

nutella

®
FERRERO

Market

Sweet spreads market was created 40 years ago by the Ferrero company with its spread Nutella, a unique product which today represents one of the greatest symbols of Italy.

Apart from Nutella, which unquestionably holds the leading market position, other competitive products were launched in the course of time, although occupying among each other a substantially lower market share. Mostly they are products launched by big distribution chains or by other smaller companies and whose limited influence is above all due to the fact that consumers remain faithful to the quality and taste of Nutella.

Achievements

The Ferrero company arose from the dream of its founder. Today, this dream lives in the form of a company which has become one of the world's leading confectionery producers. New ideas and existence of a unique and authentic product that cannot be copied are the basis of this dream.

Ferrero has built up a name which has become famous and loved worldwide. By developing its business, the company has become the leader on a global scale, convincingly continuing to maintain such a position in most of the countries where its products are being sold.

Even when achieving great success on all the markets on which Nutella has been launched, Ferrero did not discontinue setting its own new development goals. Starting from the fact that Nutella holds the highest market share, the Ferrero strategy is not based on seizing a small market percentage covered by other producers, but on conquering new segments for the development of the brand.

Due to its nutritional values (vitamins B2, B12, E, phosphorus and magnesium) and in combination with a slice of bread, Nutella is increasingly becoming a traditional breakfast in countries across Europe. Bread and Nutella, served with a glass of milk, contains all the main ingredients of a good and



nutritious breakfast. Apart from serving it for breakfast, Nutella is constantly expanding on new categories of consumption (Nutella crepes, Nutella shake and other).

History

The history of the Nutella spread starts in the autumn of 1945. The confectioner Pietro Ferrero used to spend most of his time in the laboratory trying to create a new form of delicacy. After a few attempts he managed to develop a perfect mixture of ingredients which formed both a soft and compact confection in form of a spread that could be sliced and eaten with bread: both tasteful and economical!

The sweet was obtained from hazelnuts, which is a typical ingredient in the Langhe province in the Piedmont region. At that time, hazelnuts were partially used as a substitute for the rare and expensive chocolate. This is how the original version of Nutella was born, under the name Gianduiot, recalling the Piedmont tradition and a famous Turin carnival character Giandua. For a sweet which was created in Alba, in the heart of the beautiful province of Langhe, this name seemed the most natural solution.

The Italians were thrilled with the new confection and already in 1946 its production began to increase rapidly: from the initial 300 kg to 111.100 kg by the end of the same year.

From the following year the spread was wrapped in individual packages (21 gram). Smaller packing, called Cremlino, cost only 5 lire, which was less than the price of cheese, so many mothers could afford it and thus make their children happy.

The path from the compact sliceable loaves of spread to the spreading paste



was short: already in the summer of 1949 the recipe was changed substantially, with a new mixture becoming softer and creamier.

In 1951 Ferrero launched a new product: a special, tasteful, luscious and delicate spread. The only thing missing was an original name, easily registered in the consumer's mind. The solution derived from the natural qualities of the product, all characterized by the word super: In this way, the new name was created, namely Supercrema: a direct successor of Gianduiot, a new nutritious Ferrero product which brings to the consumer the magic of a true and unique breakfast ingredient to be spread on bread.

Simultaneously, Ferrero started to become recognizable on foreign markets. This development made necessary the creation of a new name for this creamy spread, in order to make it more comprehensible and remembered also in foreign markets. Starting from this point, research for a new and original name started; this name had to deeply enter into the consciousness and daily life of all people.

The starting point for the new name was the basic ingredient, easily translatable in other languages, namely la nocciola (hazelnut). To the English word root nut the Italian suffix ella was added. In October 1963, Ferrero registered its trademark and in 1964, after improving and perfecting the formula which today is still a secret, Michele Ferrero launched on the market the product and the brand Nutella, a sweet spread which the whole world recognizes and loves.

Product

From the moment of its appearance 40 years ago as the first hazelnut-cocoa spread on the market, Nutella has conquered millions of people, especially children,



and has become the best sold spread worldwide. Its success is based on the right selection of the highest quality ingredients and on rigorous quality control.

