13 January 2006

SPECIAL REPORT

AdNews

ACNielsen

TOP BRANDS

Breaking the $750 million barrier

AUSTRALIA'S BIGGEST GROCERY BRANDS ARE BIGGER THAN EVER, ACCORDING TO THE LATEST ACNIELSEN TOP 100 BRANDS REPORT.

Once again, Coca-Cola, Longbeach and Winfield have secured positions as the top three brands – a tradition that has existed since the development of the Top 100 Brands report in 1994. However, the results from this year's report show that these super brands are now bigger than ever, each having broken through the $750 million barrier for the first time.

Coca-Cola has retained its position as brand leader for the thirteenth consecutive year, driven primarily by a strong performance from the traditional Diet Coke sub-brand. However, product development has also been an important driver of growth, with new flavour variants including Coca-Cola Lime, Diet Coke Lime and Diet Coke Vanilla contributing about a third of the absolute dollar growth of the entire Coca-Cola brand over the past two years.

As in previous years, tobacco brands continue to dominate, taking up six places in the top 10 brands and a total of 14 places in the top 100 brands. And while tax-driven price increases have helped in securing the positions of these brands, it appears consumers may be feeling the pinch in price, indicated by the strong performance of roll-your-own (RYO) tobacco brands. Champion Ruby (new entrant) and Winfield RYO have grown more than 30% over the past two years, while Drum RYO tobacco has climbed 11 spots since 2003.

The growth rate of the top 100 brands – 11.8% over the two years to July 2005 – is not much higher than the average 9.7% growth achieved by the packaged grocery sector over that period. However, it is clear that these brands are absolutely instrumental in driving the performance of the grocery channel, with the top 100 accounting for 45% of total absolute dollar growth recorded by the packaged grocery sector over the past two years. As a result, the top 100 brands are worth a total of $14.1 billion and account for 38% of total packaged groceries, slightly higher than in 2003.

The entry bar for a top 100 brand has been raised to $62 million, up from $55 million in 2003, with seven new brands entering the top 100 this year: VIP chilled/frozen petfood, Philadelphia cheese, McCain frozen meals, Primo smallgoods, Champion Ruby RYO tobacco, Bird's Eye frozen fish and Energizer batteries. This is not surprising given that six of these brands have enjoyed more than 20% growth over the past two years.

THE ENTRY BAR FOR A TOP 100 BRAND HAS BEEN RAISED TO $62 MILLION, UP FROM $55 MILLION IN 2003.

The top three brands achieving the most significant increase in rank versus 2003 were: Quilton toilet tissue (up 37 spaces), followed by Nabisco biscuits (up 35 spaces) and Hans smallgoods (up 24 spaces).

As in previous years, ACNielsen has compiled a top 25 umbrella brand ranking. This accommodates brands that operate in a variety of categories, none of which would necessarily qualify as a top 100 brand (see methodology).

While Arnott's, Cadbury and Kellogg's remain the top-selling umbrella brands, the composition of the top 25 compared to 2003 has changed with the entry of Smith's, Mainland and Tip Top.

The most significant shift in rank within the top 25 umbrella brands has been by Kleenex, which entered the top 10 at number eight, from 13 in 2003. This shift was driven by the rebranding of its main toilet tissue brand to Kleenex Cottonelle.

CONCENTRATED OWNERSHIP

Nearly half of the top 100 is owned by 10 manufacturers, and 15 manufacturers own an astounding 63 brands; this degree of concentration is more likely to increase than decline. There are, however, plenty of smaller players such as ABC Tissue (Quilton toilet tissue has moved up 37 places since 2003) proving that big brands are not unassailable.

METHODOLOGY

ACNielsen has been providing information to the grocery industry on consumer and retail trends for many decades. The Top 100 Brands is now in its eleventh year and continues to generate much interest, feedback and the occasional animated debate.

ACNielsen has made every effort to ensure the data in this analysis is accurate. However, due to the constant shifting of the marketplace and the magnitude of the analysis, the company cannot guarantee that all errors or omissions have been corrected.

Comparisons with the 2003 compilation should be treated with some care, and consideration should be given to brand and definition changes.

DEFINITIONS

Defining a brand can be difficult. Manufacturers often have different views of what makes up a brand, a sub-label or an umbrella brand.

As in previous years, ACNielsen has compiled two lists. The top 100 brands list defines a brand within a single category (eg Colgate toothpaste). Range extensions under the same name are included; Diet Coke, for example, is included in the Coca-Cola brand.

The top 25 umbrella brands apply to brand names that cross grocery categories (eg Heinz baked beans/spaghetti and soup), or where sub-brands can be viewed as brand names in their own right. An example of this is Arnott's, which has individual mentions in the entries in the top 100 (eg Shapes and Tim Tam), while the Arnott's umbrella brand is included in the top 25 list.

