

Sorbent®

THE MARKET

Toilet tissue may not be a high profile product but it is undoubtedly an essential purchase, accounting for \$480 million in retail sales in Australia per annum. Toilet tissue forms the major part of the paper products category that also includes facial tissue and paper towel, and in 1996 accounted for more than \$670 million in retail sales.

Toilet tissue is one of the most dynamic grocery categories, with sales currently growing at 10% per year. People buy a particular toilet tissue because of its practical performance attributes - softness, thickness and strength - and because of its decorative features and price. The interest in decorative features, particularly prints, differentiates the Australian market from that of the UK, Europe and the USA.

The market is broken into three quality/price segments, premium, mid and price. Premium products including Sorbent, Lady Scott and Kleenex account for 53% of the toilet tissue category by value. Mid market products follow with a 36% share, while price brands and generic products take 11%.

ACHIEVEMENTS

Sorbent is one of Australia's best-known brands and in 1996 was ranked Number One selling Household Product in AC Nielsen's Top 100 brands for the third year running. Since its launch in 1952, Sorbent Toilet Tissue, an Australian born brand, has continually dominated global competitors for over 40 years.

Sorbent has become a household name, largely through consistent high profile advertising always featuring humour and the Sorbent jingle. The famous Sorbent jingle, "What's the gentlest tissue in the bathroom you can issue, why it's Sorbent" was used in the first Sorbent television advertisement in 1956 and the jingle or the music have been used ever since.

While only softness ranks as the key consumer purchase criteria in most other countries, in Australia Sorbent has driven the market and the consumers' key purchase criteria with its unique combination of softness and thickness. Nearly 2.5 million toilet rolls are sold every day in Australia, and Sorbent accounts for 24% of the volume and 30% of the value of all rolls sold.



HISTORY

Sorbent was launched in 1952 as the first crepe toilet tissue. It was sold in single rolls of one-ply white tissue and was the first tissue sold to a standard length of 500 perforated sheets. The rolls were pre-wrapped in paper, not the practice before this time, enabling the product to carry the brand name and message.

Before 1952, toilet tissues were sold as single ply rolls of poor quality in various widths and lengths, not perforated into separate sheets, and were wrapped in the shop upon purchase.

Sorbent was originally launched by Australian Paper Manufacturers, but the brand was sold to The British-Australian Paper Company in 1953. This company also ran a very successful independent food wholesaler, Foodland, and certainly this association was instrumental in fostering the growth

of Sorbent via the new self-service stores.

By 1954, British-Australian Paper was the largest converter and marketer of tissue products in Australia, its growth built on the Sorbent brand. Then in that year British-Australian Paper was sold to the Bowater Paper Co of the UK.

In 1959 a partnership was formed with the Scott paper Company of the USA to form Bowater-Scott. Along with technical expertise in tissue making, Scott also brought a consumer focus on quality control and marketing to the joint venture. The Sorbent brand wholeheartedly adopted Mr. Scott's philosophy: 'to produce in volume, a product of the highest possible quality, to sell the product at the lowest possible price and to tell the public about it through extensive advertising'.

In 1963 Sorbent introduced the first coloured tissues, and in 1966 a twin roll pack in plastic packaging replaced the old paper-wrapped single roll. By 1968 Sorbent had 50% market share.

In 1971 Sorbent introduced the first embossed softer and thicker sheet and increased sheet count from 500 to 550.

High unemployment and inflation in the 1970s saw consumers turn away from Sorbent and other nationally marketed brands, to the lower priced private label and generic products.

By 1979 Sorbent's market share had dwindled to 15%, losing out to private label and generic products which had gained 25% market share. With little investment in new technology, Sorbent's share continued to decline until in 1983, when Sorbent was relaunched as the first two-ply toilet tissue. The claim 'thick, soft Sorbent' was established and remains intrinsic to the brand today.

In 1985, after investment of \$25 million, a revolutionary new toilet tissue was produced, New Generation Sorbent, as it was named, was far softer, absorbent, stronger and thicker than any other. By 1986, supported with the Sorbent BYO television commercials, the brand's share had increased to 21.4%. At the same time The Scott Paper Company withdrew from the company partnership and Bowater Tissue Limited was formed.

During the late 1980's and early 1990's the major threats to Sorbent were the emergence of environmentally friendly products and the growth of many new brands that imitated premium decorative



features for a much lower price. However, Sorbent embarked on a period of significant growth, following continuous product improvements, correct pricing relativities and strong advertising.

In 1991 after an investment of more than \$150 million dollars, Sorbent's product quality was improved dramatically once again, producing a unique combination of softness and thickness. In the same year Sorbent was also launched into New Zealand, becoming a truly international brand.

In February 1995, Sorbent faced another major turning point: Carter Holt Harvey Tissue, owners of Caxton Products in New Zealand and part owned by International Paper, orchestrated a complete takeover of Bower Tissue. The takeover signalled a new era for market leader Sorbent, and paved the way for the development of Sorbent as a global brand in the future.

