

For publication

Cooke™ & Lewis

Category 01 Corporate brand identity
05 Point of sale

Subcategory 1.1 Design and implementation

B&Q Client company

20|20 Design consultancy

3 June 2009



Executive Summary

Following a review of their kitchen business by Boston Consulting Group, B&Q commissioned 20|20 to develop a new customer proposition and brand for their mass-premium segment.

The standalone specialist kitchen brand Cooke & Lewis replaced B&Q Select and launched in November 2008.

It achieved the following excellent commercial results:

- In 2008, 85% of B&Q's kitchens sales were value for money (mostly <£1,000 for 8 units) and 15% mass premium (> £2,500 for 8 units). This year, the new Cooke & Lewis brand has increased mass-premium sales by +367%. This segment now represents 55% (+40%) of total kitchen unit sales, while value for money kitchens are reduced to 45%.
- Cooke & Lewis outperformed the market by +394% (AMA) or +417% (Verdict).
- Advertising in 2009 was 58.3% lower than the same period last year. B&Q's share of voice went from 8.1% in 2008 to only 3.8% in 2009.
- In its first 10 weeks of trading, Cooke & Lewis sold +31.1% more volume than Select in the same period 08.
- Enquiries for premium kitchens increased to from 69% to 75% and the conversion rate increased from 30% to 50%.

“Replacing ‘B&Q Select’ by specialist premium kitchen brand ‘Cooke & Lewis’ has been a major commercial success. The brand is a very creative and effective response to what customers have been telling us. Cooke & Lewis has improved our style credentials and given B&Q the credibility to sell higher value kitchens.”

Sarah Greenaway, Senior Brand Manager
B&Q

(Word count 209)

Project Overview

1. Outline of project brief

Following an extensive analysis of their kitchen business, the B&Q commercial and marketing teams commissioned 20|20 to redefine the meaning of their 'better' and 'best' kitchen offer and transform 'B&Q Select' into a customer-led and marketable proposition for kitchens.

The objectives were to:

- Establish a compelling customer proposition, clearly differentiated from the take-away offer
- Create a credible, specialist brand that allows B&Q to gain share in the valuable mass premium segment
- Increase total kitchen turnover
- Increase profitability of kitchens
- Increase conversion rate

2. Description of the project

After reviewing B&Q's existing research, we conducted 'real time research™' (In-store interviews) to understand the different customer mindsets and buying decisions.

The project team went on shopping Safaris™ to experience 'buying a kitchen' first hand, from the customer's point of view, in B&Q and at the competition.

We conducted 10 customer focus groups with existing customers and non-customers, to validate the customer mindsets, the customer journey, the new brand's proposition and a variety of names; Cooke & Lewis was the outstanding favourite.

Customer insights from all of the above research formed the basis for this winning customer-led proposition, focused around 'quality' and 'style'.

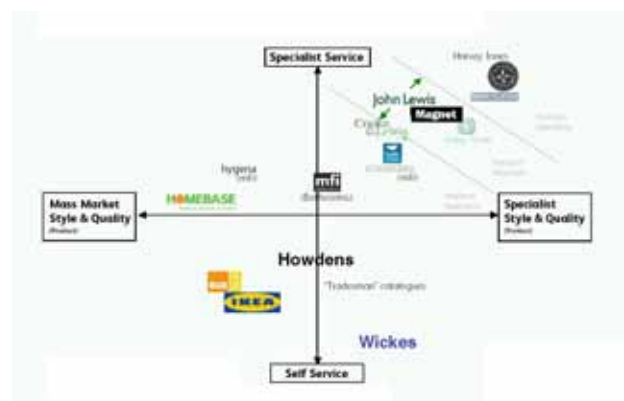
These two values are the most important criteria for choosing a kitchen, but customers did not believe B&Q could deliver on either. We therefore created a credible, specialist and stand-alone brand. The relationship with B&Q is positioned as a 'special partnership'.

'Quality' and 'style' are key to B&Q's growing DFY (Done for you) customer and to women in general, who are the primary decision makers of their home's look & feel. Cooke & Lewis also supports B&Q's corporate strategy to improve their appeal to women in general.

Cooke & Lewis has a separate website, brochure and point of sale materials; Cooke & Lewis' installation partner is B&Q.

3. Overview of market

Although 69% of British consumers considered B&Q for a kitchen between £2,500 and £4,000, only 30% finally purchased from B&Q. The low conversion rate is primarily attributed to B&Q's lack of 'quality' and 'style', the two most important shopping criteria for kitchens.



4. Project launch date

November 2008 (Week 47)

5. Size of design budget

Confidential

Project Overview

6. Outline of design solution
Customers confirmed that Cooke & Lewis, two traditional English names with implied heritage, felt intuitively familiar and credible as hand-crafted and stylish. The double name reflects instant authority: Black & Decker; Fortnum & Mason and Farrow & Ball.

To give the brand a clear profile and engage the internal teams, 20|20 created imaginary CVs and personalities for Cooke and Lewis and presented the new identity as their creative journey. Cooke stood for Quality and Lewis for Style.

