

# Still full of





How does a 150-year-old company stay relevant? *Lucy Fisher asks Colin Haddley, director of strategy, insight and capability at Heinz*

**W**arren Buffett's Berkshire Hathaway company and private equity firm 3G bought Heinz in deal reported to be worth \$28bn (£18bn) earlier this year, in the biggest takeover the food industry has ever seen. The billionaire, arguably the world's most famous investor, praised the company's record of "continuous innovation" and admitted to having kept a file on the company as far back as 1980.

It is certainly true that the soups, sauces and baked beans empire has an enviable reputation to uphold. *Marketing Week* described the deal as a "triumph for marketing", claiming that the global food giant's continued success illustrates how effective brand-building can transform a company's bottom line.

But Colin Haddley, director of strategy, insight and capability at Heinz UK and Ireland – a scientist by training – is quick to point out that creativity needs process behind it, especially in a huge company like Heinz. Innovation doesn't just happen, he points out: "Generating great ideas is essential in marketing, but to generate these ideas you need to be disciplined in your approach."

And, with a market-leading position to maintain – Heinz has a consumer trust score higher than any other food brand evaluated by Mintel over the January 2010 to April 2013 period – it is important, too, not to become complacent. "We have a bedrock of continuous

data – more than I've seen used elsewhere," says Haddley. "We use electronic point-of-sale data; Nielsen; panel data from Kantar and we do social media and brand monitoring. For big brands – especially those with market dominance – measurement is critical."

## Test and learn

Haddley says that his team endeavours to use consistent metrics in order to be able to compare results across projects. He describes this approach to insight and innovation as test and learn "on a big scale", although he admits his team is relatively lean ("three continuous and five ad hoc"). But, of course, Heinz has agencies to call upon, too, such as Nielsen, Engage and Promise Communispace, which is working with



CV  
COLIN  
HADDLEY

### 1992 – 2003

Worked in marketing management at Bass Brewers for most of the 1990s before becoming European marketing director for the Huggies brand in 1999. "This was my first real data or research-focused role," he says.

### 2003 – 2008

Moved into an insight and marketing excellence role with Kimberly-Clark (Huggies parent company) in 2003 before joining the Royal Bank of Scotland as brand and product director in 2005.

### 2008 – present

Became group account director at marketing capability consultancy Brand Learning in 2008 before joining Heinz UK & Ireland in 2011.

► Heinz on Heinz Club 57, an online community of 300 consumers that is used to source consumer feedback.

This group is asked to consider a selection of pre-defined business issues each month, and to provide touch-points along the innovation pipeline. For instance, it was used to give insight into lapsed and lapsing salad cream users via online discussions, a poll and an exercise which entailed writing a 'love letter' to Heinz Salad Cream to explain reasons for no longer buying it. "I've been surprised at the responsiveness of people for a very small reward," says Haddley on the use of the community, incentives for which are £5 or £10 Amazon vouchers.

Heinz has also invested heavily in training,

Heinz Cream of Tomato Soup was imported into the UK for the first time in 1910



#### VIEWPOINT: TIM BRITTON, YOUNGOV



"Heinz is a major heritage brand. It's also a composite brand, with a lot of potential touchpoints. It is consistently strong and sector-leading, and it obviously has a very ambitious brand extension strategy. Of course it can afford to do so, given that it's got the public trust behind it.

"As a market leading brand, it's about staying in that leading position and widening what it does.

It has a particular place in the public consciousness – comforting, healthy food that you grew up with – and it tends to innovate within those brand confines. Of course, there are ups and downs, but over a period of time it maintains its consistent position.

"If you're going to innovate a lot, you're going to make mistakes, so the balance between continuous innovation and protecting core values can be difficult to maintain."

with a stated aim of this investment being to help foster a culture of innovation. Haddley says that, along with Realise Consulting, he has developed an approach to training which is now referred to internally as 'marketing missions'. According to Rob Mitchell, founder of Realise, Heinz marketers are massively commercial. "It's about getting them focused on the deliverables and embedding processes," he says, and "building the skills to generate disruptive innovation and creative thinking".

The 'missions' involve attempting to answer a specific business challenge within 60 to 90 days. Each is split into four sections: a briefing; fieldwork; a two-day workshop; and then work on the mission over a number of weeks before a debriefing. "We condensed the whole process of insight, R&D and product development," says Haddley. "This moves the programme on from being about training to something that delivers immediate value to the business."

Training is no luxury then, and, with CMO of Heinz UK and Ireland Giles Jepson having identified the "spaces between categories" as a key area of focus – the extension of the 'Big' soups range into ready-meals for example – clearly there is a need for bright ideas.

Jepson admits that the recent launch of Lol, a soft drink range targeting 10 to 13-year-olds is a "test", given that the product sits outside established Heinz categories. "The group's remit is very much about identifying and developing new growth legs behind the UK business," he says – and the existence of the Lol brand displays a willingness on the part of the company to be brave and to try new things.

