

PEPPERSMITH GUM

Category: 4.0 Packaging

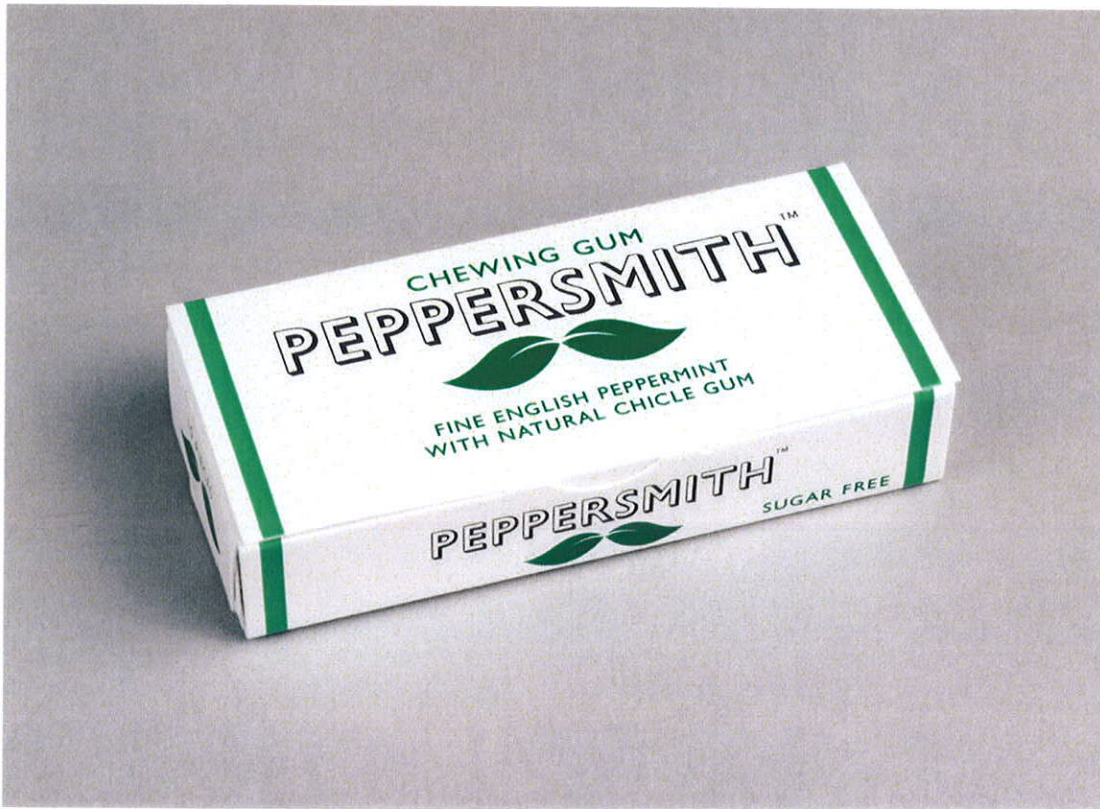
Sub-Category: 4.1 Branded Food

Client: Peppersmith

Agency: B&B Studio

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EXECUTIVE SUMMARY

Peppersmith gum is a small brand with a big story. Launched just 18 months ago into a category stifled by dominant global brands, it has successfully created its very own market, and boldly gone where no other gum has gone before.

By working to a revolutionary business model of selling its ethical, natural gum directly to independent retailers, one shop at a time, the brand has successfully expanded the gum category into a host of premium cafés, delis, food and health stores – outlets that have never sold chewing gum before.

Rather than selling to two or three grocery distributors, Peppersmith pursued a strategy of selling directly to literally hundreds of busy shopkeepers, convincing them individually to give Peppersmith gum pride of place on their countertop as that last-minute impulse purchase.

This labour-intensive strategy simply could not have succeeded without exceptional packaging design that was able to win the support of shopkeepers time and time again. This paper will demonstrate in detail how the design has helped the brand:

- Pioneer a new premium and natural segment to the UK gum category
- Rehabilitate chewing gum as a premium product with important health benefits
- Meet optimistic sales targets of £200,000 in Year One
- Set the brand on target to achieve 900% growth over Year Two
- Win valuable listings in Selfridges, Waitrose and Whole Foods
- Bring innovation and excitement into a stagnating category
- Draw attention to the environmental impact of gum-related litter

All in all, it's an outstanding achievement for one of the smallest pieces of packaging on the market!

