

britain's biggest brands

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Masters of

Building trust among consumers has never been more important, which is why many companies have chosen to go with a masterbrand strategy

We live in a world of change, and Britain's Biggest Brands is no exception. After years of sticking with one formula, The Grocer has shaken up the methodology. In this new top 100, the rankings take into account masterbrands. So if the masterbrand appears on front of pack, as it does on Cadbury Dairy Milk, the Dairy Milk sub-brand counts towards the overall value of Cadbury. If it doesn't appear – for instance Galaxy makes no mention of manufacturer Mars on the front of pack – Galaxy doesn't count towards Mars.

Why? First, consistency. Our previous methodology threw up a number of anomalies. Birds Eye was counted as one brand, for example, while products from Heinz, Kellogg's and Muller, that would otherwise be indistinguishable from own-label, were split into various sub-brands or segmented by category. Having one objective measure – front of pack – ensures equal treatment.

Second, owners increasingly think of brands, and manage them, and promote them, under one umbrella or masterbrand approach, rather than as a collection of sub-brands.

Heinz is the perfect illustration. There may be '57 varieties' under the Heinz name, but whether it's soup, ketchup or beans, the masterbrand "is a wonderful asset," says Steve Chantry, commercial director at Kraft Heinz UK & Ireland. "It allows us to leverage the strength, trust and love for the masterbrand in driving growth through sub-brands that are typically tighter in scope and category footprint."

Of course it's not quite that simple, requiring all the "sub-brand initiatives including innovation, communication and activation" to work together to "strengthen the masterbrand as well as borrow from

it." But he believes Heinz has "seen great benefits in thinking holistically... we enjoy a wonderful halo across the masterbrand, so when we advertise Heinz Tomato Ketchup, the benefit is seen across other sauces as well as our beans and soup portfolios."

According to Geoff Wilson, brand strategy director at brand agency Household, which works with Tesco, the fact "we're increasingly seeing P&G or Unilever logos accompanying ads for their products" helps to indicate quality and authenticity in their 'houses of brands'.

Justin Clouder, strategy partner at TBWA London, says this strategy should deliver a "marketing nirvana" of a "segmented, structured portfolio of brands benefiting from a halo of common values". Plus, "on PowerPoint it looks terrific".

Robert Jones, head of new thinking at Wolff Olins, believes "more than ever, masterbrands are the best approach" if you get the balance right. "In a fragmented world, unity matters. And simplicity cuts through."

It is this thinking that persuaded Coca-Cola to adopt a masterbrand approach in 2015. "Research showed not everyone understood the different options and the benefits of each drink," says Simon Harrison, customer marketing director at Coca-Cola European Partners. This was especially true of Coca-Cola Zero. Bafflingly, 50% of consumers had no idea it contained zero sugar. But since the masterbrand approach, the variant (now named Coca-Cola Zero Sugar) has grown "exponentially," claims Harrison. "Zero is the fastest-growth cola brand in GB and worth £145m."

One key element of Coke's masterbrand strategy was that the three varieties – plus the now defunct Coke Life – would all be united in advertising. But recent spots for Zero and Diet Coke have seen

