

Nestle milky bar  
product line  
extentsion marketing  
essay



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Milkybar white chocolate is an established children's brand with a rich heritage. Over the past 2 years the volumes on this product have been declining due to negative associations of confectionery brands with childhood obesity. Moreover legislation prevents promoting this product to the key target market. A need for innovation & turnaround within the brand portfolio is imperative to ensure survival & sustainability on the brand over long term.

Consumers preferences during economic downturns are generally do not promote trial of new products as a result of limited discretionary income. The underlying concept is that consumers would rather spend their hard earned cash on products that they are certain of, than products that could potentially be a disappointment. This trend is also amongst low income earners & consumers (ACORN Category 5, Group N; O; P; Q; U) (Appendix 1)

Manufacturers are also reluctant to make far bigger investments into a new brand & prefer to extend established brand names in different product offerings. A product that utilises an existing brand name requires lesser investment than if a entirely new brand name launched. The risk is also lessened through product extension. So while an organisation requires to remain exciting & relevant to consumers to ensure its survival the preference is to do this through renovation on existing lines as opposed to complete innovation.

Current Market - Chocolate & Confectionery

Nestle's standpoint on food & nutrition is simple " you are what you eat".

There is more awareness now is that good food means good health and good  
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life and people are starting to make more food choices based on health. With over 140 years of food and nutrition research, Nestlé is committed to offering healthier lifestyle choices including Good Food you'll enjoy for a Good Life!

Due to the nutritional challenges that consumers are faced, what they eat; how much they eat; and the way they live their lives, eating a healthier diet may be daunting. However sometimes a few small changes can make a big difference to your overall health. Nestle commitment is to ensure that consumers don't have to compromise on taste and enjoyment in order to be healthy. Nestle promotes the concept of healthier eating: to eat a healthy balanced diet and the right amount for the level of activity that you do each day in order to avoid unwanted weight gain. By following these guidelines consumers can ensure healthier, good food choices you are more likely to:

Feel and look great

Meet daily nutritional needs for nutrients, including essential vitamins, minerals and antioxidants

Provide a boost to your immunity helping to fight off coughs, colds and other everyday bugs

Be better able to control your weight

Lower your risk of developing serious illnesses such as heart disease, diabetes or cancers

However healthy eating is an aspect of the lifestyle, keeping active as part of your daily life, is also an important part of keeping well and taking care of yourself.

Nestle helps to provide good food choices by

Providing consumers with useful information on the nutrition content of products - both on the website and on the food and drinks packaging

Providing consumers with information about healthy eating and tips on how to make healthier choices

However while key to Nestle's objectives of healthier eating the fundamental vision of good food good life in a nutritionally responsible manner the taste profile of products should not be lost.

## **Consumers**

Milkybar's key consumer has been children aged 5-13. This young consumer segment usually is not the shopper & generally the shopper is either parents, family members or caregivers . This in itself provides a key challenge to the marketer, while the product must appeal to the target segment it must also do the same for the shopper. Therefore there are contradictory motives & desire of the product from both the shopper & the consumer. While the child may simply want a yummy treat, the shopper is concerned about topical issues of high sugar intake, bad nutrition & obesity. It becomes very difficult then to appeal to both these very key stakeholders without risking alienating one or the other.

The key challenge then is satisfying both these key stakeholders in the purchase decision making process. The actual consumer the child requires a treat with little consequence or thought to nutrition & the caregiver requires a product that will offer some nutritional value. A product that could satisfy both these needs will ensure the survival of the brand.

To further complicate matters recent development & restrictions into advertising children's brands increases the challenge of marketing a child-focused chocolate brand. Ofcom's restrictions on TV advertising of HFSS (High Fat, Salt, Sugar) prevents Nestle from utilising TV as a medium for Milkybar adverts during key children's programming slots. Moreover the healthier eating debate has prompted key stakeholders of children's health like parents, key givers & schools to reduce chocolate & offer alternatives such as cereal bars, fresh and dried fruit, nuts and seeds thus also limiting the availabilty & distribution of Milkybar. The below is a ruling from OFCOM which is the advertising governing body for the UK.

## **Legislation**

The Government would like to restrict the promotion of food and drink high in fat, salt or sugar (HFSS foods) to children in all its forms , including on broadcast and non-broadcast media) and to encourage the promotion of healthier alternatives. This is against a background of social and governmental concern about rising childhood obesity and ill-health due to dietary imbalance, specifically the over-consumption of HFSS foods and the under-consumption of fresh foods, fruit and vegetables. Both the Department of Health (DH) and the Food Standards Agency (FSA) have identified

television advertising as an area where action should be considered to restrict the advertising of HFSS products to children.

The brand has previously used the platform of advertising through the concept of a humorous, Wild West-inspired heroes and villains theme. Its most recent TV advert, a sedate looking Milkybar Kid on horseback wandering through a wood, with no dialogue just animal noises, which highlights the whole natural concept.

The concept therefore of extending this product into associated categories is imperative. With this in mind exploration into a Milkybar ice cream lollies was initiated. This will extend this product to a different consumption occasion & add volumes & revenue to the base brand. The product will be positioned as calcium enriched to add value for its consumers. Calcium is a likely association for the already milk rich chocolate bar. The concept behind the added value is the shopper & gatekeeper for kids will seek 'healthier' snacking options. And a product that will assist in a key concern for gatekeepers 'nutrition' will provide a creative solution.

Milkybar ice cream lollies will be positioned as a snacking/dessert option for children. The creaminess of Milkybar chocolate will appeal to children on the taste platform. The calcium enriched position will add extra value of providing nutritional benefits while being a snack. This will increase its appeal as a healthier snacking option for parents & gatekeepers. The portions & nutritional guidelines will be in line with Nestle's principles of responsible & healthier eating. With this in mind the concept for project Cold Cow (Milkybar ice cream lollies) was formulated.