COVERAGE

The top 100 brands and top 25 umbrella brands lists are based on annual sales through supermarkets and grocery stores for the year ending 3 July 2005. For direct-delivery categories such as bread and milk, the data is projected for warehouse accounts.

The coverage is national (including Tasmania) and covers all grocery accounts.

The non-grocery channels not covered are the route trade (milk bars, newsagents, service stations), convenience stores, mass merchandisers (Kmart, Big W, Target), department stores, food service, vending and exports. ★

ACNielsen supplied this overview of the Top 100 Brands report.

PRODUCT IMAGES IN THIS REPORT SUPPLIED BY *RETAIL WORLD MAGAZINE.*

AdNews

Founded in 1928. Incorporates Advertising News, Newspaper News, Advertising in Australia, The Advertisers Monthly and Radio & Television News. Published fortnightly.

Sydney: Tel (02) 9281 2333 Fax (02) 9281 2750
Melbourne: Tel (03) 9690 8199 Fax (03) 9690 8636

Web site www.adnews.com.au
Email adnews@yaffa.com.au

SUBSCRIBE: 1800 807 760

Editor Dave Clutterbuck
Tel (02) 9213 8287
Deputy editor Andrea Sophocleous
Tel (02) 9213 8286
Production editor Aleta Jones
Tel (02) 9213 8294
Melbourne journalist Nina Lees
Tel (03) 9626 2313
Sydney journalist Adam Cubito
Tel (02) 9213 8284
Sydney journalist Matthew Eaton
Tel (02) 9213 8308
Sydney journalist Victoria Lea
Tel (02) 9213 8285
Contributing writer Barbara Messer
Tel (02) 9213 8283

Designer Cheryl Lee
Tel (02) 9213 8297
Publisher Jeremy Light
Tel (02) 9213 8289
Group sales manager James Yaffa
Tel (02) 9213 8293
National advertising manager Justine Kendall
Tel (02) 9213 8288
Classified advertising manager Alex Dunston
Tel (02) 9213 8292
Sales executive Aaron Hampson-Smith
Tel (02) 9213 8301
Ad production manager Vanessa Rodriguez
Tel (02) 9213 8290
Circulation manager Matthew Gunn
Tel (02) 9213 8214

AdNews is published by Yaffa Publishing Group Pty Ltd ACN 54 002 699 354, Yaffa Building, 17-21 Bellevue Street, Surry Hills, NSW 2010 Australia.

Address all correspondence to:
AdNews, GPO Box 606, Sydney, NSW 2001
Telephone (02) 9281 2333. Fax (02) 9281 2750
Distributed by Gordon & Gotch Ltd
Melbourne and Sydney

Interstate office:
Melbourne Yaffa Publishing Group,
51-55 Dundas Place, Albert Park 3206
Tel (03) 9690 8199
Fax (03) 9690 8636

Subscription rates:
Australia $99 for 1 year, $178.20 for 2 years, $237.60 for 3 years (includes GST)
New Zealand 1 year A$120
Asia 1 year A$135 (By air freight)
Other countries 1 year A$180 (By air freight)

ISSN 0814-6942

Member
Audit Bureau of Circulations

TOP 100 GROCERY BRANDS

02/03 RANK	04/05 RANK	BRAND	CATEGORY	MANUFACTURER	SALES
1	1	Coca-Cola	Carbonated beverages	Coca-Cola Company	$750m+
2	2	Longbeach	Tobacco	Philip Morris	$750m+
3	3	Winfield	Tobacco	British American Tobacco Australia	$750m+
4	4	Peter Jackson	Tobacco	Philip Morris	$500 - $750m
5	5	Horizon	Tobacco	Imperial Tobacco Australia	$500 - $750m
7	6	Benson & Hedges	Tobacco	British American Tobacco Australia	$250 - $500m
8	7	Huggies	Disposable nappies	Kimberly Clark	$250 - $500m
9	8	Holiday	Tobacco	British American Tobacco Australia	$250 - $500m
–	9	Tip Top[1]	Proprietary bread	George Weston Foods	$250 - $500m
10	10	Cadbury	Chocolate confectionery	Cadbury Schweppes	$150 - $250m
15	11	Nestlé/Peters	Ice-cream	Nestlé	$150 - $250m
6	12	Pura	Fresh milk	National Foods	$150 - $250m
18	13	Pauls	Fresh milk	Parmalat	$150 - $250m
13	14	Yoplait	Yoghurt	National Foods	$150 - $250m
14	15	Sorbent	Toilet tissue	SCA	$150 - $250m
11	16	Pedigree Pal	Dog food	Masterfoods ANZ	$150 - $250m
12	17	Nescafé Blend 43	Coffee	Nestlé	$150 - $250m
26	18	Smith's	Snack foods	The Smiths Snackfood Company	$150 - $250m
21	19	Kleenex Cottonelle[2]	Toilet tissue	Kimberly Clark	$150 - $250m
17	20	McCain	Frozen vege & potatoes	McCain	$150 - $250m

[1] Brand re-defined vs 2003 – now a combination of Tip Top Up and Sunblest. [2] Rank compared to Kleenex toilet tissue brand listed in 2003.

