M&M’s Brand Case Study Update

Prepared By: Alana Allred, Nate Matthewson, Arianna Mevs, April Seeley & Krystal Simpson
2008: Mars Snackfood U.S. proclaims Green the new color of love this Valentine’s Day. M&M’s used myths, rumors, and innuendo surrounding Green M&M’s Chocolate Candies. Ms. Green used her alluring ways to promote M&M’s Chocolate Candies as green interrupted the pink and red of traditional Valentine’s Day colors.

After Valentine’s Day at the end of February 2008, M&M’s Brand introduced M&M’s Wildly Cherry Chocolate Candies marking the first time the brand used cherry fruit flavoring. M&M’s also released limited edition M&M’s Mint Crisp Chocolate Candies, in conjunction with the new movie Indiana Jones and the Kingdom of the Crystal Skull.

2008 also brought the announcement of personalized M&M’s Chocolate Candies. Consumers can now visit mymms.com and upload photos to be combined with custom messages creating personalized candies for birthdays, weddings and more.


2010: M&M’s Brand releases Pretzel M&M’s. Orange Candy Spokesman becomes the new official M&M’s Pretzel Chocolate Candies Spokesman, featured in advertisements and on packaging with an x-ray image showing its pretzel center.
Today: M&M’s continues with its innovative, fun campaigns to entice consumers not only to buy their candy, but also to make the M&M brand part of their lifestyle.

Mission:

Mars’ mission is summed up in five principles for running a successful business:

“The Mars Five Principles of Quality, Responsibility, Mutuality, Efficiency and Freedom are the foundation of our culture and our approach to business. They unite us across generations, geographies, languages and cultures.

Our Five Principles are synonymous with Mars and have been guiding Mars Associates throughout most of our company’s history. Every day, we do our best to put our Principles in action through our work and our relationships with our consumers, customers, business partners, communities and one another” (mars.com).

It has success not just because of the development of the right products, but the unique combination of innovation and determination. Simply put the mission is to bring the best quality of products to their customers.

Objectives:

Paul S. Michaels, President and Chief Executive Officer, of Mars, Incorporated stated in September 2011, “As a company, our objective is to create lasting, mutual benefits for all those involved in our business success by creating positive social impacts, minimizing our environmental impacts and creating economic value. This has been vital to our success over the last 100 years, and will allow us to endure in the long term. In some arenas, we are making good progress, in others - like cocoa sustainability - we have more work to do. But, through collaboration with stakeholders including our customers, suppliers, governments, NGOs, academics and business peers, we’re committed to addressing these challenges and opportunities” (mars.com).
Strategies: M&M’s have also focused on the unique recipe for their chocolate. Having the right level of sweetness encourages snacking. The more successful the recipe is, the more consumers will eat.

Using celebrity endorsers is something that has helped them over the years with advertising. The Spokecandies have also played a huge role in advertising and have helped expand the business for them. The spokescandies appeal to the sentimental history of the candy.

Tactics: M&M’s will capitalize on the nostalgia associated with the colorful candies by running promotions where consumers vote for their favorite television commercials put on by M&M’s. Getting together with Hollywood has helped them with commercials and events. The campaigns are planned out carefully and have been used effectively to motivate the consumers to buy their product. M&M’s has been consistent in presenting new campaigns over the years. Doug Milne, director for the M&M’s Company division of Masterfoods USA, stated that a brand like M&M’s, which dates back to 1941, needs to “shake it up a bit every once in a while” because “consumers are looking for that excitement” (Elliott).
Advertising, Promotion, Strategies, and Tactics

The following information has been compiled using past IMC evaluations.

“Analysts say the switch to BBDO is one of the most positive things to happen at Mars in decades. Under the creative direction of the new agency, Mars has revitalized M&M’s image and introduced the brand to a whole new generation of candy eaters. The addition of the blue M&M and the revival of the animated M&M’s characters have endeared the fifty-year-old product to today’s five-year-old consumers”

Since working with BBDO, M&M’s promotions have gotten bigger and more well-known. The campaigns have also become better integrated in all aspects of the MarCom Matrix.

