



THE MARKET

Snacking is one of the most important contemporary trends in the food industry today. As two-income families, time pressures, and other factors converge to reduce the number of sit-down meals, snacking has become a \$90 billion market that is growing at almost 5 percent per year. The biscuit market — which includes cookies and crackers — is a \$6.5 billion-plus segment that is growing 3 percent a year.

Each year, the average American consumes snack foods 1,559 times — more than four eatings a day or 448 billion annual eating occasions. More than 6 percent of people eat one of their main meals on the run, while 45 percent of consumers credit convenient foods as an important part of their diet. The traditional lunch hour is a thing of the past for many Americans. For most, the average lunch break is a mere 20 minutes.

ACHIEVEMENTS

Since its introduction in 1912, Oreo cookies continue to be America's most popular cookie brand. While many snack brands have been relegated to the consumer products graveyard, Oreo is not just surviving; it's thriving as a \$800 million-plus brand with a growing global presence. Globally, Oreo has proven to be an excellent world traveler, with the potential to hit the billion-dollar sales mark. Currently, Oreo cookies are sold in over 100 countries, including Argentina, China, Indonesia, Mexico, Taiwan, Thailand, and Venezuela.

HISTORY

The beginnings of the beloved Oreo brand go back to 1912. At that time, English-style biscuits were popular among American consumers. The first Oreo cookie was produced in late February of 1912 and sold on March 16 to a Hoboken, New Jersey, shopkeeper named S. C. Thusen. When the Oreo cookies were introduced, they cost just 30 cents a pound. The product was distributed in bulk tins with glass tops, so consumers could actually see the cookies inside. They were sold together with two other products: Goose Biscuit and Veronese Biscuit. Since they were sold together, consumers came to know them as a trio. But as



history was to prove, Oreo emerged as the all-around, longtime winner.

Speculation still surrounds the meaning of the Oreo name. One thought is that it was inspired by the Greek word *oreo* meaning “hill” or “mountain,” reflecting the mounded shape of some early test versions. Since the original label had considerable gold scroll work on the pale green background, some believe that the name comes from the French *or*, which means “gold.” Others say that Oreo is a combination of “re” from the word “cream,” surrounded by the double “O” shapes of the cookies. And some take a more direct approach: Nabisco founder Adolphus Green was known to simply like the sound of “oreo.”

THE PRODUCT

The basic design of an Oreo cookie has not changed since its introduction. In 1913, Oreo became the official trademark, and in 1974 received its full name: Oreo Chocolate Sandwich Cookies. In the mid-1970s, Double Stuf Oreo cookies were introduced at the request of consumers who sought more creme filling. In 1987, Oreo targeted the “indulgent” segment of the market with a fudge-covered version. In 1991, in response to consumers' desire for bite-sized, snackable foods they could eat on the go, Oreo developed Mini Oreo sandwich cookies. Nabisco was insistent that the mini cookies, measuring one inch in diameter, be exact replicas of regular-sized Oreo. When it was introduced, Mini Oreo was the first bite-sized sandwich cookie on the market, and was voted one of the best new products of 1991 by *Business Week*. In the mid-1990s, a reduced-fat version of Oreo was launched at the request of health-conscious Oreo consumers.

RECENT DEVELOPMENTS

Oreo was always a major force in its market: it was big, it was stable, and it generated cash. But in the mid-1990s, Oreo was not poised for significant growth, given its advanced years.

Under new leadership, Nabisco began its climb back in 1997. Its basic strategy was to reignite the growth of its core brands, with Oreo as the global centerpiece. The compa-

ny reasoned correctly as it turned out that icon brands like Oreo could use their loyal base and brand awareness to market their way to regained share and renewed growth.

With renewed momentum, Oreo continued to grow into the late 1990s. In 2000, Nabisco Holdings was acquired by Kraft Foods' parent company, Philip Morris Inc. Further emphasis was focused on developing the Oreo brand as a national and global power-brand. The Oreo brand extended its equity into a variety of different product forms, including chocolate-covered varieties and candy bars. Licensing also became a key revenue driver and brand builder for Oreo. Licensed products including cereal, ice cream, and baking



products allowed consumers to connect with the Oreo brand in new ways.

Through the early 2000s, the Oreo brand continues to deliver on its strong brand equities, while also expanding to fill new consumer demands. Following health and wellness consumer trends, Oreo introduced Sugar-Free and Organic varieties. Additional varieties of the ever-popular Double Stuf now include Peanut Butter, Chocolate,

communication is built around a key consumer insight: that Oreo offers everyday moments of connection that are unmatched by other cookie brands. The “triplets” ad is a prime example of the brand’s positioning, which focuses on light, fun family moments that only Oreo can inspire. In addition, advertisements for the Oreo Double Stuf line tout moments of connection through a high-speed version of the Oreo “twist, lick, and dunk” ritual.

With significant spending behind promotions and public relations, the Oreo brand has

forged strong, lasting connections with customers and consumers.

The classic Oreo & Milk Jingle has been around for decades, and fans of Oreo love to sing it. For three years, the Oreo & Milk Jingle campaign has allowed consumers to sing the Jingle and win many great prizes, while also bringing families and friends together over Oreo cookies and milk. With Double Stuf Oreo, families have enjoyed double the creme, double the fun! The Double Stuf “Lick Race” adds another level of

excitement where consumers can twist, lick, and dunk their favorite cookie to see who can do it faster. Whether it’s singing the Jingle or Double Stuf racing, Oreo is reaching consumers with promotions, mobile marketing tours, online programming, Internet advertising, branded entertainment, and celebrity hosts.

BRAND VALUES

Sometimes a brand can be more than a product. It can be part of life. It can be intertwined with memories. It can cross generations. The Oreo brand is one such brand.

It is ironic in these early days of the 21st century that a brand conceived in the early days of the 20th century continues to be one of Kraft’s most powerful engines of growth. But that’s the power of a brand like Oreo, a product that people have welcomed not only into their homes but also into their lives.

The Oreo brand creates a solid platform on which to add new markets, new products, and new channels.



and Cool Mint creme flavors.

Special seasonal varieties of Oreo for winter, spring, and Halloween also hit shelves throughout the year, garnering an overwhelming response from consumers.

PROMOTION

Through the years, Oreo brand advertising and promotions continue to be world-class. With integrated marketing plans, each and every Oreo

THINGS YOU DIDN'T KNOW ABOUT OREO

- Earning its title of America’s Favorite Cookie, Oreo cookies captured over 14 percent of the cookie category in 2006, almost five points more than the next biggest cookie brand.
- Almost half of all U.S. households purchased a package of Oreo cookies in 2006.
- Oreo cookies are sold in over 100 countries around the world.
- The Original Oreo, followed by Double Stuf, are the most widely liked cookies among kids and teens.
- Double Stuf is a popular evening snack: over 40 percent of Double Stuf Oreo cookies are eaten in the evening.