper look at it and said he had the Pink Cake one, I do a lot of free Advertising for you, but your worth it!
Like · Reply · Message · 21 January at 17:03

Phoebe Houssein Love taking my Preston not Heston into my local Waitrose. The new Poulton store is brilliant - first stop when I go home to visit family 😊
Like · Reply · Message · 3 · 20 January at 22:29
3 Replies · 21 January at 14:39

Kathleen Robinson I would get some - but my old red bags (the ones with removable bottle dividers, that I bought years and years ago, are still going strong. Now, if they were "bags for life" I must be due a free replacement.
Like · Reply · Message · 21 January at 08:26
1 Reply

Andrew Langstone The cake one is brilliant!
Like · Reply · Message · 21 January at 12:47

Emma Blakemore Is there a Poulton bag for Dave Poulton?
Like · Reply · Message · 1 · 20 January at 22:32
2 Replies · 21 January at 10:52

Jessica Hughes Got one of each from your Ilkley store for my mum as a Xmas present. Had to get the cake district for me though, just had to be done.
Like · Reply · Message · 21 January at 07:55

Lisa Slater These are wonderful. I wish there was one for Hebden Bridge.
Like · Reply · Message · 21 January at 06:12

Ginger Mitts I need ALL OF THEM! Can I order through the mail?? Pleeeeze?
Like · Reply · Message · 21 January at 02:30

Rosemary Thompson @ThompsonRosey
@BoothsCountry some interesting bags on display @The_RHS Chelsea

I've got "Cumbria not Umbria" and hoping to get "The Cake District" on my next visit to Cumbria

@BoothsCountry proudly parade around North London with Preston not Heston. Only those who get it can be my friend.

Am obsessed with getting my hands on the Booths bags. Cumbria not Umbria, Wuthering Bites etc

@BoothsCountry can we buy these online? Love them!



5 Summary of results - Internal engagement



It has not just been customers who love the bags. Their popularity with staff in stores has been equally striking. Immediately after they were introduced, with no direction from Central Office, stores understood how well they were selling and created different displays to promote them as effectively as possible.

“The store teams have loved them. They really understand the opportunities the bags present, display them prominently at the front of stores and have great conversations on the intranet about the best ways of promoting them to customers.”

Julie Mills
Marketing Director

A life beyond the bags

The messages of the fashion bags have proved so successful that the concept behind them is now being put to use in other areas of Booths's activities. The messages are now being considered as being used as the base for a wider communications campaign that is in the pipeline, and a range of gift products, based on the bags' designs, is also in development.

“Not only have the sales of bags far exceeded expectation but their success as a branding tool has been phenomenal. The potential they have to say something different and engaging about Booths is extraordinary and we want to make as much use of it as we can.”

Chris Dee
CEO Booths