f branding



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THE RANKING

RANK	BRAND	SALES £m	CHG %	CHANGE
1	1 Cadbury	1,507.0	18.6	1.2
2	2 Coca-Cola	1,142.8	20.0	3.4
3	3 Nestlé	991.2	-10.8	-1.1
4	5 Walkers	694.2	28.1	4.3
5	4 Heinz	680.1	-0.6	-0.1
6	6 Warburtons	635.5	-6.2	-1.0
7	7 Müller	590.2	-47.0	-7.9
8	8 Parisa	542.7	-0.1	0.0
9	9 Kellogg's	480.9	-16.9	-3.4
10	12 Pepsi-Cola	475.5	25.4	5.7
11	10 Birds Eye	471.7	5.3	1.1
12	11 McVitie's	467.0	4.3	0.9
13	13 Nescafé	458.7	19.6	4.5
14	14 Lucozade	400.1	-35.1	-8.1
15	15 Andrex	337.7	-22.9	-6.3
16	17 Fairy	322.7	1.4	0.4
17	20 Hovis	319.8	27.1	9.1
18	16 McCain	316.3	-5.2	-1.6
19	19 Lurpak	314.3	18.1	6.1
20	22 Red Bull	296.2	15.0	5.1
21	21 Danone	291.1	1.0	0.1
22	28 Arla	266.9	26.8	10.3
23	23 Cathedral City	264.2	4.8	1.8
24	24 Wrigley's	249.0	-7.0	-2.7
25	30 Innocent	246.8	25.5	11.5
26	18 Kingsmill	246.5	-51.6	-17.3
27	25 Robinsons	241.1	-5.7	-2.3
28	31 Lindt	235.4	16.4	7.5
29	27 Galaxy	225.7	-10.7	-4.5
30	28 Tropicana	204.0	-29.4	-12.6
31	29 Persil	196.7	-25.1	-11.3
32	26 Weetabix	188.8	6.9	3.8
33	32 Pedigree	183.4	-12.9	-6.6
34	47 Alpro	182.8	19.1	11.7
35	34 Comfort	182.3	-5.5	-2.9
36	37 Doritos	178.0	1.6	0.9
37	42 Young's	177.9	4.0	3.5
38	56 Monster	177.7	32.8	22.6
39	37 Jacob's	174.1	-3.5	-1.9
40	40 Maltresses	174.0	-1.9	-1.1
41	42 Haribo	172.7	-6.5	-0.9
42	69 Kinder	172.1	2.2	1.3
43	39 John West	171.8	-4.2	-2.4
44	33 Pringles	171.5	-18.7	-9.8
45	65 Uncle Ben's	171.1	-0.2	-0.1
46	35 Whiskas	170.8	-15.5	-8.3
47	51 Magnum	170.4	15.1	9.7
48	44 Ariel	164.6	-7.2	-4.2
49	55 Quorn	164.2	18.6	12.7
50	41 Velvic	163.7	-12.1	-6.9

Source: Nielsen SWW 30 December 2017

Who's up?

▲ 21

76 (57) Highland Spring: Having ranged up marketing with its £5m Brave By Nature campaign, Highland Spring is soaring ahead of its bottled water rivals. The brand's fizzy SKUs will be next in the spotlight, positioned as something "a little bit special".

▲ 18

38 (56) Monster: There's no stopping the rise of Monster. The popularity of zero-sugar variants helped add an extra £23m to sales of Coca-Cola's energy drink brand. There's also been plenty of NPQ in the form of non-carbonated range Monster Hydro and the new low-sugar black grape variant UNAQ, launched with F1 star Lewis Hamilton.

▲ 16

66 (82) McCoy's: Yes, part of McCoy's stellar growth is down to price, which has risen by an average of 3.1%. But there has been lots of innovation to drive sales, too. Most notably, the launch of McCoy's Chips last February added £9.1m to the brand's value. Plus there are plenty of "exciting" developments planned for this year, which has already seen the launch of a paprika flavour.

© them advertised individually with very different personalities: Diet Coke has a millennial talking about yurts; Coke Zero has a pensioner dabbling in motorcycle racing. So is the strategy starting to wobble?

It's just evolving, says Harrison. "There are times when all three brands are marketed together under the Coca-Cola masterbrand, like our summer campaign last year, or featured in our one brand lock-up that closes our advert like our recent Coca-Cola Zero Sugar TVC. And Diet Coke has its own brand personality."

Still, a masterbrand strategy doesn't work for everyone. "Take Mars," says Stephen Cheliotis, CEO of The Centre for Brand Analysis and chairman of Superbrands. "Consumers typically discuss its sub-brands, like M&S, rather than the parent brand, and Mars wouldn't want it any other way. When a masterbrand has such a far-reaching portfolio of products, finding a common denominator that wraps up all the sub-brands is extremely difficult."

