

999

FOR PUBLICATION

DBA Design Effectiveness Awards 2012

HYDR8 'VALUE' WATER.

VALUE BRAND LAUNCH OF 'TAKE-HOME'
STILL WATER.

1.2 Corporate Identity

Design and implementation under £100k

Highland Spring

999 Design Group Ltd

July, 2011



“ Three months on from launch, Hydr8 was the most successful bottled water launch ever by value sales. ”

AC Nielsen Take-home Report



3 MONTHS ON,
IT'S THE UK'S
13th
LARGEST
BRAND
BY VOLUME
(140 BRANDS
IN UK)

EXECUTIVE SUMMARY

Hydr8 'Value' water.

Three months after launch and already Hydr8 is the 13th largest selling water by volume in the UK with no promotion, price advantage or marketing activity. Importantly, there was no visual link to the parent brand Highland Spring.

Research indicated that shoppers were demanding locally sourced, quality bottled water and Highland Spring made it their mission to make healthy hydration affordable to consumers through a new brand. Hydr8 was created on the promise of 'brand quality in the Value category.'

Unlike other brands in this space, the new Hydr8 water brand uses 100% British water from protected rural sites, an advantage and marketing claim we made full use of on the label.

The primary challenge was to create a 'value' brand with provenance that stood out from its competitors. It made commercial sense to enter the value water market offering quality at an economy price. Traditional techniques for promoting quality and sustainability credentials had to be tempered with the product being an economy brand, the label design had to suggest as much.

Three months on from launch, Hydr8 was the most successful bottled water launch ever by value sales [AC Nielsen Take-home 14.05.11]. The monetary value since its launch in February to April is £384,000 and if the forecast for the end of 2011 (16m litres) is also met, it will make Hydr8 the 7th biggest brand in the Take-home category in just 10 months.

Hydr8 has been a spectacular success for Highland Spring and the brand design proved to be right first time in the eyes of this particular audience.

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FORECAST
TO BE THE
7th
BIGGEST
TAKE-HOME
BRAND
WITHIN
10 MONTHS
OF LAUNCH

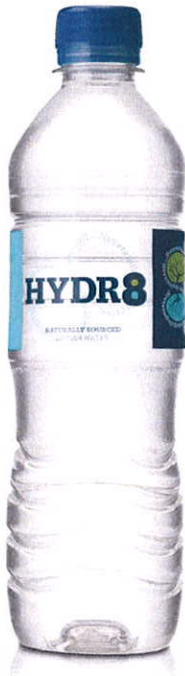
PROJECT OVERVIEW

Outline of project brief

999 were asked to develop a new product brand identity to refresh the existing 'Value' brand used by Highland Spring. The challenge was to create a memorable brand with provenance that stood out from the competition – bring brand quality into the 'Value' category offering affordable, healthy hydration.

Hydr8 aimed to:

- 1 Dominate the Value category by adding quality to a low value product
- 2 Achieve sales of 1 million GBP within 12 months
- 3 Drive fresh revenues from existing resources
- 4 Continue the growth of the 'Value' category
- 5 Achieve these goals whilst maintaining a positive CSR policy



Description

Market research showed that consumers sought locally sourced, quality bottled water and Highland Spring set their goal to make healthy hydration affordable to customers. This led to the development of a new brand. Hydr8 was created on the promise of 'brand quality in the Value category.'

As brand owner, Highland Spring's target was to strengthen its position to compete in this category with Nestle 'Pure Life', Aqua Pura, Icení, Ice Valley, Saka and the plethora of own brands operating on the marketplace. These 'Value' or economy brands sell to the consumer from Cash & Carry and Wholesale sectors (Take-home) and trade solely on price.

The value of 'provenance' in this category.

Highland Spring market research points to 'Provenance' being an important factor in the sales surge of Hydr8. Over a quarter of people questioned responded accordingly.

"The success of Hydr8 is largely down to consumers desire for quality home-grown products. The quality of Hydr8, for such a reasonable price is undoubtedly a significant factor in its strong sales. As the research below shows, Hydr8 ticks many of the important factors that influence their purchasing decision. Through our extensive market research we identified a gap in the market which led us to develop the Hydr8 brand positioning to fulfil what we believed would meet the needs of consumers and the trade.

