

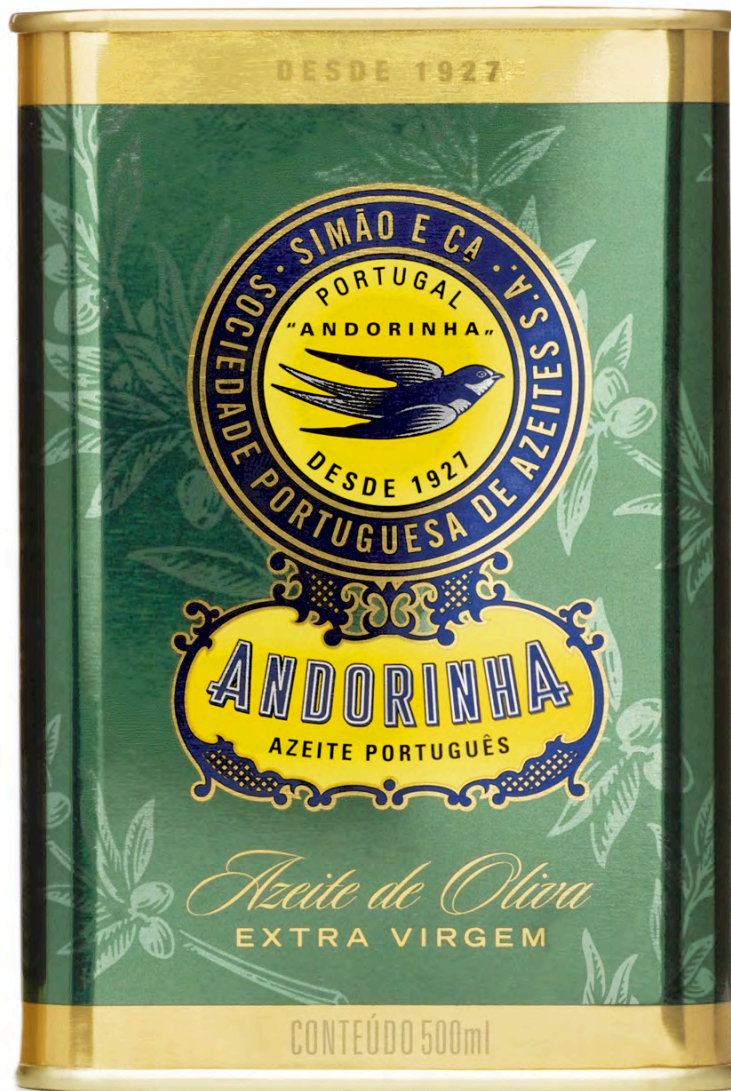
ANDORINHA OLIVE OIL

Category 4.1: Packaging Branded (Food and Drink)

Client: The Sovena Group

Agency: Pearlfisher

2009 Entry



pearlfisher

EXECUTIVE SUMMARY

In 1927, Andorinha, a Portuguese olive oil named after the migratory swallow, was set up as an export-only brand that soared beyond the country's boundaries looking for success. Today, Brazil, with its shared culinary culture, represents 95% of Andorinha's total sales¹.

¹Client-verified data

In the Noughties, Brazilian press has highlighted the health benefits of olive oil, resulting in a growing demand for quality oil. Consequently, the market filled with over 150² competitors, and Andorinha struggled to keep its small 2.5%³ volume market share. In 2004, the brand was bought by the Sovena Group⁴ and despite an initial rise in market share, results remained static at 8.6%⁵.

²Client-verified data.

³ACNielsen.

⁴the second largest olive oil bottler in the world.

⁵ACNielsen.

In a saturated marketplace, gaining any share is tough, but Sovena wasn't going to rest at single figures. It wanted to be taken seriously, so in 2006, it asked Pearlfisher to rediscover Andorinha's iconic heritage, while increasing premium cues and impact to grow loyalty and sales.

And it worked. Following redesign in 2006 volume sales grew 50%, from 2 million to 3 million litres⁶ in just two years, and Andorinha's volume market share climbed into double figures, to 10.6%⁷. To crown its achievement, in 2008, it became the fastest growing olive oil brand in Brazil. Value sales also grew by 29%⁷ over two years, despite a drop in prices across the market. Significantly, the year it launched the redesign, Sovena reduced its share of advertising voice from 31% to 18%⁸, while its biggest competitor, Gallo, upped its from 39% to 62%⁹.

