



THE MARKET

The Australian market for sweeteners was worth approximately \$27.3 million a year by the end of 1998. The category had grown 2.2% in the 12 months to December 1998, reversing the 9.8% decline of 1997. Growth is accelerating; in the last quarter of 1998 the category increased by 5%.

The sugar substitute category is divided into four major segments: Tablets, Granular, Sachets and Liquid. Tablets are the most popular form of sweetener, representing just under 65% of the category. The market for the Granular form has grown from 18.5% in 1994 to 24% of the category in 1998, while Sachets' share has dropped 3% in the four years, and Liquid use has also declined to only 2% of the category.

The major brands of sweeteners on the Australian market are Equal, Sugarine, Splenda, Hermesetas and NutraSweet. The main difference between them is their sweetener ingredient; Equal uses NutraSweet and therefore Aspartame as its base ingredient, Sugarine has Saccharin, Splenda has Sucralose, Hermesetas uses a blend of Ace K and Aspartame, while NutraSweet itself of course has Aspartame.

Sweeteners are sold through Grocery, Pharmacy and FoodService outlets. Grocery is the most popular channel, representing just under 90% of the market, while FoodService has 9% and Pharmacy approximately 2%.

ACHIEVEMENTS

Equal has been the Number One sugar substitute brand in Australia for 15 years. It holds just under half of the entire category by value.

Since Equal was launched nationally in 1983, the market for the sugar substitute category has grown from \$8 million to \$27 million a year.

Equal has been a proud sponsor of the Juvenile Diabetes Foundation of Australia's (JDEFA) 'Walk for the Cure' over the last five years, and is a staunch supporter of the diabetic community through Diabetes Australia and the JDEFA.



HISTORY

In 1901, a 42-year-old high school dropout named John F. Queeny founded a new company to make saccharin, and named it for his wife, Olga Monsanto Queeny.

More than 95 years later, Monsanto is the largest sweetener company in the world; all because of a scientist's fingertip in 1965.

NutraSweet was discovered by James Schlatter at G.D. Searle & Co while he was working with amino acids on a treatment for ulcers. When he licked his finger to pick up a piece of paper, he tasted a sweet, attractive flavour. It was the first taste of NutraSweet, which would revolutionise the category of 'sweetener' for individuals and food producers.

With its clean taste and amazing sweetness (up to 200 times sweeter than sucrose) NutraSweet has become one of the most widely used sweeteners in the world. It is especially valued by the diabetic community, because it allows them to enjoy sweet, tasty foods without an increase in blood sugar levels.

Equal, the tabletop sweetener designed for use in hot beverages and for food preparation, was launched in tablets and sachet form. It offers a taste which test have shown to be indistinguishable from sugar.

With the focus on calories control in the 1980s, Equal became a runaway success. Club Equal, designed to offer consumers recipes utilising Equal and assisting them to achieve healthy eating goals, was launched in 1990. In 1993, Spoon for Spoon was introduced. It is a granular form of Equal, similar to sugar in look and measure, which is used mainly for food preparation and sprinkling on fruits and cereals. Around this time the tag line changed to 'Great taste... minus the calories', distancing Equal from sugar.

Relaunched in May 1998, Equal is now focused on the consumer concerns of balance, control and lifestyle. The new tag line sums it up as 'Another simple way to look after yourself.'

THE PRODUCT

Aspartame is an intense sweetener which was discovered in 1965. It is made by combining the amino acids, L-aspartic acid and L-phenylalanine as the methyl ester. Individually these components are not sweet, but linked together they produce a pronounced and pleasant sweet taste. Aspartame is approximately 200 times sweeter than sugar, hence a





very small amount can be used to provide a desirable level of sweetness in food.

NutraSweet brand sweetener is the brand name and trademark for this intense sweetening ingredient. Recognition for the brand has been easy: products were clearly identified by the red NutraSweet 'swirl.'

