

# FLORA®

## THE MARKET

Once the poor cousin to butter, margarine today is a staple in the Australian diet, with over 85% of Australian households buying margarine at some time during the year.

Where once the split in market share between butter and margarine was 75/25 in favour of butter, today the situation is almost reversed and now stands at 72/28 in margarine's favour.

For 150 years since it was developed by the French, margarine played second fiddle to butter. It was not until the 1950s, when polyunsaturated margarines began to emerge, that margarine became an acceptable butter alternative. The turning point came when scientific studies in Europe in the late 1950s found a positive link between the consumption of polyunsaturated oils and a reduction in blood serum cholesterol. As cholesterol was known to be a major cause of heart disease, this finding resulted in the rapid growth in popularity of polyunsaturated margarines.

The first polyunsaturated margarine in Australia (Miracle) was launched in 1963, and became the pioneer of what is now a \$400m market. More recently, newer oil types have been introduced into the margarine market, with monounsaturated oils such as canola and olive oil now commanding 26% of the market.

## ACHIEVEMENTS

Flora has long been a leader in the Australian margarine and spreads market, and has consist-



ently been the first to address all major market trends with new product innovations. In line with Flora's brand positioning and commitment to 'goodness' (the word 'goodness' plays a central role in all Flora brand messages) these innovations have,

in the main, addressed consumer trends associated with health and nutrition.

Flora was, for example, the first margarine brand to develop a salt reduced variant (1983), targeted at those consumers conscious of their sodium intake. This was soon followed with a revised formulation which made Flora the first margarine to contain no artificial colours, flavours or additives (1986). Flora was again ahead of the pack with the launch of the first liquid margarine in Australia when Flora Cook'n'Bake was launched in 1988.

The following year, Flora pioneered a whole new category of product with the launch of the first reduced fat spread (1989) under the name of Flora Light. In 1993, Flora once again led the way with Australia's first monounsaturated sunflower spread, Flora Mono Sun - actually one of the first formulations of its kind anywhere in the world.

The innovations continued in 1996 with the introduction of a blend that effectively removed 'trans fats' - a type of fat that has recently been shown to have the potential to raise cholesterol in much the same way as saturated fat. While in 1982 there was only one variant of Flora, available in only two sizes, today there are seven variants, in over a dozen sizes ranging from 10gm to 20 kg.

As a result of all this, and because of the brand's emphasis on its key characteristic of nutritional 'goodness', Flora is now the world's best selling margarine. In the UK, for example, it sells more than the total of all brands sold in Australia. Australian-made Flora, however, is a success story in its own right and is exported to several countries in the Asia Pacific region.

## HISTORY

Flora is an international brand of the giant Anglo-Dutch company, Unilever - a company whose margarine manufacturing history goes back a very long way.

Unilever was formed in 1929 as a result of the merger of Lever Bros, a UK based soap manufacturer, and Margarine Unie NV, a Dutch margarine maker. Margarine Unie NV had been established by the van den Bergh family, which had been producing margarine in Holland since 1872. Margarine itself was first developed in France in the first half of the 19th century to help cope with food shortages which followed the Napoleonic Wars.

The Flora brand was first marketed in the UK in 1964, and owes its name to the fact that vegetable oils, predominantly sunflower oil, are the primary ingredient.

Although Unilever had been producing margarine in Australia since the 1930s, it was not until 1967 that Flora was first manufactured and marketed here. At this time, margarine quotas imposed by the Government restricted production to set amounts from each given site. Consequently, in order to produce more margarine, Unilever had to manufacture Flora from a number of different locations





across the country.

With the gradual removal of quotas in the late 1970s and into the 1980s, Unilever began to concentrate production of Flora at fewer and fewer sites in order to maximise production efficiencies. By the early 1990s all Flora was being produced at Unilever's major margarine production facility in Sydney.

Today Flora is a leading brand in Australia, holding market leadership in most states and territories, and running a close Number 2 in New South Wales and Victoria.

### THE PRODUCT

Flora today, as it has always been, is based on sunflower oil. Natural sunflower oil provides the 'goodness' that is at the heart of the brand. The sunflower contains both the essential polyunsaturates and the vitamin E that go into making Flora so special - and also gives the brand its core equity symbol - the image of the sunflower itself.

Sunflower oil used in Australian Flora comes mostly from Australian sunflowers, grown in northwest, southern and central NSW and Queensland.

In addition to sunflower oil, Flora also contains other vegetable oils, skim milk, natural colours and flavours, soyabean lecithin, and salt. All

ingredients are churned in a chilling vessel to produce a smooth creamy spread, before being packed at high speed into the familiar plastic tubs, ready for retail sale.

However, Flora is more than just a spread. The Flora range is complemented by a range of specialist products. These include Flora Cook 'n' Bake, a liquid margarine designed specifically for cooking convenience; Flora Herb & Garlic, a blend of herbs and garlic with Flora spread; and pure, light, Flora Sunflower Oil.

Flora is not only designed for use at home. It is also Unilever's flagship brand in the growing foodservice market, offering chefs and other commercial food preparers the same quality and reassurance that Flora gives in the kitchen at home.

### RECENT DEVELOPMENTS

In the early 1990s, and after many years of research and development, Australian sunflower breeders made a key breakthrough.

They were able to develop a sunflower that yielded high levels of monounsaturated oils, rather than the traditionally high levels of polyunsaturated oils usually found in sunflowers. This allowed the further development of the Flora brand, and led to the introduction of Flora Mono Sun in 1993 - Australia's first monounsaturated

spread, and one of the first in the world. This in turn allowed Flora to meet the growing consumer trend towards monounsaturated oils.

Just three years later, in 1996, Flora took another major step forward with a total reformulation of its flagship product - the most significant reformulation since its launch. The result was a spread that was nutritionally superior to any other competitive spread on the market at that time, was lower in fat than before, and contained virtually no trans fats. Still based on sunflower oil, the improved formulation gave even greater strength to the brand and to its claim to

represent the highest levels of 'goodness' in a spread.

### PROMOTION

The theme of 'goodness' has been a consistent advertising message for Flora throughout the brand's life, though the interpretation of 'goodness' has evolved over time so that the message has remained contemporary and relevant to consumers, as their attitudes and needs have changed.

The primary means of communication for Flora has always been television, often augmented with magazine advertising. This activity is designed to communicate the core values of the brand, and strengthen the consumer's relationship with it. The 1997 television campaign revolves around the core brand signal of the sunflower. In the advertisements little children dressed as fairies dramatise the benefit which flows from sunflowers - 'goodness' - and this in turn serves to re-enforce the core value of the brand.

In-store promotional activity is also a major element of the marketing mix. It serves to encourage people to switch from rival brands, and on the other hand to reward loyalty at the point of purchase.

### BRAND VALUES

Flora enjoys a strong brand heritage and reputation as a top quality spread which can be relied upon for its 'goodness'.

Flora has always been first choice among consumers who are seeking a spread to meet their need for re-assurance and comfort, as well as their practical requirement for a light tasting, healthy spread.



### Things you didn't know about Flora

- Flora is the top selling margarine in the world - well over two billion tubs.
- In an average week, over 600,000 households in Australia buy a tub of Flora.
- Every 1kg tub of Flora contains the sunflower oil from nearly 17,000 sunflower seeds.
- Margarine was developed in France over 150 years ago to help overcome food shortages following the Napoleonic Wars.