

Principle of marketing presentation assignment

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The I-J confectionery market is worth over Europe 5 billion per annum and is highly competitive. It continues to be dominated by large, well established names - slighting the importance to firms of creating brand identities for their products. Once created, however, a brand name needs constant maintenance. Kit Cat's ability to remain a brand leader over sixty years is no accident. The long term maintenance of a brand name requires continuous monitoring and investment.

Brand image must be seen as a dynamic, not a static factor, the same consumer perceptions that create brand loyalty can also turn against a product that fails to adjust and adapt to changing attitudes HISTORY A Kit Kate bar is a confection which was first created by Rowan tree Limited of York, England, and now produced worldwide by Nestle, which acquired Rowan tree in 1988, except in the USA where it is made under license by Hershey. Each bar consists of fingers composed of three layers of carme-filled wafer, covered in an outer layer of chocolate. Each finger can be snapped from the bar one of the time.

The original four-finger version of this chocolate-covered biscuits bar was developed after a worker at the Reentry's factory in York put a suggestion in the suggestion box for a snack that a " man could have in his lunch box for work". It was launched in September 1935 in the I-J as Reentry's Chocolate Crisp. The two finger version was launched on 15 May 1936. Reentry's chocolate Crisp was renamed Kit Kate Chocolate Crisp in 1937 and later Just Kit Kate after World War 2. The name is believed to have come from the Kit-Cat Club. The traditional bar has four fingers which each measure approximately 100g by CM.

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The Kit Kate Chunky [known as Big Kate in the U. S.] has one large finger approximately 2. CM wide and was introduced in 1999. Kit Kate bars contain varying numbers of fingers depending on the market, ranging from the half-finger sized Kit Kate family-size bars in Australia and France. Kit Kate bars are sold individually or in bags, boxes or multi-packs. In the UK and Canada, Nestle also produces a Kit Kate ice cream and in Malaysia, Kit Kate Drumsticks

MARKETING ENVIRONMENTS The Macro-environment The Geographical Market Kit Kate has a big geographical market.

Even though it was acquired by Nestle, it did not struggle under it at all since Kit Kate was already internationally recognized. It is produced in 17 countries by Nestle namely ASK, India, Japan, China, Australia, Canada, New Zealand, Egypt, Algeria, Turkey, Malaysia, South Africa, Germany, Venezuela, Mexico, Bulgaria and Spain. Kit Kate in the USA is produced under the license by The Hershey Company due to the prior licensing done by Hershey to produce Kit Kate in the North American region. What Business Are They In Nestle is into food industry.

They are basically a multi-food industry to be precise. Their products in almost every food sector from infant food for children from the age of two-to-five, to beverages, chocolates, seasonings, frozen food, cereals, coffee, tea, water, ice creams, for adults to pet-care food for pets. Their product Kit Kate has its separate marketing done and it is into the chocolate business with a range of different Kit Kate flavors. Demographic With the youth population getting larger, Kit Kate looks to take an advantage of that. They have also segmented the market for children, adults and aged people.

Kit Kate is a type of a chocolate that is light and can be consumed by every age group. Culture Few things can both physically and metaphorically encompass the current cultural transformations and be a wondrous fusion of new and old styles present in modern-day Japan, especially while being incredibly delicious and covered in chocolate: meet the world of Japanese Kit Kats. When thinking about the vast stash of both satiating and repugnant flavors presented to the Japanese consumer, the first lady of the United States, Mrs..

Eleanor Roosevelt, who once said, " If life were predictable it would cease to be life, and be without flavor. " For 75 years, Kit Kats have been making life a little more interesting, especially in Japan. The history of Kit Kate starts in England, New York to be exact, where in 1936, Reentry's of New York made their first Kit Kate under the name ' Reentry's Chocolate Crisp', a chocolate treat designed to be placed in the working man's lunch, specifically to be eaten at ' break time. After the rise and fall of World War 2, Reentry's perfected their recipe and popularity spread throughout all of Europe.

In the asses, Reentry's began expanding outside of Europe and signed on for distribution in Japan through the Fajita Company. The advertising line, " Have a Break, Have a Kit Kate" or " Gimp me a Break" (in the US) was penned soon after and, if there was ever a country that needed to embrace such a tagging, it is Japan. In 1988, The Nestle Company bought the Reentry's Company and in 1996, began to experiment with Kit Kate Orange in the I-J. Following Kit Kate Orange's major success, mint and caramel flavors quickly hit store shelves.