M&M’s promotions seem to be able to be divided into four categories. And it’s not unusual for the company to have several different campaigns running simultaneously.

World Events:
The M&M’s brand has a surprising ability to change promotions quickly to reflect the changing world around us. The promotions are up on current events and like to incorporate these into their strategies.

The first time M&M’s turned to world events was the 1984 Olympics where they paid $5 million to be named (along with Snickers, another Mars, Inc brand) “the official snack food of the 1984 Olympic games”.

In 1998 the M&M’s Spokescandies proclaimed M&M’s as the “Candy of the Millennium.” Since the letters MM mean 2000 in Roman numerals the claim was a reasonable connection to consumers.

Another world event which M&M’s used to further its brand image was the stolen Evard Munich painting “The Scream.” Even though a reward of $300,000 was offered for its return by the City of Oslo (the official owner of
the work). The painting was missing for almost two years. Strangely enough, the painting was recovered just days after M&M's launched a new ad campaign offering 2 million dark chocolate M&M's for the return of the painting.

According to M&M's Brand, the 2 million candies are equal to about 40,000 bags of M&M's, worth approximately $22,000 ("The Scream"). M&M's Brand had used the painting in an earlier ad for their new dark chocolate candies.

The Oscars have become a place and time for M&M's to promote its candies and new campaigns. Last year, "Red's Red Carpet Tips for the Oscars" was a successful (and funny) campaign surrounding the Oscars. "Tips" appeared on the site with spokescharacter Red hosting a series of tongue-in-cheek pointers, including tips on getting a healthy tan (enter Yellow with a thong tan line) and having an entourage (Yellow spills a bag of M&M's on the carpet; they follow him when Red orders him off-camera.)

This year at the Oscars promotional activities included giving Academy Award nominees in the best actor and actress, supporting actor and actress and director categories gift boxes with colorful M&M's with tailored messages of encouragement and congratulations and mp3 players.

"Red's Red Carpet Tips" made a reappearance on the M&M's Oscars website the next year. The site also gave viewers tips for hosting the perfect Oscars night party. Viewers can find recipes (carmel popcorn with M&M's) or print out their own Oscar Bingo Cards (to be used with M&M's as spot markers). You can even design and print out invitations to your own Oscar night party.

Before the big day, M&M's asked Melissa and Joan Rivers to help promote M&M's new campaign, "Become an M&M." The duo developed mixes of my M&M's printed with their signature sayings ("Candy USA!"). M&M's Brand also released ads using likenesses of the mother-daughter duo.

"Just when we thought we had found every way to express ourselves, mom and I found the M&M inside of us," said Melissa Rivers. "After seeing our Inner M, we thought that's just fun – that is who we are".

The new ads feature Melissa and Joan Rivers as M&M Characters. The new campaign encourages consumers to log onto the M&M's website and create their alter M&M personality. Celebrities have lined up to take part of the promotion. The first series of ads featured Burt Reynolids. Next came the Melissa and Joan Rivers ads. This year at the Oscars,
M&M’s got free publicity when Kirsten Dunst pulled out a poster of the Melissa and Joan Rivers ad and asked them to autograph it. Everyone watching the Oscars Red Carpet footage saw and heard this exchange.

The first television ads for the campaign debuted during this season’s first episode of American Idol.

**Repackaging:**
Early in its history M&M’s ads targeted children who would in turn (hopefully) convince their parents to buy the colorful candy. The slogan “Melt in your mouth, not in your hand” was designed to encourage parents to buy the mess-free chocolate for their children. In recent years however, M&M’s has decided to target adults directly. To do so, there have been some changes with the M&M’s packaging.

In the summer of 2005, Mars added “Mega M&M’s” to their product lineup. These candies are 55% larger than the traditional M&M’s and are available in milk chocolate and peanut varieties. The colors of the candies were also changed to less-bright colors (teal, beige, maroon, gold, brown and blue-gray) to appeal more to adults.

