



THE MARKET

Australians of all ages enjoy their fair share of confectionery throughout the entire year, snacking on an amazing \$1.56 billion of assorted chocolates and sweets to make them one of the top ten confectionery eating nations in the world.

Category participation rates for confectionery are high at over 81 per cent, and are second only to sandwiches/bread (93 per cent) and fruit and vegetables (95 per cent). The highest consumption of confectionery is amongst youth¹.

The Australian market has been and remains extremely competitive. Substantial investment by major manufacturers is common, and a huge variety of new and traditional products is constantly vying for a share of the market.

Nestlé entered the market in 1908. The company has a long and strong tradition in the making of quality confectionery products. They include *Smarties*, *Milky Bar*, *Allens*, *Wonka* and the number one chocolate bar brand, *Kit Kat*.

It has been estimated that in 2000 alone, an amazing 90 million *Kit Kat* fingers were consumed.

ACHIEVEMENTS

Kit Kat is a truly global brand, delighting consumers in many markets around the world including the UK, France, Germany, New Zealand and Australia.

In 2000, *Kit Kat* became the number one chocolate bar brand in Australia for the first time, with Australians choosing *Kit Kat* more often than competitors' chocolates. 2000 also saw the launch of *Kit Kat* ChunKy "the big finger", possibly the

most significant change to the product that the brand has seen in its entire history. A *Kit Kat* ChunKy was eaten by a staggering 61 per cent of Australians² within the four months immediately after the launch. It was voted as the best new product launch for 2000 by the retail industry.

Nestlé has always been committed to improving product quality. In May 2001 this commitment resulted in the Best Ever *Kit Kat* being launched from Nestlé's Campbellfield factory in Victoria. It features crispier wafer and creamier chocolate wrapped in a fresh seal pack.

Nestlé has often been at the forefront of innovation in product development, packaging, point of sale and communication and has received numerous awards over the decades.

HISTORY

Kit Kat was originally launched in the UK in 1935 as "Rowntree's Chocolate Crisp" and only became known as *Kit Kat* after the Second World War. During the War, *Kit Kat* was portrayed as a valuable wartime



food and advertising described the brand as "what active people need". However, food rationing and a milk shortage eventually led to production of *Kit Kat*

being stopped in 1941.

The *Kit Kat* brand was relaunched in 1945 with blue and white packaging to signify that continuing food rations prevented milk from being used in its manufacture. 1947 saw the return of the cream and red packaging and the slogan "*Kit Kat* is thickly spread with rich chocolate praline and wrapped in scrumptious full cream milk chocolate".

Kit Kat was first manufactured in Australia in 1948, under the direction of two employees sent from Rowntree in England. Initially, *Kit Kat* was only sold in Victoria.

Transport difficulties and slow output did not make it practical to sell the product Australia wide.

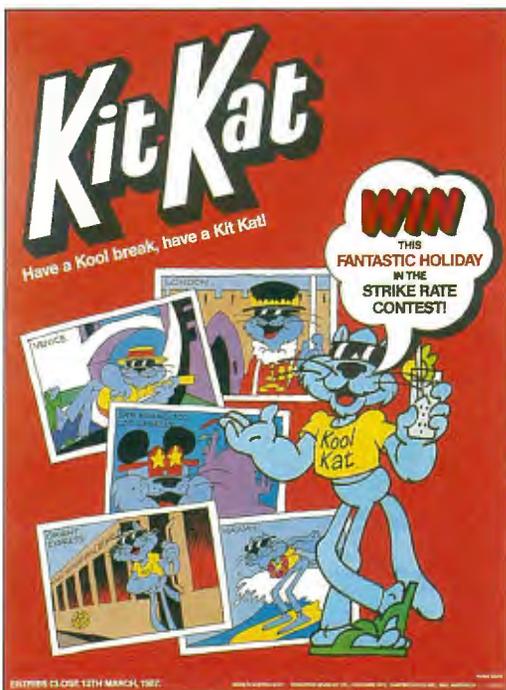
Kit Kat was virtually hand made from 1948 until 1954.

The first *Kit Kat* was a three finger

bar. This was changed to a four finger bar during the mid fifties.

By the 1960s, manufacturing procedures had improved significantly and *Kit Kat* was able to be distributed nationally.

In 1973 the cream and red wrapper was replaced by a new bright red and white wrapper. Since then



the label has only been changed twice, once in 1993 when subtle changes were made to the oval logo shape and a livelier typeface was introduced. Finally, 2001 heralded the “Best Ever” relaunch to commemorate the 60th anniversary of *Kit Kat*’s launch in Australia, replacing the foil and band wrapper with the new streamline flow wrap packaging.

