

# Karlovačko

## Market

In a country where production of beer is one of the most perspective industrial branches and where the average resident drinks about 86 litres of beer per year, Karlovačka brewery is a strong number two player with 24.9% market share (Source: Affiliation of brewers, malt and hops producers for the first six months of 2008). Karlovačka brewery is the largest Croatian exporter of beer and the largest beer supplier of the entire tourist area of Croatia.

## Achievements

Karlovačka brewery has over the years received a number of recognitions for quality of its product. The brewery was awarded with gold medals for quality of its beer at Monde Selection competition in Rome in 1983, Madrid 1984, Lisbon 1985, Luxemburg 1990, and Amsterdam in 1992. In 2004 Karlovačko beer has at the same competition won four gold medals. At the prestigious "Brewing Industry International Awards", also known as the "Beer Oscars" held in 2005 in London, Karlovačko was awarded with gold medal as the best beer in category of light beers with alcohol content of 4,4 to 5,5 percent. International beer experts have singled out Karlovačko as the best light beer in its category among 133 other light beers from all over the world.

As member of the Heineken group, leading beer producer and market leader in Europe, Karlovačka brewery has access to various production and corporate tools in order to meet the needs of its consumers.

Most important recognition for Karlovačka brewery is the loyalty of its consumers. A survey which was in 2005 conducted by Puls agency showed that foreign tourists prefer Karlovačko; the results showed that 54% of the examinees stated

Karlovačko as their favourite Croatian beer brand while the following beer brand was chosen by 17% of respondents. The survey included foreign tourists from Germany, Austria, Hungary, Czech Republic, Slovakia, Italy, Slovenia and other countries, proving this an international success.



## History

Karlovačka brewery is the second largest brewery in Croatia with a rich tradition dating back to 1854, however; there is evidence of brewing in Karlovac dating to 1779. In the mid 19<sup>th</sup>

century there were three breweries in Karlovac, and main consumers of beer were officers and Karlovac generals. Karlovačka brewery entered the twentieth century as a joint-stock company and operated as "Citizen's brewery and factory of malts in Karlovac". The expert work was trusted to Vilim Wambrechtshamer, a competent young brewer from Graz. He stabilized the beer quality and created conditions for expanding brewery's capacities and modernizing the technology. In 1929 Karlovačka pivovara produced 9,000 hl of beer. Yearly production before the Second World War moved from 3,500 hl (in 1932) to 17,000 hl (in 1941). There were no big changes in terms of modernization and performance on the market until 1960 (29,000 hl was produced in 1957 and 45,000 hl in 1960). Modernization of production began in 1960; in 1963 the production capacity grew to 120,000 hl, and in 1966 to 289,000 hl per

year. In 1971 yearly production in Karlovačka brewery exceeded 500,000 hl. In 1985 the production grew to 850,000 hl. Karlovačka brewery today produces







more than 1,000,000 hl of beer per year. The process of supplying raw materials, production, storage and distribution of beer is strictly controlled - beer in Karlovačka brewery is produced according to the most modern corporate principles. Karlovačka brewery combines international standards and expertise with strong Croatian brewing tradition, applying the highest standards of quality to the entire process of production, distribution, marketing, and sales of beer.

### Product

Most of Karlovačka pivovara sales relates to *Karlovačka light beer*, which is made from high quality water and completely natural ingredients. Karlovačko contains 5.4% vol. alcohol and has the characteristic golden-yellow color and bitter taste, which makes it ideal for refreshment in every occasion. It is special because of the balance of the aroma of malt and its full taste.

According to the trends on the market and needs of the consumers, Karlovačka brewery has in April 2008 presented a new, improved taste of non-alcoholic beer *Karlovačko Rally*. The new Karlovačko Rally is characterized by a rich foam, fullness, mild bitterness, malt smell and taste, appropriate refreshment and tartness with 0.5% vol. alcohol. Karlovačko Rally is exceptionally refreshing, successfully quenches thirst, and represents a successful alternative to beer and non-alcoholic drinks; as such Karlovačko Rally is recognized by the consumers.

