

THE MARKET

M&M's® were born in the US and have been in China for more than 10 years. M&M's® has introduced delicious chocolates in unique colours which have captivated the taste-buds of millions of Chinese consumers.

As the US moved into the 1950s, M&M's® became a household name for milk chocolate. In 1954, M&M's® introduced its peanut milk chocolates, complementing the original milk chocolate product that led the company through an extended period of growth. The same year, M&M's® rolled out its first-ever television commercial. The M&M's® cartoon character featured in the commercial captured public attention, and soon all people; young, old, male and female recognised and could recite the M&M's® slogan – “Melts in your mouth, not in your hands™”. Today, M&M's® milk chocolate is one of the best-selling chocolate brands in the world.

ACHIEVEMENTS

In 2004, M&M's® was named America's most-loved logo. Furthermore, its slogan – “Melts in your mouth, not in your hands™” – was rated America's best slogan by advertising journals.

In a competition that involved over 60 of the best commercials in 1996, the M&M's® commercial, which featured its M&M's® cartoon character, was given top ratings by the *USA Today*. M&M's® is so well received by the public that it is rated even more popular than Mickey Mouse or Bart Simpson!

HISTORY

In 1941, M&M's® Milk Chocolate Candies was formally introduced to the public. At that time, it used a tube as its packaging so that it was very convenient for consumers to carry around their favourite M&M's®.

M&M's® was extremely popular in the American market and its consumers enjoyed M&M's® Milk Chocolate Candies with a passion.

In 1948, the packaging was changed from the tube to the brown pouch that is used today.

In 1960, “M&M's”® Peanut Chocolate Candies added three new colours to the M&M's® mix. In addition to the original brown, there were red, green and yellow. In 1972, the “M&M's”® Brand Characters made their first appearance on the candy package, and as the characters became increasingly known through print and TV advertising, brand awareness was strengthened.



In 1981, “M&M's”® Chocolate Candies were chosen by the first space shuttle astronauts to be included in their food supply. “M&M's”® are now on permanent display at the space food exhibit of the National Air & Space Museum in Washington D.C.

In 1990, M&M's® introduced two more additions to their brand, M&M's Peanut Butter Chocolate Candies and M&M's® Almond Chocolate Candies.

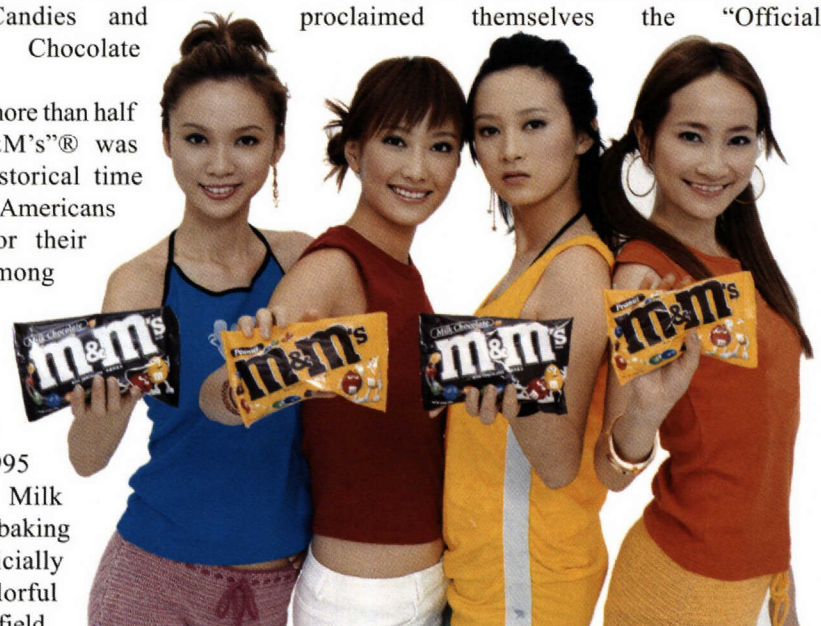
In 1995 it had been more than half a century since “M&M's”® was established. In this historical time “M&M's”® invited the Americans consumers to vote for their favorite new color among blue, pink, purple and the original color. Finally the color of blue stood out with 54% majority in over 10 million ballots. In 1995 “M&M's”® MINIs Milk Chocolate Candies for baking went on the stage, officially bringing the colorful chocolates to the baking field.

Also in 1996, the brand introduced “M&M's”® MINIs® Milk Chocolate Candies in re-closable plastic tubes. In another major breakthrough, the “M&M's”® Brand Characters went “Virtual Hollywood” across the Internet with the opening of the “M&M's”® Studios® (<http://www.m-ms.com>). Visitors to the site found themselves within the star-studded, glamorous world of the “M&M's”® Brand spokescandies.

This parody of a Hollywood studio's Web site was as colourful as the “M&M's”® Stars themselves. M&M's China web site (<http://www.m-ms.com.cn>) features the same exciting content.

For M&M's® 1997 was another spectacular year. The most memorable moment of the year was the debut of Green, the first female M&M's® Brand Character. This multifaceted '90s “female author” has starred in a number of popular M&M's® Brand commercials. She toured the US promoting her autobiography, “*I Melt for No One*”, and quickly achieved the celebrity status of her male colleagues in Red, Yellow and Blue.

