

The man with the plan for yoghurt

Kevin White

Despite the failure of Activia’s relaunch, Danone’s UK & Ireland MD is optimistic he can turn around the brand and the ‘stagnated’ yoghurt category

It won’t be a surprise that we’ll have a completely new campaign for Activia next year,” says Danone Dairies UK & Ireland MD Craig Read, as he explains the failure of the brand’s high-profile relaunch in 2016.

Danone’s multimillion-pound global campaign was designed to transform Activia into a premium “aspirational lifestyle brand” and aimed to demonstrate how women could “reach their everyday potential” by being ‘InSync’ with their bodies.

It was also meant to turn around plummeting sales, with the yoghurt brand seeing a 14.9% drop in UK value sales during 2015 to £172m [Nielsen/The Grocer Top Products].

But the revamp tanked, not just in the UK but across the whole of Europe – despite the support of celebs including Olympians Denise Lewis and Victoria Pendleton – leading to a further haemorrhaging in sales during 2016 (down 19.6% to £152m) and last year (down 13.4% to £139m).

“We tried to change the tone to make it more relevant to younger consumers, but it really didn’t hit home,” admits Read. “The huge loyalty and slightly older demographic we have with the brand meant it was very hard for those consumers to move into this new space, and I’m not sure it resonated in the way we thought it would with new users as well.”

So what plans does he have to turn Activia’s fortunes around, what are Danone’s wider plans for the UK, and with Alpro now part of the Danone family, could a dairy-free range be on the cards?

“The positive news is that Activia is now in good shape compared to two years ago,” says Read, who has just returned to work after taking three months’ parental leave.

Having boosted sales through innovations such as the launch of its ‘Double Zero’ and Grains & Seeds variants, the yoghurt brand is now facing an “exciting future”, he insists, hinting at further NPD alongside the new marketing push next year. “There is more exciting news to come from Activia. But I can’t say any more than that at the moment,” he says.

Read boasts a 20-year career in fmcg that started out “back in the days of field sales” with United Biscuits. He later spent almost five years at Budweiser, including a year in St Louis with the beer brand, before spending almost nine years at GSK in a combination of roles, latterly as marketing director at Lucozade.

He joined Danone Dairies three years ago as commercial director of the UK business, and after just over a year as MD says he’s determined to turn around the fortunes of both Activia and the “stagnated” yoghurt category.

“We’re not attracting enough younger consumers, and we’re not making it easy enough for consumers to understand the benefits of the health category. So we’ve got a job to do there,” he says.

“And it’s not just about giving consumers great healthy products; it’s also about the footprint that we leave behind,” he adds. “What we know today is that when people eat they are also voting for the world they want to live in. They want to know who is behind that brand. That’s what our One Planet One Health philosophy is all about.”

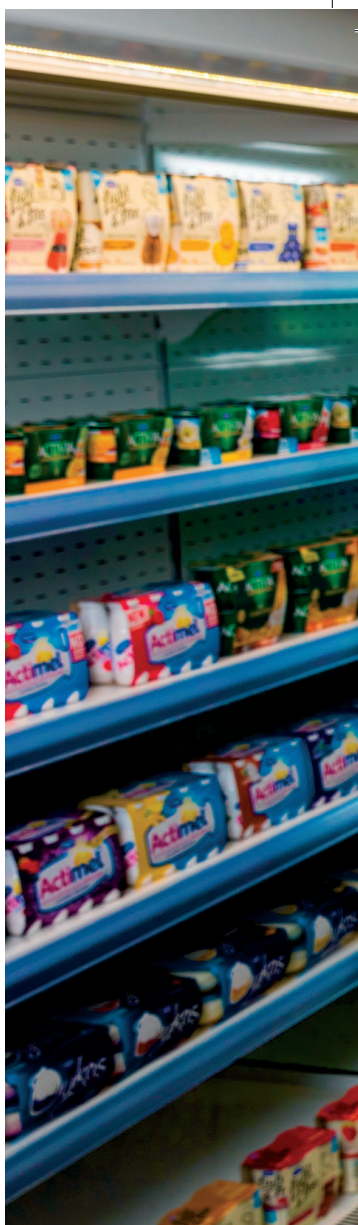
With this in mind, Danone Dairies UK&I was the first UK dairy business to achieve certification by global sustainability NGO B Corp in February, an achievement Read suggests “really backs up on those One Planet One Health credentials”.

