

Project Title

Equal Exchange

Category

Packaging

Sub Category

4.1 Branded – Food & Drink

Client Company

Equal Exchange

Design Consultancy

Good Creative

Current Date

01.06.09

“Without Good’s re-brand of our packaging and communication materials, we’d be a business in decline, not growth.”

Andy Good, Managing Director,
Equal Exchange



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Equal Exchange source, package, market and distribute fair trade, organic produce with a range of 67 SKU's covering coffee and tea through to peanut butter and honey. Formed in 1979, Equal Exchange is a founder of the fair trade movement and a supporter of organic production. Formed by three volunteers returning from charitable work in Africa, this workers' co-operative fight for fair deals for local farmers and deliver top quality produce.

We believe our re-brand of Equal Exchange's packaging range clearly illustrates the correlation between good, responsible design and business success. It demonstrates how sound thinking coupled with a simple cost effective execution can reflect a small company ethos while delivering large company impact and credibility. Not only that, it demonstrates how far reaching and language neutral design can be, by opening up new markets and positively affecting farming communities across the world.

Commercial impact:

- 28% uplift in Like for Like sales
(Nov 07 – Apr 08 sales = £520K vs Nov 08 – Apr 09 sales = £667K, an increase of £147K).
- 210% Return on Investment
(Increase of £147K on a £70K investment).
- Turnover projected to Increase by 50%
(£1.5M in 2008/09 FY vs £1M in 2007/08).
- Outperforming the Market by 37%
(17% increase in sales in the Wholefood channel which has experienced 20% decline in turnover in the same period).
- 8% Increase in Higher Margin 'branded' products
(Post repack increase from 29% 07/08 to 37% in 08/09).
- 300% Increase in Export Business
(Four new exclusive deals for European territories).
- 60% Reduction in Marketing Spend
(£12K saving on packaging; creating 4 range extensions in-house).

Human impact:

- 15% Increase in all Equal Exchange fair trade organic coffee farmers' revenues
(Based on 2009/10 increased orders).
- Income to Palestinian fair trade farmers supplying Equal Exchange has contributed to a significant improvement in quality of life. (See case study).

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The Brief

- The entire re-brand of Equal Exchange's packaging and communications including 67 SKU's.

The Key Objectives:

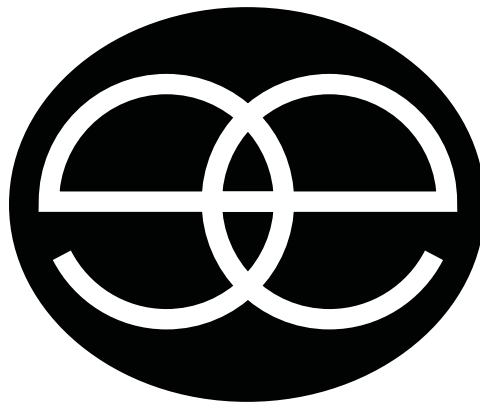
- Halt declining sales.
- Grow market share.
- Develop new markets.
- Appeal to a broader ethical consumer.

The Key Issues:

- Wholefood sector in decline.
- Wider market saturated with polished competition and strong packaging.
- Existing retailers de-listing and multiples refusing to stock based on poor presentation.

Old Logo

This had the right sentiment i.e. the two sides of fair trade, but wasn't working hard enough for the brand.

**Old Packaging**

Concerns existed over inconsistent placement of brand name, origin and product. Use of generic imagery, an indistinctive typeface that lacked personality and product descriptors that had no relation to the product: 'the leopards choice'.



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Project Description

In 2007 Equal Exchange recognised that with the Wholefood sector in decline and the competition becoming increasingly sophisticated, they had to do something serious in order to simply survive.

With a plethora of complex messages, information and homespun imagery, their existing packaging lacked credibility and shelf impact. This was reflected in stagnant sales and listings in the UK and a complete lack of any export business.

Fuelled by customer and retailer comments, the team recognised that with a limited budget, their packaging was in most need of help and stood the best chance of having an immediate impact both in the UK and abroad.

The Market

The Wholefood sector and the retailers that support it have been in general decline, with turnover on average down to 2004 levels (Circa -20%).*

Market research by the TNS Worldpanel has also shown that sales of organic produce have dropped by a fifth – from £100 million to £81 million – in the past year.

Increasing pressure from the multiples. Sales of fair trade goods have increased dramatically in this sector, in particular Co-op, Sainsbury's and M&S who have converted all of their teas and coffees to fair trade, bringing them into direct competition with the traditional wholefoods fair trade market.