PROJECT OVERVIEW

Project Brief

The core objective was to create an entirely new gum brand, including naming, tone of voice and visual identity. Packaging was the main focus of the brief as it would be the brand's core sales and marketing tool.

The design objectives of the brief were:

- communicate natural ingredients and premium quality
- create desire for something new and different
- develop an innovative packaging structure

The business objectives of the brief were:

- deliver the strength and standout to win over retail buyers
- enable the creation of a premium sub-category within gum
- meet initial sales targets of £200,000 in Year One

Description

Peppersmith is a small, entrepreneurial business that began as a team of two people, and has since grown to four and a half. Its core product is a chewing gum that is vastly different to every other gum on the market. While ordinary chewing gum is almost entirely synthetic, made with a petro-chemical base, and packed with a cocktail of nasties, including Aspartame, Sorbitol, Bovine Gelatine and Butylated Hydroxytoluene, Peppersmith is completely free of artificial ingredients, and made simply from natural, ethically-sourced, rainforest chicle and English peppermint.

It's also better for teeth than any other gum on the market, and is accredited by the British Dental Health Foundation and International Dental Health Foundation because it actively reduces plaque and the risk of tooth decay.

Overview of the Market

The UK gum market is saturated and stagnating. It is dominated by two huge multinationals – Wrigleys (Mars) and Cadburys Trident (Kraft), who control 90% of the market between them, own the majority of impulse shelf space in grocers and newsagents, and have exceptionally deep marketing pockets.

The unchallenged domination of Wrigleys and Trident means there has been little innovation in the category since the launch of sugarfree gum in the 1970s. As such, the market shows no growth: its £340m value in 2010 represents a drop of 1.4% from 2009, and is equal to its value for 2004. This is in stark contrast to other confectionery, such as chocolate, which has grown over 15% during the same period.

Gum simply hasn't felt the influence of the challenger brand mentality that has brought innovation and quality to virtually every other food and drink category in recent years. And this isn't solely due to global brand dominance: gum requires a

complex manufacturing process, and there are only a handful of facilities available in Western Europe. In addition, the whole industry is set up for low cost / high volume production, effectively eliminating any premium, low volume competitors.

Project Launch

Peppersmith launched in January 2010.

