

Spreading the love for Anchor

Category
4 Packaging

Sub Category
4.1 Branded – Food

Client
Arla - Anchor Butter

Design Consultancy
Elmwood

Date
June 2011



elmwood

Executive summary



Before



Before

Anchor holds a special place in the hearts of a whole generation of butter lovers, who remember the brand from childhood. In the last few years however, a very busy marketplace with hardly any category growth plus aggressive price promotions saw Anchor's sales decline.



3rd



No brand love

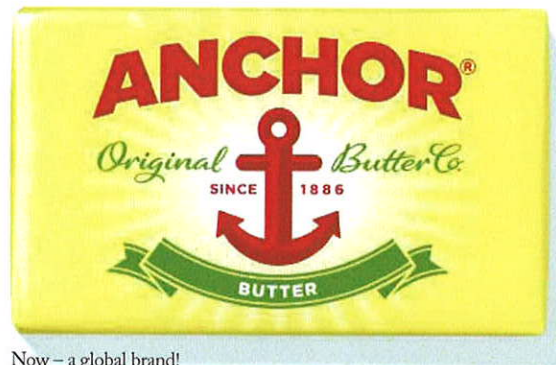
After three decades as the UK's favourite, Anchor had slipped to third place. By the time the recession hit, exacerbating the butter wars*, it was clear people had completely forgotten how good Anchor was. We needed to reignite the love for Anchor and help people see beyond price promotions, in a very competitive category. Helping consumers recognise Anchor, stand out on shelf and behave more confidently as a brand was key.

Our job was three-fold:

- 1) reignite consumers' latent affection for Anchor with a more iconic, more appropriate brand expression
- 2) stem the decline in sales
- 3) stabilise and maintain sales levels, year on year.

**The 'butter wars' of 2006 onwards: where big brands fighting for market share used aggressive promotional tactics.*

Executive summary



Now – a global brand!

Bigger love for Anchor

- 34% increase year-on-year in number of consumers saying they loved the Anchor brand
- 20% rise in purchase consideration

We didn't just stem the decline – we reversed it

Within 12 weeks from launch...

- Block volume sales up 39% against a market of 2.7%
- Spreadable volume sales up 23.9% against a market of -6.6%

£98m

Brand V's a £87m brand

- Anchor butter is now a £98m brand v. £87m, year on year

And there has been a 2.5% increase in household penetration, in other words, welcomed into 750,000 new homes.



Back in the UK's top three butter brands

In terms of value sales, Anchor is now only behind Lurpak and Flora (which isn't even a butter).

Sales growth as well as stability

From -6.4% volume pre launch to overall +9.2% sales volume in the first year, moving the brand from decline to positive growth.

Project overview

The brand truth:

**Anchor
is the
UK's
oldest
butter
brand**



Outline of brief

Create a new brand positioning and packaging design to:

- Reignite consumers' latent affection for Anchor butter
- Stem the decline in sales
- Stabilise and maintain sales levels, year on year

Description

Established in 1886, Anchor is the UK's oldest butter brand. From the early 1960s, Anchor spent three decades as Britain's favorite butter [The Grocer, Dec 11, 1999] but had then dropped to third place behind Country Life and Lurpak. There are 7 SKUs in both block butter and spreadable and Anchor is sold in all major food outlets from big supermarkets to small convenience stores.

Overview of market

It wasn't the easiest of times for Anchor butter to try and turn its fortunes around...

An aggressive but static market

The butter, spreads and margarines market is a mature one with 99% penetration, but there had been zero top-line growth for over five years. What little value growth there had been was driven by price inflation (Nielsen and Kantar, 2010). This prompted the 'butter wars', with the big brands fighting for market share using promotions and discounts. So much so that the volume of butter sold 'on deal' almost doubled between 2006 and 2010 (Nielsen, 2010). After years of being relatively quiet, the brand was beginning to weaken (Think Tank, 2009) and sales fell into decline (Nielsen, 2010).

Hard-to-reach consumers

These difficult market conditions changed the way people shopped for butter. Consumers were spending around just seven seconds at the butter fixture (Arla Foods, 2010) scanning on autopilot for money-off deals – which were plentiful. Rising commodity prices had pushed the retail price of butter up 10–15%, giving consumers even more reason to either buy on-deal or turn to cheaper spreads. Anchor's position was falling – with Lurpak as number one, and Country Life at number two, pushing Anchor down into third position.

Project overview cont.

Our insight:

In tough times, people find comfort in what's familiar...