*Source: *Speciality Fine Foods Survey, Nov 08.*

Competitors' Packs

Examples of some of the packaging sourced during the research phase.



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New Logo

Copy platform integrated with logo.

**Product descriptor and
emotional benefit**On pack product information
completes the copy platform created
around the logo.**The Solution**

Equal Exchange's packaging had to carry a vast amount of pertinent information about the origins of each individual product and the local farmers who produce it. This was coupled with a further complication that the packs, depending on the specific product and country of origin, were printed and packed all over the world using a variety of substrates and materials.

First and foremost we wanted clarity of communication and used the limited budget to good effect by keeping it simple. Solid bold typography and colour. This allowed us to control consistency with little or no expense to the client and to tell a story whilst appealing to the broadest possible audience.

A new logo was created to work hard within a copy platform that spelt out the key advantages of Equal Exchange's range. You get a great product, you get to help the farmer who produced it and, as an added bonus, you get to feel good about yourself.



Our fair trade is an honest and
EQUAL EXCHANGE
You enjoy the world's finest
organic & natural products, the farmer
gets a better life. Simple really, but
that's why our...

**ORGANIC
GREEN
LEAF TEA
IS GOOD
FOR THE
HEART**

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Project Launch Date

The first new packs were live in April 2008; but the entire range did not flush through the system until November 2008.

The budget for design and implementation was £70,000.

Packaging range

Examples of some of the completed packaging, showing the language platform working across the range.



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Below Right

Members of the Nuevo Futuro co-op in their coffee nursery.

Below Left

Example packaging from the Organic Modern Blends coffee range.

Coffee

The uplift in Equal Exchange coffee sales will deliver an increase in coffee farmers' revenues of 15%.

Branded coffee sales represent around 50% of Equal Exchange sales and Equal Exchange is the largest coffee brand in the Wholefood sector.

Prior to the repack, Equal Exchange coffee lines were in decline, at an average of 6% by value across the board.

The repackaging exercise has arrested this decline and has been the catalyst for a 19% average value growth across all coffee products in six months Like for Like sales since launch: representing a 25% swing.

Price increases have also been implemented for the first time in 3 years.

This growth has been against the general market trend. Equal Exchange's biggest competitor (and second biggest in the category), Café Direct experienced a 4% decline in the same period*.

**Source: Actual sales into Wholefood customers.*



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Tea

Branded tea sales represent 25% of Equal Exchange's sales and is the most crowded and competitive sector with the market as a whole relatively static.*

Prior to the repackaging, Equal Exchange branded tea was in a 17% volume decline. Post repack, the decline has been stabilised and turned into a growth of 2% by volume: a 19% swing.

Note: Price variances during this period make value comparisons impossible.

**Source: The Grocer magazine September 2008, Hot Beverage Report.*

Right

Mr Thomas & family part of the Sahyadi Farmers' Consortium, South India.

Below Right

Arrie is a small-scale farmer at Heiveld co-operative, South Africa.

Below Left

Example packaging from the Organic Green Tea range.



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Palestinian Olive Oil

“The new packaging enabled us to punch way above our weight with the multiples and was without doubt, the deciding factor in securing orders from Sainsbury’s and Co-op. Those orders have literally changed the face of the olive oil farming community in Palestine improving the lives thousands of families.”

Barry Murdoch, Sales Director
Equal Exchange

Below Left

Example packaging from the Organic Palestinian Extra Virgin Olive Oil range.



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With secured orders from Sainsbury's and Co-op volumes are set to quadruple in the first year.

Equal Exchange is one of the largest buyers of branded fair trade olive oil in the world. Their Palestinian Olive Oil is the first product from the country to make it to the shelves of a European supermarket.

This has provided the first large retail orders to the new £2M purpose built facility in Jenin in the West Bank.

Mahmoud Issa is typical of the Palestinian Olive Oil Farmers. In 2004 he worked as a labourer. With the price of olive oil so low, and the economy crippled under occupation, he wanted to give up farming his family's land. Fair trade changed his life. Now he and his extended family are farming olives full time in the traditional manner. Their organic olive oil is produced and marketed by Equal Exchange under fair trade principles to buyers in the U.S. and Europe.

Fair trade cooperatives in Palestine bring back traditions lost in the midst of conflict. They reintroduce a new spirit into the work ethic of the villages and renew the social values and ties weakened by the conflict. Farmers receive organic and fair trade premiums over unsustainable market prices. Canaan and the PFTA have developed modern processing and storage facilities and started several community development programs.