⁶ACNielsen data

⁷ACNielsen data

⁸Ibope Monitor. The share relates to the total ad spend on olive oil in Brazil

⁹Ibope Monitor

Qualitative research¹⁰ judged the final design much improved in terms of 'beauty', 'sophistication' and 'visibility'. And ROI? Well, for every €1 of design spend, Andorinha gained €75¹¹ of sales in the two years since relaunch, a 750% rate of interest. All in all, this refined swallow is making the sun shine for Andorinha.

¹⁰Company-verified data

¹⁰Research International

¹¹Client-verified data

PROJECT OVERVIEW

Project brief

Originally launched in 1927, Andorinha has always been an export-only brand. By the start of 2000 this icon was in serious trouble with a negligible market share, declining sales and an identity that looked dated and was lost on-shelf next to sophisticated competition.

Sold to the Sovena Group in 2004, Andorinha is now part of the world's second largest olive oil supplier, so must work hard to be deemed a worthwhile investment.

¹ Client-verified data

In 2006, Sovena decided to give this brand the redesign it deserved, revitalising this faded icon and bringing it into the 21st century with a fresh, modern and premium solution. Currently, Brazil represents 95%¹ of its total sales, however, widening export opportunities means the new design would need to represent Portugal the world over.

Project objectives

- Recapture the authenticity of a 'Since 1927' brand
- Increase premium cues for an iconic design with worldwide relevance
- Increase on-shelf impact and brand recognition
- Increase sales and bolster market share

Launch date

The new-look Andorinha launched in Brazil in January 2007.

Design budget

Graphic design across primary tin and bottle packaging, orientation and implementation of 2 SKUs over tin and bottle came in at €86,090.

Description

Andorinha is a quality Portuguese olive oil with a rich heritage and connection to Brazil. Due to the high price tag (around 25R\$/€10 compared to 1.8R\$/€0.69 for soya oil), consumption is primarily among social classes AA, A and B.

Market overview

In Brazil, olive oil is mainly consumed cold with two peak seasons around Easter and Christmas.

Brazil represents 1.4% of total global consumption of olive oil and imports 100% of its requirements. As such it is the world's 5th largest importer and 10th largest consumer¹. The target consumer base for olive oil sales in Brazil totals 30 million².