Design Budget

The total design and production budget was £15,500

Design Solution

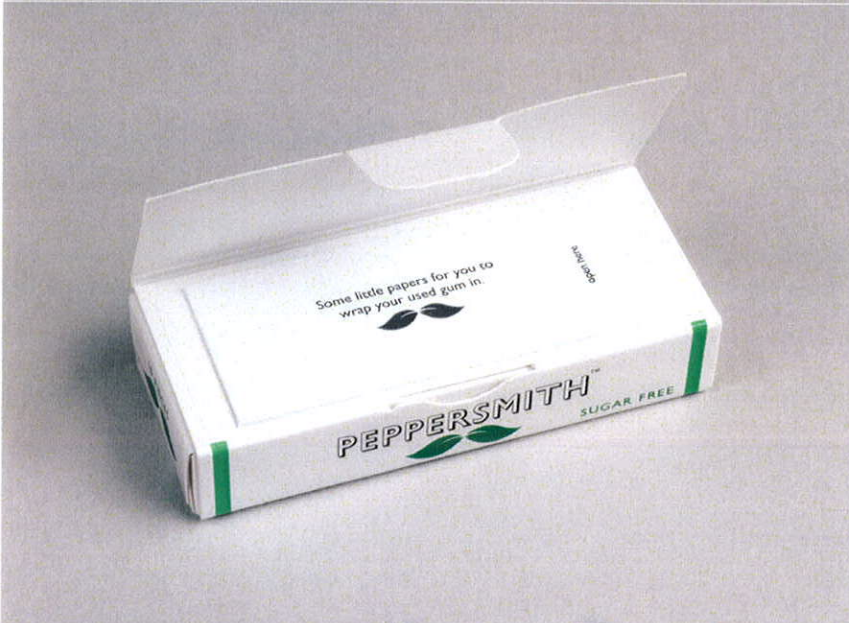
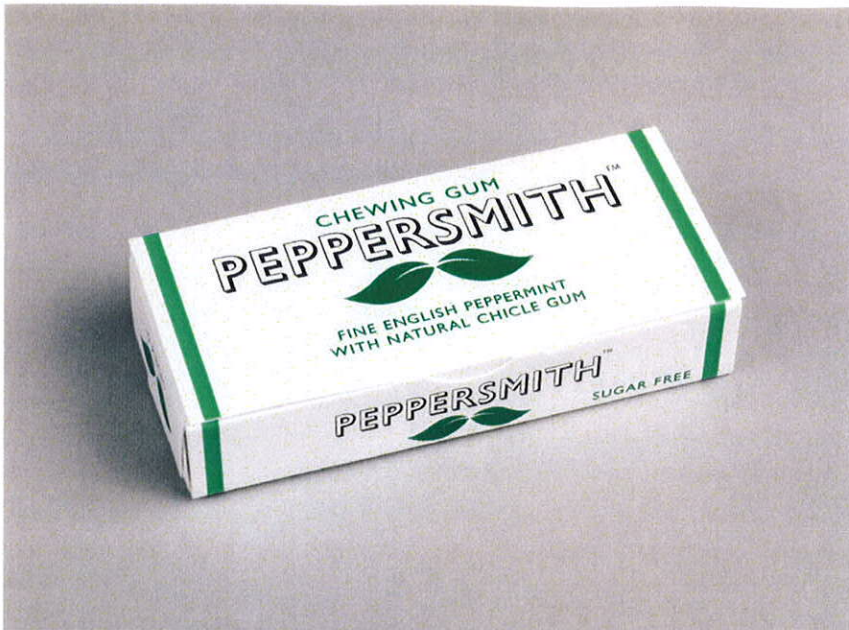
Designing for a product with so much to say with such a small piece of packaging presented a challenge right from the start. Key brand messages included dental health, 100% natural ingredients, ethically-sourced rainforest chicle and English-grown peppermint, but rather than over-communicate, or focus on one particular message at the expense of others, B&B took a more single-minded approach.

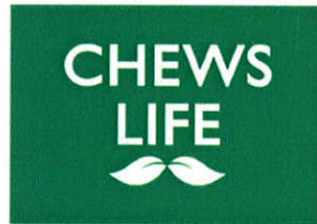
The strategy was to strip back the information and create a brand with real depth and discovery. It was crucial to create a desirable pocket accessory – a stylish gum for the ethical man about town – and let consumers engage with the broader brand at their own pace. Gum is essentially an impulse purchase, so the packaging had to be strong enough to attract consumers from the shelf.

The Peppersmith name reflects both the Englishness of the mint and the artisan nature of the product, and was essential in communicating premium quality. The minimal design supports this crafted and adult feel, and is crucially the polar opposite of Trident and Wrigley's bland mainstream look.

What makes the brand truly stand out from the crowd is its disruptive and compelling personality. The mint leaf / moustache icon brings in an element of fun that continues within the packaging in the form of hidden illustrations of moustache heroes. The playfulness of the approach suggests an engaging tone of voice that has carried across into broader brand communications, including the website.

The packaging is also an example of great structural, as well as graphic, design. A brilliant piece of paper engineering, it features a matchbox-style compartment for the gum and a flip-up lid that contains tiny papers for responsible gum disposal – a proactive approach to the problem of gum-related litter.







The world of Wrigleys and Trident – Jan 2010

293/500 words

SUMMARY OF RESULTS

Sales Success

Peppersmith's Year One sales target of £200,000 was deliberately challenging, and the fact that it was exceeded, is a huge success for the brand. Here's why:

"With 230 working days in a year, our target depended on making £860 of revenue each day. Let's start with day one: if we managed to visit 15 independent outlets that day, and sold into 10 of them (which is optimistic), that is just £100 of revenue. Most brands that launch in grocers have to sell to two or three buyers. We had to sell to hundreds – and there were only two of us. More often than not, a successful sale was because shopkeepers liked the look of the packs and wanted them on their counters."

