

Marketing Society Awards for Excellence

Category: Brand Revitalization / Global  
Brand: Sheba  
Brand owner: Mars Petcare



# The cat that got the cream

How drawing inspiration  
from luxury 'mega-brands'  
helped transform Sheba





Luxury 'mega-brands'  
showed us how we  
could both raise our  
status and extend  
our franchise

### Key insights

After years of low single-digit growth, Sheba was able to grow by 20% in 2013, making significant penetration and market share gains.

Our strategy was inspired by global luxury 'mega-brands' like Chanel or BMW

They showed us how we could make Sheba accessible to more cat owners, whilst raising our status.

They also revealed how behaving like a truly global organization could help us accelerate growth and deliver excellence.



# We invented luxury cat food

In today's market context, it's hard to remember just how ground-breaking Sheba was when it first launched in 1984.

Not only did it pioneer a revolutionary new idea, which has since become the norm – wet cat food sold in single-serve packs, it also introduced a whole new level of quality and sophistication in the category (human food cues with premium prices to match) and changed the discourse from nutrition to loving relationships.



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## Time to shake things up



Competition was swift to catch up.

Nestlé's Gourmet\* has taken culinary sophistication to new lengths.

The original had become 'me-too'.

Sheba remained a niche brand, yet it had a huge untapped potential: it was aligned with the 'premiumisation' trend, its product experience was outstanding and its reputation strong.

Awareness among cat owners was high, but the brand was considered by many as too special\*\* and was roughly 1/3rd the size of Gourmet, the Nr 1 super-premium brand worldwide.

\* Aka 'Fancy Feast' or 'Mon Petit'

\*\* Sheba indexes well above market average against the statement "to feed a special meal" (186 to 299) and well below against "for everyday feeding" (49 to 77). Source: European tracking data, 2011



# Bold ambition

We wanted to step-change Sheba's growth.

It had taken us thirty years to get to [REDACTED] NSV; our aim was to reach [REDACTED] in three years.

This meant doubling our average annual growth.

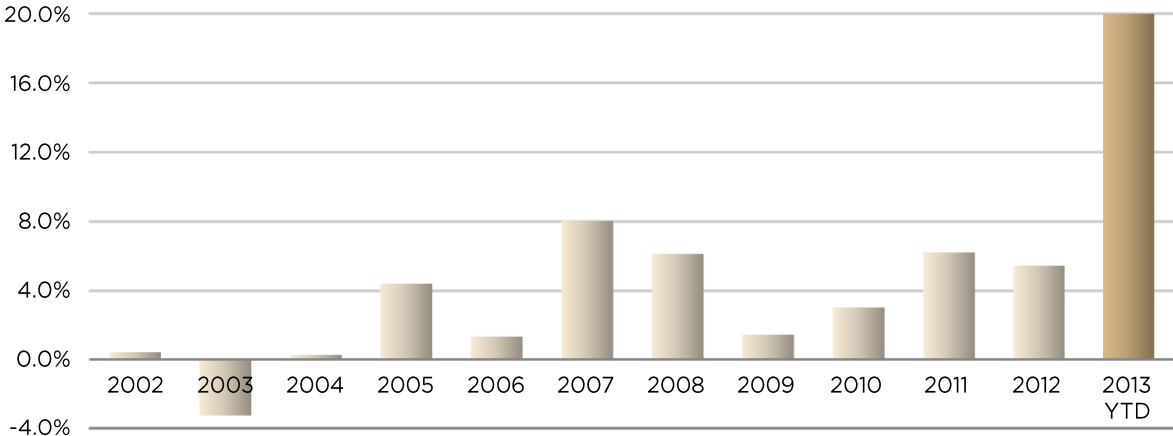
But we wanted sustainable growth:

- Growth driven by our core formats as well as NPД
- Growth equally spread across our key markets, not just driven by geographic expansion
- Profitable growth, not growth we'd have to 'buy' by slashing earnings or watering down our equity.