### Recent Developments

Karlovačka brewery has in February 2008 presented to the consumers Karlovačko beer in a new look - green bottle with a new label.

The new look of the packaging was adjusted to those who know to appreciate 154 years long tradition of quality. The new green bottle and a new label represent an improvement of the existing visual identity, at the same time preserving the value of heritage. Bottles 0.33 l and 0.5 l have elegant long necks.



To put more focus on quality, tradition and originality, the new green bottle also includes a new label on which the name of the beer - Karlovačko - is specially emphasized along with colors of the Croatian flag and the checkers in the back of the label. Karlovac City coat of arms is included proving a deep connection with brewing tradition in the city on four rivers since 1854 until today. The gold medals communicate numerous recognitions which Karlovačko received for the exceptional quality of product.

### Promotion

Besides top quality beer, Karlovačka brewery offers to its consumers a handful of good fun. Aware of its social role, the brewery has been already for many years organizing various events for beer lovers ensuring they spend excellent time in a relaxed atmosphere with Karlovačko! Since 1984 Karlovačka brewery participates in a festival called the "Beer days". The festival has with time outgrown the local frame and each year attracts more and more beer lovers from entire Croatia but also from abroad. "Beer days" is a kind of Croatian "Oktoberfest" which is every year organized at the end of summer. Traditional music platform of Karlovačka brewery is called "Karlovačko Live"; this beer-music festival offers to consumers' enjoyment in music of the best Croatian performers along with enjoyment in the best Croatian beer - Karlovačko. "Karlovačko Live" is a proof that with an innovative marketing approach and a top quality product, fun is guaranteed.

With a fresh approach in marketing communication, Karlovačka brewery emphasizes true Croatian, gregarious character of Karlovačko brand. Being that football is in Croatia by far the most popular sport, and that it is always a struggle to get tickets for the matches of Croatian Football Representation, the answer from Karlovačka brewery is - "Karlovačko Korner". This popular football-beer project from Karlovačka brewery provides to the fans the perfect spot for enjoying the football frenzy in an awesome atmosphere in a crowd of friends. The idea started in 2004 when the European Football Championships was held in Portugal. Karlovačko Korner was afterwards organized for the World Cup in Germany and established itself as an institution of football, affiliations and fun. Karlovačko Korner 2008 was again the ideal gathering spot for all the fans of football and Karlovačko; more than 80,000 fans visited Karlovačko Korner in six Croatian cities as well as Pörtlach, Austria.

In the last few years Karlovačko secured its market position and moved a step closer to the average consumer thanks to, among other things, excellent and quality marketing strategies. Being that most consumers of Karlovačko are men, special attention is directed to the male bonding and various anecdote situations which are derived from this - healthy irony and positive humor made the field of identification exceptionally

wide. Ads for Karlovačko abound the reference to actual events, typical Croatian humor, and some of the Croatian public icons are seen in numerous ads in which they are presented in unordinary situations. Awards for marketing communication do not fail, nor do sales results.

### Brand Values

Karlovačko is the ideal beer for all those who want to spend a good time and make new friends, and for those who enjoy moments of relaxation in the comfort and company of friends.

Although beer of rich tradition, Karlovačko derives its inspiration from everyday situations and the brand owes its firm position foremost to the continuously high quality of product and promotion of typical Croatian values through the feeling of relaxation in the company of close friends.

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



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

#### Karlovačko

- Karlovac is a city on four rivers with rich sources of clean water which is used in production of Karlovačko beer; the water contributes to the specific taste of Karlovačko and continuously high quality of the product.
- Karlovačka brewery is the largest beer supplier of the tourist area of Croatia.
- By strongly supporting the local community, Karlovačka brewery has a significant role as employer and aims to contribute to the quality of life in Karlovac and the surrounding area.