

# Čokolino

## Market

Dehydrated baby food is one of the subcategories of baby food. Throughout the years, Podravka has, through its specific and active market approach, developed high consumption in this subcategory. The consumption average per capita varies in the countries of south-east Europe. The dehydrated baby and children's food consumption habits in the region of south-east Europe are the most highly developed in the Slovenian and Croatian markets. The range of the regional market for dehydrated baby and children's food has been between 3500 and 4000 tons in the past three years. Čokolino is the leader in each of these markets, holding dominant market shares, the average regional market share being over 50%.

Čokolino's main competitor is the Slovenian producer Kolinska, with a similar product concept (Čokolešnik and Čoko), and in the regional markets, apart from Kolinska, Čokolino's main competitor in the baby and children's food segments, there are Flory and Tamnavac.

It is the mother who makes the decision on the purchase of children's food. She wants the product to be safe for her child. Also, she looks for products with additional excellent properties, assuring the proper and balanced growth and development of her child.

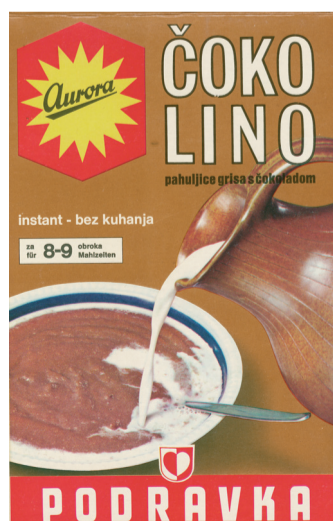
The consumption habits for this subcategory of baby and children's food are highly developed, and Čokolino is most often consumed as a breakfast cereal. Considering that Čokolino communicates its values to the same target segment as its competition, in the breakfast cereal segment, and that the occasion for the consumption of both types of product overlap, competition also includes strong international brands in the breakfast cereal category (Nestle and Kellogg's).

## Achievements

With time, Čokolino has come to represent a wholesome and tasty meal adopted by different age groups of consumers, and, according to the 2004 Stratego agency Selecta analysis, Čokolino is the most often used, the best liked and the best known product among consumers. Čokolino is today marketed in 20 countries worldwide, and is also very popular in Australia and in the United States of America.

## History

The production of Čokolino started at Podravka in 1970. At the very beginning, the products were under the licence of the German partner Dr. Ritter & Co. in Köln. Aurora was the children's food brand, and also for flour products. Podravka later became a children's food brand. Each product displayed a cute bear image which has



remained part of the Čokolino brand identity to this day. It is interesting that the name Čokolino does not derive from the word "čoko" and teddy bear "Lino". This name, together with others, was successfully created in the seventies, when they added a suffix "lino" to all the meals (Čoko-, Medo-, Fruto-, ...). The suffix had no real meaning at the beginning, it was only a nice ending for the brand's name. The spinach and carrot meals did not have this suffix. Later on, in the eighties, the teddy bear got his name "Lino", after the suffix. In the late nineties, Lino became a part of the brand's visual identity, under the teddy bear. A Slovenian artist, Mr. Muster, created the teddy bear, which was redesigned later (a smiling face and 3D) for the purpose of a calendar.

Apart from an excellent product concept, Podravka has done an excellent job of defining the rest of the marketing mix. Initially, baby and children's food was sold in pharmacies only. Podravka then spotted a chance for its products in traditional shops, and was the first to start selling baby and children's food in shops. As well, TV campaigns followed soon after for the Lino calendar, a kind of a traditional consumer loyalty and reward program at the end of each year. Consumers were to cut out strips showing Lino the Bear from the baby and children's food packages, mail them to Podravka, to receive nice thematic calendars. This is the oldest unique consumer loyalty reward campaign, in which each participant of the giveaway receives a gift. In 2004, for the first time, Podravka launched calendars in the languages of consumers in each of the south-east European countries. Around 100,000 calendars were mailed to consumers that year, and the number grew the next year. The Lino calendar serves as a kind of tool to children and their parents to help them spend better quality time together, and represents a stimulating

element in the development of children's imagination and creativity.

## Product

As this is a baby and children's food product, a child can consume Čokolino from the age of 8 months. Consumers can choose between Čokolino in four different sizes. The basic size is 250 g and the product is packed in box packages, whereas the larger sizes (500 g, 1 kg, 2 kg) are in practical packages for those consuming larger quantities of Čokolino. The aim is to offer the consumers a practical approach to shopping and consumption, and to encourage the higher consumption of Čokolino. The

larger packages have the most success on the markets with significant Čokolino consumption habits (Croatia and Slovenia). These are bags which can be zip locked after the preparation of meal.