Our ambition was to add [REDACTED] in three years, to reach [REDACTED] by the end of 2015

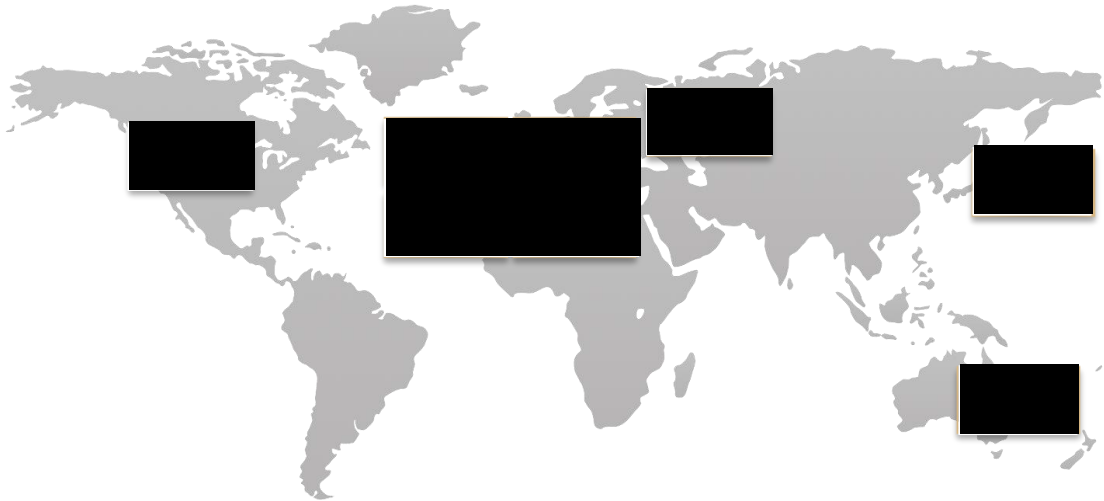
# The results exceeded our ambition

## Sheba NSV Growth %



20% NSV growth. 

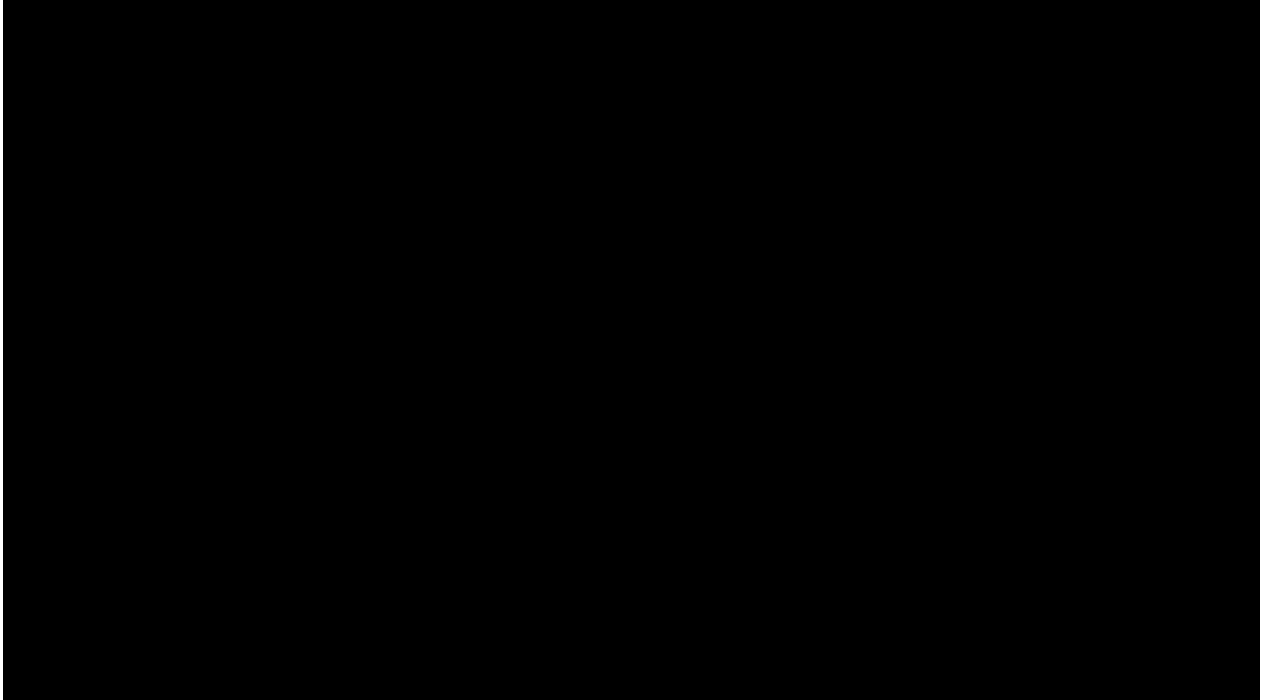
## Growth across key markets



Not for publication – Commercial in confidence 2013 incremental sales and NSV growth vs 2012