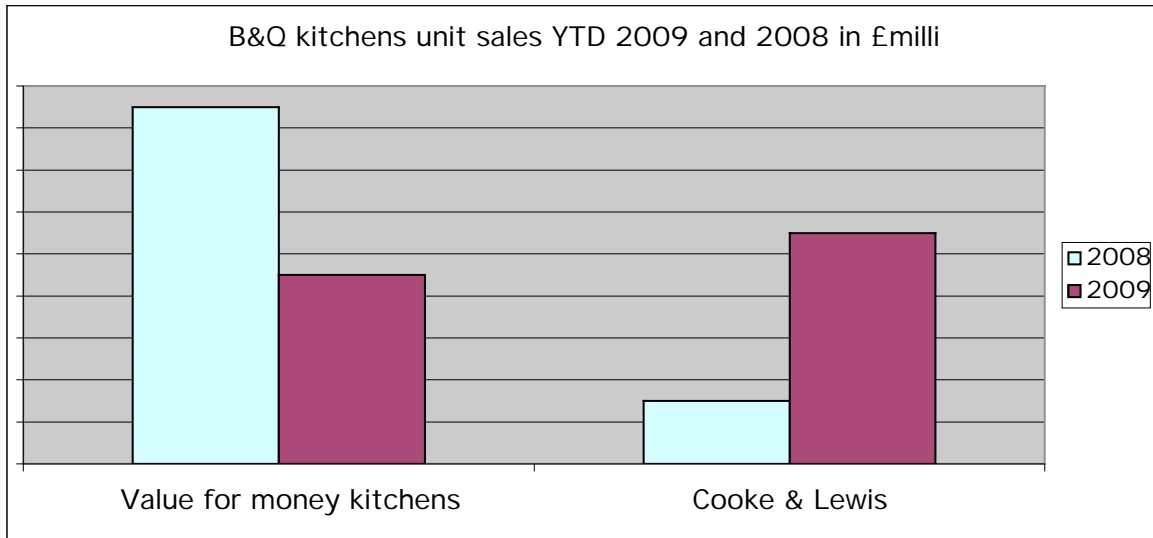
The new identity links Cooke to Lewis with an ampersand. The two colour ways a solid grey (C for Cooke / Quality) and a stylish green (L for Lewis / Style) were chosen to help communicate different personalities.

All communication developed for the brand focuses on Quality and Style.

(Word Count 501)



Summary of results



Increased sales (in value)

In 2008, 85% of B&Q's kitchens sales were value for money (mostly <£1,000 for 8 units) and 15% mass premium (> £2,500 for 8 units). This year, the new Cooke & Lewis brand has increased mass-premium sales by +367%. This segment now represents 55% (+40%) of total kitchen unit sales, while value for money kitchens are reduced to 45%.

The overall kitchen market is worth £2.2bn (source: AMA +40% gross margin) in the UK. Due to the current housing market and customers holding back on high ticket items, the market is estimated to decline in 2009 between -7.0% (AMA) and -12.1% (Verdict)

Cooke & Lewis outperformed the market by +394% (AMA) or +417% (Verdict).

B&Q total kitchens grew +7% 2009 YTD and outperformed the market by +15% (AMA) or +21.7% (Verdict).

Conversion rate

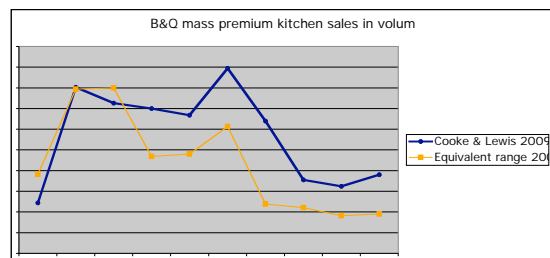
Confidential

Increased sales (in volume)

In its first 10 weeks of trading, Cooke & Lewis sold +31.1% more volume than its equivalent ranges in the same period 08 (see chart above)

Trading Up

Cooke & Lewis inspired existing customers to trade up and new, upmarket customers to purchase.



Research Resources

B&Q

AMA

Verdict

Other influencing factors

The product

B&Q worked very hard to improve the design and range of its mass premium kitchens for the launch of Cooke & Lewis.

MFI in administration

Administrators shut all MFI stores between November and December 2008. Its remaining stock was sold at bargain prices throughout the closures and the rest to an entrepreneurial retailer from Plymouth for £29m.

Competition for B&Q was therefore fiercer than usual.

MFI still had 16% market share.

Market data

The kitchen market in the UK is not very sophisticated, Unlike for FMCG, data is difficult to obtain and inconsistent. There are at least four different statistics for market size.

Worktops vs kitchens

It is currently impossible to tell the average price per kitchen as customers tend to buy elements (worktops, cabinets, accessories) at different times.

Driven by promotions

Kitchen sales are driven by promotions and deals. The total industry's advertising spend decreased by 8.9% since 2008.