

## Marketing Society Awards 2015

### Maltesers Brand Extension – (MaltEaster, Maltesers Teasers, Merryteaser)

#### Looking to the calendar to change our shape and grow penetration with brand extensions

By  
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#### **SUMMARY**

Maltesers, the chocolate balls with a light honeycomb centre, hold a unique place in British hearts.

In 2009 we wanted to be a top three British chocolate brand. We were number four. Despite strong sales in bitesize, we lost market share during the key chocolate events of Easter and Christmas.

We saw two ways to grow penetration. Both involved the seasons:

- Seasonal self-eat treat that was true to Maltesers but diversified our offer
- De-seasonalise the successful Teasers from tubs of Celebrations (sold mostly at Christmas) with a permanent Maltesers Teasers bar

However, both would involve us changing the very essence of Maltesers – our small roundness. This could backfire if Maltesers lovers felt we were throwing away what makes us unique.

Our first jump was a bunny. Our first seasonal self-eat treat, MaltEaster, brought success climbing the penetration ladder up to 7.1% in the season by 2014, which is as large as Cadburys's Crème Egg - but we needed more.

In 2013, Maltesers Teasers established Maltesers in block chocolate, chocolate's largest segment. It was the number one chocolate single just 12 weeks after launch,<sup>1</sup> with first year sales totalling £28.5m.

Our next leap was a reindeer. Like MaltEaster, our Christmas Merryteaser offered the Maltesers taste in a new limited-edition playful format.

Both Maltesers Teasers and Merryteaser won Product of the Year.<sup>2</sup>

These extensions, by looking to the seasons, and rolling on from small chocolate balls, we have grown Maltesers total brand penetration from 48.6% in 2008 to 57.4 in 2014, without cannibalising our Maltesers Core penetration.

From 2009 to 2011 we increased sales from £145m to £151m, but crucially, since 2012, through our seasonal strategy, we have increased Maltesers sales from £151m to £200m.

(300 words)

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<sup>1</sup> Symphony IRI – Mars impulse 12 w/e 15th June 2013, Value Rate of Sale

<sup>2</sup> Maltesers Teasers POTY, chocolate 2014; Merryteaser POTY, seasonal confectionery 2014

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#### **CONTEXT**

As the only chocolate balls with a light honeycomb centre, Maltesers has enjoyed a unique place in British hearts and mouths since its creation in 1937. Consumers have come to know and love our playful character established through iconic advertising. As 'the lighter way to enjoy chocolate', Maltesers is a national treasure, and now the third most popular chocolate in the UK.

#### **AMBITION**

In 2009, our sales and penetration were steady, sales were at £141m and penetration was flat at 48%, but we wanted a place on the top three podium. We were out of the picture in fourth place.

Following Mars' growth principles, based on Byron Sharp and the Ehrenberg Bass Institute, we needed to grow penetration if we were to grow our share and show more of the nation the lighter side of life.

Maltesers already came in a huge variety of pack sizes, from 20g fun size bags to 400g boxes, which gave us a broad range across the three sections of chocolate eating in Me, Us, and Gifting. However, there had to be more than offering different pack sizes.

Despite being a year round bitesize favourite, there were two obvious market segments on which Maltesers failed to capitalise:

- Unlike big competitors, due to our lack of Easter and Christmas treat products, our market share decreased during the seasonal segment, especially Christmas and Easter, where seasonal chocolate products rule the roost.
- The second obvious gap for Maltesers, as famously light balls of chocolate, was in block chocolate, the biggest segment in chocolate.

Both of these opportunities involved growing penetration by changing the Maltesers offer across the seasons in their own ways.

However, both would involve us changing the very essence of Maltesers – our small roundness. So while we saw a way to potentially grow penetration and land our top three position, we were also aware this could backfire if Maltesers lovers felt we were throwing away what makes us unique, and we could lose our top four spot.

#### **SETTING THE SCENE - GETTING INTO NEW PARTITIONS**

In 2009, our first port of call was to look to the seasons and see what we were missing, because it's during the seasons that we eat the most chocolate. After all, what is Easter or Christmas without chocolate?

We focused on Easter as the bigger opportunity (the Easter self-eat treat market is 65% bigger than the Christmas equivalent). To maintain our annual market share at Easter we realised we needed to supercharge our seasonal Maltesers range, which currently focused on our Malteser Easter egg. We would take advantage of the extra penetration ready and waiting for us at Easter with a seasonal power SKU self-eat treat.

We took the leap to move away from our small round balls and in bounced our MaltEaster bunny. Our cute little bunny gave us something to take on the mighty Creme Egg at Easter, fulfilling consumers' desires for a little Maltesers treat for me, not for sharing.

As a further leap, rather than follow category convention, and introduce a self-eat egg (which would be closer to our original round ball), we broke the rules of the game.

