



TITLE OF CASE STUDY: *Kit Kat Breaks Away*

*Kit Kat Break Time. Anytime.*TM Campaign

Business Situation

In 2007, the *Kit Kat* brand was struggling with declining sales and share loss in a growing category. Over a several year period, the *Kit Kat* brand was losing core target consumer loyalty, purchase frequency, emotional connectivity and brand relevance in the category.

With the long-term viability of the brand at risk, the brand team turned to a robust consumer research and discovery plan as the foundation needed to effectively reinvigorate the *Kit Kat* brand. The lengthy process led to the development of the compelling and highly effective *Break time. Anytime.* campaign that has driven exceptional brand sales growth and brand health improvements since its launch in September, 2009.

Business Objectives:

- Grow *Kit Kat* dollar sales 3-5% behind base TV advertising support
- Drive purchase frequency among *Kit Kat* Recent Users (Loyalists)
- Drive trial/penetration among *Kit Kat* Infrequent and Lapsed Users
- Increase emotionally connected consumers to the *Kit Kat* brand by 3%

Marketing Strategy:

- Drive *Kit Kat's* highly differentiated positioning of “briefly breaking away from your day”
- Increase *Kit Kat* frequency in consumption by growing recent users

Research Objectives:

We designed the research to accomplish the following objectives:

- Define the core consumer segments
- Identify what need *Kit Kat* satisfies and how *Kit Kat* uniquely fills that need
- Create a unique and ownable positioning for the *Kit Kat* brand

Budget:

Kit Kat advertising was supported with a robust media plan including TV and Radio behind:

- A continuity plan with TV advertising running throughout the year
- Growth level GRP weights
- Programming targeted to people 18-34

Research Story

In order to reactivate this iconic brand, the team recognized the need for new consumer insights to guide positioning evolution that would ensure competitive differentiation, and the brand's relevance with its core consumer base.

Utilizing both qualitative and quantitative research methods, we uncovered core consumer insights that guided *Kit Kat* brand positioning and the development of the highly effective *Break time. Anytime.* TV campaign. Additionally, the research uncovered the power of the "Gimme a break" jingle, which is now used in a new and memorable way to reinforce and link the unique *Kit Kat* eating ritual to the brand's break-time benefit.

Quantitative Chocolate Strategic Segmentation Study

Our first step was to understand how the consumer views the Chocolate Category and the *Kit Kat* brand. We talked to core *Kit Kat* consumer targets and found that *Kit Kat* is in their consideration set but it is not always their top choice. We found that *Kit Kat* has solid credibility with fundamental benefits and features – "great combination of different tastes and textures," "crunchy," "fun to eat," "affordable" and these are benefits from which to build and grow.

Key insights include:

- The *Kit Kat* brand delivers on the consumer need for satisfying ingredients.
- The product is seen as ubiquitous and dependable, known primarily for its texture, form (with breakable pieces) and light eat attributes.
- The *Kit Kat* "Gimme a break" jingle is memorable and has not 'worn out' in the consumers' minds.

Qualitative Deep Dive Research

Our second step was to conduct in-depth interviews with users in order to better define the target and develop a unique and ownable positioning for the brand.

Key insights include:

- The desire to break away is highly relevant across *Kit Kat* consumer segments (SVT).
- The physical attributes of a *Kit Kat* bar are highly unique and differentiated and as such encourage consumers to "break away."
- Breaking away with *Kit Kat* is about "sitting back" and experiencing something that is personally satisfying.
- Breaking away activates a highly aspirational emotive benefit.
- *Kit Kat's* brand persona perfectly parallels and reflects its emotional benefit.

Millward Brown Copy Testing Phase

After a hiatus from TV, our Consumer Insights team engaged Millward Brown to conduct a Link Copy Test to understand creative direction for the brand. Emerging from a series set of preliminary executions was the campaign 'Office'. 'Office' was a newer and fresher approach to the classic campaign and it modernized the famous and successful "Gimme a break" jingle.

Copy testing results revealed that due to exceptional breakthrough ability (three times the Millward Brown normative measure) and strong persuasive power, the ad was highly likely to generate a short-term sales increase. Consumers within both the target audience and general market positively responded to 'Office' and clearly conveyed intended communication behind 'good for a break.'

After the initial in-market success of 'Office', pool-out development was initiated. The first pool-out, 'Breakroom,' expanded the "Gimme a break" jingle to also incorporate break related environmental elements into the jingle (i.e. the beeps of a vending machine, etc.). The strength of this pool-out was validated as well via Millward Brown Link testing as very likely to lead to a positive increase in short term sales, while giving a degree of permission to evolve the execution of the jingle moving forward.

With the campaign seeded and validated, additional pool-outs were then measured by Millward Brown's In-Market Advertising Tracking program, which provides an ongoing measurement of brand health metrics and *Kit Kat* brand performance at retail. The campaign has been also expanded to radio and in-store execution with the *Kit Kat* and Coffee platform executed in the convenience class of trade.