In 2003, pressure from global diet trends, as well as competition from other chocolate companies (notably Caduceus Dairy Milk and Hershey (who oddly enough manufacture all of the Kit Stats in the US due to prior contracts with Renowned), sales dropped and a struggling Nestle was forced to figure out a way to outlet the stiff competition. Their answer: to embrace the publics curiosity and produce a plentiful array of variant flavors and limited edition Kit Stats and Japan, an insanely curious and extremely idiosyncratic nation, was fertile ground for the reception of such radical and, some might say, unbelievable flavors.

Economic Majority of the customer based in market comprises of middle class and upper middle class. But income groups have never been a concern for Kit Kate, as mentioned earlier the prices of Kit Kate have been stable for decades and the prices are such that any income group can afford it. The interest rates can have an effect on Kit Kate. If interest rates go high then Kit Kate would not want to increase its price. Nestle is financially well established so to expand Kit Kate there is no need to borrow, but if they do so then it will increase price of Kit Kate.

Again if consumers themselves are understanding loan pressures, they would again have less disposable income to buy Kit Kate. If the wages are brought down, this would mean more money for Kit Kate but would also result in low sales to the consumers. **MARKETING ENVIRONMENTS** Political Political decisions can affect Kit Kate. These can be either advantages or disadvantages. If the government increases taxes and if Kit Kate tries to recover the tax money through customers then there will be a fall in the number of consumers.

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Sales will also decrease and Kit Kate will have its stock piled-up. However, if taxes reduce, the likelihood is that the consumers will buy more. Other government laws can also cut down Kit Cat's income. For instance, if there comes out a law where workers are allowed to work only from am to pm, factory hours would be cut, this will reduce production of Kit Kate. This can also lead to speeding up the production rate while compromising on the quality. Some governments are very concerned about obesity which might cause some trouble to Kit Kate.

Again this decision varies from government to government. Technological Better equipment is required for producing Kit Kate at a faster rate, if production turns out to be faster there will never be a shortage in the market. It will also increase sales. These days, the price of machinery is on a hike, if Kit Kate plans to invest in new machinery for faster production then it might have to cut down on its labors and turn into a capital intensive company in terms of production.

Maintenance of these new machines might cost a lot, which might make the firm's decision more precise on becoming capital-intensive. The Micro-environment Kit Kate bars are produced in 13 countries by Nestle: I-J, Canada, Australia, South Africa, Germany, Russia, Japan, China, Malaysia, India, Turkey, United Arab Emirates, ND Bulgaria. Kit Kate bars in the United States are produced under license by The Hershey Company, a Nestle competitor, due to a prior licensing agreement with Renowned. A U. S.

Halloween themed Kit Kate bar alongside a regular international version Kit Kate bar The year 2003 was a turning point for the Kit Kate bar as well as the

confectionery industry in general. The popularity of low Carr diets and the push to healthier eating stifled sales growth in many parts of the world. In addition, fierce competition from Actuary's newly formed Dairy Milk super brand also contributed to sales of the Kit Kate decreasing considerably in its home market of the I-J, and threatened to depose it from its position.

The solution adopted by Nestle and others was to increase dramatically the number of new and unique variations of their confections and market them as limited or special editions, whereby they would usually only be available for a few months at a time so as not to impact the sales of their permanent edition counterparts. The strategy initially reversed the decline of the Kit Kate and has been adopted worldwide by Nestle, Hershey, Mars and others with similar success. This has resulted in many new flavors and varieties of the Kit Kate and other confections appearing globally since then.

While some flavors have been hits, many have flopped, alienating some consumers in the process, causing Nestle to scale back on new releases. In late 2005, Chris White, the managing director of Nestle Renowned abruptly left his job amid controversy that his marketing strategies may in fact have had a negative impact on Kit Kate and confection sales in the long term. Also, in September 2006 Nestle announced they were eliminating 25% of their workforce in York and moving production of Smarties to Germany. One of the reasons given for the cuts and moves was so the York factory could be modernized for Kit Kate production to continue.

As dark chocolate has seen increased demand and favor worldwide because of its purported health benefits, September 2006 saw the launch of the four-

finger Kit Kate Fine Dark in the I-J as a permanent edition, as well as new packaging for the entire brand. Hershey had sold the four-finger Kit Kate Dark in the US several years previously as a limited edition, and has begun doing so again. Nestle now manufactures two finger Kit Stats with natural flavorings, and for the first time, Kit Stats in this format are suitable for vegetarians.