¹ International Olive Oil

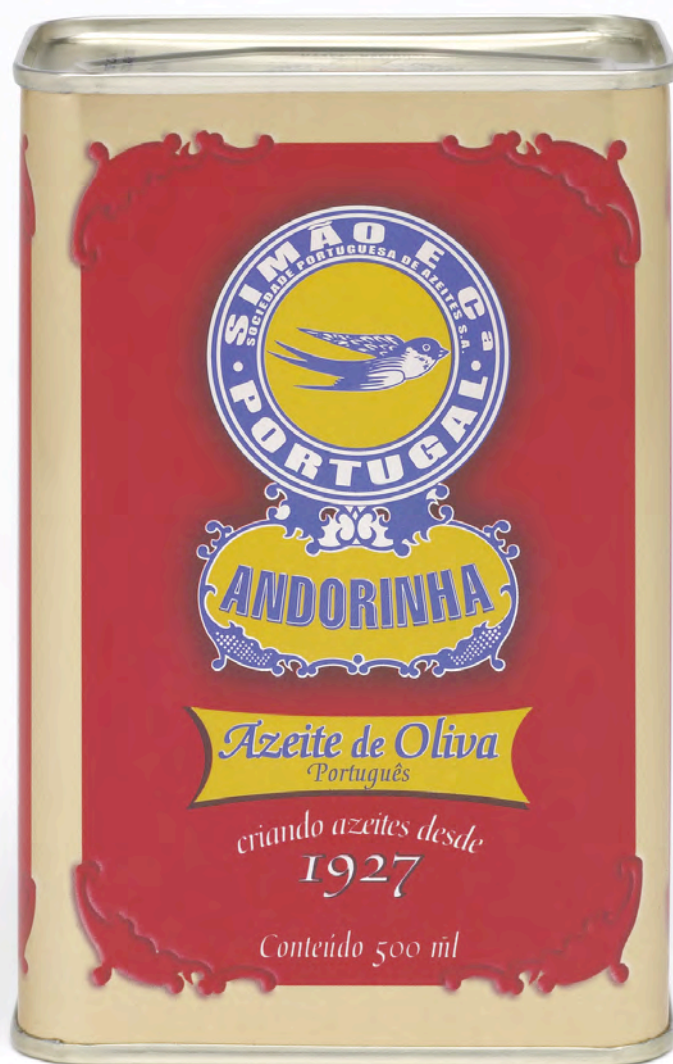
² Client-verified data

In 2008, this busy marketplace consumed 30 million litres of olive oil – that's one litre per person in the target group – and was worth €267million³. However, while volume growth doubled (13.1% YOY growth in 2008 vs. 6.3% in 2007⁴), the growth in total market value slowed down (7.2% YOY growth in 2008 vs. 8.9% in 2007⁵), and the average price of olive oil fell from R\$25.11 to R\$23.65⁶. These divergent figures can be attributed to the economic downturn forcing a reduction in sales prices, while demand continued to grow.

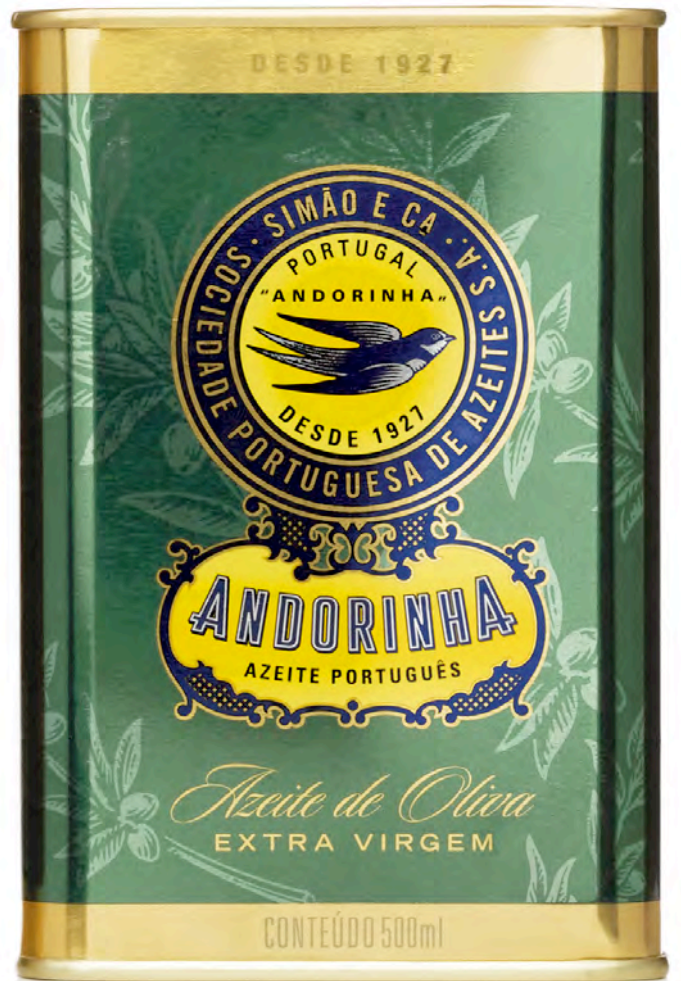
³ AC Nielson

⁴ & ⁵ AC Nielson

⁶ AC Nielson



The old tin design prior to redesign.



The 'olive branch' can redesign by Pearlfisher



The 'olive branch' bottle redesign by Pearlfisher

Design solution

The new design brings richness and quality to the brand. Premium cues have been introduced with a vibrant gold, 'etched' olive branch detailing and the fine crafting of the swallow logo and typography. In addition, navigation has been improved through the emerald green of the virgin and ruby red of extra virgin, clearly signifying the different ranges.

With the tin, the dominance of the revamped logo aids on-shelf standout and strengthens its heritage, quality, authority and, crucially, origin. Now that the logo focuses on the story of origin and heritage, the rest of the front of pack is kept clean, giving it the pure, graphic look of an icon.

The bottle translates these premium cues with no-look labels that give the impression of etched glass without any increase in cost.