A new approach

Their target consumers are homemakers, who enjoy feeding their families on quality food. They remember Anchor from childhood (when it was Britain's number one butter brand) but rising prices had made them price-conscious. Anchor's brand positioning wasn't helping – 'the free range butter company' was no longer as motivating to consumers as it once had been (Think Tank, 2009), and wasn't strong enough to lead home-makers away from the more dominant brands. Especially as people assume cows (unlike poultry) are free range anyway.

The silver lining

In tough times, people find comfort in what's familiar and trusted – a trend known as 'contemporary nostalgia' first identified by Future Lab. We saw this as our chance to touch homemakers' hearts with a 'contemporary classic' design solution, and persuade them to fall back in love with Anchor butter again.

Project launch date

March 2010 (soft launch)

Size of Design Budget

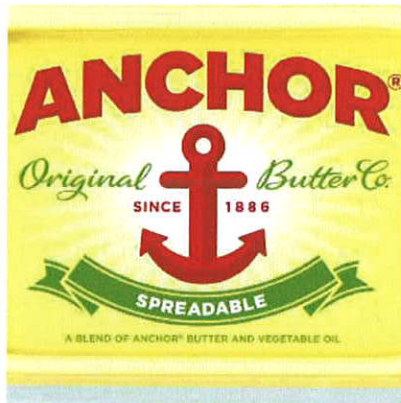
£67,000



Project overview cont.



Before



New: Bold and iconic



New: Easier to navigate

Outline of design solution

We believed we could do more than just stem the decline in sales – we wanted to make it the category icon and consumer signpost too, the brand you notice first. So we rearticulated the brand's proposition and what it stands for with a 'contemporary nostalgia' approach. 'The Original Butter Company' would be the stage for Anchor's other fundamental truth – its very ownable position as THE longest established butter brand in the UK, since 1886 (another key motivator for consumers).

More like a spread than a butter

The existing design gave out mixed signals. It was ultra-modern with no heritage cues, which made it look more like a processed margarine than a butter. The dayglo colours implied artificial ingredients (as opposed to 'natural'), while the variant packs were all different colours, which diluted the range proposition on shelf and reduced overall brand standout. Consumers simply weren't seeing it on shelf.

The Original Butter Company

We injected a sense of pride and heritage with the supporting line, 'The Original Butter Company since 1886'. This also differentiated it from oil-based spreads, but without being overly nostalgic. Research showed that consumers found this line very motivating, as the brand had clearly stood the test of time. The simple, iconic design communicated pure, natural and heritage to further (re)inspire trust – trust being an essential motivator for food brands and products.

Bold, iconic quality and purity

We set to work elevating the brand's key equities. We redrew the iconic Anchor and gave it pride of place on pack fronts underneath the more dominant, refined Anchor logo. For the backgrounds, we used a rich yellow glow and warm rays, giving a nod to the natural colour of the butter itself, helping consumers see it's worth paying a little more for. We applied the yellow colour blocking across the range, which vastly increased standout on shelves.

As consumers only spend around seven seconds shopping for butter, the range had to be quick and easy to navigate. So we simplified the packs and introduced a stronger sense of craft through the typography, and created a clear but subtle navigation system – the ribbon device – to help consumers shop the range (salted, unsalted, spreadable, light and light spreadable).

Next up was the brand story. Used in the right way, language can engage as well as differentiate, so we created the Anchor butter story and told it in a friendly tone of voice, engaging consumers at a deeper level and reinforcing the trust.

Summary of results



Our key objectives were to:

1) Reignite consumers' latent affection for Anchor

More people love Anchor

Brand Tracking by Millward Brown (Brand Tracker, Jan 2011) showed that:

- 'brand love' increased by 34%, and
- 'brand purchase consideration' rose by 20%

Good enough for the breakfast table

Anchor Butter has even been rated as the number one brand to have on the breakfast table by Derek Johnston, who has worked in the creative industry for over 20 years at some top agencies, in his article Top 10 British Foods, published on POPSOP.com.

From POPSOP: Top ten British foods (friends), by Derek Johnston, Family (and friends) – 9 June 2010:

"That's why store cupboard favourites become just that. You are happy to bring them out at the drop of a hat, transfer to table, then back in their resting place. But I argue that you can have both: tell a strong, well executed story at point of sale, but make it a stylish and table friendly one. In the early days of pack branding, things were no different – attention had to be gained, but aesthetics were not so readily lost. Neat messaging, good graphic design and fun formats must be employed on not just fancy, luxury items, but also for the mass market."