The candies were also sold in larger sized bags. The thought behind this move was that adult research showed M&M’s were most often eaten in group settings, where large 12.6-ounce and 19.6-ounce bags would be passed around, rather than in single-serving bags.

Although children are definitely still a large part of M&M’s target market, M&M’s is trying to target an older audience. And an audience without children. Parents, especially mothers, have always been M&M’s targeted market. Now, however, M&M’s is targeting the young adult high school and college age. Adults, but those adults not necessarily with children.

The “Become an M&M” campaign is a huge step toward this target market. It appeals to the teen/young adult. It premiered during American Idol, which has a huge following in the 18-25 age group. These M&M’s characters are even popping up on places such as Facebook, where people use them as their profile pictures.

**Color Promotions:**
From the beginning, M&M’s realized that consumers were concerned about the colors found
in their bags of chocolate candies. This idea of color has played a huge and successful part of past advertising strategies.

Early in M&M’s history the color violet was changed to tan. A few decades later, red was taken out, because of the red dye scare. Then, once that was forgotten, it was added back into the mix by consumer’s request. The public is very aware of what colors are in their M&M’s bags. M&M’s has taken advantage of that and some of its largest campaigns are based around that idea.

The next big color change came in 1995 when M&M’s announced it would be adding a new color to its mix- and consumers could take part in the choosing. When the votes came in, it turned out that blue would be the newest color in the M&M’s family. Consumers are surprisingly concerned with the color of the M&M’s mix.

In 2002, M&M’s announced its next color change promotion. Consumers could now vote between purple, aqua, and pink. M&M’s lovers worldwide chose purple as the newest color to find its way into bags of the color-coated chocolate candy. Of the three choices, purple pulled in 41 percent of the vote, aqua was a close second with 37 percent and pink winning a meager 19 percent. This color choice wasn’t permanent, which encouraged people to buy the new M&M’s while they could. Soon, consumers were reminded, purple would no longer be available.

Shortly after New Years in 2004, M&M’s announced that they had “drained the color” from its candies and launched the “Great Color Quest.”

For three months, it sold only black-and-white M&M’s, except for six bags, each of which contained M&M’s in just one of its colors- red, orange, yellow, green, blue or brown. Those who found the winning bags won & $20,000 and a Volkswagen Beetle in the corresponding color. Guests also received a trip for four to Los Angeles to attend the re-launch event and claim their prizes.
Movies:
M&M’s, in the past decade, has run big promotions along with releases of highly anticipated movies. In April of 2005, M&M’s ran the “mPire” promotion to tie in with the Star Wars episode III: Revenge of the Sith movie release. M&M’s were offered in a dark chocolate variety for the first time.

The promotion ran again in the fall of 2005, to coincide with the DVD release of the Star Wars movie (M&M’s).
Explanations of Present IMC

Advertising, Promotion, Strategies, and Tactics

Holidays:
M&M’s has continued a tradition of having a “Headless Horseman” spot that features a M&M’s character riding a horse on Halloween night. The ad is successful in getting viewers to get to the website by closing the spot with an announcement about a one million dollar contest at www.mms.com.

M&M’s has always taken advantage of holidays including even the most obscure; Fathers Day. While recent efforts to capitalize on this holiday hasn’t been made completely obvious by its marketing, it’s clear that the hope is consumers will purchase. M&M’s displays are found in Walmart’s front isles with the familiar M&M’s characters printed large on cardboard cut outs. Large drinking glasses, ball caps, key chains, t-shirts and candy dispensers are among some of the items for sale on the display this Summer 2012.

Easter 2012, M&M’s did a mobile advertising campaign for the company to increase awareness and sales leading up to Easter.

The M&M’s mobile ads taught viewers how to incorporate M&M’s products into their Easter dessert recipes. The mobile campaign used mobile banner ads as well as sponsorship by the Today Show iPhone application.