SUMMARY OF RESULTS

The redesign has delivered strong sales and increased distribution in Brazil and around the world. In Brazil, it succeeded in growing its volume sales by 50% from 2006 to 08 despite stiff competition from other leading brands. That's more than twice as much as the total market growth of 23% for the same period¹.

¹AC Nielson

Global qualitative focus groups were used to ensure a commercially effective design. Feedback concluded "a true innovation versus current packaging" and that the design was much improved in terms of its 'beauty', 'sophistication' and 'visibility'. It was also deemed to introduce natural health cues, crucial for a Brazilian market passionate about the benefits of olive oil².

²Research International

Bringing rich heritage into a clean, contemporary design has increased premium cues and introduced much-needed on-shelf standout. The redesign sits comfortably in the Brazilian olive oil market alongside other Portuguese oils, but the design is also successful in creating a strong globally recognized brand.

Increase in Brazilian volume and value sales

The first two years since the redesign have been extremely successful. Andorinha's volume sales increased by 50%³ in the two years since redesign, and value sales have risen by 29%⁴.

³AC Nielson

⁴AC Nielson

Last year alone, Andorinha's volume sales grew by 27%⁵, double the rate of the total market, which grew 13%⁶. The market leader Gallo only grew sales by 22%⁷ in comparison, which means that in 2008 Andorinha was the fastest growing olive oil brand in Brazil. Similarly, Andorinha's value sales also outperformed the market, growing by 17.8%⁸ compared to the market's 7.2%⁹. This was despite price pressure that saw Andorinha drop from R\$27.15 to R\$24.60 (still above the market average of R\$23.85).

⁵AC Nielson

⁶AC Nielson

⁷AC Nielson

^{8 & 9}AC Nielson

Increase in Brazilian market distribution

In Brazil, distribution increased from 2000 stores in 2007 to 3000 in 2008¹⁰, an increase of 50%, giving the brand increased prominence among its target consumer group.

¹⁰AC Nielson

Increase in Brazilian volume market share...

Andorinha's volume market share rose from 8.6% in 2006 to 10.6%¹ in 2008, reaffirming and strengthening its position as the second largest olive oil brand in Brazil. In 2008, it also registered the second largest growth in market share of the top five brands (Gallo, Andorinha, Carbonell, Borges and Serrata). Between 2007 and 2008 Gallo rose by 1.8% points, and Andorinha by 1.4%² and all other brands either lost market share or remained even.

¹ AC Nielson

² AC Nielson

"The new packaging surely contributed to the excellent performance of Andorinha worldwide."
Nuno Miranda, brand manager for Andorinha at Sovena Group.

Increased worldwide volume growth and distribution

Volume sale increases have been recorded in all Andorinha's markets. These include significant growth in South Africa (280%), France (102%), Macau (90%), USA (36%) and Canada (25%)³. As these markets are relatively small there is no marketing support, so sales rely solely on packaging to connect with the consumer and build desire.

³ Client-verified data

The redesign has given the sales team new-found confidence and status to sell into new markets such as Japan⁴, which is an increasingly important market, recording a steady growth in olive oil consumption since the 1990s with a target audience comparable to Brazil.

⁴ Client-verified data

"The feedback we have from distributors and clients is that the new packaging is far better than the previous one." Nuno Miranda

A growth in demand for premium oil

The health benefits and taste of olive oil and extra virgin olive oil are increasingly being talked about in the Brazilian press, which has led to a growing consumer awareness and a greater inclination to buy premium olive oil.

¹ Client-verified data

In 2004, 150 smaller brands occupied 75% of the market. In 2008, as a result of an increased demand for premium oil, the five best-known brands took control of this crowded market, to occupy a 53% majority¹.

This greater appreciation for premium olive oil means that while the split in volume sales of virgin to extra virgin was 84:16 in 2004, it had shifted dramatically in 2008 to 57:43². Andorinha has grown its premium extra virgin offering above the market with a recording a volume ratio of 36:64 virgin to extra virgin in 2008. This has changed dramatically in the two years since the more premium redesign, from an initial split of 63:37³.