Dan Shrimpton, Founder, Peppersmith.

Through sheer hard work, the brand has built traction with a number of retailers, and is now on target to meet its Year Two sales goal of £1million +.

Expanding the Category

Virtually all of Peppersmith's retailers are food or health outlets that have never stocked gum before, and would not have countenanced selling the synthetic products of either of the dominant gum brands. The premium nature of the packaging and engaging personality of the Peppersmith brand has been instrumental in convincing shopkeepers of the quality of the product, and encouraging them to display it in the valuable impulse space by their tills.

As a result, Peppersmith has successfully expanded the distribution of gum into brand new markets in the UK, converting over 600 gum-free outlets into proud Peppersmith retailers. The brand has effectively created a new premium and natural segment for the chewing gum category, bringing innovation and competition to a declining market.

Securing Valuable Listings

Despite its initial availability in limited outlets only, the strength of the brand and packaging generated significant word of mouth, enabling Peppersmith to secure valuable listings in premium supermarkets within weeks of launch. By March 2010, Peppersmith was available in Whole Foods Market and Planet Organic, and listings were secured in Booths and Waitrose by the end of the year. Peppersmith is now also available in Selfridges, and Puccinos Coffee outlets.

Changes in Perception

Peppersmith's key brand benefits – natural, ethical and good for teeth – have attracted a host of new consumers to gum who were previously alienated by the synthetic products available. By successfully communicating quality, health and naturalness – and by reimagining gum in a whole new way from the mass market branding of Wrigleys and Trident – the packaging has been essential to this shift in consumer behaviour.

Environmental Impact

The Peppersmith packaging is engineered solely from card, so the brand uses no plastic, no foil and no tin. The innovative design is tamper-proof, negating the need for a plastic wrap, which is common in gum. All packs are made from FSC accredited materials so they have no negative impact on the planet's natural resources.

In addition, the pack demonstrates significant innovation by including little papers so people can wrap their used gum and dispose of it sensibly, rather than let it stick to the pavement – a variety of gum litter that has greatly increased since mainstream gum brands cut costs by selling unwrapped pellets rather than wrapped sticks. Peppersmith's practical solution to this problem has been at a high cost to the business, but it clearly demonstrates – through ingenious packaging – that the brand cares about the environment and is different to other gum companies.

Indeed, these efforts have already been recognised by the Mayor of London, Boris Johnson, who invited Peppersmith to present their litter prevention ideas to competitor companies at his Gum Summit at London City Hall. The brand was also invited to DEFRA's National Litter Convention, a meeting of the 100 most influential people in the world of litter (aka the litterati).

New Product Development

Thanks to the success of Peppersmith gum, the range was expanded in 2011 with the launch of a spearmint gum as well as peppermint sugar-free mints, which have secured listings in Selfridges and John Lewis Food Halls. As only 20% of the mint market is sugar-free (compared to 90% of the gum market), Peppersmith's new mints look set to continue the brand's positive impact on dental health.

Quality Recruitment

The strength of the branding has enabled Peppersmith to attract exceptional applicants for every position advertised. The wider Peppersmith team share a desire to work for a values-drive organisation, and be part of a brand that is demonstrably innovative and forward-thinking.

OTHER INFLUENCING FACTORS

The Peppersmith brand was funded from the savings of the two founders, and the marketing budget has been very limited. The main investment was on brand development and packaging, with a small amount spent on two trade events and a small PR campaign.

The PR agency made great use of packaging shots and the overall Peppersmith brand personality, and successfully secured mentions in Observer Food Monthly, Jamie Oliver Magazine, The Evening Standard, The Metro, The Telegraph, The Times, The Mail on Sunday, The Independent and, notably, the style magazines The Stylist and Wallpaper. Virtually every article featured an image of the packaging, which regularly took up more space than the words themselves, and the design itself was regularly commented upon.

RESEARCH RESOURCES

1. Key Note Marketing Intelligence
2. Peppersmith internal figures