Source: ACNielsen

TOP 100 GROCERY BRANDS

02/03 RANK	04/05 RANK	BRAND	CATEGORY	MANUFACTURER	SALES
19	**21**	Birds Eye	Frozen vege & potatoes	Simplot	$150 - $250m
30	**22**	Pepsi	Carbonated beverages	Cadbury Schweppes	$150 - $250m
20	**23**	Whiskas	Cat food	Masterfoods ANZ	$150 - $250m
22	**24**	Colgate	Toothpaste	Colgate-Palmolive	$150 - $250m
25	**25**	Kraft	Cheese & dips	Kraft Foods	$100 - $150m
16	**26**	Dairy Farmers	Fresh milk	Dairy Farmers	$100 - $150m
37	**27**	Dunhill	Tobacco	British American Tobacco Australia	$100 - $150m
23	**28**	Ski	Yoghurt	Dairy Farmers	$100 - $150m
44	**29**	Uncle Tobys	Nutritious snacks	Goodman Fielder	$100 - $150m
29	**30**	Alpine	Tobacco	Philip Morris	$100 - $150m
27	**31**	John West	Canned fish	Simplot	$100 - $150m
33	**32**	Mainland	Cheese & dips	Fonterra Brands	$100 - $150m
31	**33**	Coon	Cheese & dips	Dairy Farmers	$100 - $150m
35	**34**	Gillette	Razors & blades	Gillette	$100 - $150m
24	**35**	Bega	Cheese & dips	Fonterra Brands	$100 - $150m
34	**36**	Golden Circle	Fruit juices	Golden Circle	$100 - $150m
43	**37**	Schweppes	Carbonated beverages	Cadbury Schweppes	$100 - $150m
28	**38**	Mighty Soft	Proprietary bread	Goodman Fielder	$100 - $150m
32	**39**	Berri	Fruit juices	National Foods	$100 - $150m
38	**40**	Kleenex	Facial tissue	Kimberly Clark	$100 - $150m
–	**41**	Winfield[3]	RYO tobacco	British American Tobacco Australia	$100 - $150m
41	**42**	Wonder White	Proprietary bread	Goodman Fielder	$100 - $150m
42	**43**	Arnott's Shapes	Biscuits	Campbell Arnott's	$100 - $150m
45	**44**	Helga's	Proprietary bread	Goodman Fielder	$100 - $150m
39	**45**	Streets	Ice-cream	Unilever	$100 - $150m
83	**46**	Quilton	Toilet tissue	ABC Tissue	$100 - $150m
52	**47**	Kellogg Nutri-Grain	Cereals	Kellogg Australia	$75 - $100m
63	**48**	Kirks	Carbonated beverages	Coca-Cola Company	$75 - $100m
51	**49**	Nestlé	Yoghurt	Nestlé	$75 - $100m
40	**50**	Pantene	Shampoo/conditioner	Proctor & Gamble	$75 - $100m
75	**51**	Hans	Smallgoods	Hans Continental Smallgoods	$75 - $100m
49	**52**	Old El Paso	Mexican foods	General Mills	$75 - $100m
50	**53**	San Remo	Pasta	San Remo	$75 - $100m
46	**54**	Libra	Sanitary protection	SCA	$75 - $100m
48	**55**	Milo	Milk modifiers	Nestle	$75 - $100m
54	**56**	Goulburn Valley	Canned fruit	SPC Ardmona	$75 - $100m
–	**57**	VIP	Chilled/frozen petfood	VIP Petfoods	$75 - $100m
69	**58**	Just Juice	Fruit juices	National Foods	$75 - $100m
55	**59**	Weet-Bix	Cereals	Sanitarium	$75 - $100m
57	**60**	Moccona	Coffee	Sara Lee	$75 - $100m
47	**61**	Flora	Margarine	Unilever	$75 - $100m
–	**62**	Philadelphia	Cheese & dips	Kraft Foods	$75 - $100m
67	**63**	Greenseas	Canned fish	Heinz Wattie's	$75 - $100m
64	**64**	Leggos	Tomato products	Simplot	$75 - $100m
100	**65**	Nabisco (Formerly Lanes)	Biscuits	Kraft Foods	$75 - $100m
–	**66**	McCain	Frozen meals	McCain	$75 - $100m
53	**67**	Heinz	Baked beans/spaghetti	Heinz Wattie's	$75 - $100m
68	**68**	Daily Juice	Fruit juices	National Foods	$75 - $100m
70	**69**	Campbell's	Soup	Campbell Arnott's	$75 - $100m
59	**70**	Marlboro	Tobacco	Philip Morris	$75 - $100m
60	**71**	Vegemite	Yeast spreads	Kraft Foods	$75 - $100m
65	**72**	Edgell	Canned vegetables	Simplot	$75 - $100m
84	**73**	Drum	RYO tobacco	Imperial Tobacco Australia	$75 - $100m
56	**74**	Omo	Laundry detergent	Unilever	$75 - $100m
62	**75**	Cottee's	Cordial	Cadbury Schweppes	$75 - $100m

