Business Model

100% owned by Stella Artois, Cidre was brewed in established brewery locations and sold / marketed by existing functions. The key investment was building awareness and consideration for a brand that was strongly and exclusively associated with beer.

Why?

1. Identified as a strategic global growth opportunity.
2. Strong fit with sourcing, manufacturing / brewing, distribution and sales capabilities. Existing sites could be comfortably expanded / developed.
3. Strong sustained category growth forecast. A growing number of millennials prefer cider over beer as cider is gluten free, sweeter and more refreshing. The category also enjoys scope for wider flavours and stronger appeal with women than lager.
4. Advertising and promotional support synergies when awareness and retail distribution is established

Business Model

Hershey applies a licensing model to generate revenue – alongside expanding brand touch points / engagement. Internal management focus is on food-based deals with agency CAA-GBG supporting non-food. Licensing has generated $1.5 billion in retail sales value.

Why?

1. The combination of strong chocolate ingredient credentials AND distinctive visual properties opens-up a very wide range of opportunities that range from food to seasonal gifts and accessories.
2. Licensing supports an aggregated scale in sales revenue and touchpoints from individual initiatives that don't warrant Hershey's resources or risk.
3. Dedicated management internally and externally via an agency was justified by the complexity of the global portfolio and size of revenue.

Business Model

Durex used a partner to design / manufacture products and added capacity for lubricants. The existing sales and marketing team led the launch focused on big pharmacies that had not previously stocked these products. The range represented 20% of UK turnover in 2 years.

Why?

1. Toy design / manufacturing was the key capability gap. There was no production synergy with condoms or lubricants. Manufacturing costs in China were highly competitive.
2. Critical to success was condom shelf presence and relationships with retail pharmacies that enabled them to create a new ‘normal’ category for their shoppers
3. The scale /growth potential for toys was less certain and without the repeat purchasing of condoms and lubricants.
4. Significant synergy with existing brand A&P spend - that could be re-directed to support new Durex Play range awareness.
5. Lubricants were already being produced for condom business.

Familiarity with Teavana in in Coffee-centric starbucks wasn’t enough to deliver a competitive brand for stretch

Business Model

Starbucks applies a model proven successful with coffee. The Teavana brand has gained global availability via Starbucks outlets – creating a platform for retail sales via partners such as Nestle (licensed) and AB InBev (JV) who produce and distribute.

Why?

1. Achieving advantaged distribution / physical availability is key:
   - Nestle owns an extensive and diversified global distribution system – with relationships with suppliers, retailers, vendors, and distributors Starbucks cannot replicate.
   - Teavana Craft Iced Teas were launched to 300,000 stores in AB InBev's distribution network.
2. Out of home experience-built brands are highly appealing to consumers. Nestle partnership has added brands and removed a threat. AB InBev see non-alcoholic portfolio growth.

Business Model

Mondelēz, bought back the licence for the biscuit business in the UK. The new model unifies Cadbury with other brands within existing R&D, distribution, sales and marketing capabilities. Burton (former licensee) continues to manufacture many Cadbury biscuit lines

Why?

1. Mondelez identified biscuits as a core category in which they had a leading position and the assets / capabilities "to accelerate global growth and innovation"
2. The distinction between biscuits and chocolate has become blurred and a constraint to innovation. Mondelez seen themselves in a wider snacking market competing with confectionery, energy bars, etc.
3. Mondelez has a biscuit portfolio that includes the Oreo brand and Belvita. A licensing model for one brand significantly limits the profit potential and scope to embrace co-branded innovation.

Business Model

The brand's stretches are through a licensing model with partners operating independently to deliver sales, marketing and distribution, etc. Owner Brown Forman supports the development of co-promotional opportunities that support whisky sales

Why?

- The company see licensed products as an enabler of increased whisky sales and focus on encouraging connection to whisky products in communication and co-promotional opportunities
- Successful earlier stretches have built an association with food and particularly BBQ. A branded burger at TGIs and later Heinz produced marinades has provided the foundation for a further stretch into prepared meat.
- Jack Daniel's offers partners a ready-made national brand that appeals to a wide demographic

Business Model

Nestle established a joint venture with Lactalis in which Nestle has a minority share (40%). Nestle gained scale, supply network and logistics. Nestle provides brands and R&D expertise. The JV applies across Europe.

Why?