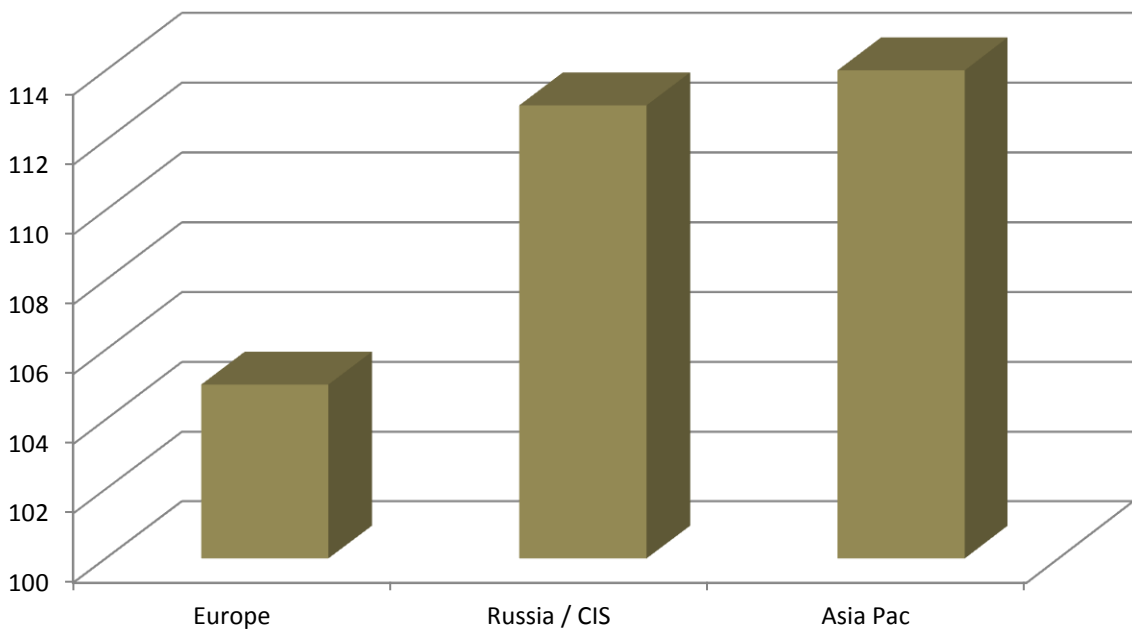


## Growth from both core and NPD



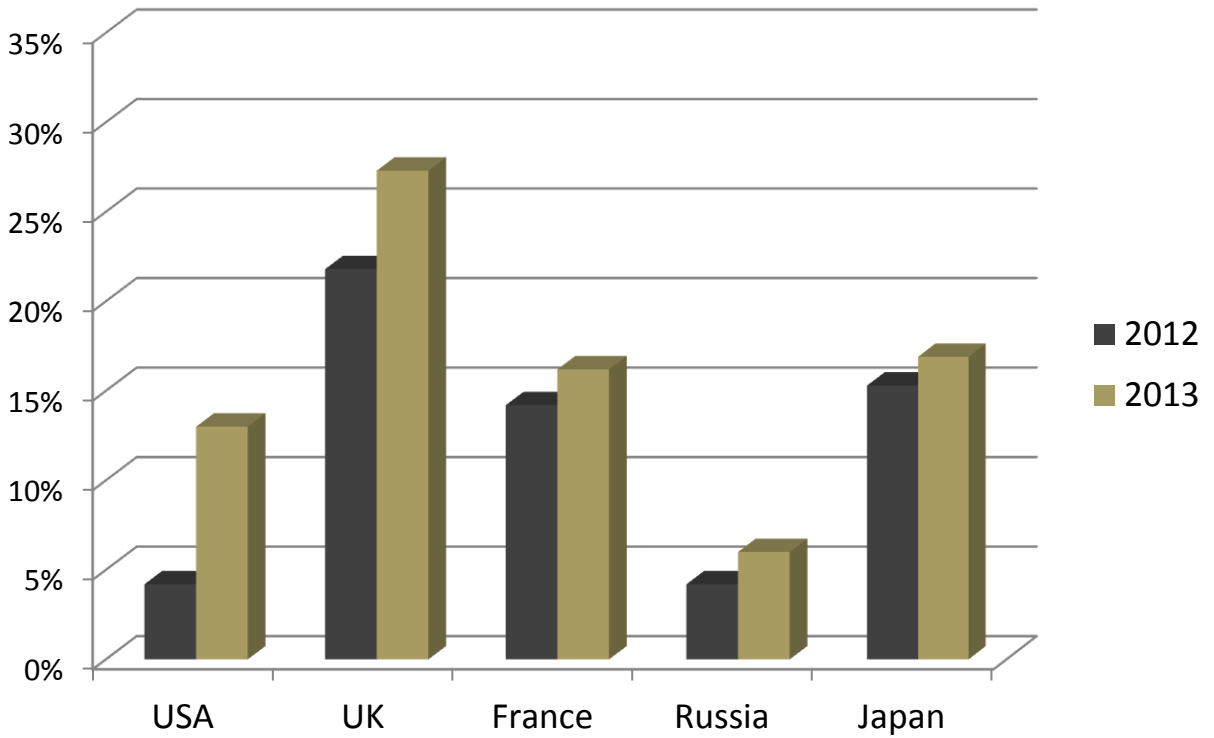
Not for publication - Commercial in confidence - 2013 NSV in million USD