To date the results would suggest that we were correct with our hypothesis and that the Hydr8 brand is meeting those consumer/trade needs. Obviously the fact that the brand is from the Highland Spring Group adds credibility, thus ensuring consumers and trade alike are able to buy a quality brand within the value sector."

Daniel Hird , Marketing Executive



Overview of market

Value category waters are growing at **5 times** the rate of other waters and account for **12.3 %** of total packaged water and annual volume is up **10%** on last year [2009]. The Value sector accounts for **12.3%** of the total sales and is growing year on year. The rate of 'value' waters increasing sales represented a significant opportunity for Hydr8.

Still water, represents **86.8%** share of the water market sales (sparkling waters represent 13.2%) but the premium end grew at the slower rate of +0.5.0% year on year. [Source: Nielsen, MAT, w/e 14.05.11].

Highland Spring understands the dynamics of the water market and the significant differences between purchase decisions. Whether Still or Sparkling, Premium or Value - brand attributes work differently. Still water drinkers, at this level, want simply to re-hydrate, no frills.

Budget and launch date

The budget was limited to **£13k** and the whole branding project had to be delivered in eight weeks to launch on the 1st of **February 2011**.



Outline of the design solution



Once we had analysed the research findings and got to the essence of the consumer requirement we set out to create a name that 'hit the mark' with the consumer. The identified 'gap in the market' and the nature of the consumer demand told us that 'quick, effective hydration' was the No1 consumer desire in this category so we placed emphasis on finding a name that was direct and communicated the benefit of the product.

What made our product superior was the provenance and implied quality messages.

After a number of options were explored and research with target groups undertaken, we settled on Hydr8.

The name, Hydr8, was inspired by and relates to:

- The 8 glasses of water a day we're told by medical experts and nutritionists to drink to stay hydrated and healthy.
- The demand by the market to have a product simply to aid hydration, no frills.
- The number eight [8] was interpreted graphically as an infinity symbol representing 'the never-ending cycle of water to and from nature', illustrated by a 'from root to branch' symbol and a course hand-stamped aesthetic across the bold typography.

The quality aspect to Hydr8 is amplified with the descriptor 'Naturally Sourced British Water', an advantage in the value sector where water 'provenance' is rare.

It was important that the brand / label was not over designed but that the benefits were clear.

We created the strap-line 'Never ending Hydration' and used colour bars down each side of the label and shrink-wrap to be visually disruptive [eye-catching] in the water aisle/ shelves.

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61%
INCREASE ON
PROJECTED SALES

SUMMARY OF RESULTS

Hydr8 is the fastest brand launch in the Take-home water category (by value) in the last 6 years. Since Hydr8 launched in February, the new brand has become the 13th largest brand by volume [three month figures].

To put this in perspective, there are approx 140 brands of bottled water in the UK – not to mention the plethora of Own Label offerings available.

Aggressive initial annual sales targets have been achieved already and if the initial forecast for the end of 2011 (16m litres) is also met, it will make Hydr8 the 7th biggest brand in the Take-home category in just 10 months.

Budgeted sales forecast versus actual sales [first qtr]

	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Total
Budgeted					
Sales (litres)	2,000,000	2,500,000	2,000,000	1,200,000	7,700,000
Actual					
Sales (litres)	4,500,000	5,000,000	3,500,000	3,000,000	16,000,000

UK products have driven market share for the last 5 years and now account for 71% of water sales in the UK.

Share of Products by Source in Multiple Grocers Value MAT

UK Sales	UK	France	Other Imported
2009	63.7%	32.8%	3.5%
2011	70.9%	25.6%	3.5%

[Source: Nielsen Multiple Grocers 14.5.2011]

OTHER INFLUENCING FACTORS

Having Highland Spring as a 'parent brand' did two things in terms of influencing the new brand's acceptance by outlets and wholesalers;

- 1 The quality and provenance of the water was accepted by outlets as a given
- 2 The distribution network was effectively in place

This was allied to the potency of Highland Spring's market research findings and together these factors paved the way for a less arduous entry to the marketplace.



RESEARCH SOURCES

- An audit of Hydr8 sales data.
- Highland Spring market research
- Nielsen



HYDR8

The logo features the word "HYDR8" in a bold, dark blue, sans-serif font. The number "8" is stylized with a light blue circle at the bottom and a light green circle at the top. The background contains a faint, circular watermark with the text "Never ending hydration..." repeated in a light blue color.

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