

# Competitor analysis: masterfoods essay sample



**ASSIGN  
BUSTER**

Masterfoods owns some of the strongest brand names in the confectionary market with Mars, Snickers and Twix being the main ones. Other countlines include Bounty, Flyte, Milky Way, Topic and Tracker. Regarding blocks, Mars do not sell as wide a range as their competitors with Galaxy and other variants being the only one. M&M, a hugely successful selfline is one of Masterfoods biggest sellers now worth over £ 30m. Other self lines include Malteasers, Galaxy Minstrels, Revels and Magic Stars.

Masterfood compete well in the boxes/assortments category with Celebrations; an variety of chocolate samples individually wrapped. Galaxy silk collection and Amicelli are two other Masterfood chocolate boxes. To remain competitive in the market, Masterfood must price accordingly with other chocolate manufacturers. For this reason many of their products are priced near to or exactly as other similar products from other manufacturers.

Boxes and assortments vary in price according to the place of sale and different promotional variants. Chocolate products encompassing more novelty value than other products usually tend to be sold at a higher price. Examples of this include M&M's and Galaxy Caramel Swirls. This also applies to product variants such as Mars Miniatures and Galaxy Minstrel.

When a product is diversified either by adding or changing an aspect of it, value is added by the manufacturer. New product developments (NPD's) with already established brand names such as Mars Miniatures and Galaxy Minstrels again are examples of products whose prices have been inflated due to value adding and strong brand characteristics. Masterfoods regularly launch limited - edition products on its biggest brands. In 2000 Snickers was

featured without its nougat as part of an advertising campaign - 'Who nicked the nougat.

In addition to this Twix was launched in 2000 featured as a choc'n'orange flavour packed in a gold and orange wrapper. Primarily targeting the female blocks market to counter Cadburys overall domination of the blocks segment, advertising campaigns including the famous slogan 'Why have cotton when you can have silk' are advertised over a wide range of locations and situations. The brand within selflines Masterfoods has strong brands in the products M&M's and Maltesers. M&M's are heavily advertised in the UK, as are Maltesers.

Launched as 'the older child's Smartie' in 1985, heavily American related advertising campaigns at the time of launch have allowed M&M's market share to grow by 40% in the last five years. Other promotional activity also covers Celebrations to excellent effect. The boxed assortment has achieved the highest sales in the family sharing market and after three years since launch, sales of over £90m have been achieved. Masterfoods are currently backing many of their existing products with new advertising, including Galaxy, Bounty and Chocolate egg variants.

Twix is the third most advertised brand in the UK for television advertising with £2, 142, 000 spent in 2001. This follows after Kitkat with 15% share and Aero with 6%, two of Nestles most heavily branded products. Figure 1. 6 shows the high percentage of Masterfood brands in the top twenty for highest TV expenditure. Currently ten out of twenty brands are owned by Masterfoods, this equals to 23% of the entire advertising expenditure share.

In addition to television Masterfoods utilize other advertising genres in order to increase customer awareness.

Billboards, during the Galaxy campaign were used overly in order to reinforce the brands ' everyday indulgence' appeal. This also coincided with a £2. 6m advertising campaign for Galaxy Ripple. Taxis are another very effective method of advertising, in 2000 over 950 taxis were utilised over a period of four months in the cities Bristol, Glasgow, London, Manchester, Newcastle The colours and design of the Minstrels taxi help raise both brand awareness and stimulate a desire for the product.

Cinema advertising is another popular medium that Masterfoods use with adverts being placed before the film begins as well in the cinema itself and surrounding area. Promotions such as free prize giveaways and poster competitions are often offered inside to back reinforcement of the brand. This is especially effective since snacking is often carried out during films thus the confectionary advertising has the same effect as the taxi marketing; seeing the adverts before or during a film stimulates a desire for the product. Telephone box advertising and leaflets are used in addition to many other discounted forms of promotion as well.