THE PRODUCT

Sorbent is a two-ply toilet tissue made with proprietary technology to produce a unique combination of softness and thickness. It is marketed in a variety of pack sizes, colours, printed designs, and an hypo-allergenic variant.

Sorbent is one of the most expensive toilet tissue brands on the market and holds the highest brand and advertising awareness and consumer loyalty.

It is bought by more Australian consumers than any other toilet tissue brand with an annual household penetration of 62%.

1991 saw the introduction of a new manufacturing process for Sorbent which is still current. Further enhancing Sorbent's combination of softness and thickness, the product also features a distinct surface texture.

Since 1991 Sorbent's quality has continually been enhanced to maintain its unique combination of softness and thickness, the most critical product attribute for consumers.

RECENT DEVELOPMENTS

Sorbent continues to lead innovation in the toilet tissue market with three new product launches since 1995. These are Sorbent Multi-Coloured Designs, Sorbent Hypo-Allergenic and Sorbent Silk. Each new product has contributed to Sorbent's growing market leadership and further differentiates Sorbent from all other toilet tissue products.

Sorbent launched its distinctive range of multi-coloured print designs in 1995 to meet growing consumer demand for printed toilet tissue. Sales of Sorbent Designs have more than doubled in 18 months in excess of 60 million rolls. Sorbent Hypo-Allergenic, launched in November 1996, has been proven in clinical tests by the Skin and Cancer Foundation of

Australia to be hypo-allergenic and non-irritating to sensitive skin. The product was developed to meet specific consumer demand for a premium quality toilet tissue that was free of inks, dyes and perfumes.



Sorbent Hypo-Allergenic was supported with the controversial "Scratch" television commercial and achieved in six months, market share ahead of its first year projection and enthusiastic endorsement from consumers.

The ultra-premium product Sorbent Silk was launched in March 1997. Each roll of Sorbent Silk has 200 sheets of 'Pure, Soft,

Luxury' featuring a unique quilted texture. Sorbent Silk is a distinctly luxurious and feminine product qualities which are strongly communicated by its packaging and indulgent television advertisement.

PROMOTION

Three major factors have contributed to the long term success of Sorbent. The first is the brand's unique product quality and continuous innovation. The second is the long-term commitment to support the brand with high profile advertising and promotional campaigns. And the third, is the commitment to always maintain the correct pricing relativities for Sorbent versus its major competitors.

Sorbent must always deliver a unique combination of softness and thickness, which underscores the practical nature of the product and the brand's pragmatic positioning.

Few television campaigns have been as popular in Australia as Sorbent. The combination of people in every day situations, humour and the Sorbent jingle, have proven to be both popular in entertaining consumers and the key to maintaining Sorbent's awareness and loyalty as the highest in the category.

The most successful campaign ever for the brand has been "Thank Goodness for Sorbent" including both the 1991 commercial featuring Matthew Krok and the 1993 commercial featuring Magda Szubanski and Matthew.

Strong in-store promotions complementing the television campaigns has added significantly to Sorbent's success. It ensures seamless synergy between the product, advertising, packaging and promotion.

Sorbent has always benefited from high profile promotions and sponsorships and in 1996 won the only sponsorship rights worldwide to the internationally successful film "Babe". This humorous Australian film, featuring Magda Szubanski, perfectly reflects the Sorbent core values. The Sorbent Babe promotion dramatically built Sorbent's in-store presence and consumer loyalty and also won the Silver award

in the International PRO Awards, ranking it second best in the world in 1996.

BRAND VALUES

Sorbent is a distinctly Australian and family brand that most consumers have grown up with. While it is a premium product, Sorbent's success is based on its egalitarian positioning which makes it accessible to everyone.

The pragmatic quality features of Sorbent, softness and thickness, are fundamental to the brand values and represented on all packaging, advertising and promotion materials to seamlessly reinforce 'Thick, Soft Sorbent'.

The entertaining Sorbent advertisements combined with unique product quality, have made an otherwise commodity product a trusted and endearing brand, perhaps best conveyed in the advertising message, 'Thank goodness for Sorbent'.



Things you didn't know about Sorbent

- Sorbent is derived from the word 'absorbent'. The Sorbent brand when launched in 1952 was the first toilet tissue that was truly absorbent.
- The Sorbent jingle used in the first Sorbent television commercial in 1956 has been referred to as the true Australian national anthem.
"What's the gentlest tissue
In the bathroom you can issue
Why, it's SORBENT, SORBENT
safest for sure.
SORBENT'S economical,
Its sales are astronomical,
Buy SORBENT at your favourite
store."
- According to AC Nielsen's Top 100 Brands survey, Sorbent is the biggest selling household product, and in 1996 Sorbent retail sales were in excess of \$130,000,000.
- On average around half a million rolls of Sorbent are sold in Australia every day, enough tissue to go half way around the world.
- The popular 'Thank goodness for Sorbent' television campaign featuring Matthew Krok was lampooned by comedian Magda Szubanski on the TV comedy show 'Fast Forward', generating the idea for the follow-up Sorbent commercial featuring Matthew and Magda. Both commercials won the People's Choice Award, voted by 60,000 Australians to be their most favourite television commercials in 1992 and 1993.