In-Market Tracking / Results To-Date (September 2009 – December 2011)

Millward Brown has continuously monitored *Kit Kat* brand health over the last several years (through a tracking program capturing in-market results). *Kit Kat* has seen a steady increase in consumption, in addition to lapsed users coming back to the brand. Additionally, advertising recall is extremely strong (well above Millward Brown's normative measure) leading to strong consideration for the brand. Emotional connection to *Kit Kat* has significantly increased since 2009. Given *Kit Kat's* success from the start of the campaign, it is now considered a "Megabrand" in the confectionery category.

In addition, the candy category dynamic has changed over time: as more brands are activated, consumers are faced with many more choices and are less likely to just choose 1 or 2 brands. *Kit Kat* is widening the gap to the rest of the category in its purchase likelihood and stands apart as being a brand that is "personally relevant" and "good for a break"; both top drivers of purchase consideration.

Role of Research in Campaign Development

Consumer research played a critical role in the development of a copy strategy grounded in consumer understanding and with strong brand linkage.

Core strategy breakthroughs included:

- A clear understanding of the brand's strategic target and their "break" needs
- A clear understanding of *Kit Kat's* brand benefit and reasons to believe

- A clear understanding of *Kit Kat*'s unique and ownable attribute linkage to the "break" occasion via product form and the eating ritual
- The awareness and appeal of the "Gimme a Break" jingle with core consumers as a potential creative springboard for new copy

Consumer research also helped drive clear understanding of executional mandates, including:

- The need to deliver appetite appeal generated by showcasing the *Kit Kat* eating ritual
- Strong branding, highlighted by the "pop" of *Kit Kat* red in the cool color palette of the commercial
- Showcasing of relatable people that personified the broad appeal of the *Kit Kat* brand as a brand for "someone like me"
- Showcasing of relatable break situations that everyone can relate to
- Delivery of the brand's unique tonality

New campaign insights generated in 2011 have helped evolve the 2012 pool-out executions to include depiction of the family/sharing occasion while expanding day parts to the night time occasion to more fully reflect actual consumption behavior. These minor executional evolutions found in 'City at Night' and 'Park' pool-outs will continue to expand and reinforce the *Break time. Anytime.* notion.

Campaign Description

The *Break time. Anytime.* campaign depicts the *Kit Kat* brand's unique eating ritual, enjoyed by relatable people enjoying *Kit Kat* in relatable break situations. The campaign taps into the need core consumers have to "briefly break away" from their day to do something that they want to do with *Kit Kat* as the hero of the eating ritual and star of the advertising.

At the core of the campaign idea is the familiar "Gimme a Break" jingle, used historically in *Kit Kat* TV and Radio advertising, but now brought to life via the sounds that only a *Kit Kat* bar's unique form, attributes and eating ritual can deliver.

The *Break time. Anytime.* campaign has reconnected the *Kit Kat* brand with its core and lapsed user base to drive sustained sales growth, improved brand health metrics and recognition as a "Megabrand" in the U.S. confectionery category.

Target Audience:

- **Primary Target:** Adults 18-34 years old (male/female evenly split) who are brand acceptors (recent and infrequent users).

Media Plan/Creative/Running Dates:

- The *Break time. Anytime.* campaign began airing in September 2009 and has been supported ever since by continuity TV media support at strong, growth level GRP's. Since its inception, seven TV ads, including one Halloween seasonal specific pool-out have been produced.

- 2012 marks the 3rd year of this highly effective campaign which will highlight the airing of the 6th and 7th campaign executions.
- Campaign pool-outs to date include:
 - 'Office' - September, 2009 through March, 2010
 - 'Breakroom' - April, 2010 through August, 2010
 - 'Halloween' – September thru October (2010/2011 annually)
 - 'Steps' - November, 2010 through April, 2011
 - 'Library' - May, 2011 through August, 2011
 - 'City at Night' - December, 2011 – current

Business Results:

From an in-market performance perspective, the *Kit Kat* brand has delivered significant growth since the brand was re-activated with TV advertising in September 2009. Key *Kit Kat* in-market results since then include:

- FDMx retail sales growth of 17.8% CAGR for the 27 months ending 12/2011
- Brand ranking improvement in the U.S. Chocolate category from 9th (52wks ending Sept 12 2009) to 6th (52wks ending Dec 3, 2011) position.
- Dollar share gain of 0.8 pts in the \$8.9B U.S. Chocolate category (from 3.0% share - 52wks ending September 12, 2009, to a 3.8% share - 52 weeks ending Dec 3, 2011).
- Posted the second largest dollar growth of any candy brand across FDMx channels
- Delivered 30% dollar velocity and 39% baseline dollar velocity gains over the 27 month period

in summary, the research uncovered compelling insights related to the *Kit Kat* consumption ritual, the brand's attribute and usage linkage to the "break" occasion and the potential to leverage the "Gimme a Break" jingle in brand equity building communications. This has enabled The Hershey Company to support advertising copy grounded in strong consumer insights and brand understanding to successfully drive relevance, consideration and usage, which in turn has re-established *Kit Kat* to iconic, leadership status in the U.S.