

# Kinder®

## Market

Thanks to the great range of products under the umbrella brand name Kinder, Ferrero holds the leading position in some of the most important confectionery market segments. In Croatia the first largest and most important market segment is chocolate tablets that amount to 5500 tones a year and which consists of Ferrero's brand Kinder Chocolate (Source: ACNielsen 2006).

The second segment is the snacks market with 3500 tones per year. This subcategory is divided into three parts: countines and wafers (consisting of Kinder Bueno and Kinder Happy Hippo), chilled snacks (Kinder Pingui, Kinder Milch Schnitte and Kinder Maxi King) and surprise eggs, namely Kinder Surprise (Source: ACNielsen 2006).

From the 90's onward, the confectionery market became richer for one new category, namely chilled snacks which must be kept in a refrigerator due to their high percentage of fresh milk content. From the launch on the Croatian market its share became dominant and continually increases. In this market segment there is a small number of competitors and until now no one has managed to take the leading position away from Kinder.

Thanks to the brilliant mind of Michele Ferrero, the inventor of the chocolate surprise eggs, today Kinder Surprise is the absolute leader on the surprise eggs market.

## Achievements

Today Kinder is a very successful brand name, known both in Croatia and worldwide. One of the special features of this brand name is certainly the fact that it has succeeded in becoming a leader on the international market of chocolate based products.

The secret of such success is undoubtedly the fact that Kinder has always

offered products which meet the needs of two different consumer categories: mothers who buy midmorning snacks and chocolate Kinder products because they are healthy and wholesome, and children who like the products because they are tasteful.

Furthermore, Kinder products are unique. Packaging, visual features and taste have always been different compared to other products offered on the confectionery market, and usually they have served as a basis for development of other product categories and, as a consequence, for conquering new markets. Research always aimed at creating new products, as well as maintaining and preserving their uniqueness throughout the years, and has rewarded Kinder with the leading position on the overall confectionery products market.

## History

The history of Kinder is a story of success which started almost forty years ago. At the end of the 60's, Ferrero was a small company with a total turnover of about 100 billion liras, facing international giants who seemed invincible.

Such circumstances inspired Ferrero to specialize and focus on creating unique and exclusively recognizable and high quality products. An additional impulse for creating a product line entirely dedicated to children's nourishment was given by a baby boom which occurred exactly at the same time.

In 1968 Kinder conceived in Italy and then launched in Germany its first product: chocolate bars divided into small portions which mothers could give freely to their children because the dose is limited and the chocolate contains "more milk and less cocoa".



The chocolate products line includes Kinder Surprise, one of the Kinder milestones and one of its most famous products worldwide. Kinder Surprise was launched in 1974, and it is a chocolate Kinder egg with a surprise - a little toy which incites the child's imagination and skillfulness. It is aimed at children over the age of 3, and it actually contains three pleasures in one: surprise of discovery, a toy and a delicious chocolate taste. In 30 years no attempt of the competition to imitate Kinder Surprise has managed to come even close to its results, neither in terms of quantity nor popularity.

On the snacks market, on which during the 80's the English brand names were predominant, Kinder entered with Kinder Bueno very successfully, both in terms of sales and its acceptance among consumers. Not very long after, a new idea of chilled snacks was born and realized, and by launching no less than three products (Kinder Milch Schnitte, Kinder Pingui and Kinder Paradiso), Kinder reaped much greater success.

In the last decade the position of Kinder has become stronger, which



1968

1974

1977

1990



is a success not easily possible to explain in terms of sales volume and market shares. Despite this position, Kinder continues to offer other new and unique products.