[3] Brand re-defined vs 2003.

Source: ACNielsen

TOP 100 GROCERY BRANDS

02/03 RANK	04/05 RANK	BRAND	CATEGORY	MANUFACTURER	SALES
86	76	Extra	Chewing gum	Wrigley	$75 - $100m
82	77	Rexona	Deodorants	Unilever	$75 - $100m
61	78	Continental	Packet soup	Unilever	$50 - $75m
–	79	Primo	Smallgoods	P & M Quality Small Goods	$50 - $75m
89	80	Finish	Dishwashing detergent	Reckitt Benckiser	$50 - $75m
74	81	Continental	Packet Meals	Unilever	$50 - $75m
80	82	Friskies	Cat food	Nestlé	$50 - $75m
71	83	Doritos	Snack foods	The Smiths Snackfood Company	$50 - $75m
78	84	Latina	Pasta	General Mills	$50 - $75m
76	85	Glad	Plastic bags & wraps	Clorox	$50 - $75m
98	86	Heinz	Soup	Heinz Wattie's	$50 - $75m
99	87	Escort	Tobacco	Imperial Tobacco Australia	$50 - $75m
72	88	McCain	Frozen pizza	McCain	$50 - $75m
88	89	Arnott's Tim Tam	Biscuits	Campbell Arnott's	$50 - $75m
–	90	Champion Ruby	RYO tobacco	Imperial Tobacco Australia	$50 - $75m
79	91	Stradbroke	Tobacco	British American Tobacco Australia	$50 - $75m
93	92	Golden	Bakery snacks	George Weston Foods	$50 - $75m
94	93	Devondale	Dairy spreads	Murray Goulburn	$50 - $75m
96	94	Sara Lee	Frozen desserts	Sara Lee	$50 - $75m
–	95	Birds Eye	Frozen fish	Simplot	$50 - $75m
–	96	Energizer	Batteries	Energizer Australia	$50 - $75m
87	97	Meadow Lea	Margarine	Goodman Fielder	$50 - $75m
73	98	Ingham	Frozen poultry	Inghams Enterprises	$50 - $75m
91	99	My Dog	Dog food	Masterfoods ANZ	$50 - $75m
58	100	Bulla	Ice-cream	Regal Cream Products	$50 - $75m

Estimated sales for the 12 months to 3 July 2005.

Source: ACNielsen

TOP MANUFACTURERS

MANUFACTURER	BRANDS
Unilever	Omo, Rexona, Flora, Streets, Continental (x2)
British American Tobacco	Winfield (x2), Holiday, Stradbroke, Benson & Hedges, Dunhill
Nestlé	Peters, Nestlé, Friskies, Nescafé Blend 43, Milo
Goodman Fielder	Uncle Tobys, Mighty Soft, Wonder White, Helga's, Meadow Lea
National Foods	Pura, Berri, Daily Juice, Yoplait, Just Juice
Simplot	Birds Eye (x2), Leggos, Edgell, John West
Cadbury Schweppes	Cadbury, Cottee's, Schweppes, Pepsi
Imperial Tobacco	Horizon, Drum, Escort, Champion Ruby
Philip Morris	Longbeach, Peter Jackson, Alpine, Marlboro
Kraft	Kraft, Philadelphia, Nabisco, Vegemite
Campbell Arnott's	Shapes, Tim Tam, Campbell's
Heinz Wattie's	Greenseas, Heinz (x2)
Kimberly Clark	Huggies, Kleenex, Kleenex Cottonelle
Dairy Farmers	Dairy Farmers, Ski, Coon
McCain	McCain (x3)

15 manufacturers own 63 brands.

Source: ACNielsen

WHICH BRANDS ARE DRIVING GROWTH?

Champion Ruby RYO tobacco
Energizer batteries
Hans smallgoods
Pepsi carbonated beverages
Primo smallgoods
Quilton toilet tissue
Smith's Crisps snack foods
Uncle Tobys nutritious snacks
VIP chilled/frozen petfood
Winfield RYO tobacco

Top 10 fastest growing brands all growing at greater than 30% vs 2003.