Television:
Having become familiar with “Spokes Candies” M&M’s characters, America has now been introduced to a new one, with just as much personality as the others. Named Ms. Brown, the new character was introduced in a Super Bowl Commercial February 2012. The sassy yet sophisticated M&M is depicted as one deeming herself too good for the male M&M’s and works her hard brown candy shell with confidence.
The New York Times described the newest character as “an intelligent woman with a sharp wit who finally decided to reveal herself after working for decades behind the scenes as “chief chocolate officer.”

M&M’s has recently sponsored race car driver Kyle Busch, large renditions of the candies as well as the infamous characters cover the automobile and receive adoration from thousands of fans.

In 2009, the company launched a campaign with the rock band Kiss which was in step with the release of their new album, already receiving publicity. The campaign depicted the band members as M&M’s characters and ads appeared in issues of Rolling Stone, People, Entertainment Weekly and Family Circle. The copy on the advertisements said, “Kiss will have Dark Chocolate M&M’s backstage on their tour this fall. Pick up a bag and find your fun side at mms.com.”

In 2011, the company produced a television commercial named ‘Hostages’ that topped Nielsen’s list of best ads for brand recall. The commercial had a humorous tone which proved memorable as a criminal in a gas station being surrounded by police threatened to “eat one of his hostages”, referring to Yellow, one of the M&M’s characters.
M&M’s are produced by Mars, Inc., a privately owned family business. Because the company is privately owned the financial data is limited. According to Hoovers.com, Mars had fiscal year-end sales of $30 billion in 2010. This sales figure reflects a one-year growth rate of 7.14%. Forbes declared Mars fifth largest privately owned company in 2010 and third largest in 2011. Both Hoovers and Forbes report that Mars employs 65,000 people. Mars, Inc. is diversified and M&M’s candy sales are only one small segment of the company’s total revenue. “The US candy manufacturing industry includes about 1,600 companies with combined annual revenue of about $20 billion” (hoovers.com). Mars, Inc. saw an increase in sales during the recent economic recession when many companies outside of the industry saw decreased sales and revenue. Perhaps people turn to chocolate in difficult times.

Mars’ top competitors are:

<table>
<thead>
<tr>
<th>Company</th>
<th>2010 Gross Sales</th>
<th>One-year Sales Growth</th>
<th>Publicly Held Co.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nestlé</td>
<td>$116.62 Billion</td>
<td>12.49%</td>
<td>Yes</td>
</tr>
<tr>
<td>Kraft Foods</td>
<td>$54.35 Billion</td>
<td>10.49%</td>
<td>Yes</td>
</tr>
<tr>
<td>Hershey</td>
<td>$6.08 Billion</td>
<td>7.23%</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Effects of Sales Due to Advertising

M&M’s introduced a Dulce de Leche flavor targeted specifically to Hispanics in 2001. The product was launched in 5 areas with large Hispanic populations including Miami and Los Angeles. Even though Carmel is a popular flavor with Hispanics this product was not successful and it was pulled off the shelves a year later. Research shows that Dulce de Leche is viewed as a special-occasion purchase making sales lower than expected.

In 2004, M&M’s characters were named the public’s favorite advertising icon according to a poll sponsored by USA Today and Yahoo! The M&M’s characters won 22% of the vote followed by the Aflac Duck, Mr. Peanut, the Pillsbury Doughboy, and Tony the Tiger.

After the online success of My M&M’s, the personalized M&M’s candies, a rolling launch was planned for limited retail stores, such as Wal-Mart and Target. Although the ability to customize color and messaging was thought to work well with the consumer’s demand to “have it my way,” retailers were hesitant to give up prime shelf real estate for the venture. However, by the end of 52 weeks, data showed M&M’s sales in food, drug, and mass outlets (other than Wal-Mart) grew 2%.