In early 1998, the M&M's® Brand Characters proclaimed themselves the “Official



Spokescandies of the New Millennium.” Since in Roman numerals “MM” means 2000, it was the logical connection. Red and Yellow love to be in the limelight, and they decided to “milk it” for all it was worth by kicking off the millennium celebration early. And, in November 1998, the M&M’s® Brand Characters starred in their first feature film, when their new 3D movie attraction opened at the M&M’s WORLD® store in Las Vegas.

2000 was an exciting year for the M&M’s® Brand. In May of that year, M&M’s® MINIs® Mega Tubes™ were introduced; the first king-size chocolate item made just for kids. This new larger-size tube joined the single-size tube, which was introduced back in 1996. Now kids can both enjoy the wonderful flavours of M&M’s® chocolates and also collect the variety of tubes.

THE PRODUCT

M&M’s® Original Milk Chocolate Candies is the most appetizing flavour within the chocolate series. “M&M’s”® Milk Chocolate Candies were first manufactured in 1940 when Forrest E. Mars, Sr formed a company in Newark, New Jersey. The original idea was to offer chocolates with a sugar shell that could be sold throughout the year and would not melt during the summer.

Made of whole peanuts covered with milk chocolate inside a colourful sugar shell, “M&M’s”® Peanut Chocolate Candies made their debut in 1954. They were originally all

brown, but in 1960, three new colours, red, green and yellow, were added to the mix and were later joined by orange in 1976.

“M&M’s”® Brand MINIs, first “burst out” of their tubes and onto the scene in 1996. Although MINIs® are smaller than the “M&M’s”® Chocolate Candies, they have the same rich milk chocolate center and colorful candy shells that make them true-to-the-shell “M&M’s”®.

It was December of 1998 and families across the US were enjoying the holidays with the newest member of the “M&M’s”® family—“M&M’s”® Crispy Candies.

RECENT DEVELOPMENTS

All around the world in 2001 and 2002 were truly amazing years for the M&M’s® Brand. In addition to launching a new global website, the M&M’s® Brand conducted the Global Color Vote™. This largest promotion in the Brand’s 63-year history saw M&M’s® Chocolate Candy lovers from over 200 different countries vote for a new M&M’s® Brand colour. With purple, pink and aqua on the ballot, fans used their phones, logged onto m-ms.com, sent in mail, and visited kiosks worldwide to cast their votes. The final results—purple: 41%, aqua 37% and pink 19%. For a limited time, purple became a respected member of the M&M’S® Brand colour blend.

With 2003 winding down, M&M’s® Brand lovers were asked to vote for their favourite M&M’s® Brand commercial of all time, and to share their favourite M&M’s® Brand memories. The response was enormous, as people all around

the country were eager to share their “Most Colorful M&M’s® Brand Moments”.

PROMOTION

In the past, M&M’s® China adopted the same marketing communications methods used in the US, but since 2002, M&M’s® has decided to use music as a platform for all its communications in its attempt to attract the attention of consumers.

The same year, M&M’s® signed on the Dada band as the celebrity spokesperson for the brand. As the first Chinese rock band to be signed by Warner Music, Dada is admired by young people all across China. The decision to use the band in M&M’s® television commercials created a favourite TV ad for Chinese youth. Subsequently, M&M’s® also sponsored the talent show “Stars in the Making”. This was a talent competition held in Beijing, Shanghai, Guangzhou, Chengdu and Changsha in which five young female singers were selected to form the next girl band. This aroused the interest of young people all over China, with 5,000 girls sending in their application forms. The formation of the new girl band injected a new sense of vitality into the M&M’s® brand.

Between April and June 2004, M&M’s® organised the M&M’s® Joy of Colors open-air concerts in Beijing, Shanghai, Guangzhou, Tianjin, Wuhan, Hangzhou, Chengdu, Shenzhen and Harbin. The concerts attracted over 120,000 music lovers. Activities like “The Magic of M&M’s®”, “The King of Rap” and “The M&M’s® Music” gave consumers the opportunity to experience the unique joys of M&M’s®.

BRAND VALUES

M&M’s® spokescandies have elevated M&M’s® from being just a candy product to a sort of lifestyle, both through the chocolate, fun and the advertisements. With its unique taste, fun and exciting colours, M&M’s® has become a favourite snack for many. M&M’s® spokescandies have also helped M&M’s® advertisements capture the attention of the public. The unique cartoon family has brought joy to countless people. All these factors have helped M&M’s® to build multi-dimensional brand values.



THINGS YOU DIDN'T KNOW ABOUT M&M'S

- M&M’s® Red spokescandy- “I’m cool and I knows it”
- M&M’s® Green spokescandy- “I will melt for no one, but will melt everyone”
- M&M’s® Yellow spokescandy- “I’m your amiable and sometimes silly friend”
- M&M’s® Orange spokescandy – “Why does everyone want to bite me? Strange!”
- M&M’s® Blue spokescandy – “I’m cool head to toe, inside and out”
- M&M’s® Minis® characters are simply irresistible – you can only hope to keep them in your hands