Another Mars example is the launch of its healthy snack Goodness Knows, which makes no attempt to capitalise on the brand power of the confectionery giant. "Bigger brands are seeing the value in creating very separate brands that target consumers looking for healthy and ethical products, commonly associated with startups," says JP Hunter, head of design at

"When a masterbrand has a far-reaching portfolio of products, finding a common denominator is extremely difficult"

Webb d'Almeida, which works with brands like Kit Kat and Ryvita. "Typically, consumers who buy into wellness products are sceptical of bigger brands and their ability to deliver the benefits they're seeking."

It's about "knowing how far your masterbrand can 'stretch' and where you have credibility," says Caroline Hawkins, divisional director of home and food at research and insight agency Morar HPI, which works with Lucozade and Heineken. "Coke was built around one product that became so iconic that when it tried to move into something so at odds with its brand, like bottled water, it didn't have the credibility."

Where a masterbrand strategy works well is when "all products are in one category, like Hovis, or are held together by an ingredient or taste profile like Cadbury Dairy Milk, or where the consumer or occasion is the same across categories, like Heinz," says Elizabeth Finn, MD at brand strategy and packaging design agency Cowas.

"But even some of these big brands get it wrong. Cadbury's hot chocolate drink, Highlights, uses the Cadbury Dairy Milk purple. But it has a dark chocolate version that uses the red Bourneville brand. Which brand and taste are consumers buying? The same question applies when considering CDMs with Oreo pieces. Both are masterbrands, but which is the stronger?" □

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RANK	2017	2016	BRAND	SALES	% CHG	MARKET
51	58		Fanta	161.0	19.7	14.0
52	49		Ernan	154.2	-2.5	-1.6
53	50		Yeo Valley	151.7	1.3	-1.8
54	52		Mr Kipling	152.6	-2.9	0.8
55	54		Ribena	147.3	-2.5	-3.6
56	46		Princes	144.2	-23.5	-13.8
57	53		Aunt Bessie's	141.2	-10.9	-7.1
58	59		Lencor	134.8	-4.2	-3.0
59	57		Flora	133.2	-9.2	-6.4
60	60		Bisto	126.4	-8.2	-6.1
61	73		Kenco	125.7	11.3	9.9
62	65		Quaker	125.1	4.0	3.3
63	70		Batchelors	124.1	8.2	7.1
64	61		Napolina	123.1	-6.4	-5.0
65	64		Finch	120.6	-2.6	-2.1
66	82		McCoy's	120.5	12.9	12.0
67	63		Dairy Lea	120.2	-4.4	-3.5
68	66		Richmond	118.2	-1.8	-1.5
69	68		Moynards Bassetts	115.6	-3.5	-2.9
70	71		Duracell	115.6	0.1	0.1
71	63		Dalmeida	115.2	-9.5	-7.6
72	79		Anchor	114.9	6.1	5.6
73	67		Schweppes	114.0	-5.1	-4.3
74	75		Chicago Town	113.6	0.4	0.3
75	69		PG Tips	113.6	-6.2	-5.2
76	97		Highland Spring	111.6	21.2	23.5
77	81		Pizza Express	109.8	2.0	1.9
78	81		Kleenex	108.6	1.0	1.0
79	89		Iron Bru	107.0	5.2	5.1
80	78		Twirlings	106.7	-3.0	-2.7
81	72		Bold	106.5	-8.2	-7.1
82	93		Thorntons	106.3	9.0	9.3
83	91		Ben & Jerry's	106.1	5.8	5.8
84	74		Hellmann's	105.9	-6.9	-6.1
85	76		Buxton	105.7	-4.8	-4.4
86	80		Airwick	104.0	-4.4	-4.0
87	86		Ginsters	103.6	0.1	0.1
88	84		Mars	102.5	-2.9	-2.7
89	90		Pea Noodle	102.5	1.5	1.5
90	77		Surf	101.9	-8.1	-7.4
91	99		Hula Hoops	101.8	12.5	14.0
92	88		Kettle	99.7	-2.6	-2.5
93	95		Ferrero	98.4	6.8	7.5
94	92		Old El Paso	97.8	-1.3	-1.4
95	97		Dr Oetker	96.6	6.2	6.9
96	85		Weight Watchers	93.1	-12.1	-11.5
97	94		Rowntrees	92.9	-0.7	-0.8
98	93		Regina	92.5	-2.9	-3.1
99	99		Tassimo	91.7	4.2	4.7
100	113		Celebrations	91.2	7.4	8.8

Source: Nielsen S2 w/e 30 December 2017

Who's down?