Instead of a filled egg, the alternative Easter icon of the playful bunny provided a better embodiment of the Maltesers spirit. The bunny allowed us to leverage the huge Maltesers brand, while giving the Maltesers taste through a different, limited edition format.

Through our playful take on the self-eat treat, we were once again showing we are the lighter way to enjoy chocolate.

Our cute MaltEaster bunny allowed us to grab attention with off-shelf marketing instore, at a time when chocolate was on every consumer's shopping list. The playful product shape allowed us to capture consumer excitement with fun creative executions. Our bunny TV advert sat within our main campaign, and showed our two Maltesers girls lightening their moment: by playfully eating the bunny legs first, they helped the bunny hop. The advert drove significant sales uplift as measured by single source data and helped us further to make the Bunny a success.

After hopping into the picture only 12 weeks earlier, our MaltEaster bunny generated £3.3m sales.

By the end of 2011, the seasonal MaltEaster bunny was worth £11.7m. Our step away from our small round balls had successfully increased our total brand value from £145m to £151m, however, we had a lot more work to do from 2012 onwards.

## **LEAPING ON FROM OUR BUNNY**

Our MaltEaster bunny gave us the taste for more -

In March 2013, we continued to extend our brand by taking Maltesers into the block category, the biggest segment in chocolate. This was an even bigger roll on from our small round ball as we created a full solid Maltesers chocolate bar.

Teasers are the most popular choice in the Celebrations tub. With the majority of Celebrations sales occurring at Christmas, we saw the opportunity to extend Teasers to a year round, stand-alone offer.

We took Teasers from being a Christmas focus and launched the permanent Maltesers Teasers bar as a more indulgent malt chocolate hit that wouldn't roll off your dashboard (though it still had the same number of calories as a standard size bag of Maltesers).

Our innovation showed the power of bringing together great consumer insight, the R&D and marketing departments. Maltesers Teasers was the first permanent new line launched from our new £6m R&D facility.

As our R&D director, Geoff Bryant, said, "We wanted to intensify the amount of chocolate [in Celebrations Teasers] while keeping the crunch... The new line has meant we are able to create smaller centres using exactly the right mould for the perfect bite."

We launched the Maltesers Teasers bar with a £4m marketing campaign, with a TV ad as well as instore POS with bespoke units and a sampling campaign. Again, our TV advert drove significant sales uplift, measured by single source data.

Like MaltEaster, Maltesers Teasers was a huge hit with consumers and customers – it was the number one chocolate single just twelve weeks after launch<sup>3</sup> and won Product of the Year.<sup>4</sup> In its first year, Maltesers Teasers firmly established Maltesers in the block category with sales worth a whopping £28.5m. Thankfully, for a second time, kick starting our brand growth with something other than a small round ball paid off.

### **COVERING OFF THE SEASONS**

To move forwards once again, we went back to where we started, with MaltEaster, and we looked to the seasons.

Although MaltEaster was helping us to build our share at Easter, we still dropped our annual share over the Christmas period and we needed something special to fill the festive gap. The success of our self-eat MaltEaster bunny at Easter gave us the confidence that a Christmas version would allow us to gain attention and share during our chocolate loving Christmas. We came up with Merryteaser, a reindeer shaped equivalent of our Easter bunny. Given time, we intend our reindeer to fly to the same heights that our bunny has jumped.

### **EXTENDING OUR EXTENSIONS**

One of the additional benefits of the brand extensions of MaltEaster, Maltesers Teasers, and Merryteaser, is the further SKUs these products have allowed us to create.

In 2014 we introduced our Merryteaser Advent Calendar and a Maltesers Teasers Easter Egg. We've extended our brand extensions.

While we created MaltEaster as a self-eat, our introduction of MaltEaster mini bunnies, and Merryteaser mini reindeers, has enabled us to extend both products from self-eat to sharing, helping us to drive incremental penetration to the single versions.

In total, these have given us greater coverage in the Me, Us, and Gifting categories, greater coverage across the seasons, and ultimately given us greater opportunities to increase Maltesers total penetration and sales.

### **OUR SUCCESS SO FAR**

By looking to the seasons, and taking the leap to bounce on from our small round ball, we have supercharged the success of Maltesers at a total brand level.

We have increased penetration and revenue by offering new Maltesers sub ranges at the all-important seasonal spikes, and by entering block chocolate with a permanent Maltesers Teasers bar.

At a total brand level, we finished 2008 with 48.6% penetration, all coming from £145m sales in our core Maltesers product (boxed and pouch).