Source: ACNielsen

TOP 25 BRANDS AGAINST AD SPEND

RANK	BRAND	CATEGORY	MANUFACTURER	SALES	AD SPEND
1	Coca-Cola	Carbonated beverages	Coca-Cola Company	$750m +	$14.4m
2	Longbeach	Tobacco	Philip Morris	$750m +	N/A
3	Winfield	Tobacco	British American Tobacco Australia	$750m +	N/A
4	Peter Jackson	Tobacco	Philip Morris	$500 - $750m	N/A
5	Horizon	Tobacco	Imperial Tobacco Australia	$500 - $750m	N/A
6	Benson & Hedges	Tobacco	British American Tobacco Australia	$250 - $500m	N/A
7	Huggies	Disposable nappies	Kimberly Clark	$250 - $500m	$8.1m
8	Holiday	Tobacco	British American Tobacco Australia	$250 - $500m	N/A
9	Tip Top	Proprietary bread	George Weston Foods	$250 - $500m	$3.4m
10	Cadbury	Chocolate confectionery	Cadbury Schweppes	$150 - $250m	$13.2
11	Nestlé/Peters	Ice-cream	Nestlé	$150 - $250m	$7.1m
12	Pura	Fresh milk	National Foods	$150 - $250m	$1.3m
13	Pauls	Fresh milk	Parmalat	$150 - $250m	$1.7m
14	Yoplait	Yoghurt	National Foods	$150 - $250m	$1.9m
15	Sorbent	Toilet tissue	SCA	$150 - $250m	$5m
16	Pedigree Pal	Dog food	Masterfoods ANZ	$150 - $250m	0
17	Nescafé Blend 43	Coffee	Nestlé	$150 - $250m	$2.9m
18	Smith's	Snack foods	The Smiths Snackfood Company	$150 - $250m	$3.9m
19	Kleenex Cottonelle	Toilet tissue	Kimberly Clark	$150 - $250m	0
20	McCain	Frozen vege & potatoes	McCain	$150 - $250m	$7m
21	Birds Eye	Frozen vege & potatoes	Simplot	$150 - $250m	$2.5m
22	Pepsi	Carbonated beverages	Cadbury Schweppes	$150 - $250m	$7.3m
23	Whiskas	Cat food	Masterfoods ANZ	$150 - $250m	$2.1m
24	Colgate	Toothpaste	Colgate-Palmolive	$150 - $250m	$6.8m
25	Kraft	Cheese & dips	Kraft Foods	$100 - $150m	$5.9m

Estimated sales and advertising expenditure in main media for 12 months to 3 July 2005.

Source: ACNielsen & Nielsen Media Research Adex

TOP 25 UMBRELLA BRANDS

02/03 RANK	04/05 RANK	UMBRELLA BRAND	SUPPLIER	MAIN CATEGORIES	SALES
1	1	Arnott's	Arnott's Campbells	Biscuits & snack foods	$500 - $750m
2	2	Cadbury	Cadbury Schweppes	Confectionery & ice-cream	$500 - $750m
3	3	Kellogg's	Kellogg Australia	Cereal & nutritious snacks	$500 - $750m
6	4	Nestlé	Nestlé	Yoghurt, confectionery & ice-cream	$250 - $500m
7	5	Kraft	Kraft Foods	Cheese, spreads, salad dressing & meals	$250 - $500m
4	6	Uncle Tobys	Goodman Fielder	Cereal, bread & nutritious snacks	$250 - $500m
5	7	Dairy Farmers	Dairy Farmers	Dairy products	$250 - $500m
10	8	Huggies	Kimberly Clark	Nappies & wipes	$250 - $500m
8	9	McCain	McCain	Frozen foods	$250 - $500m
13	10	Kleenex	Kimberly Clark	Paper products	$250 - $500m
9	11	Golden Circle	Golden Circle	Beverages, fruit and vegetables	$250 - $500m
11	12	Heinz	Heinz Wattie's	Various dry grocery	$250 - $500m
12	13	Nescafé	Nestlé	Coffee	$250 - $500m
14	14	Sanitarium	Sanitarium	Cereal, spreads & nutritious snacks	$250 - $500m
17	15	Pauls	Parmalat	Dairy products	$150 - $250m
15	16	Birds Eye	Simplot	Frozen foods	$150 - $250m
18	17	Sorbent	SCA	Paper products	$150 - $250m
16	18	Continental	Unilever	Various dry grocery	$150 - $250m
19	19	Colgate	Colgate-Palmolive	Oral care	$150 - $250m
–	20	Smiths	The Smiths Snackfood Company	Snack foods	$150 - $250m
20	21	Devondale	Murray Goulburn	Dairy products	$150 - $250m
22	22	Gillette	Gillette	Personal care	$150 - $250m
–	23	Mainland	Bonland Dairies	Dairy products	$100 - $150m
–	24	Tip Top	George Weston Foods	Bread, flour & baking aids	$100 - $150m
25	25	John West	Simplot	Canned fish & fruit	$100 - $150m

Estimated sales for the 12 months to 3 July 2005.