## Profitable growth



2013 earnings across established regions (Index 100 = 2012 earnings)

## Significant penetration gains



Evolution of Sheba's annual penetration among cat-owning households

So how did we achieve this?



## Breaking out of the 'niche' mind-set

Our own mind-set was holding us back.

Keen to deliver the best possible feeding experience, we had tended to innovate upwards with ever-more sophisticated recipes and luxurious formats and had wound up pricing ourselves out of the market. Cautious to uphold our 'exclusive' image, we had been slow to embrace popular formats such as pouch or multipacks. Our communications also had the potential to polarize.

# Widening the franchise without losing the spark



Our task was to make Sheba more accessible without losing its magic.

When we studied the way people shopped, we realised that our promise of a superior feeding experience was relevant to a majority of cat owners.

Cat feeding is a repertoire market. People are constantly looking for variety to keep their cats interested.

They shop across formats, brands and price partitions.\*

Our task was therefore to drive penetration and put Sheba on more people's repertoire. The key to success was being more accessible, both in terms of format and price.

Yet the notion of exclusivity lies at the heart of every super-premium brand. By making Sheba more widely accessible, would we risk killing the 'magic' that had helped us build a [REDACTED] business?



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# Inspired by luxury 'mega-brands'

The luxury brands that have successfully managed to simultaneously grow their global franchise and retain or even build their status operate on similar principles:

# 1

## They fish where the fish are

Brands like Armani taught us the importance of market coverage. They stretch to cover every price and style partition in the fashion market (from couture to street-wear) and beyond (from fragrances to furniture).



# 2

## The don't just play the game, they change it

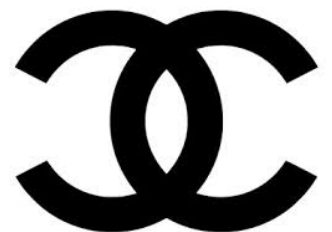
When a luxury brand enters a segment hitherto dominated by mainstream brands it operates by its own rules, not those of the segment. For instance, when BMW launched the 1-series, they introduced rear-wheel drive to deliver the best driving experience in that class.



# 3

## They deliver excellence in execution

Chanel's advertising or in-store experience is the same across the world because they insist on the highest standards of quality across everything they do, and they know that a unified global approach is the best way of delivering this.



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## From multi-local to truly global



The first step we took to deliver our ambition was to change the way we operate.

We moved from a multi-local to a truly global organisation structured around a global 'brand board' composed of representatives from our key markets.

This new structure enabled us to pool our talent and resource.

Regular brand board meetings offered a forum to share best practice, fast-track the deployment of winning ideas and take critical decisions as one global team.



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# 1. Fish where the fish are

Right  
product

Right  
place

Right  
price

To maximise our market coverage, we undertook two major initiatives...



# We optimised our offering in existing markets



We reviewed our core offering to identify and remove key barriers to purchase.

“Fishing where the fish are” meant playing in the right price partitions, covering the dominant product formats and ensuring that our in-store presentation made it easy for people to see us and find the product they needed.