▼13

90 (77) Surf: The laundry category has had a tough time over the past year, and few know this better than Surf. The brand has lost £8m in sales despite pushing ahead with NPD such as dual chamber capsules and exotic new fragrance Surf Caribbean Crush.

▼11

96 (85) Weight Watchers: As diets fall out of fashion, so has Weight Watchers. The brand has struggled to keep up with the new focus on wellbeing as opposed to calorie content. But in a move to tempt the new healthy living consumer, it has pledged to ditch all artificial ingredients by 2020.

▼11

44 (33) Pringles: Have consumers stopped popping? The iconic crisp brand has shed £18.7m in value, as it shifted 22 million fewer units than the previous year. The increased competition in the snacking market can't have helped matters; while rivals such as Walkers and Hula Hoops are churning out the NPD, Pringles has cut back a number of its extensions including Tortillas.

As TBWA London's Clouder says, the "messy" reality of consumer buying habits can sometimes obstruct a perfect theoretical masterbrand. "Every masterbrand strategy is riven with exceptions. Years of innovation, mergers, launches and variant proliferation can result in a mishmash of sub-brands with varying degrees of connection to the nominal master."

Perhaps that explains why so many seem to switch between the two approaches, like Birds Eye and Coca-Cola have done (and arguably Coke continues to do). Certainly Birds Eye, which deployed a masterbrand strategy from 2010 to 2016 (dubbed "The Food of Life") says "shifting from a top-down masterbrand approach to a bottom-up 'pillar brand' model revitalised sales."

Birds Eye marketing director Steve Challouma says "as 2017 progressed and the new strategy was rolled out, Birds Eye overtook Heinz in above-the-line investment, up 92% year on year to become the biggest spender amongst FMCG savoury food brands. On our core icons, we've seen value growth across the board with value rises in fish fingers, peas and chicken dips. Turnaround and growth can be largely attributed to the new marketing approach behind products."

Jones believes switching can make sense. "Most companies today are playing complex games with their brands, rarely keeping the status quo, and constantly

"Most companies today are playing complex games with their brands, rarely keeping the status quo and constantly experimenting"

experimenting," he says. Few are simply a "house of brands". Most are hybrids, simplifying and unifying in most areas, but also starting up new brands in others.

"More than ever, business is about mixing strategy with opportunism. Tastes change overnight, consumers are no longer unthinkingly loyal. So rather than one 'big idea', it can be better to have many smaller ideas."

As media proliferates, there are plenty of avenues to test out smaller ideas. Birds Eye has invested £2m in activity "spanning above-the-line, digital, PR, social and online media and results have been overwhelmingly positive".

Heinz is similarly enthusiastic about using alternatives to TV (it launched Heinz Five Beans on Facebook to only 11 million people). The wide array of channels available to connect with consumers sums up the "unprecedented change," says Chantry. "While TV remains a key channel, this is changing. We are increasing our spend on digital and social, and also developing bespoke creative that we believe consumers will engage with."

Ultimately, he believes these "new channels provide increasing opportunities to be even more targeted and relevant to consumers."

"And this is the key area of opportunity as we bring new campaigns to market, this year and beyond." ■

TVC. And Diet Coke has its own brand personality.

Still, a masterbrand strategy doesn't work for everyone. "Take Mars," says Stephen Cheliotis, CEO of The Centre for Brand Analysis and chairman of Superbrands. "Consumers typically discuss its sub-brands, like Maltesers, rather than the parent brand, and Mars wouldn't want it any other way. When a masterbrand has such a far-reaching portfolio of products, finding a common denominator that wraps up all the sub-brands is extremely difficult."

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