Its unique production technique is based on using low temperatures, making possible the maintenance of all natural aromas, rendering unnecessary the use of artificial ingredients and therefore making Nutella healthy with its unique and recognizable taste.

Every single Nutella ingredient bears one part of the merit for its overall success: carefully selected hazelnuts, the best quality cocoa, skimmed milk and above all its unchangeable consistency (nutellosità), its trademark, the perfect choice of packaging in the form of an original and unique glass jar. Each element matches perfectly with the other, creating a product immune to downfalls, a product that has remained after all these years something to enjoy, to wish for and to remain loyal to, a product with no time, nationality or gender boundaries.

Launched in Italy during the period of the economic boom, Nutella immediately became a symbol of good life, namely something bigger and more important than a simple product with nutritional value, but which certainly continues to be its basis. Nutella became the subject of discussions and connected with symbols and messages, it appeared on movie screens and in theatres.

Over many years descriptions of Nutella have multiplied, but there is still a definition lacking



to even the most extravagant and fanciful for describing such a unique and special product of which we all dream about: the definition of Nutella is a true myth.

Recent developments

As other contemporary icons, one of the key elements for the success of Nutella is also the integrity of its appearance: the shape and material of the jar; the label and all the following details have remained the same, creating an inherent product characteristic. For this reason the company has always carried out marginal changes, offering on the market only several formats (starting from the 30 gram package to the family packaging of 750 grams) which the consumer can always easily recognize.

On an international scale and in certain limited periods of time, Nutella has been offered in special packages, with different designs and sizes (mega 3 kg package during Christmas time) or in different jars containing aesthetical or functional characteristics for which the consumer continues to use them afterwards (jug).

Today Nutella celebrates its 40th birthday, always remaining the subject of sweet wishes. It is a non aging product which during time increases its value, its market position and its place in the hearts and minds of its consumers.

Promotion

Over the long and successful existence of Nutella there have been important promotional campaigns.

Product promotion and image evaluation are of core importance for the excellent success reaped by Nutella.

The first commercials were directed to the mother-child relationship and have inspired Italian mothers to use the spreading method because with Nutella children finally started to like eating bread.

"Mum, do you know?" is the slogan which Ferrero launched during the 70's and 80's. The slogan evokes the memory of a healthy and natural way of living; it reminds mothers of the simplicity and naturalness of Nutella and categorizes the spread as a good transmitted from generation to generation.

Thanks to the new communication approach the product could be experienced both on a psychological and emotional level. Many scenes from daily life have been included, placing the product in the centre of



family life: best friend's birthday, surprise to an ill friend, New Year's school party, etc.

A delicate mixture of images and music corroborates the story of Nutella's capacity to keep up with the development of children: from early childhood to adolescence, Nutella is always the right choice for regaining energy and restoring good concentration. A new commercial campaign emphasizes the brand mission of being a real generation testimonial and is full of emotional values. With Nutella children become young adults ready for further development.

Brand values

Today, Nutella represents above all a group of values, with friendship and integrity in first place. Nutella is a product which gathers people together and creates moments of joy and happiness and not only of consumption. Nutella has managed to create an emotional relationship with its consumers, consistent in time and present in the daily life of the family.

As a brand, Nutella has a lasting value. It connects generations not only because parents recommend it to their children, but because they also consume it together with them. Although it is a product with a rich tradition, Nutella's important value is also its contemporariness. Nutella develops and grows with its consumers, accepting new trends but remaining always unique and faithful to itself and to those who enjoy it.

www.nutella.com.hr



THINGS YOU DIDN'T KNOW ABOUT...

Nutella

- Several books were published about the Nutella brand, among them *Nutella Nutellae Liber Magno*, published by Comix (1995) and the recently published book *Nutella, un mito italiano* of Gigi Padovani, published by Rizzoli (2004).
- If you enter the word Nutella in the search engines Google and Yahoo, you will get 173.000 and 176.000 answers respectively.
- There are many original ways to combine freshness and taste in order to create a simple, healthy and tasteful recipe. One of the favorite recipes is crepes with Nutella.
- The line of Nutella jars produced yearly by the Ferrero company is longer than the Earth's perimeter: 40.000 kilometers!