In 2008, New York’s Naked Cowboy sued M&M’s for $6 million. The Naked Cowboy claimed that M&M’s portrayal by the Blue M&M character “stole his identity.” However, the Judge of Manhattan’s District Court ruled that the Naked Cowboy’s trademark rights were not infringed upon due to the fact that the law protects the “name, portrait or picture of a living person” but not a character created by a person.

During the most recent Superbowl M&M’s introduced their newest character, Ms. Brown.
M&M’s ranked highest in generating Conversational ROI amongst Super Bowl XLVI advertisers according to NYU Stern’s Center for Measurable Marketing. They had the highest initial levels of online engagement and finished second in continued conversation. M&M’s also tied with Audi and Act of Valor for the highest proportion of positive sentiment.

This is not the first popular M&M’s commercial. In 2011, M&M’s “Hostages” commercial won an Oscars’ Ad Contest by Nielsen’s.
M&M’s copy tends to be very simple. TV spots and print ads in the past have tended to revolve around a single slogan: “Melts in your Mouth, not in Your Hands” or, in more recent history, “Chocolate is better in Color.” Their success is found in simplicity. They invent catchy slogans that consumers want to repeat. Their newest slogan that was released with their introduction of Ms. Brown in the 2012 Super bowl Ad was “Not your average chocolate”.

The ads that use more copy are the ads they have which feature the M&M’s spokes candies. These ads involve putting the M&M’s into the real world. The copy for these ads is supposed to relate to a person’s real life and real life situations. The copy leads to humor and scenarios that people are familiar.

The company’s copy is never very long or particularly informational about the product, but short and to the point. However, with ads that are associated with promotions, they usually do have more copy that give details about the promotion. For example, with the release of Ms. Brown, there are commercials that have the normal simple, real conversation-like copy plus additional copy that has details about how you can win money if you find a bag of all brown M&M’s.

They try to make the ads humorous and visually appealing. M&M’s is great at having ads that use an effective surprise.
Target Audience

In the beginning, Forrest decided he needed to know who was buying his product, who was not, and why. Sophisticated marketers like Kraft Foods and Procter & Gamble had long prepared studies like the ones he used, but no one in the candy industry had approached marketing in such a specific manner.

The results showed that M&M’s festive colors and bite-sized pieces had a special appeal to kids. In studies, children chose M&M’s over every other chocolate candy they were offered. The problem was that children weren’t in control of the family purchases.

The slogan “Melts in your mouth, not in your hands” was aimed at parents by way of “their beloved, sticky-fingered, messy-mouthed children, and it was an instant success” (Brenner 172). M&M’s early target audience was children and, in turn, getting the children’s parents to buy the candy.

Children are still a huge part of M&M’s target audience. Children are the main reason behind such products as M&M’s minis in collectable plastic containers that can be opened and closed. But it was WWII that changed the demographics for candy eaters.

“Before the war, candy was child’s play. But after the war, men and women bought as much candy as children, and candy eating came out of the closet” (Brenner 171).

M&M’s decided to reflect this change. At this time, other studies came out that documented food cravings, especially chocolate cravings among women.

“In every country where it is eaten, chocolate is the food craved most often. Its appeal is particularly strong for premenopausal women. One of the largest studies on food preferences ever undertaken, found that 97 percent of college-age women have specific food cravings; and they crave chocolate more than anything else” (Brenner 97).
Women are M&M’s primary target audience. In fact, M&M’s has combined its previous target market with this new one of college-aged women. By aiming its advertisements at women, M&M’s gained both single women who just crave chocolate and mothers.

The change from solely targeting children to targeting adult women is evident when looking at where M&M’s has placed its new advertising.

During the Season Premiere of American Idol, M&M’s promoted the “character creator” on its new BecomeAnMM.com site (“Interactive”). Promotions during the Oscars have also increased within the last couple of years. Both of these shows are favorites with women.

Even with the new focus on women, the advertising to children hasn’t completely disappeared. In 2004, M&M’s ran a Shrek 2 promotion by offering “ogre-sized” M&M’s that were in ogre-type colors. They were sold at many stores and were partnered with large cardboard cutouts of the famous Ogre, attracting the attention of children.