THE PRODUCT

Kit Kat combines multiple layers of crisp wafer, praline filling and creamy milk chocolate, wrapped in fresh seal packaging to guarantee product quality.

Prior to the launch of *Kit Kat* ChunKy (2000) all *Kit Kat* products consisted of 3 layers of wafer and were presented in multiple formats (2 finger, 4 finger, 5 finger, 8 finger, Extra Long finger). *Kit Kat* ChunKy has two additional layers of wafer, providing a bigger, more filling and indulgent bar.

It is the simple combination of ingredients in a unique format that allows *Kit Kat* to be enjoyed by all consumers for many occasions. They range from a child eating a 2 finger as a lunch time treat, a teenage male eating ChunKy to stop his hunger or a mother eating 4 fingers as an afternoon snack.

RECENT DEVELOPMENTS

In 2000, the single-finger giant version launch was recognised as Nestlé’s most successful launch of the decade, and “the big finger” bar has been bought more than 50 million times since then. The new *Kit Kat* ChunKy maintains all the unique and expected characteristics of *Kit Kat*, including chocolate, wafer and praline, but it wraps it all up into one very big finger. Designed to appeal especially to teenagers, it is flow wrapped and can be eaten with one hand, on the move. It was this product innovation which rocketed *Kit Kat* into the position of number one bar brand in Australia for the first time.

2001 is likely to be an even bigger year for the brand with the introduction of the “Best Ever” *Kit Kat*. Driven internally by a continued desire for increased quality, *Kit Kat* “Best Ever” has creamier chocolate and a fresher wafer, packaged in new seal packaging across all product formats. Intended to make the ‘break’ even better, this change has

also resulted in the removal of the traditional foil and band packaging. While controversial for some, it has resulted in a more consistent, fresher and crisper product.

Also in 2001, Nestlé launched ChunKy White, offering lovers of *Kit Kat* the opportunity to enjoy *Kit Kat* in yet another format. It is expected that this will create strong excitement with consumers and the trade.

PROMOTION

Advertising for *Kit Kat* in Australia began in the 1950s, during which time Kitty the Kat starred as

The launch of *Kit Kat* ChunKy in 2000 also saw the introduction of a new stream of more assertive advertising, designed to be most relevant to teens while maintaining the traditional charm and wit of *Kit Kat*. Most recently, Nestlé has introduced a variety of advertising highlighting the desire for a *Kit Kat* in the form of TV, magazines, outdoor and the Internet.

Through this time and into the future, Nestlé remains focused on encouraging consumers to “Have a break” and injecting its wit into everyday situations.



the main character. This was followed by the brand’s first foray into television advertising, in 1961, with the theme “Have a break – Have a *Kit Kat*”. Since then, the product has been entertaining Australians with clever, simple, witty expressions of life, encouraging them to “Have a break – Have a *Kit Kat*”.

In the eighties, “Kool Kat” was introduced, encouraging Australians to eat *Kit Kat* straight from the fridge, “Kool”. “Kool Kat” developed a strong association with cricket through the *Kit Kat* strike rate competition and is still warmly recalled by chocolate and cricket lovers alike.

Advertising for *Kit Kat* has always sought to entertain Australians, and since the 1980s many campaigns have utilised animals to illustrate people’s desire for a *Kit Kat*. The most notable campaigns have included the “dancing pandas”, “mischievous monkeys” and “cock-a-doodling dogs”.

Through the 1990s, Nestlé introduced a number of limited edition variants to create additional interest and encourage trials of the traditional 4 finger bar. These included orange and mint flavour, as well as a 5 finger bar and an extra long finger product.

During this time Nestlé was a strong supporter of the “Driver Reviver” scheme. Designed to reduce driver fatigue and save lives, Nestlé along with its partners encouraged Australians to pull over and Have a Break, enjoying a free *Kit Kat* and Nescafé coffee.

BRAND VALUES

High quality, delivered through crisp wafer and great chocolate, is the foundation of the *Kit Kat* brand. People delight in the simplicity of the *Kit Kat* taste and product form and are engaged by the brand’s witty takes on life. Synonymous with “having a break”, *Kit Kat* is one of the most warmly regarded and familiar brands in Australia and throughout the world.

1 & 2 Brand Health Monitor 1999.

THINGS YOU DIDN'T KNOW ABOUT KIT KAT

- The 1997 Guinness Book of Records states that 13.2 billion *Kit Kat* fingers were sold worldwide as long ago as 1995. That means that every second, 418 *Kit Kat* fingers were being consumed worldwide. Today it would be many more.
- *Kit Kat* is the number one selling chocolate bar brand in the Australian market.
- The production line for *Kit Kat* is 80 metres in length.
- It is estimated that in excess of 230 million *Kit Kat* fingers were consumed in Australia in 2000.

