

## **“TRADE MARKS AND BRANDS”** **(W.I.P.O 11th December 2009)**

The Ferrero Company is rich in history and culture. It is a family business, now in its third generation of management.

The characteristics upon which it was built are still evident today: Italian creativity and product innovation, entrepreneurial spirit and social altruism.

Ferrero's roots are in the Piedmont region in northern Italy in the town of Alba, which is situated at the foot of the Langhe and at the intersection of the Cherasca and Tanaro rivers.

Alba has retained its medieval charm throughout the years, even during the occupation of WWII, when it was under the control of the Resistance.

A beautiful region with rolling hills and verdant land, the Langhe is famous for its natural resources that are used to make some of the finest culinary foods: wine vineyards, truffles and hazelnuts.

And it is for this reason that hazelnuts form the foundation for most Ferrero products today, because of their abundance, their high quality, delicious taste and fragrance.

The Company was officially chartered in 1946 by Pietro Ferrero, a confectioner with vision, entrepreneurial spirit and tenacity.

Assisted by his wife, Piera, and brother, Giovanni (sales and marketing), the triumverate turned a local pastisserie into a strong national business that captured the hearts of all Italians.

Ferrero rapidly expanded in Europe to become the leading European Chocolate Confectionery producer and the fourth worldwide (third after the acquisition of Cadbury by Kraft).

Ferrero's mission is to *reward* the consumer with a confectionery experience unlike any other.

Ferrero offers only products that are unique and of high quality and that result in an enjoyable eating experience because of their great taste, multiple textures, intriguing architecture and inviting wrapping.

But the pleasure goes beyond the physical. Ferrero products also feed the soul with a sense of magic and delight all the senses with their ritualistic consumption.

The name Ferrero is identified with enduring values: family, credibility and trust--characteristics which have remained integral to the Company throughout its history.

The Ferrero success story is due mainly to the strengths of its Brands, all leaders in their category: Ferrero Rocher, Nutella, Kinder Surprise, Kinder Bueno, Tic Tac.....

The Kinder brand is one of the Company's crown jewels.

It is ranked by Euromonitor 2008 as the number one global brand in the chocolate confectionery category, and this leadership has been achieved thanks to its wide portfolio (chocolate snacks, tablets, chocolate eggs, chilled snacks, baked cakes, and novelties) and to its geographical presence in more than 80 countries.

The success of Kinder, like for all Ferrero Brands, has one secret: the ability **to convert a TRADEMARK into a strong and powerful BRAND** that "sits in peoples' minds and has a strong attachment to their hearts"

Hence the title of the presentation: "**Trade Marks and Brands**".

Starting with the products themselves, all Ferrero products are characterized by unique features that make them very appreciated by consumers and difficult to be copied.

So to reinforce the ‘ownership’, the first step is to **choose a powerful and defensible Trade Mark**, for example, Ferrero Rocher, Nutella, Kinder.....

In order to **convert the Product/Trade Mark into a powerful Brand** it is essential to build all the elements of the marketing mix in a synergistic way: the packaging, shape, material and design, the consumer benefit and positioning, the distribution and pricing, the communication,.....

Here is an example. *Kinder Chocolate* is a really unique offering that has remained virtually unchanged since its launch in Germany in 1967. And importantly, it still is very relevant to consumers today.

*Kinder Chocolate* was created in response to greater awareness of health issues and the desire to provide better nutrition to children.

It’s a bar in small portions (for convenient portion control among smaller children) with a milk chocolate shell and an interior rich with milk in a creamy mousse form.

By definition, milk is a healthy and nourishing food, and the fact that *Kinder Chocolate* has “+ milk, - cocoa” mothers are reassured that the sweet they give their children has some relative nutritional value. And kids like it because it’s simply a delicious chocolate treat.

*Kinder Chocolate* has since its beginning a very powerful marketing mix:

- The product formulation: very simply--chocolate on the outside with milk on the inside. The chocolate delivers pleasure to children; the milk gives reassurance to mothers.
- **The Trade Mark:** would you call the first chocolate specifically created for Kids any else but “Kinder”?

- The packaging: *Kinder Chocolate* is packaged in boxes with 8 small chocolate bars, individually-wrapped in order to better protect the product and allow the portion control.
- The graphics design: features a photo of a healthy and happy child to capture the positioning and essence of the product.
- The colors: *white* representing the high milk content and *orange* for the goodness of chocolate.
- The TV communication: very clear in explaining the Brand benefits in a relevant and impactful way for the target.

Another successful brand example: Kinder Surprise, a unique offering satisfying childrens' wishes for a chocolate treat, a toy to play with, and a surprise.

*Kinder Surprise* was launched to satisfy two needs: an afternoon snack (milk chocolate egg with a milky lining) and a game (a surprise toy to build) to keep kids busy, to stimulate their imagination and develop their manual skills. Its popularity was immediately apparent. Ferrero had a huge hit.

Also in this case the role of **Trade Mark/Brand** had been essential: what else would you call a chocolate egg with a surprise inside other than "Kinder Surprise"?

Communication of its many benefits was a challenge. The first campaign for the brand, called "**Three Wishes**", was very simple and powerful: "*now you can give to your child a chocolate, a surprise and a toy all in one, with 100 different small toys every year.*"

Kinder Surprise has been appreciated by millions of children worldwide and over the years, and today it sells more than one billion eggs per year.

After the launch of Kinder Surprise, year after year, new products—“Trade Marks”-- have been converted into unique and powerful brands, for example: Kinder Bueno, Kinder Pingui, Kinder Delice, Kinder Maxi, etc.

Today Kinder is not only the top selling brand in chocolate confectionery, but it is also the preferred brand for European mothers in terms of trust , reassurance and the capacity to create joyful connections in the relationship between mothers and their children.

And Ferrero could not have achieved this success without **strong Trade Marks.....**

Giuseppe Brioni

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