

Kit Kat Competitor Analysis

Market share:

Today, KIT KAT is the world's No.3 chocolate brand. KIT KAT's perfect balance of crispy wafers and creamy chocolate is still the ideal treat and with today's hectic lifestyle, 'Have a break, have a Kit Kat' has never been more relevant.

Segmentation

- Lifestyle: the slogan 'Have a Break, Have a Kit Kat', positions the brand as a treat enjoyed when a consumer needs to relax or needs a break
- Sharing: Can easily be shared between family and friends as the design of the chocolate bar allows consumers' to be able to break off a finger at a time.
- Age: between 15-40 years old
- Gender: targeted at all genders.
- Income: easily affordable with a diverse range of sizes.

Positioning

Brand Image

- The image of the Kit Kat brand is that it is a snack that can be enjoyed anywhere at any time, and encourages consumers' to take a break and enjoy a snack

Product

- Kit Kat 'Four Finger' - Crisp wafer fingers covered with smooth milk chocolate.

Price

Woolworths retails:

- Four Finger Kit Kat - approx. \$2.50

Place

- Kit Kats are accessible everywhere. All supermarkets stock the product as well as convenience stores, newsagencies, lolly shops and petrol stations.

Promotion

- The promotion of Kit Kat has been the same in Australia since 1958. The 'Have a Break, Have a Kit Kat' slogan was born in 1958 and has been the same since.

Key message/s

- The Kit Kat chocolate bar is a snack that is light and due consumers becoming increasingly time poor, Kit Kat can be enjoyed quickly and easily during a break.

Appeal

- The appeal of the Kit Kat is it's lightness and it's ability to be enjoyed anywhere at any time.

Executional tactics

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Media used

- TV
- Advertisement
- Billboards
- Magazine and newspaper ads

ANALYSING THE CONSUMER BEHAVIOUR

After understanding the marketing mix of Kit Kat and Nestle, it was important for us to study the consumer behaviour, buying motives and the decision making process of the consumers in our study. So we created a survey for this purpose which can be found on

<http://FreeOnlineSurveys.com/renderSurvey.asp?sid=t5b5pcbrfq04401629831>. In all the survey got 96

responses. From the data collected we will try to understand how the various marketing mix factors influence the customer buying behaviour and vice versa.

Kit Kat and other chocolates are usually consumed by youth and children. For our survey the maximum number of respondents lies in the age group of 16 to 25. This is a valid sample as for children most of the buying motives are impulsive purchases. Through this analysis we can hope to get a glimpse inside the mind of the rational youth who chooses one chocolate over the other and thus gain valuable insights for the product.

From the data we see that a whopping 93% of the respondents lie in the age group of 16 to 25 years. This is an important segment for the marketer of chocolates as it can give high returns if tapped correctly. Most of these respondents were students which once again is an important segment as with influence from peer groups and the natural student lifestyle, there is high chocolate consumption among them. From the 96 respondents only about 16 per cent prefer Kit Kat over other chocolates. There are a few consumers scattered across other chocolates. About 29 per cent of the respondents had varied preferences which are reflected in 'Others'. This is not surprising as Chocolates are a consumer good for which customers may have very particular preferences. Also, for a good like this, consumers may have frequently changing tastes in short periods. What is interesting is that a good 37 per cent prefer Dairy Milk over all other chocolates. From the next question in our survey we see that Dairy Milk has...

Kit Kat is the UK's best-selling chocolate bar. However, in the competitive modern world consumers' tastes continually change. As a result, even the most popular icons have to re-invent themselves from time to time in order to keep their appeal and stay 'on top'. For example, pop stars adjust their image, film animators amend their favourite cartoon characters, and car designers re-design old favourites such as the VW Beetle and the Mini. One secret of success is to retain enough of the old image to keep the loyalty of present enthusiasts for the product, whilst making sufficient innovations to attract a whole new group of consumers.

In the world of popular chocolates and sweets, there has been in recent years an ongoing revolution in modifying products. In previous times, sweets and chocolate bars remained in more or less the same form for many years. Today, however, modern sophisticated consumers constantly seek novelty and change, and consumers have become the driving force behind product modification. Take Smarties, for example, which have undergone a series of changes in recent years. Until the late 1980s, Smarties came in well-established standard flavourings, colours and packaging. Then:

- 1989 Nestlé introduced blue Smarties
- 1991 Printing on sweets was introduced
- 1992 Green chocolate arrived
- 1995 The standard range of Smarties was relaunched with colourful new packets
- 1997 Giant Smarties were launched
- 1999 Smarties ice cream was launched
- 2000 Mini Smarties came on the scene
- 2001 Tetrahedon pack for Mini Smarties

Every alert, market-focused producer recognises the need for regular change. This is required because:

- consumers want and demand change
- rival firms are constantly re-inventing themselves and their products
- innovation and inventiveness keep an organisation flexible and able to respond to further change.

Although Kit Kat continued to be the Number 1 confectionery brand, by the late 1990s its volume sales were falling. Faced with several increasingly attractive competitive offerings, consumers began to see Kit Kat in its traditional form as lacking in excitement and interest, with purchases being driven more by habit than positive choice. Although the four-finger Kit Kat continued to be highly popular with its core target market of 25-40 year olds, it was losing popular appeal with younger consumers.

The image problem was most evident among core countline consumers ie 12-20 year olds. In this important age group, while Kit Kat had been part of 'growing up' and may also have made regular appearances in lunch boxes, it was hardly relevant to their lifestyle. The traditional four-finger Kit Kat did not seem relevant to them. In 1999 therefore, Nestlé felt it was time for some re-invention. The company decided to develop a new format of Kit Kat whilst still retaining the four-finger variety with which consumers are so familiar.

Read more: <http://businesscasestudies.co.uk/nestle/kit-kat-revitalising-a-brand-leader/why-kit-kat-needed-revitalising.html#ixzz2Fl9L7GE0>

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