

THE MARKET

In the Australian market, Vegemite* is the generic term for yeast spreads. It is the one spread that is introduced to the family almost as a duty, a ritual in the pattern that determines what it is that makes an Australian family. Vegemite, it seems, has always been around and families have always eaten it. Not that its enjoyment is restricted to family use: for example, Vegemite fought alongside the Anzacs in the Second World War.

Port Melbourne's production facilities have the capacity to produce 235 jars of Vegemite a minute, and more than 24 million jars are sold in Australia every year.

ACHIEVEMENTS

Ask people about yeast spreads and, as likely as not, you will receive a blank look. Mention Vegemite and there is instant recognition. There are bald facts about Vegemite, such as the fact that 60 percent of it is consumed at breakfast, and most is eaten on toast. But they cannot convey the full flavour of this unassuming black paste.



Vegemite is one of the world's richest known sources of B complex vitamins, especially thiamine, riboflavin, niacin and folic acid. A thin spread of Vegemite (the 5g amount on a single slice of bread) will supply between a third and two thirds of a seven year old child's daily B

complex vitamin requirements. For adults, it supplies between a quarter and a half.

It is a special point of pride that Vegemite jars

have been eminently recyclable or reusable right from the beginnings in 1923 to today.

HISTORY

At the beginning of the 1920s, the Fred Walker Company had a successful business making, selling and exporting food products. Its owner Fred Walker decided that it was time to tackle the concentrated yeast spread market, and in 1923 he hired Cyril P. Callister to develop an Australian yeast spread.

In a laboratory at the Albert Park factory Dr Callister, who incidentally became Australia's

leading food technologist in the 1920s and '30s, experimented with brewers' yeast from the Carlton & United brewery. By July 1923 he had developed the spread that Walker wanted. The product was ready but the name wasn't.

Fred Walker turned to the Australian public and launched a nationwide competition to find a name for his new food. The prize pool held a very tempting fifty pounds. The name selected was Vegemite.

An English yeast spread dominated the Australian market at the time, and shoppers were reluctant to add Vegemite to their baskets. Sales languished. The product was actually renamed only four years after its introduction, and relaunched as "Parwill". This was an attempted play on words: "If Marmite... then Parwill" was the intended pun, but it didn't sell the product.

Walker went back to his first choice of name when he became convinced that the problem was getting consumers to try the

product. He launched a vigorous two year coupon redemption scheme and gave away a jar of Vegemite with every purchase of another product in the Fred Walker Company range. The campaign worked: consumers tried the product, and loved it. Baby

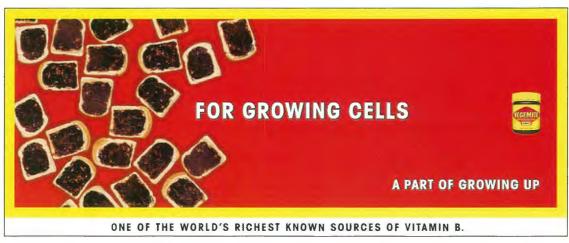
health centres across the nation were even recommending it as an ideal food supplement for both babies and nursing mothers. Australians of all ages continue to love Vegemite today. Its unique flavour could almost be called the taste of Australia.



Just before the outbreak of the Second World War, Vegemite gained official endorsement from the British Medical Association. It could now be advertised in the Australian Medical Journal, and doctors were increasingly recommending it as a

nutritionally balanced food. During the War, supplies of Vegemite to civilians were rationed as the Armed Forces bought it by the seven pound (3.2kg) container.

During the postwar "baby boom", wartime goodwill translated into a boom in Vegemite sales. In 1950, Vegemite came under the Kraft Foods



Limited umbrella, and the company has consistently reinforced the food value and "Australian-ness" of Vegemite.

Soon after that, the song which was to secure Vegemite's place in the Australian heart forever was introduced. This was the "Happy Little Vegemites", a delightful, toe-tapping little tune which has since seen service in many advertising campaigns on radio and television.

THE PRODUCT

The original Vegemite concentrated yeast extract recipe devised by Dr Cyril Callister in 1923 remains virtually unchanged. Vegemite is rich in protein and minerals.

B complex vitamins added to Vegemite are essential in the body's use of carbohydrates. Few other foods can match Vegemite's contribution to the diet. While it is true that Vegemite contains salt, the total amount in a typical spread is about the same as the amount of salt in the slice of bread it is spread on.

Vegemite contains no fat, and contributes almost no kilojoules to the diet. That makes it the ideal spread for those who are watching their fat, cholesterol or kilojoule intake.

RECENT DEVELOPMENTS

Vegemite has become so identified with Australia that there has been a tongue-in-cheek proposal of its label as the new national flag!

During the 1990s Vegemite celebrated its 75th Birthday. Many special events marked this happy anniversary, including the Happy Little Vegemites Awards, a competition for school children. Vegemite was saying "thank you" to Australia, and giving something back to the community.