Source: ACNielsen

White gold

PURA IS STILL AUSTRALIA'S TOP-SELLING MILK BRAND BUT WHILE ITS SALES HAVE SLIPPED, RIVAL BRAND PAULS IS ENJOYING SIGNIFICANT GROWTH.

Tim Seletto, business manager for Pura at National Foods, says the brand's dominance of the fresh milk market has been mainly due to its strong distribution and diverse product range.

"No doubt, having as many outlets as possible – both grocery and route outlets, like convenience stores – helps," Seletto says.

Traditionally a Victorian icon, Pura is the only national milk brand in Australia. Dairy Farmers has been its nearest competitor until recently, when it was overtaken by Parmalat-owned Pauls. In this year's ACNielsen Top 100 Brands report, Pura dropped from 6th in 2002/03 to 12th, while Dairy Farmers went from 16th to 26th. Meanwhile, Pauls climbed from 18th position in 2002/03 to number 13, just one behind Pura.

Pura Milk has a number of sub-brands, including Gold, Light Start, Boost and Tone, with special emphasis on low-fat varieties. It keeps the umbrella brand fresh in consumers' minds by monitoring health trends and launching new variants. As Seletto says: "There is a need to launch new products to reinvigorate the brand where a health need is identified, but not for launch sake."

The brand's advertising focus this year has been limited to Brand Power TVCs for Pura Boost (high calcium, low fat) in NSW, SA and WA, in addition to some print advertising and sport sponsorship deals which include a television component.

It has sponsored interstate cricket for more than five years through the Pura Cup (formerly Sheffield Shield) and supported Adelaide's professional basketball team, the 36ers, for over 13 years. It also counts swimming legend Kieren Perkins and Aussie cricket captain Ricky Ponting as sponsored athletes.

"A combination of advertising and sponsorship is important in assisting the profile and awareness of the brand. It allows an emotional attachment [to form] with the consumer and helps them make the connection," says Seletto, who puts the brand's total annual marketing budget at below $5 million.

The company uses signage in milk bars and on trucks, as well as supermarket sampling to extend its presence. "Our point of view is that it's very important to [reach] the consumer at as many contact points as possible," he says.

Pauls' impressive spike comes just one year after a raft of changes to its advertising agency roster and a significant investment in its main media spend.

In June 2004, Parmalat consolidated its $8 million white and fresh milk brands with Brisbane agency BCM Partnership. BCM now handles all of Parmalat's white milk brands, including Physical, Trim, Soy Life and Health Plus – formerly held by George Patterson Partners Brisbane – as well as the Smarter White, Skinny and Rev Milk brands previously held by Clemenger BBDO Melbourne.

Parmalat increased its main media spend by 50% last year as it consolidated these brands under one roof, with the results speaking volumes.

Lia Timson

Pampered pets

MOTOR RACING, DOG CLUBS AND DR KATRINA WARREN HAVE ALL PLAYED A PART IN THE SPECTACULAR SUCCESS OF VIP PETFOODS.

The Quinn family, led by Tony Quinn and supported by interestingly named sons Klark and Kent, have been in business less than 10 years. Yet the Queensland company now claims to be the world's largest producer of fresh chilled pet food and debuts on the ACNielsen Top 100 Brands report at number 57.

The global chilled pet food sector is growing by volume at approximately 18% per year and now makes up about 11% of the total pet food market.

VIP Petfoods, headquartered at Yatala in Queensland, claims 80% of all chilled pet food sales in Australia and has key export markets in the US, Canada, Korea, Japan and Taiwan.

The bulk of VIP Petfoods' marketing activity is centered around its motorsport sponsorships. Tony Quinn and his sons all race in a variety of formats, reflected in the company's financial commitments. It has supported teams in tarmac rallies, V8 Supercars, the Carrera Cup, the Bathurst 1000, V8 Brute Utes, Aussie Racing Legends and Formula Ford. VIP is also the principal sponsor of the V8 Supercar round at Eastern Creek, Sydney.

The company explains the heavy use of motorsport sponsorships by claiming it gives high exposure brand advertising at a cost-effective rate. Motorsport also allows the company to offer major customers thrill rides and use the sport for competition and promotional giveaways.

VIP Petfoods also sponsors greyhound racing at several tracks in Queensland.