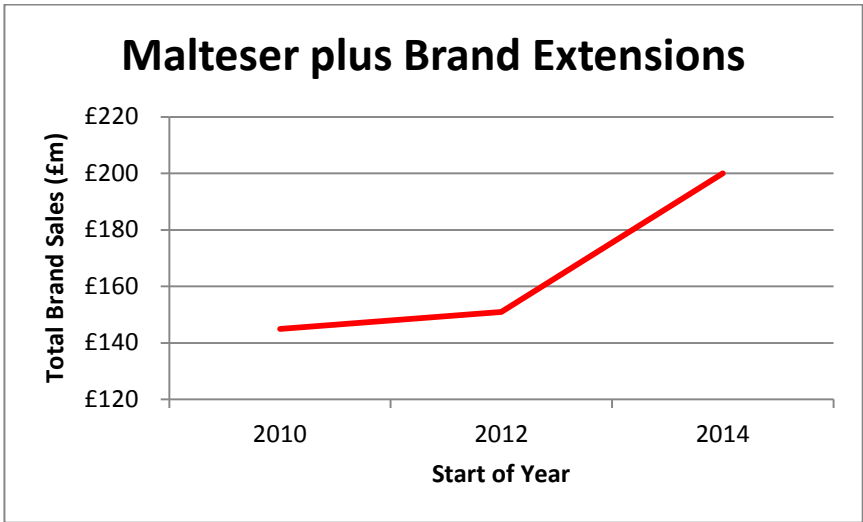
By 2011, through the addition of MaltEaster, we had grown our penetration to 51.1% and total sales to £151m.

However the real magic happened between 2012 and 2014 as by the beginning of 2014, we had grown sales from £151m 2011 YE to £200m 2013 YE.

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<sup>3</sup> Symphony IRI – Mars impulse 12 w/e 15th June 2013 Value Rate of Sale

<sup>4</sup> POTY 2014: winner chocolate category



That is a whopping £49m (32%) increase in sales between 2012 and 2014, with penetration up from 52.7% to 57.4%.

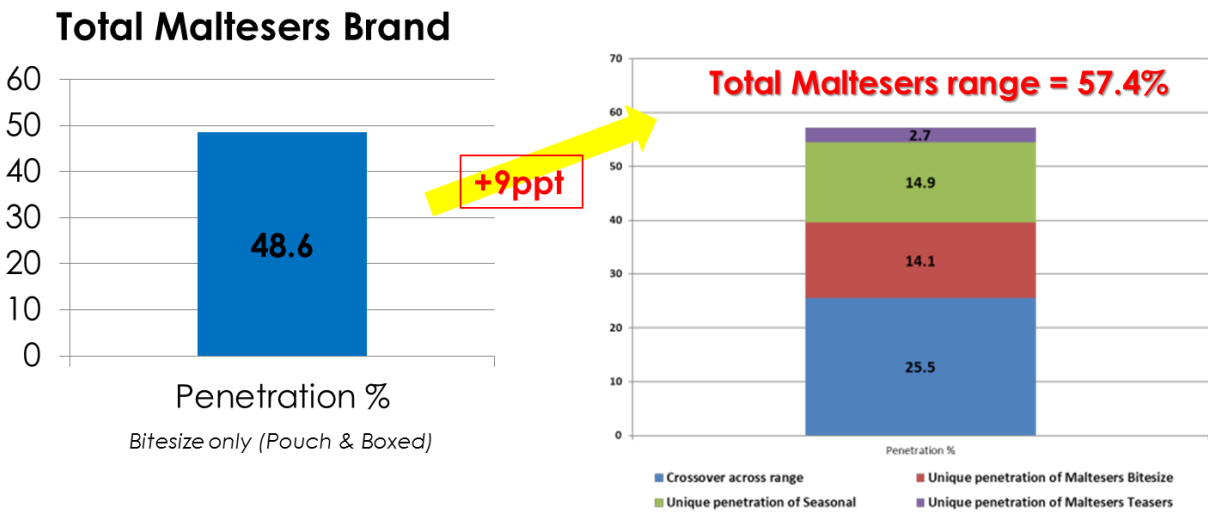
Our £200m sales keep our place on the podium safe, with number four lagging behind on £129m sales (a meagre 65% of our sales).

The additional penetration of our new SKUs has not come at the cannibalisation of our core product. While moving on from our small round balls risked losing Maltesers lovers who thought we had thrown away what made us unique, we have actually grown the penetration of Maltesers boxed and pouch, which is now 51.5%.

And when adding the unique penetration of MaltEaster and Merryteaser (3%), and Maltesers Teasers (2.7%), our total Malteser brand penetration is now 57.4%. This total brand penetration makes Maltesers the most widely eaten chocolate behind Cadbury Dairy Milk.

#### Full Year 2008

#### Full Year 2013



And if we finish by going back to the beginning, you might say our bunny has matured into a rabbit. At just six years old, our MaltEaster bunny has hopped up to the Creme Egg plate to become the highest penetration single serve Easter treat.<sup>5</sup>

(1,688 words)

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<sup>5</sup> During Easter 2014, MaltEaster standard single was 7.2%, Creme egg was 7.1%