

# [The marketing mix of kitkat essay sample](https://assignbuster.com/the-marketing-mix-of-kitkat-essay-sample/)

[Business](https://assignbuster.com/essay-subjects/business/), [Branding](https://assignbuster.com/essay-subjects/business/branding/)

No matter how effective the promotion and packaging, a firm will find it very difficult tomarket a product which fails to satisfy a consumer need. Kit Kat owes much of itssuccess to a unique dual appeal – as a four-finger chocolate bar, (known in theconfectionery trade as a countline), sold at corner shops and newsagents, but also as atwo-finger biscuit sold in supermarkets. It is a product that has endured because of itswide appeal across the age ranges and to both sexes. Altering the actual product is potentially a very hazardous act for an established brandname as it risks altering the consumer perceptions of quality built up over decades. Tampering with the recognised core qualities could well damage the integrity of the brand. For Kit Kat, these intrinsic elements of the brand, or unique selling points includethe:•chocolate fingers•foil and band wrapping, unique in the countlines market and seen as an important featurewhich encourages involvement and sharing by consumers•well-known strapline – Have a Break, Have a Kit Kat.

In spite of the risks of altering the product, the two finger bar and multipacks wereintroduced in the 1960s to meet the increased needs of supermarket shopping and morerecently, Orange, Mint and Dark Chocolate Kit Kats have been available for limited periods. In the third week that Kit Kat Mint was available, it more than doubled total KitKat Sales. The Orange Kit Kat proved particularly popular with sales of 38 million barsin just three weeks. It provided very positive market research results. While they are seenas novelties, they can also be used to provide reassurance and reinforcement of the coreattributes of the original established brand name.

Special editions are used primarily as promotional tools. Market research has shown thatconsumers prefer special editions to be available for limited periods only and thatconsumers are likely to purchase the original Kit Kat at the same time or shortly after.(They are, therefore, a good way of injecting new life into the Kit Kat product life cycle). Depending on their popularity, some special editions are introduced more than once. TheOrange Kit Kat has proved so popular that the two-finger multipacks are now permanently available. Apart from these variants, the intrinsic characteristics of the Kit Kat product and packaging have changed very little during the last sixty years. Although some minor, subtle changes have been made in packaging, merchandising and sales promotions, a KitKat from the 1930s would be instantly recognisable to modern consumers today.

Pricing strategy
A key advantage of maintaining a strong brand image in a competitive market is a degreeof flexibility in the pricing strategy. It is a common characteristic of imperfectlycompetitive markets for producers to concentrate on non-price competition. Whenlooking at the pricing strategy for Kit Kat, it can be seen from the figures that the real price has remained remarkably stable over the last sixty years. Promotional strategy

Nestlé has used a wide range of promotional tactics with Kit Kat. Promotion offers haveincluded free bars in the multi-bar family packs and an instant win deal with Burger Kingin 1996. This promotion, where over 75 million free burgers were on offer, increasedsales of Kit Kat by an estimated 30 In 1998, an on-pack promotion featuring ‘ TheSimpsons,’ with the chance to win £20, 000 cash and hundreds of other prizes, increasedsales of Kit Kat by a staggering 41Advertising plays an extremely important part in the confectionery industry, with spendapproaching £114 million in 1996. The Have a Break, Have a Kit Kat theme appeared briefly in 1939, but has been the on-going Kit Kat slogan, or strapline, since the mid1950s. Kit Kat’s advertising is concentrated in two media:•television commercials – which follow the well-known Have a Break tradition•posters – where the powerful colours of the pack and product are used to dramatise themessage. A particular challenge for the advertisers is to appeal to both the consumers and the purchasers. Women account for two thirds of all confectionery sales, but a large proportion of these purchases are subsequently consumed by children. Men eat as muchas they purchase suggesting they are less generous! Distribution strategy

Nestlé has developed distribution channels which ensure the availability of Kit Kat to buywherever and whenever the consumer wishes to purchase it. Sales of confectionerydepend heavily on its availability, with market research showing that well over 60of all purchases are made on impulse. Consequently, Nestlé tries to supply as many outlets as possible – both wholesaler and retailer channels.

Point of sale merchandising is also important when consumers are making instant, snapdecisions from a wide range of products on view. Instantly recognisable packaging alsohelps to tempt customers. Shoe shops, for example, have recently been identified ashaving potential for confectionery sales owing to the large number of families that visitthem. It is also predicted that confectionery, along with all foodstuffs, will becomeavailable through cable and interactive television, videophones and the Internet. Internationally, Kit Kat is now also manufactured in Canada, Germany, India, Malaysia, China, Japan, Australia, South Africa and the United States. It is available in more than100 countries throughout the World.