

# Karlovačko

## Market

In a country where beer production is one of the most promising branches of industry, and with the average citizen drinking 82 litres of beer per year, Karlovačka pivovara (Karlovac Brewery) holds a firm second place, but is at the same time Croatia's biggest beer exporter. Croatia being an extremely tourism-oriented country, Karlovačka pivovara as the biggest beer supplier of the entire tourist area has much reason for satisfaction. In spite of the fact that the Croatian beer market is currently stagnating, primarily due to the legal regulation of zero alcohol tolerance for drivers and also to the high beer excise tax, as well as to cheap import, Karlovačka pivovara still registers continuous growth.

## Achievements

In the past years, Karlovačka pivovara has won numerous product quality awards. Gold medals for beer quality were won at Monde Selection competitions in Rome in 1983, in Madrid in 1984, in Lisbon in 1985, in Luxembourg in 1990 and in Amsterdam in 1992. In 2004, Karlovačka pivovara won four gold medals. At the prestigious international beer competition, the Brewing Industry International Awards, also known as the "Brewing Industry Oscar", held in London, Karlovačko beer won the gold medal for the best beer in light beer category of 4.4 to 5.5% alcohol. International beer experts selected Karlovačko as the best light beer in its category among 133 types of light beers from around the world. Strategic partnership with Heineken, the leading beer producer and the market leader in Europe, ensures Karlovačka pivovara access to different production and corporate tools with the purpose of creating a satisfied customer. Karlovačko has recently been added to the Swedish Alcohol Retail Monopoly. In order to enter the Systembolaget, the Swedish national network with over 400 shops, Karlovačka pivovara had to meet numerous criteria. Apart from the criterion of over 50,000 beer bottles sold, Karlovačka pivovara had to assure accurate delivery and acceptance in the market.

The most important award for Karlovačka pivovara, however, is the customers' trust. A recent research on the attitudes of foreign tourists towards Croatian beer brands,



conducted by the Puls agency, shows that Karlovačko has won massive support from foreign tourists. The research showed that up to 54% of subjects stated Karlovačko as their favourite Croatian beer brand, whereas the runner up beer brand only won 17% of the vote. Since the research included tourists from Germany, Austria, Hungary, the Czech Republic, Slovakia, Italy, Slovenia and other countries, this success can rightfully be considered international.

## History

Karlovačka pivovara is one of the largest breweries in Croatia, with a long tradition since 1854, although the oldest proven trace of brewing activity in Karlovac dates

back to 1779. In the mid-19th century there were three breweries operating in Karlovac, and the main consumers were the Karlovac Military Headquarters officers. Karlovačka pivovara entered the 20th century as a shareholding company, under the name of Građanska pivovara i tvornica slada u Karlovcu (Civic Brewery and Malt House in Karlovac). The professional part of the job was entrusted to Vilim Wambrechtshamer, a young and skillful brewer from Graz. He stabilized the beer quality and created the conditions for the expansion of capacity and the modernization of technology. In 1929, there were 9,000 hl of beer produced at Karlovačka pivovara. Before World War II, annual production ranged between 3,500 hl (in 1932) and 17,000 hl (in 1941). There were no major developments regarding the modernization of production and market realization until 1960 (in 1957, production amounted to 29,000 hl and in 1960 to 45,000 hl). As of 1960, the modernization of production began; in 1963 the production capacity increased to 120,000 hl, and in 1966 to 289,900 hl of beer per year. In 1971 the Karlovačka pivovara production surpassed 500,000 hl of beer per year. In 1985 the production high rose to 850,000 hl per year. Today, Karlovačka pivovara is owned by the Dutch Heineken corporation, holding a market share of over 22% and the annual market realization of over 1,000,000 hl of beer. The process of collecting raw material, production, storage and distribution of beer is strictly supervised and beer is produced at the Karlovačka pivovara in keeping with the most up-to-date corporate principles. Karlovačka pivovara brings together international standards and expertise with the strong Croatian brewing tradition,







applying the highest quality standards to the overall process of production, distribution, marketing and sale of beer.