Top ten in our current list amongst our British/resident friends:

1. Anchor Butter, UK redesign fabulously simple and a brave move to strip back all but the necessary.
2. Marmite
3. HP Brown Sauce
4. Illy Coffee tin
5. Bonne Maman Jam
6. Campbell's Soup (replacing Baxter's)
7. Colman's Mustard
8. Kikkoman Soy Sauce
9. Heinz ketchup
10. Tate & Lyle Treacle"

Summary of results cont.



“We have had nothing but positive feedback. Consumers are loving Anchor once again! It’s simple, proud, iconic design stands out in store and instantly helps them find it. People know they are buying proper butter and a brand they can trust.”

Mike Walker, *Senior Brand Manager, Anchor Butter*

2) Stem the decline in sales

Within 12 weeks from launch, with no other marketing support or activity:

- Block volume sales were up 39% against a market of 2.7%
- Block value sales were up 35.7% against a market of 7.3%
- Spreadable volume sales were up 23.9% against a market of -6.6%
- Spreadable value sales were up 23.7% against a market of + 3% (Arla ex factory sales data 2010)

As of January 2011, its now on 750,000 more kitchen tables

- 2.5% increase in household penetration – in other words, welcomed into 750,000 new homes (Kantar, 2011)

3) Stabilise and maintain sales levels

Sales growth as well as stability

- Anchor had been declining at -6.4% volume in the year before re-launch (Nielsen, 2010). Post re-launch, this decline reversed, generating +9.2% sales volume in the first year, from 19,777,000 kgs to 21,597,000 kgs (Nielsen, 2011).
- Anchor is now a £98m brand v. £87m, year-on-year (Nielsen 2010 and 2011)

No.2 true butter brand

- Anchor is now outselling Country Life in volume for the first time in two and a half years, and is now only behind Lurpak, in terms of value sales (Nielsen, 2011).

Other influencing factors



Other influencing factors

Anchor Butter is a major FMCG brand, and of course there would be other activity to support a major rebrand. However, the new brand positioning and pack redesign formed the basis of all the other activity. The new packs were launched in to store 12 weeks before any of the additional activity began, and the stats show this had an immediate effect.

The new packs stopped the sales decline and turned Anchor around, providing a good grounding for further brand and sales growth.



Was it the advertising campaign that drove sales up?

No. There was new creative (TV and outdoor), but it built on the repositioning work which was done with the pack redesign. The advertising spend year-on-year remained the same. Sales post new pack launch but pre ad campaign:

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Was it on price promotion?

No, there were no price promos before May 2010 & after the pack launch.

The Butters Spreads and Margarines category is notorious for aggressive price promotions, and in fact the extent of promo activity back in 2006 even led to the coining of the phrase 'The Butter Wars'. Since then the level of promotions has increased, with the volume being sold on deal increasing from 25% in April 2008 to 46% in April 2010 (Symphony IRI in The Grocer, 2010). Industry sources also suggest this is now as high as 70-80% (The Grocer, 2010).

In the 52 w/e 17 April 2011, Anchor had sold 60% on deal, which was less than Lurpak, Country Life and the oil-based spreads and margarines such as Clover, Flora and Utterly Butterly (Kantar, 2011). And less than in previous years, with there being 11 fewer promotions in 2011 than in 2010 (The Grocer, 2011).

Anchor also is now in the top 3 total Butters, Spreads and Margarines brands, in terms of value for the 52 w/e 14 May 2011, behind only Lurpak and Flora, (and flora isn't a true butter), both of which sold more on deal than Anchor. In terms of volume, Anchor is in 6th place, but again all those above it sold a greater percentage on deal.

Was the Value growth generated due to inflation?

No. Value growth was subject to increases in prices of raw materials, but Anchor's increases were well above the category growth and coincided with volume growth too.

In store Shots

Other influencing factors cont.



Research Resources

- Arla Ex Factory Sales Data
- Arla Food Ltd. Shopper Marketing Research 2010
- Kantar, 2010
- Kantar, 2011
- Millward Brown Brand Tracking research, Quarterly reports 2009 & January 2011
- Nielsen, 52 w/e 2010
- Nielsen, 52 w/e 14 May 2011
- POPSOP - Top ten British foods, by Derek Johnston, Family (and friends). 9 June 2010
- The Grocer – Focus On Butters & Spreads, 3 July 2010
- The Grocer - Focus on Butters & Spreads, 2 July 2011
- Think Tank Research, March 2009