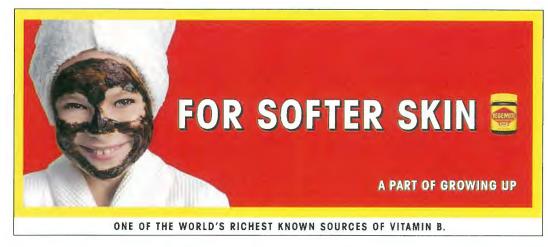
The company has moved to reinforce family values for Vegemite via television advertising and through the use of the original "puts a rose in every cheek" imagery. These emphasise the role of Vegemite can play in the growth and development of happy and well-nourished children.

PROMOTION

The first promotion for Vegemite ran even before the product was Vegemite. It was the national competition to create a name.

Two years after the 1935 coupon campaign that saw Vegemite accepted by shoppers, an intriguing limerick contest once again catapulted it into the national spotlight. Its success was at least partly due to the substantial prizes: imported Pontiac cars. Entries flooded in and sales multiplied.

An inspired wartime campaign made a virtue out of the enforced scarcity of Vegemite; Kraft Walker's advertisements announced: "Vegemite



fights with the men up north! If you are one of those who don't need Vegemite medicinally, then thousands of invalids are asking you to deny yourself of it for the time being."

This campaign was a huge success. Immediately after the War, Disney characters were enlisted to make sure Vegemite was attractive to children. Meanwhile, "Sister MacDonald" with "years of infant welfare experience" insisted that "Vegemite is most essential" in Women's Weekly advertisements. The healthy Vegemite Children began to appear in advertising before being immortalised in song in 1954.

As the baby boomers grew a little older, Vegemite followed them. Advertisements began to stress the importance of the B complex vitamins to the whole family, regardless of age. This was reinforced by the "Three Ages of Man" advertisements, which were soon joined by the very successful "Pass the Vegemite, Mum" campaign.

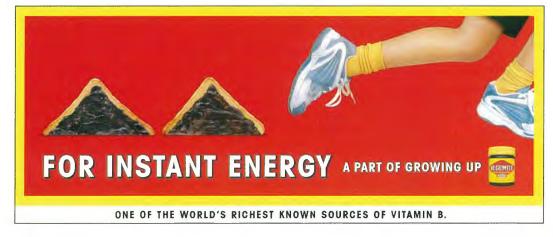
In the mid-'seventies the Happy Little Vegemites returned, in tune with the growing nostalgia of the times

In 1980, the company moved to consolidate Vegemite's position with teenagers and young adults by securing the endorsement of three famous and appropriately diverse Australians. Racing driver Peter Brock, tennis legend Ken Rosewall and award-winning actor Helen Morse all acknowledged their love of the black yeast spread. Eventually, the original Vegemite kid made yet another return—this time in colourised versions of their original television advertisements.

Another promotion in the 1990s was the Vegemite Breakfast Campaign, targeting the most popular occasion for serving Vegemite, namely breakfast. Radio, transit, outdoor and press media conveyed the message that Vegemite is a great start to the day.

BRAND VALUES

Vegemite is an Australian icon, a piece of Australia's heritage. The nutritious black spread has become a



key part of growing up in this country for nearly every child. It has become a prominent ingredient in the Australian family diet, and is appropriately represented by happy and well-nourished children.

*Trademark Kraft Foods Limited (ACN 004 125 071).

THINGS YOU DIDN'T KNOW ABOUT VEGEMITE

- O Over 24 million jars of Vegemite are purchased every year in Australia.

 That's nearly 66,000 jars every day of the year.
- O Vegemite was included in every
 Australian soldier's ration kit during
 WW2, and when the war ended,
 soldiers brought a love for the taste
 back to Australian shores in a big way.
- O The original manuscript of the "Happy Little Vegemites" song created in 1954 by the advertising agency J. Walter Thompson remains safely preserved in Kraft's office in Port Melbourne.
- O In the 1980s, Vegemite became the "secret handshake" of many world travelling expatriate Aussies. This encouraged the band Men at Work to sing:

 Buying bread from a man in Brussels
 He was six foot four & full of muscles
 I said, "Do you speak-a my language?"

 He just smiled & gave me a Vegemite
 - He just smiled & gave me a Vegemite sandwich
- O The amount of salt in an average spread of Vegemite is less than that in a glass of milk and about the same as the salt in a slice of bread.
- Australians spread about 1.2 billion serves of Vegemite on toast, bread or biscuits every year. If this was all Vegemite toast, placed end to end, it would get you round the world 3 times.
- Possibly the most expensive place to buy 455g Vegemite is the Australia Shop in Covent Garden, London. It sells for 4 pounds 99 pence, (about AU\$12.50), vs. about \$5 at home.
- O As well as being found on breakfast tables across Australia, Vegemite can now be found on the World Wide Web at www.vegemite.com.au.
- O Eight out of ten Australian pantries house a jar of Australia's favourite spread.