When digested, NutraSweet is broken down to its amino acid components (aspartic acid and phenylalanine) and a trace of methanol. These components are metabolised in the same way as they are when obtained from other everyday foods such as milk, meat and vegetables. When completely metabolised, NutraSweet supplies the same amount of energy per gram as protein. However, since it is so intensely sweet only small amounts are needed to sweeten food, and therefore NutraSweet provides insignificant calories.

Equal is available in three convenient forms. Equal tablets are ideal for sweetening both hot and cold beverages. Equal Sachets and Equal Spoonful (originally Equal Spoon for Spoon) are great to sprinkle over cereal or fruit, and for use in many recipe applications. Maintaining a healthy weight is easier and more enjoyable thanks to the great taste of Equal.

NutraSweet is one of the most thoroughly tested food ingredients in the world. Well over 200 scientific studies conducted over some 30 years have resulted in regulatory approval in countries around the world including the United States where the Food and Drug Administration (FDA) tested and approved it.

According to the FDA, the data and information supporting the safety of NutraSweet is extensive and it is likely that no food product has ever been so closely examined for safety.

People can feel free to enjoy the great taste of Equal and NutraSweet, including people striving to control weight, children, pregnant and lactating women, and people with diabetes.

RECENT DEVELOPMENTS

The April 1998 relaunch of Club Equal marked the serious involvement of Equal in relationship marketing. The club's database has been growing spectacularly, doubling to 50,000 members in the first 12 months of the new club's existence.

Among other benefits, members receive a four page colour newsletter on health and lifestyle and a variety of recipe sheets using Equal in many different and interesting dishes.



In May 1998, the brand was repositioned and relaunched with the slogan 'Equal - Another simple way to look after yourself.' New packaging designs and an updated logo combine to bring Equal's visual image right up to date.

PROMOTION

Promotion for Equal has seen frequent and steady updating over the years. In above-the-line advertising, updating has been almost annual.

In 1993, it was 'Sometimes I'm bad. Sometimes I'm good. It all equals out with Equal.' By 1995, that had become 'Don't get mad. Get Equal', and this in turn became in 1996 'You'll be amazed at the Taste of Equal' with Knight the dog. Still in 1996, this was followed by 'You'll be Equally Amazed by the taste!' 1997 announced that 'You've already eaten everything that's in Equal,' and that finally became the new slogan 'Another simple way to look after yourself' in 1998.

Below the Line activity has always been a strong part of the promotional mix for Equal and has also been updated regularly. In 1991 it was 'Everybody wins with Equal', and Equal and Cher teamed up to put everyone in great shape through Cher's exercise videos. Other promotions have



included a limited edition designer coaster set in 1995 and a Mazda 121 'You'll be amazed by the Taste' competition.

The most recent consumer promotions have included the coffee plunger giveaway 'Sugar free. Plunger free' and the search for 'Equal's Favourite Cafe' in the stainless steel coffee cup promotion.

Equal has recently begun to develop a stronger profile in the Foodservice channel with restaurants and cafes. Recent promotions have targeted these establishments, and prizes have included everything from free cups of coffee and recipe books to trips to Italy, the home of coffee.

BRAND VALUES

Equal allows consumers greater choice and freedom in the foods they consume every day, without compromising flavour. Equal is 'Another simple way to look after yourself.'

THINGS YOU DIDN'T KNOW ABOUT EQUAL

- You have already eaten everything that is in Equal. That's because Equal is made using the same building blocks of protein that are found in vegetables, fruit, grains, meat and dairy products. In fact, many common foodstuffs eaten every day will have in them more of what is in Equal, than Equal itself.
- NutraSweet, the base ingredient of Equal, was discovered in 1965 by a scientist doing research with amino acids and working on a treatment for ulcers. He licked his finger to pick up a piece of paper, and noticed a sweet, attractive flavour.
- NutraSweet is one of the most highly valued and widely used sweeteners in the world. It is used and enjoyed in more than 6000 different products.
- NutraSweet is 200 times sweeter than sugar.
- NutraSweet is a non-carbohydrate sweetener, so unlike sugar it does not promote plaque formation or tooth decay.