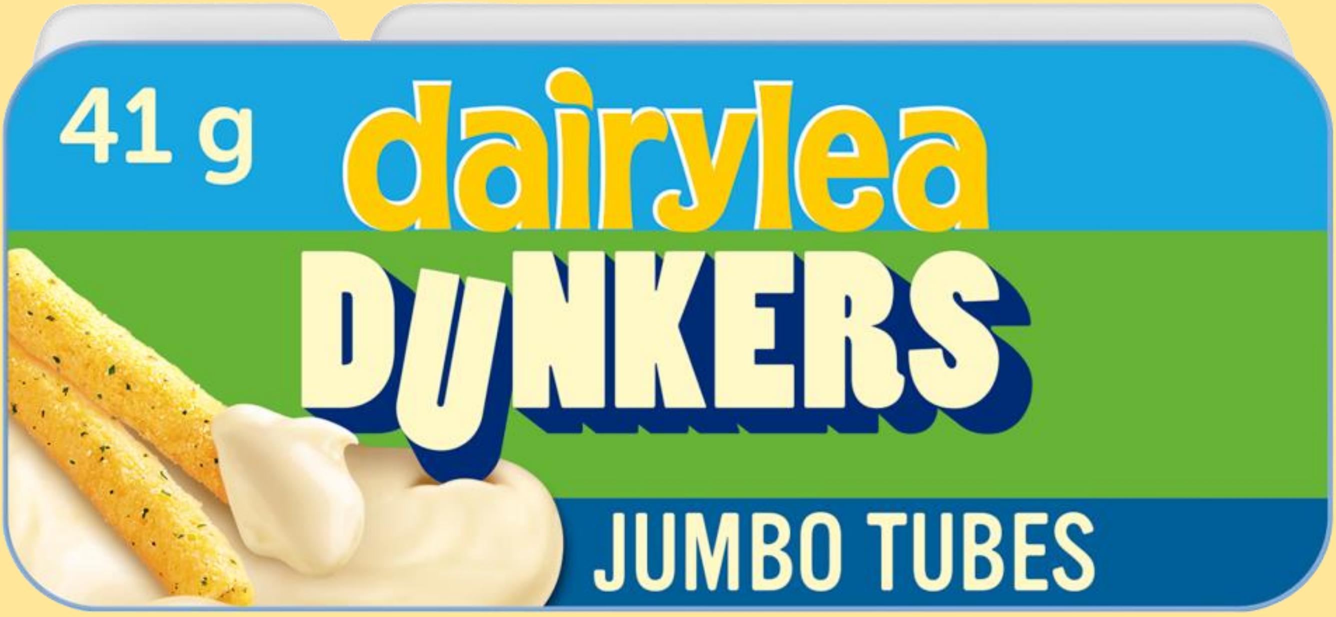
1. Nestle alone lacked the scale (branded and PL) to achieve the economies of scale in manufacturing and distribution.
2. Nestle alone was unlikely to match the strong category / retailer influence of the the likes of Muller or Danone in a very competitive European market.
3. Nestle brands were very attractive to JV partner Lactalis that had no branded presence in desserts / yogurts but a strong branded cheese portfolio.
4. Nestle provided Lactalis with a portfolio of confectionary brands, innovation and support from confectionery touch points. They therefore wanted more than a passive licensing model.

Business Model

P&G have actively applied a co-branding model for Febreze. With originally patent-protected properties the brand brings the promise of fresh, clean scents and better odour control to other relevant P&G products.

Why?

1. It reaffirms the brand’s freshness associations, increases touch-points builds saliency. It links Febreze to supporting wider good cleaning habits.
2. It enabled rapid and wide brand reach and recognition before patented protection for technology expired.
3. It introduces Febreze to other P&G brand buyers to extend their basket of P&G products.
4. It provides partner P&G brands with an additional unique differentiator to justify a price premium on alternatives.



Business Model

Kraft in Europe took processed cheese brands such as Dairylea and Philadelphia into snacks. They early MVP was ambient (based on US product) and was changed to a chilled snack pack. Kraft used existing capabilities with the major investment being a new packaging line.

Why?

1. Ambient snack fixture was dominated by big spending crisp brands. On this fixture the quality perceptions of cheese were lower than in chiller cabinet.
2. Kraft had an established chilled supply chain. The addition of a high-speed packing line for crisps / breadsticks was helped by expertise from owner Phillip Morris's cigarette factories.
3. Creating an adjacent snack pack category to branded cheese supported a trade-up of current shoppers to premium priced snacks. The category value growth story was compelling to retail buyers that Kraft had established relationships with.