#### TIMELINE: A TASTE OF HEINZ THROUGH THE AGES

**1856** A 12-year-old Henry J Heinz begins selling produce from his mother's garden

**1869** Working with L. Clarence Noble, Heinz & Noble bottles and sells its first product – grated horseradish

**1876** H J Heinz goes into business with two of his relatives and Heinz Tomato Ketchup makes its official debut

**1882** The Heinz factory opens in Pittsburgh, USA

**1886** H J Heinz sells his first products to London's Fortnum & Mason

**1896** Riding the New York railway, H J Heinz sees a poster for a shoe company advertising 21 styles of shoe. He adds up the number of products that his

company produces: on that journey 'Heinz 57 Varieties' was born

**1900** Horse and cart transports tomatoes from field to factory

**1910** Heinz Cream of Tomato Soup is imported into the UK for the first time

**1931** Ready-to-serve soups and baby food are added to the Heinz range

**1967** The 'Beanz Meanz Heinz' slogan is born

**1968** Heinz introduces individual foil ketchup packets, for ketchup on the go



### Support systems

In order to aid Heinz's ambitions, Haddley understands that insight is "no end in itself". Harnessed efficiently, and communicated effectively, research can – without doubt – empower marketers to make bold moves, although ensuring that a culture of insight and innovation is embedded into the functioning of a busy organisation is no easy task. "Businesses know that consumer understanding and an external focus is important, but making it central to decision-making is difficult because of day-to-day pressures," Haddley admits.

So the challenge for the insight function in most companies is to become more efficient. And efficiencies are derived, according to

The new Heinz Beanz range, capitalising on the brand's heritage, was launched in 2005

**2000** Launch of organic ranges for main brands

**2003** The plastic, top-down ketchup bottle is born. For traditionalists, the distinctive glass bottles remain on sale

**2004** Reduced sugar and salt baked beans are introduced

**2005** Launch of the new 'Heinz Beanz' range

**2009** 'It has to be Heinz' marketing campaign across TV, radio, in-store, digital and PR. A vine-ripened tomato replaces the Heinz Gherkin logo on ketchup labels for the first time since the 1890s with the words 'Grown Not Made'



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►Haddley, when you have clearly identified the issue. “Einstein’s quote, ‘If I had one hour to save the world, I would spend 55 minutes defining the problem and only five minutes finding the solution’ really resonates with me,” he says.

Certainly, there is no shortage of data to help marketers define ‘the problem’, given the plethora of analytics tools now freely available. A recent addition to the insight armoury at Heinz is the monitoring of social media sentiment. Haddley says the team uses a tool called Sysomos, which employs keyword

Heinz products are held in high regard by the public so any innovation has to be carefully considered



analysis to calculate sentiment, and another called Crimson Hexagon, which uses a learning algorithm to segment conversations, topics and emotions by looking at the structure of conversations. “Obviously, there needs to be an element of human analysis,” he warns.

Haddley believes that it’s a mistake to focus too much on any one source of insight, suggesting that – despite all the talk of process and procedure – there is a place for intuition, too. “Penetrating, meaningful insights are derived, felt and observed through a variety of sources of information. It is like building a jigsaw,” he says. By piecing it together, the relevant pieces of insight emerge: what consumers like, do not like, want more of, or think is a flaw. “But it all starts with effective data management,” Haddley says.

### Respect the heritage

There’s little doubt that efficiency of process is more critical than ever, given that much of the world has been in recession for five years. Haddley refers to these as “habit-changing times”. He says the marketers at Heinz are acutely aware of the ways in which people are changing their behaviours, and how this has been exacerbated by an explosion in new technologies.

All of this taken together means that the stakes are already high for brands. But, when it comes to innovation, does this ratchet up the pressure – particularly when, as is the case with Heinz, a brand is held in high regard by the public? Uri Baruchin, strategy director at brand consultancy The Partners, puts some of Heinz’s success down to recognition of this fact. “By respecting the heritage of your brand you are showing you respect the audience who remained loyal to it and the product that made it great,” he explains. “As long as extensions are managed carefully, it’s set up for many more years of growth.”

Only time will tell what the new ownership structure will mean for Heinz, but there’s no doubt that change is already afoot. The appointment in July of a new CEO – Bernardo Hees, formerly of Burger King – led to a management shake-up, and, as *Impact* went to press, the company was consulting on job cuts that would effect up to 1,200 of its 31,900 employees.

However, CMO Jepson has made it clear that innovation is a key focus for the company. “Innovation is incredibly important to us and I think it will become even more important,” he has said. “Failure is accepted as long as the same mistake is not made twice. Learning quickly and cheaply, and applying the learnings, is critical.” ■

**2011** Heinz Tomato Ketchup with Balsamic Vinegar launches on Facebook

**2013** Warren Buffett’s investment firm Berkshire Hathaway, along with 3G Capital, agrees to buy Heinz for \$28bn (£18bn) in the food industry’s largest-ever acquisition