Because the company's sponsorships are generally non-product-specific, it also uses traditional advertising, such as Brand Power TVCs, featuring celebrity vet Dr Katrina Warren.

Another key customer initiative is the VIP Petfoods Dog Club, which sets the company up as a serious player in animal health and general wellbeing. The dog club offers obedience training, a commando-style agility course, programs for sniffer dogs and even a "puppy gym".

Fresh petfood is claimed to be better for cats and dogs than its canned competition and this healthy attribute is the key to VIP Petfoods' success.

Perhaps the last word on this should go to Peter Carr of Melrose Park, South Australia, who writes on the VIP Petfoods website: "Mittens has always had a dandruff problem and Buttons developed extreme gastro as a kitten. But after feeding both my Siamese on Gourmet Mince for Catz for only three weeks, they now both have shiny and soft coats and Buttons is regular and healthy!"

Dave Clutterbuck

Cream cracker

KRAFT FOODS HAS ACHIEVED IMPRESSIVE SALES GROWTH WITH ITS PHILADELPHIA SOFT CHEESE.

The food giant has been quietly plotting the best way to achieve growth for the Philadelphia brand, and has been rewarded by well and truly cracking the ACNielsen Top 100 Brands list for 2005, slotting in at number 62.

Philadelphia has grown to be the leading brand on supermarket shelves within its category, commanding an 85% share of the market and achieving a whopping 23% growth and $67.3 million in retail sales during 2005.

Over the past two years, the Philadelphia marketing team set out to extend cream cheese usage by breaking down barriers to product use. It did this by launching a cream cheese appetiser called Chilli Philly for the entertaining market, and introducing Philadelphia Extra Light to cater for the growing weight-conscious sector.

Philadelphia brand manager Derek Murphy says Chilli Philly has been a standout success, mainly due to initial research conducted by Kraft.

"The product was developed as we learnt many people were making a similar appetiser themselves at home," Murphy says. "By leveraging this insight . . . and marketing it well, we've managed to sell over 1,000 tonnes of Chilli Philly this year, achieving a 16% share of market this year with this product alone. Extra Light has also proven a huge hit."

The brand is supported by an international branding platform, based around two angels who talk about the product amid the clouds. The campaign has been extended into 30 countries over the past decade, and ad agency JWT has been responsible for creating the market-specific ad executions in Australia. "This is a great success story," says Glen Ryan, JWT Melbourne CD. "Innovations like Chilli Philly have been incredibly effective."

Philadelphia cheese has a long history, hitting shelves in New York in 1872. It arrived in Australia in 1956 and was first manufactured here by the Kraft Walker Cheese Company – creator of Vegemite. It's now made at Kraft's Suttontown plant in South Australia. So what does the future hold?

"Our vision is for Philadelphia to be synonymous with dairy products," Murphy says. "We have some exciting launches coming up next year, which will continue the theme of extending usage and breaking down any barriers to use."

Nina Lees

Budget bubbles

KIRKS, THE QUEENSLAND-BASED DRINKS COMPANY, HAS COME A LONG WAY BY TARGETING COST-CONSCIOUS CONSUMERS.

Kirks started making vinegar, cordials, rum and aerated water products back in 1845, and Owen Gardner named the new drinks company after his manager T Kirkpatrick. Strange idea perhaps, but one that hasn't harmed the company's success. Today, Kirks produces a line of budget-priced soft drinks, all aimed at the cost-conscious consumer.

In 1960, the brand was acquired by Coca-Cola Amatil (CCA), but as Alec Wagstaff, director of corporate affairs at CCA, explains, it wasn't until 2002 that all Australians were introduced to the Kirks brand.

"Up until that time it was still a state-based drink, until we decided to restructure our state brands, and part of that saw us introduce the Kirks name nationally," Wagstaff says.

Six months after the national roll-out, Kirks found itself at number 63 on ACNielsen's Top 100 Australian Brands list. In the 12 months from July 2004, the brand, which has released drinks in seven varieties, jumped to 48th position by accruing retail sales of approximately $90 million.

The carbonated beverages market is undoubtedly one of the largest and most competitive markets in the retail sector, with Kirks pitted against Schweppes for lemonade varieties, and P&N Beverages for other flavoured drinks. Despite the increased competition, CCA does not use media to advertise the Kirks brand, instead relying on a promotional schedule of catalogues and special pricing periods.

Wagstaff links the success of the brand to its ability to target the middle consumer who is after a budget-priced drink that compliments the bigger drink portfolios such as the CCA-owned products of Coke, Diet Coke, Fanta, Lift and Sprite.

"The secret to Kirks' success is that it offers consumers excellent value for money in the non-cola sector. We've been doing innovative packaging, too, and from our point of view it compliments our premium range," Wagstaff says.