Čokolino is enriched with 7 vitamins (B1, B2, B6, C, E, niacin and folic acid) which contribute to the



proper growth and development of the child's organism, and the carefully selected chocolate, rich in dietetic fibres, minerals and antioxidants, helps raise one's spirits, has a positive effect on health and resistance of the child's organism and offers the well-known chocolate flavour.

Apart from the classic Čokolino, Čokolino has lent its name to the Čokolino plus product - a combination of the favoured Čokolino cereal flakes, corn flakes, oat flakes and chocolate-coated rice puffs. Lješnjak Čokolino cereal flakes have a hazelnut and chocolate flavour and are the second most successful flavour of the Podravka baby and children's food, after the classic Čokolino variety. The latest Čokolino product is Banana Čokolino.

Čokolino is a must in a family's daily routine. For the mother, it is an easy and simple way of preparing a child's meal, providing the necessary energy and vitamins essential for the proper and balanced growth and development of the child's organism.

### Recent developments

Čokolino is consumed by people of different age groups, mostly as a breakfast cereal. For this reason, Podravka has created Čokolino as a brand in the breakfast cereal segment (Čokolino crunch and Čokolino MAXI products), as well as in the segment of spreads (Čokolino spread), with appropriately adapted visual identity elements. When launching the Čokolino brand in the breakfast cereal and spreads category, Podravka has used elements of brand architecture elaborated in the baby and children's food category. However, considering the demands of the cereal category, it has adjusted some of those elements with the aim of establishing stronger competitive positions. Also, the products and brands in the breakfast cereal category involve intense interaction with the consumer, that is, the child. This is why Lino the Bear is playful, always on the move, and the logo appears stronger and communicates better with the older target group. Thus, Čokolino is defined as brave and bold.

In addition, Podravka has been intensely involved in sponsoring and supporting the development of sports and physical activity of children in small communities of Croatia that offer great sports talent. In the school year 2006/2007, in cooperation with the daily sports newspaper Sportske novosti, Podravka organized 25 sponsored "Čokolino višebojac" ("Čokolino All-Round Competition") events in Croatian schools.



### Promotion

The basic element of the Čokolino advertising activities is in rewarding consumer loyalty. The traditional activity in this respect is the Lino calendar, and this is the oldest such activity in south-east Europe. Consumers are aware that at the end of each year Podravka launches the Lino calendar for its most faithful consumers, which is why, throughout the year, they cut out the strips displaying Lino the Bear from the packages. Apart from the Lino calendar campaign, secondary consumer loyalty reward campaigns are carefully targeted in particular markets. The concept of cutting out images of Lino the Bear and mailing them in exchange for the reward is maintained.

Primary means of communication are direct mail, the press, sales points (leaflets announcing the giveaway) and product packaging. Since 2004, during the giveaway, Podravka has set up a consumer base for the direct communication of the next sweepstakes. It is a special event where the little ones receive a letter from their favourite bear, and the letter is a strong message to parents, which says that Podravka takes care of its consumers and is an

added value in communication.

On the other hand, the history of consumption in the family and the exchange of experience among mothers are of particular importance for Čokolino, since the child makes its first contact with Čokolino through its parents. The parents still consume Čokolino or they used to consume it as children and enjoyed it, which is a strong motivation for them to offer Čokolino to their child as well. Čokolino's most important feature is its excellent flavour, especially appreciated amongst the youngest, where consumption habits are quickly obtained at an early age and remain for a long time. In 2006, in the communication of the Lino calendar on the markets of Croatia, Slovenia, Bosnia and Herzegovina and Serbia, Podravka used a small packaging of its two most popular products for the first time as well - Čokolino 250 g and Lješnjak Čokolino 250 g. By purchasing the package, the consumer receives a coupon that has to be cut out from the packaging, enters his or her personal data and mails it to Podravka together with Lino the Bear images that have been cut out from the packaging.

### Brand values

Čokolino aspires to be part of the happy and healthy childhood of every child, and thereby part of the happy family atmosphere in every home. Čokolino is a story of love, of happy moments spent with your child, of the first tooth, the first steps the baby makes and the first word the baby says. It is a story the family tells from the happiest moment for every family (the birth of the child) and it continues for life.

To a child, the mere mention of Čokolino represents the children's world. Children consume it and enjoy it. Čokolino wishes to offer its consumers the most tasty, healthy, fun meal in the company of loved ones at any time of the day. The basic values of the Čokolino brand are activity, inspiration and closeness.

[www.podravka.hr](http://www.podravka.hr)



### THINGS YOU DIDN'T KNOW ABOUT...

#### Čokolino

- Although Čokolino is baby and children's food, around 70% of the total amount is consumed by people aged 5 and older.
- The amount of Čokolino cereal flakes consumed each year could fill five Olympic swimming pools.
- Consumers have chosen Čokolino as their favourite baby and children's food product.
- Čokolino cereal flakes are prepared with 40,000 litres of milk every day.
- Approximately 200,000 Čokolino meals are eaten every day.

