



THE MARKET

Every Australian drinks an average of 101 litres of carbonated soft drinks a year, which makes carbonated beverage consumption in Australia second only to the USA. The Australian market, at \$4.2 billion, is the second largest for carbonated beverages in the world.

Looking at the distribution side, it is clear that more than half of these beverages are sold through the Impulse Channel. Although the total Non Alcoholic Ready to Drink beverage market is growing, the carbonated beverage market has been relatively flat over the past couple of years. This is at least partly due to the proliferation of different products.

ACHIEVEMENTS

The Schweppes brand is the number one mixer brand nationally, in terms of both volume and value. It is also the leading mineral water brand in terms of value, across the entire market. Schweppes Lemonade occupies the number two position in the market nationally.

HISTORY

In 1783 Jacob Schweppes, a German born jeweller and an amateur scientist invented a method of producing carbonated water on a commercial scale. This invention set the foundations of a multibillion-dollar soft drinks industry. Schweppes became a public company and quickly established a reputation for innovation and forward thinking. Several products launched around the World War I era are still around today – Schweppes Tonic Water, Schweppes Ginger Ale, Schweppes Ginger Beer and Schweppes Bitter Lemon.

The company merged with Cadbury plc in 1969, leading to the formation of Cadbury Schweppes, a major force in international markets. Today the Schweppes brand is recognised worldwide for its quality and is available in more than 75 countries.

THE PRODUCT

Schweppes originally began with a portfolio centred around adult flavours such as Tonic Water. Today in Australia the range has diversified into mineral waters, family favourite flavours such as Schweppes Traditional Lemonade and the iconic Schweppes Lemonade. Other products also appealing to adult beverage consumers are the range of Schweppes Twists (Soda Water in three flavours – lemon, berry and lime).

RECENT DEVELOPMENTS

2003 has seen Schweppes move beyond



its traditional range and audiences to bring younger consumers to the category and the brand. The new branding, the packaging and the logo has been redesigned to keep pace with the ever-changing beverage market. The new contemporary and vibrant design of the logo increased the dynamism and relevance of the Schweppes brand to today's consumers.

It also coincided with the launch of some brand new mixer flavours. Like traditional mixers such as Dry Ginger Ale, these flavours are designed to be consumed either on their own, or with alcohol.

'Agrum', a special citrus flavour, was launched in Australia in 2002 on the heels of a successful launch in France and Spain. Agrum was backed by a sizeable TV, print and sponsorship campaign. It turned out to be a huge success and was followed by the launch





of 'Ciata' (blood orange flavour) and 'Viage' (kalamansi lime flavour) in 2003.

While the new mixer flavours were revolutionising the market, packaging also entered a new dimension with the introduction of the 250ml slimline cans, a big hit with women in the 18-34 age group.



These recent product and packaging innovations have been a big step for the business as Schweppes continues to grow in 2004. The key challenge for the trade is going to be allocation of enough space for the rapidly growing non-cola segment.



PROMOTION

Confidence, sophistication, maturity and humour have characterised Schweppes since the early 1900s. As in Jacob's day, advertising and promotion play a key role in the continuing popularity of Schweppes. Campaigns such as the 'Schweppervescence' campaign launched in the UK in 1946 followed five years later by the launch of the 'Schweppshire' campaign with 'Schweppshire' as a mythical land, and then the 'Schhh...

You-Know-Who' campaign in the 1960s are still

well-known and loved. More recently, 'Clive' the talking leopard extols the virtues of his favourite drink in an engaging campaign running across Europe and Australia.

Schweppes is also heavily involved in sponsorships and has close association with some of Australia's highest participation events like horse racing, golf and some high-profile tennis tournaments over the summer.

BRAND VALUES

In terms of brand attributes, there is an incredibly strong association of Schweppes beverages with 'Schweppervescence'... 'just the right amount of bubbles for the whole drink through.' The



association also extends to the Schhhhhh sound made when opening a Schweppes bottle. This is where Schweppes gets its liveliness, its uncompromising quality, its quirkiness and its individuality. It's a mystique you can't put your finger on...

THINGS YOU DIDN'T KNOW ABOUT SCHWEPPEES

- The Schweppes fountain placed in the centre of the Great Exhibition in Hyde Park, London in 1851 has become one of the brand's hallmarks and now appears on all Schweppes' packaging.
- British people in India used to take quinine as a preventative for malaria, in the form of a drink with flavours and often spirits, including gin. They came to like the combination and continued to drink the beverage on their return to England. The drink's association with India remained and became known as Indian Tonic Water in many countries.
- When the Spaniards colonised South America, in the sixteenth century, they found natives using the bark of the Cinchona tree to reduce fevers. This Cinchona tree is said to have been named after the Countess of Chinchon (a region in Spain), who, in 1636, recovered from malaria after being treated with infusions of the bark. The name quinine is derived from the native Peruvian word for this bark, 'quina' or 'kina'.
- Schweppes was originally sold in the 'drunken bottle' - so called because of its rounded bottom and inability to stand upright.
- When the advertising concept for Clive the talking leopard was first developed, Clive was meant to be a cheetah. However the advertising agency quickly found out that it is very difficult to train cheetahs, and that leopards are easier to work with. Hence the invention of Clive the leopard.