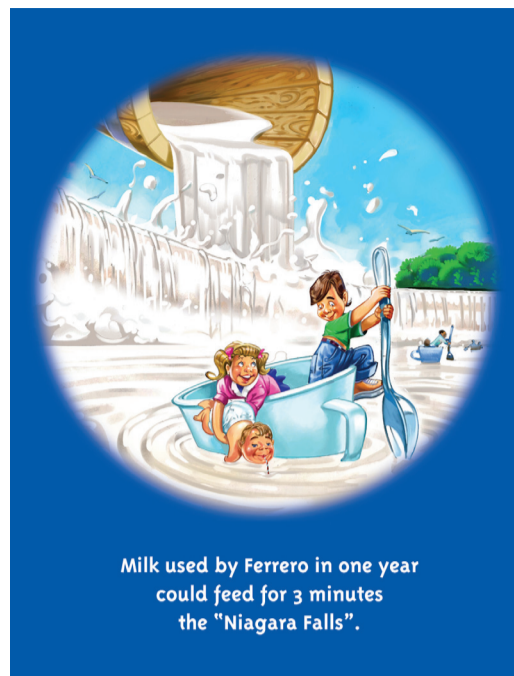
### Product

On the confectionary market Kinder offers many different products: from chocolate snacks to chocolate eggs and chilled snacks. Kinder is also one of the greatest confectionary brands in Europe. Some of their products have already become part of the Croatian and European food culture, like Kinder Chocolate and Kinder Surprise (the well known surprise egg), which help children develop a delicious but healthy chocolate consumption.

There is also one more successful Kinder product, consisting of a new generation of chilled snacks, Kinder Pingui, which has conquered in a very short period the hearts of children thanks to its ingredients: crispy chocolate, milky cream and delicious biscuit.

Although Kinder is a brand name focused exclusively on children, its products are very well accepted both by the young and grown-ups alike, and one of the best examples of this is Kinder Bueno. It is one more international achievement of the Ferrero company, for it represents a chocolate snack of a refined taste and pleasure thanks to the unique combination of a light crispy wafer and delicious milk and hazelnut cream.

Today, almost forty



years after its creation, the brand name Kinder is still a synonym for unique natural products with controlled and guaranteed quality. These are not only controls carried out inside the production plants, as they regard a systematic control on the selling points which is carried out by the company's specialized staff and which guarantee to the consumer the freshness of the chosen product.

### Recent developments

Every year the Ferrero Group, headed by Kinder, invests substantial means in research, nourishing the impulse for product innovation. It is one of the key factors for success of the Kinder brand.

Kinder Happy Hippo is one of the latest Kinder innovations, created in the year 2003. It is a snack with a hazelnut cream especially suitable for children, and, only three weeks after its launch, it became the leading product on some European markets.

### Promotion

The primary target of the Kinder promotional messages are mothers of younger and older children, with children being only secondary targets. Their purpose is to transmit the message of traditional values, quality and excellence of the product preparation.

By following the expansion of consumers, Kinder has

surpassed in its development the feature of being exclusively a food product for children and this affected also its marketing strategies. Ferrero needed to take into consideration the fact that its products were being consumed both by grown-ups and by children in the development phase. For this reason the messages of some products can accordingly be focused also on older consumers.

In its communication strategy Kinder focuses on two areas: the classic above-the-line message and a great number of special promotions, sponsorships and marketing actions. On a global scale it produces internally many publications and cartoons which reach the consumers through different communication channels, Internet among one of them. An important promotional role is given to the international web page dedicated to Kinder ([www.magic-kinder.com](http://www.magic-kinder.com)).

### Brand values

Kinder's purpose is to offer consumers products and specialties with a permanent value, immediately recognizable and appreciated because of their special features representing an irreplaceable added value. Kinder dedicates its attention to quality and taste, not forgetting the nutritional values of its products. These brand values are followed by good quality service like total care for the freshness of the product, guaranteed by permanent control over the packaging quality, the shelf life and the distribution network.

Today the brand name Kinder is accompanied with values (family, emotions and child imagination at the front line), together with constant balance between nutritional qualities and taste.

[www.magic-kinder.com](http://www.magic-kinder.com)



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

#### Kinder

- Kinder Surprise is a product made perfect thanks to the intuition of Michele Ferrero who in 1974 came to the idea of spreading the magic of Easter throughout the whole year. This is how a little chocolate surprise egg was born, economical for every pocket, representing a small everyday reward, a small everyday present.
- Every day in the world about 4 million Kinder Surprises are sold with a total value of 1,5 billion per year. Since the launch of Kinder Surprise, almost 30 billion Kinder Surprises have been sold, out of which 20 billion from 1990 till today.
- The quantity share of the Kinder snacks represents almost one third of the total sweet snacks market in Croatia (Source: ACNielsen 2006.).