We adjusted our prices to hit key psychological price points across different formats

We streamlined our range, culling a number of underperforming SKUs and putting greater emphasis behind multi-packs. This had the benefit of making our range easier to navigate and of increasing our average rate of sales.

We worked with retailers to increase our in-store impact.

In the UK for instance, we achieved 53 additional weeks of feature activity and 27% more points of interruption across the four major retailers.

## Achievement

We reckon that these measures alone account for circa 40% of our growth in 2013.



# We re-launched Sheba in the United States



With over 80 million cats, the United States is by far the largest cat food market in the world. We simply couldn't afford not to play there.

Previous attempts had failed due to Nestlé's strength in this market. We knew we had to get it right this time.

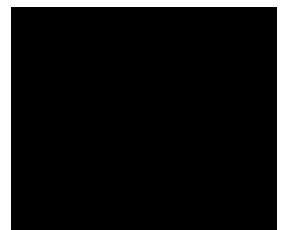


We played in the dominant format (85g can)

We reached 75% weighted distribution in 12 months

Our support programme included advertising and trial-driving promotions.

## Achievement



This represents 30% of our total global growth in 2013. We exceeded our goals on trial, repeat and distribution

## 2. Don't just play the game, change it

Pouch is the dominant cat food format in most countries yet Sheba was under-represented in this segment. We knew that we needed to become a stronger player in pouch, but we didn't want to play by rules set by mainstream brands.

We observed that 25% of owners feeding pouch were portioning them across more than one meal.\* Once opened, the pouch needs to be refrigerated, which can be messy, and the second serving is less palatable for the cat.

Armed with this insight, we introduced the mini-pouch. At 50g (vs the usual 85g) it represents a "true single serve", ensuring that every meal tastes fresh. As the portion is smaller and the food fresher, the cat is more likely to lick its plate clean. It also eliminates the hassle of dealing with half-empty pouches.

### Achievement

Mini-pouch was launched in 10 markets and was successful everywhere, bringing new consumers to the brand. It represents around 25% of our global growth in 2013.

\* Source: GFK, European data

The best things come in small packages.





### 3. Excellence in execution



We reinvented the cat lady

Our advertising had historically been produced locally by each of our key markets. It revolved around the romantic idea that a cat and her owner 'complete each other'.

For some people, this interpretation had unsavoury echoes of ageing spinsters dotting on their cats.

We didn't want another cat food ad.

We wanted a campaign truly fit for a global luxury brand.

First, we reframed the story from a romance between soul-mates to mutual seduction between kindred spirits.

Then we introduced a high-profile celebrity into the world of cat food.

This was a world first and the campaign took everyone by surprise.

Eva Longoria, the star of *Desperate Housewives*, offered a bewitching reinterpretation of the cat lady: a sexy and confident woman who loves her cat because she shares a little of that gorgeous feline spirit herself.

<http://www.youtube.com/watch?v=nkFv1KZzyMo>



## Achievement

The campaign ran across 22 markets and its galvanizing impact was felt both internally and externally.

'Eva' was the catalyst that made everything else possible. By injecting a potent shot of glamour into the brand, it enabled us to aggressively drive penetration whilst simultaneously building our status.

It was a bold demonstration of our ambition and inspired markets to invest with confidence (Sheba spent an extra 56 weeks on air across its priority markets in 2013 vs 2012).

'Eva' spurred retailers to increase our presence and impact in store, provided a distinctive platform from which to establish Sheba in the USA and to launch mini-pouch everywhere else.



## We learned from luxury brands



By behaving like a global luxury brand, Sheba grew by 20% in 2013.

- Our new structure helped us become a truly global brand for the first time
- We increased penetration by maximizing market coverage across formats, price partitions and geographies
- We changed the game in the pouch segment
- We raised our status with global advertising that challenged people's views of the brand and the category

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# Achievements

The results exceeded our ambitions.

- Having set out to double our annual growth rate, we quadrupled it.
- [REDACTED] delivering as much incremental sales in one year as we had in the previous five years combined.
- Our growth was spread evenly across our portfolio and geographies, and it was profitable, driving increased earnings both in absolute and relative terms across our established markets.

- [REDACTED]

Momentum was still building as we closed the year with two consecutive record sales periods in November and December 2013.





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# Commercial in confidence

Please note that all data highlighted in red throughout this document is confidential and not for publication. Thank you.