² Client-verified data

³ Client-verified data

Increased premium cues, no rise in manufacturing costs

The challenge was to increase premium cues without increasing cost. Research groups deemed the old tin to be "gold without brightness"⁴ so Pearlfisher's Realisation Team worked closely with suppliers to find the perfect shade of gold for the tin that looked both unique and luxurious for no added cost. For the bottle, the trend for printing directly onto the glass surface is a clear indication of premium status, but also costly and difficult to achieve. The Realisation Team recreated this effect with no-look labels that gave the appearance of direct print without any extra cost.

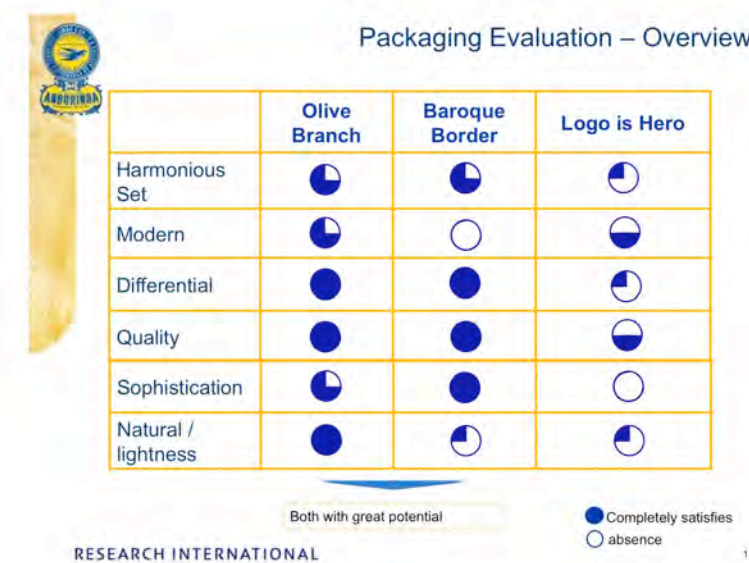
⁴ Research International

Changes in perception

The new design underwent significant global qualitative research¹ before it entered the market. Feedback about competitors as well as the old design was gathered. The old Andorinha tin was described as "sad and faded" and "if it were clothing it would be basic, very casual."

¹ All data in this section relates to information provided by Research International

Three initial design concepts (Olive Branch/Baroque Border/Logo is Hero) were shown at research and the final 'olive branch' design selected due to its successful ratings. The criteria and results were as follows:



Other conclusions were:

- The packaging combines modernity and sophistication.
- The increased logo size allows greater on-shelf standout.
- The new shades of red and gold are judged much improved.
- The bold design immediately sets Andorinha apart from its competitors.

In comparison to the old design, the new 'olive branch' design was declared "symbolically rich in relation with the category, bringing to mind naturalness and health" – a crucial point, answering the Brazilian consumer's desire for the health benefits of olive oil. It was also deemed to "make a connection with the classic without being old". And finally, the new bottles were deemed to give a greater sensation of "lightness and more attention to detail"¹. Following this feedback, minor refinements were made to create the highly effective design we see on-shelf today.

RESEARCH RESOURCES

Research International

AC Nielson

Ibope Monitor

International Olive Oil (internationaloliveoil.org)

Company-verified data

INFLUENCING FACTORS

Promotions

As olive oil is seen as a highly desirable and premium product, promotions when 20cl bottles are handed out, help to raise recognition and awareness. Andorinha does this twice a year – at Easter and Christmas - reaching a total of 700,000 potential consumers in 2008, building a connection with the brand and all the time receiving positive feedback about the new look¹.

Advertising versus design

As the target consumer only makes up a relatively small segment of the total Brazilian population, mass advertising (TV, billboards etc) is not generally employed as a method of raising awareness.

¹ Company verified data

Between 2004 and 2006 Andorinha's share of Brazilian advertising voice was 30.5%. However, in 2007 - the year redesign was launched - this was reduced to 18.6% and in 2008 it was reduced even further to 14.6%, on press and online campaigns. To put this in the context of design effectiveness - the ad spend for 2008 was 10 times that of the total redesign spend yet only reached an estimated 2% of the target consumer² – design is a much better value and guaranteed way to reach the whole consumer base in a narrow market.

² Ibope Monitor

Not only is advertising expensive, but the narrow target base of the olive oil market makes it hard to accurately and effectively reach its consumers. Therefore, Andorinha is heavily reliant on packaging to convey its emotional as well as functional benefits³. That's when design pays.

³ Client-verified data