### Product

The sales base is Karlovačko light beer, made from high-quality water and completely natural ingredients. With 5.4% of alcohol, it is characterized by its golden-yellow hue and a slightly bitter taste, making it ideal for refreshment on all occasions. It is distinctive through its harmony of malt aroma and fullness of taste.

Rally 0.0% is the first Croatian non-alcoholic beer brewed from a new recipe, offering pleasure without limitation to the true top-quality beer connoisseurs. After years of work, a team of top experts created the ideal refreshment for drivers, pilots, doctors and all who enjoy a full, overall taste of beer, without taking a single drop of alcohol. The new Rally is a 0.0% alcohol product, which makes it ideal to drink before and during driving, and its superior aroma is winning more and more true admirers every day.

### Recent developments

In the context of constantly following world trends, and all for the benefit of the satisfied consumer, Karlovačka pivovara launched a new product in 2004 - its traditional light beer in a PET bottle. More practical to use and ideal for parties and picnics, the PET bottle immediately received positive consumer reactions. And as proof that the true beer fans' interest is always its priority, Karlovačka pivovara recently launched innovative protective foil on PET bottles, guaranteeing longer freshness and protection of the bottle neck.

### Promotion

Along with the best quality beer, Karlovačka pivovara offers its customers loads of fun. Aware of its social role, Karlovačka pivovara has been organizing different events for beer fans for many years, offering them a chance to spend their free



time in a relaxed atmosphere with Karlovačko. Since 1984, Karlovačka pivovara has taken part in the "Dani piva" (Beer Fest) local festival. The festival is today a well-established event, having outgrown local significance and attracting more beer fans every year from around Croatia and the world. "Dani piva" is a kind of a Croatian Oktoberfest, taking place each year at the end of summer, and in 2006 the festival celebrated its 20th anniversary. Another tradition has developed from the music & beer events called "Karlovačko Live", offering top-quality beer and the music of Croatia's best performers. "Karlovačko Live" is a combination of different music styles and the project proves that, with an imaginative marketing approach, entertainment wrapped around a high-quality product is an excellent move.

In its fresh approach to marketing communication, Karlovačka pivovara stresses the Croatian, friendly character of the Karlovačko brand. Football being absolutely the most popular sport in Croatia, with tickets always sold out for the Croatian national football team matches, Karlovačka pivovara responded with "Karlovačko Kórner". Through this popular football & beer project, Karlovačka pivovara provides all football fans a corner to follow the matches from, in an excellent atmosphere and in the company of friends. The idea was born during the 2004 European Football Championships in Portugal, and by the next big world competition in Germany it had grown into a real institution of football, friendship and fun.

In the past several years, Karlovačko has strengthened its market position and moved a step closer to the average consumer, thanks, among other things, to its excellent and well-conceived marketing strategy. The majority of Karlovačko consumers being men, special attention is paid to male bonding, male rules and codes, and various anecdotal situations connected to it; good-natured irony and positive humour have assured an extremely wide field of identification.



Advertisements for Karlovačko abounded with references to current events, with typical Croatian humour, and also put some of the Croatian pop culture icons in situations that were not typical for them. Awards followed, and sales results rose.

### Brand values

Karlovačko is the ideal beer for people looking for a good time and making new friendships, but also for those enjoying relaxing moments with their friends. Although it stems from a long tradition, Karlovačko finds inspiration in everyday situations, and the firm position of the brand is primarily contributed to by the continuously high product quality and the promotion of typical Croatian values through a feeling of relaxation with friends.

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



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

#### Karlovačko

- Karlovac is a town set on four rivers and therefore has access to rich sources of pure water which is used in the production of Karlovačko beer, contributing to its specific flavour and its continuously high product quality.
- Karlovačka pivovara is the largest beer supplier of Croatia's tourist areas.
- Karlovačka pivovara is Croatia's largest beer exporter, with up to 70% of Croatian beer exported.
- With the strong support it gives to the local community, Karlovačka pivovara has an important role in employment and strives to contribute to the quality of life in Karlovac and its surrounding area.