To appeal more to the adult audience in 2005, “Mega M&M’s” were released. They were not as big as the Shrek M&M’s but still larger than traditional M&M’s. The colors of Mega M&M’s are meant to appeal to more mature audiences; the regular hues like red, green, yellow and blue are being supplanted by shades like maroon, gold, beige and teal. Although the animated M&M’s characters appear on the packages, they are absent from the ads.

“Adults have said they like a bigger bite-sized product with bigger bite-sized taste,” said Martyn Wilks, president for Masterfoods USA snack-food division. “This is definitely for a subset of our target market.” (Elliot).

In 2006, they released eight new flavors of M&M’s online in collaboration with their Pirates of the Caribbean promotion. In that same year, they also became the official chocolate of NASCAR.

Looking back on their success, in 2007, M&M’s created a 50-foot Lady Liberty M&M’s statue to start a campaign that once again encouraged Americans to create their own M&M’s at mms.com. This appealed to a younger audience once again, but because of the fun of choosing everything from the personalized M&M’s hair color to accessories, it provided fun
2008’s release of “M&M’s Premiums” was really targeted to their older female audience. The product comes in five flavors (chocolate almond, mint chocolate, mocha – replaced by dark chocolate, raspberry almond and triple chocolate) which make the candy a more sophisticated treat. Also in 2008, the option of printing the faces of loved ones on M&M’s chocolate candies became available through their website. This has become a fun favor for events (especially weddings) and personalizes the candy for special occasions which are often planned by women.

According to Mediamark 2010 reports for Milk Chocolate M&M’s, the market that buys the most M&M’s is women. Most are graduates of at least college and are usually between the ages of 18-54. These consumers are more likely to work in professional management, business, and financial operations type work. A number of them have an income of $60,000 or more a year and a great deal of them are making between $20,000 and $40,000 a year. Most of these people that have purchased M&M’s in the past six months have children.

The audience that buys M&M’s is heavy magazine and newspaper readers, and Internet and TV consumers. Channels that are most watched by them have heavy female audiences (Bravo, E! Hallmark Channel, HGTV, etc.), or are kid friendly (ABC Family, Disney Channel), and also sports networks (for example ESPN). TV show types are Awards-Specials, Sports TV, Daytime talk, Reality TV, News, and Feature Films. The magazines read by them are similar in that they are especially read by female demographics (for example, Allure, Real Simple, Everyday with Rachel Ray, Vogue, In Style, Shape, Self). They are magazines about babies, bridal magazines, business finance, home service, and parenthood.

Using the information from Media Mark, it can be seen how the M&M’s commercials released this year are portraying experiences that professional women can relate to. Ads at a work party and ads at the workplace are relatable. The introduction of a strong female figure in the workplace (Ms. Brown) is an ideal spokescandy to speak to the women they are targeting.
These same women are likely to have children and share their candy with their children as well. The great thing about the M&M’s spokescandies is that although they might be in a situation that appeals to the adult women, they are still fun characters that children love and find funny.
M&M’s has been a huge part of American culture for more than half a century. The ads and promotion for this product have become a part of our pop culture. Even though Mars, Inc. tends to be a secretive company their aim is to provide quality candy to the American public.

Advertising is important for them to continue to keep their position in American culture and remain as one of the top choice of candies among consumers. Advertising will continue to reach their audiences of women and children who are the highest consumers of M&M’s and that currently think of M&M’s as delicious candy with fun, humorous, and entertaining messages. All advertising should get their target audience to continue to appreciate the previous campaigns that M&M’s has done as well as convince them that they want to buy M&M’s for their snacks, treats, and for parties because they are fun. The single most persuasive idea is M&M’s can be part of your fun and that they have a fun side, just like their consumers. Due to the fact that M&M’s have been part of American culture for so long, audiences can be helped to pass that same fun down to their children.
Works Cited