With his natural leadership skills Mahmoud was elected to the PFTA Board and leader of the local co-operative, one of 43 in 2008. He was a member of the Canaan scholarship committee this year that awarded 10 full four-year scholarships to farmers children. Mahmoud says:

"...before fair trade, life was bad. Now, things have improved much and working the land pays off".

In the six month period, Nov 08 – Apr 09, the increase in orders of Palestinian Olive Oil will represent an **incremental £45K worth of revenue to the farmers.** (Three times the value on the local market).

Right

Mahmoud Issa, Palestinian Olive Oil farmer and member of the PFTA Board, and his family.



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Other Influencing Factors

The core team at Equal Exchange has remained the same pre and post re-brand. There has been no support spend on PR or any other above or below the line activity other than the work undertaken by Good Creative. In fact, marketing spend has been reduced by 60% since launch. (Excluding repackaging investment).

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Turnover set to rise by 50% in a Declining Market

Equal Exchange branded goods business turned over £1M from Nov 07 – Nov 08, prior to the new packaging hitting the shelves. An increase in like for like sales combined with secured forward orders for olive oil (on the basis of repackaging; see case study) means Equal Exchange are set to grow their turnover this year (Y/E Nov 09) to £1.5M.

28% uplift in Like for Like Sales

The new packaging had flushed through to shelves in the Wholefood sector by November 08. The six month sales figures from Nov 08 to April 09 across the entire range currently stand at £667K, representing a 28% increase in like for like 6 monthly sales from Nov 07 – April 08.

210% Return on Investment

The £70K investment in improving packaging across 67 SKUs has already delivered an incremental return of £147K in the six month period. This equates to an ROI of 210%. (Note: this has been achieved in the Wholefood market which is in decline).

Outperforming the Market by 37%

Pressure from the multiples and recessionary factors has meant turnover in the Wholefood channel has fallen by 20% to 2004 levels*. Equal Exchange branded sales in this sector have grown 17% YOY following the repackaging, outperforming the market by 37%. (Note: prior to the repackaging EE business in this sector had been stagnant for two years).

**Source: Speciality Fine Foods Survey, Nov 08.*

300% Increase in Export Business

The new packaging has ignited demand from abroad (particularly Scandinavia) and new export business is up 300% to £60K. To date Equal Exchange has negotiated exclusive deals for four European territories in 2009.

8% Increase in High Margin Business

Post repack, Equal Exchange has increased their more profitable branded goods business by 8% within their product portfolio (from 29% in 07/08 to 37% in 08/09).

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Coffee products 19% Value Growth

Prior to repackaging all Equal Exchange coffee was in a 6% annual decline by value. The repack has converted this to 19% average value growth across all coffee lines (a 25% swing).

Tea products arrested 17% Decline in Volume

All Equal Exchange teas now in 2% volume growth post repack = a 19% swing.
Note: fluctuations in price during this time make value comparisons impossible.

60% Reduction in Marketing Spend

Equal Exchange has spent 60% less on marketing in 2008/09 than in 2007/08 (excluding the repackaging). The simple design facilitates quick, easy replication of the packs and marketing communications by the client whilst maintaining brand consistency. This allows the Equal Exchange team and their in market printers to produce range extensions themselves, without coming back to the design consultancy, at an average saving of £3,000 per pack. To date, Equal Exchange has created four range extensions themselves representing a saving of £12,000.

Reactivating Lapsed Listings

Retailers who had delisted Equal Exchange branded products have reordered (e.g. Planet Organic) citing the repackaging as the main reason for restocking.

“Your Modern Blend Coffee is now selling really well. Your previous packaging wasn’t very good.”

Peter Cowell, Director
Infinity Wholesale

Growing Corporate Profile

Equal Exchange has significantly improved their corporate profile since the repackaging. One director was asked to deliver a lecture on brand communications at Biofach 2009, Europe’s largest trade fair.

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Making a difference

Images of the Olive Oil farmers of Palestine and their families, and the farmers and workers who produce our Single Origin coffee range.

Benefiting Communities

As a founder of fair trade, Equal Exchange ensures that the increase in sales and revenues brought about by the re-branded packaging makes its way back to the marginalised growers in farming communities across the world. This is clearly illustrated by the 15% rise in revenues for their coffee growers and the revitalisation of the Palestinian olive oil industry. (Incremental increase of £45K to date from Equal Exchange orders; three times the value on the local market).

