

Stollwerck goes into 2004 with a clear focus

Cologne, Frankfurt/Main, 1 February 2004 – Stollwerck AG, headquartered in Cologne and a subsidiary of Barry Callebaut, the world's largest manufacturer of chocolate products, is presenting itself at this year's ISM, the International Sweets and Biscuits Trade Fair from 1 to 4 February 2004, with a clearly focused business strategy. Within this framework Richard Crux, the chief executive officer of Stollwerck, and his team have initiated an extensive campaign to bundle brands and streamline the product range.

"We have to concentrate on the profitable brands and products with the potential for growth and innovation. Nowadays it is simply no longer possible to support some ten mono-brands at the same time and all to the same extent in terms of marketing," explained Richard Crux just before the ISM 2004 got underway. "It is better to do things properly, bundling strengths and resources so as to develop and tap further potential for synergies," said Crux. This applies in particular to Stollwerck with a view to the international expansion of consumer brand business – and above all towards Eastern Europe.

Sarotti will become the single umbrella brand

Stollwerck will from now on concentrate on Sarotti as the central leading umbrella brand. Crux says of this: "Sarotti offers the best prerequisites within the company's own brand portfolio for international expansion. Moreover the brand with the longest tradition has a level of awareness of 99 per cent, making it one of the most popular and recognisable food brands in Germany."

Alpia will be retained as a family brand in the attractively-priced entry-level segment. Gubor will continue to function as the company's top premium brand.

At the trade fair Stollwerck is presenting numerous innovations and product launches for Sarotti – in part with recipes which have not yet been seen on European shelves in this form. Examples of this are the new truffles from "Tiamo Edition" based on Italian recipes, and the springtime seasonal variations using plain chocolate in creamily fruity combinations such as "Panna Cotta à la Himbeer" as part of the Sarotti Nostalgia Edition No. 6.

Chocolate bars to move into the Top 3

"We have set ourselves an ambitious target: Sarotti is to see strong growth in 2004, and join the ranks of the Top 3 in chocolate bars by the end of the year." The chances of achieving this goal are good: In the first ten months of 2003 the Sarotti premium line "No. 1" saw growth of an impressive nine per cent in terms of value. This year Sarotti "No. 1" is to be re-structured and enriched with new, high-quality varieties rich in cocoa based on the topic "Origin Chocolate".

Here Stollwerck profits from the competence of its parent company: Barry Callebaut is the only cocoa processing and chocolate manufacturing company in the world able to cover the vertical value-added chain in full, from the cocoa bean to the product on the shelf.

Sarotti allows for a diversified product range

There is also innovation potential for Sarotti according to the latest findings from market research: Thus the Sarotti brand allows for diversification with new products, and also in the categories marzipan, bars and candies for example.

On the transfer of the truffle products "Tiamo" from Sprengel to the umbrella brand Sarotti says Crux: "Within the framework of the brand focus we are gradually reducing the scope of the range with which Sprengel has been represented on the market to date."

Alongside its branded goods business, the company produces own-brand products for numerous trading companies – the second operational pillar at Stollwerck. Here the Cologne-based company is the market leader, and already develops exclusive, individualised trade brand and product concepts for customers for all the various trade channels.

Stollwerck intends to be problem-solver for trade partners

In the case of individualised customer solutions Stollwerck CEO Crux sees particular growth potential with the major and international trading groups above all. Stollwerck intends to accompany their expansion to a greater degree in the coming years.

"As a group of companies we have more competence and know-how than virtually every other company in the development and production of high-quality cocoa, chocolate and marzipan products on behalf of our customers, with these products fulfilling current trends and meeting market demands. In the coming years we intend to consolidate our position as the leading problem-solver for our trade partners," is how Crux describes the company's goal.

Focus on individual concepts for customers

In this respect Stollwerck is also consistently developing its category management program, creating innovative measures and mechanisms for joint campaigns on the shelf and sales areas so as to bring about an increase in sales: Thus the Stollwerck trade marketing team is creating individualised co-branded competitions, attractive give-aways and intelligent bundled offerings in co-operation with trade customers. Customised coupon campaigns and display concepts for secondary placements, all geared to the specific channels, round off the range of services.

Stollwerck will probably be undergoing re-structuring through to the late summer of 2004. In this respect the headquarters in Cologne are to become the core of the European business with consumer products. The cost-reduction program initiated in 2002 will also have to be continued in the current year. "We are the market leader in the trade brand sector. We intend to develop our position in the branded goods business by a considerable degree. In both areas we are orienting ourselves towards the possibilities for international expansion. And so Stollwerck also has to become the cost leader in the industry," says Richard Crux.

About Stollwerck:

Stollwerck AG, headquartered in Cologne, is a leading manufacturer of chocolate products such as chocolate bars, chocolates and truffles, as well as refreshment sticks. The company boasts a tradition going back 150 years, with extensive competence and experience in the use of cocoa and chocolate raw materials and ingredients. Stollwerck produces at a number of sites, primarily in Germany, and has a diversified brand portfolio. The leading umbrella brand of the group is Sarotti, which, with a level of awareness of 99 per cent (Source: NFO-Infra-test, 2003), ranks among the best-known and most popular brands in Germany.

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