It “holds us true to the way in which we run our business”, he adds, particularly on how Danone engages on community projects (such as its Eat Like a Champ healthy eating schools project) plus the work it does to reduce its environmental impact, its health credentials and the way it treats its workforce.

Cutting out sugar

Similarly, Danone also ticks the health box through a steady reduction in sugar content across its portfolio, Read points out.

“I wouldn’t say we’ve done everything we need to yet, but we’ve been on a really aggressive journey. During the past 18 months, we’ve reduced sugar by 17% across the standard Activia range – representing about 118 million spoonfuls,” Read says. “We’ve



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snapshot

Age: 40

Job: MD, Danone Dairies UK & Ireland

Home town: The Sussex coast, but I’m a Kiwi by birth. I lived there for the first four years of my life before my parents came back to the UK and set up home in the Brighton, Hove and Worthing areas

Family: Married to Liz, with nine-month-old daughter Isla. We live in Clapham Common

Potted CV: I started my career at United Biscuits, followed by five years at Budweiser and almost nine years at GSK. I joined Danone almost three years ago

Interests: Travelling and playing golf
Most enjoyable thing about your job: The culture and people make every day an enjoyable yet challenging experience.

also reduced sugar in the core Actimel range by about 14%, in addition to launching a No Added Sugar range for Actimel and Activia’s ‘Double Zero’ range.”

Elsewhere, Light & Free, the first 0% fat and 0% sugar product on the market, has become a £31m brand since its launch in 2016. “But there is still more to do on sugar, and still more to do when we think about innovation and ingredients,” says Read.

Ultimately though, food companies live and die by their innovation pipelines, something Read says is “top of our agenda”.

He describes the Manhattan-based Danone Manifesto Ventures – which invests in startup food and drink businesses like coconut water brand Harmless Harvest and, most recently, German home mineral water machine brand Mitte – as a “really unique team” and an exciting way to find and support new companies and fuel innovation.

Closer to home, Danone Dairies is particularly focused on the “mega trend” around “fluid lifestyles” and food on the go, he adds.

“We know almost half of food will be consumed out of home by 2020. Yoghurt is predominantly consumed in a pot, but if we want consumption to grow we need to make it more portable and easier to consume on the go. These are big areas to focus on.”

The UK business is also now very much a testing ground for NPD, through Danone’s recently launched Incubator team – something Read was at the forefront

of developing. “We see lots of really interesting products launched by Danone across the globe, so what the team does is give us the opportunity to test and learn but also be agile by bringing a product to market much quicker than through traditional channels,” he says.

Danone Dairies UK&I is the only Danone unit in Europe to have an Incubator team, Read adds, reflecting London’s food trend-setting status. Its first product, the Danone of the World yoghurt and fermented drinks range, went on sale in June after previous success in France and Italy. It is “one of many new products we want to bring to market, and they won’t necessarily be yoghurts,” he adds.

Speculation has been rife – ever since Danone bought Alpro owner Whitewave last year – that the company could also be gearing up to launch dairy-free variants of Activia and even Actimel.

Read remains tight-lipped on the specifics, but says dairy alternatives is a “super exciting” category that has “huge” growth potential for the business.

“What we know is that a very high percentage of shoppers buy dairy alternatives in addition to dairy, rather than instead of it. We see it as a very complementary category, offering ultimately what consumers want,” he says. “You can understand why Danone bought Alpro. If consumers desire a non-dairy alternative from some of our big brands, then we need to deliver it to them.” ●