Adam Cubito

Smart bars

IN THE EARLY 1980s, UNCLE TOBYS SAW AN OPPORTUNITY ON THE FAR FRINGES OF MAINSTREAM SNACKS: THE MUESLI BAR. THEN IT PUNTED ON A SPORTS TIE-IN.

Launched in 1983, Uncle Tobys Muesli Bars entered an Australia where muesli bars languished on the shelves of health food stores. To push into the main arena, the company needed a strategy that not only promoted its own product but legitimised muesli bars to a point where Australians happily plonked boxes of the stuff into their weekly supermarket trolley.

A nutritious, healthy angle for the brand was chosen and then, to illustrate it, a focus on sports personalities, sponsorships and tie-ins. Lisa Curry, fresh from wins at the Commonwealth Games, became the first face of the range.

In the 20-odd years since, the sports star/muesli bar marriage has proved a cash cow for Uncle Tobys. By 1996, the brand topped a Sweeney Sports Report, with nearly three-quarters of all Australians recognising Uncle Tobys as a sports sponsor. Today, Australians buy 100 million Uncle Tobys bars annually, and this year ACNielsen judged the Uncle Tobys "nutritious snacks" category as Australia's 29th most successful brand, up from 44th last year.

Why the leap upwards? According to Uncle Tobys and its ad agency Clemenger BBDO, no major changes took place in the advertising strategies in the period from July 2004 to July 2005, the timeframe measured by ACNielsen. What did take place, however, were new product launches – there are now over 30 variants of Uncle Tobys bars – as well as a concerted push at smarter in-store placement, particularly in the convenience channel.

"Convenience" looks set to deliver Tobys more gold this year: in 2005, the company estimated the "convenience nutritious snack" category was growing at 16% per annum, with the cereal bar segment one of the stars within that channel. Helping it on its way are various government initiatives and lobby groups pushing "healthy snacks" in convenience stores and school tuckshops, as well as the changing pattern of consumers toward buying healthy snacks – and snack-food breakfast equivalents – on the run.

Despite its high ranking, Uncle Tobys has its chasers. In 2005, while still the national leader of the Sweeney Sports Report, its recognition had dropped to 42%, only five points clear of arch rival Kellogg's. Further pressure will come from the rise and rise of the private label sector, tunnelling further into supermarket aisles and pressing price levels.

Victoria Lea

Original taste

A BRAND CONSOLIDATION AND STRONG MARKETING HAVE HELPED BOOST SMITH'S CRISPS TOP BRANDS RANKING BY EIGHT SPOTS, FROM 26 IN 2002/03 TO 18 IN 2004/05.

"The key thing, if you go back a few years, was Smith's was trying to maintain two brands – Crinkle Cut and Lay's," says Tony Hale, board director at Clemenger BBDO Sydney, the agency which has handled the Smith's Snackfood Company account for the past seven years.

The two brands were merged in March 2004 and introduced with a TVC, "Flat World", that went on to win several advertising awards. "Combining Smith's and Lay's under one brand was hugely successful," Hale says.

For Smith's marketing manager, Gerard Smith, the brand's success lies in a strong focus on the four Ps – product, price, place (ie distribution) and promotion – and "a very strong sales force".

Smith's is the market leader in the crisps category, followed by Arnott's Snackfoods with Thins Crisps, Cheezels, CCs, Samboy Chips and Kettle Chips.

Smith's returned to television advertising last year after a two-year absence, and will continue its marketing assault this year. The company spent $3.9 million on main media for the financial year 2004/05, according to Nielsen Media Research.

"Our marketing will be consistent [this] year," Smith says. "We consider marketing not just advertising, however; we are very conscious to focus on all of the four Ps. We will continue to try and maximise our spend."

While supported by major consumer promotions, Smith's advertising has set high standards over the years. In the late '80s and early '90s, Smith's advertising, created by George Patterson Bates, featured the scary-looking but much-loved "alien" Gobbledok, which became one of the most recognisable characters in the history of Australian advertising.

In July 2004, an Olympic-themed TVC for a limited edition of Mediterranean flavours was leaked two weeks before the on-air date, making its way virally around the world. The ad attracted valuable positive publicity, aired and discussed on several TV shows, including Seven's *Sunrise* and Nine's *The Footy Show*.

A new TVC is expected to launch this month, although both client and agency are being coy with details.

Smith says the brand's target market is broad because "everyone loves potato chips". Smith's has a solid following among young adults aged 25-plus, but the challenge, says Clemenger's Hale, is "to maintain them and to ensure young teens are as enamoured with the brand as we are".

In the meantime, Smith's will continue to innovate to stay ahead of Arnott's. In July last year, it converted to high oleic sunflower oils – a healthier alternative to fatty oils – but has yet to promote the change in its consumer advertising.

Andrea Sophocleous