

ANALYSIS OF THE MARKETING MIX OF A COMPANY



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OVERVIEW

“Kids and grown-ups love it so – the happy world of Haribo”

Who doesn't know this slogan ?

Hans Riegel was born in April 3rd, 1893, to Friesdorf near Bonn, from Peter and Agnes Riegel. At the end of his schooling, he makes a learning as confectioner and works in diverse workshops. In 1920, Hans Riegel sets up his own business and his own company. His capital of departure is constituted by a bag of sugar, by a marble plate, by a stool, by an oven, by a brass cauldron and by a roller. It is in the small laundry of backyard that is born what will become one of the biggest companies of candy of the world.

This report is going to discuss the key elements of the marketing strategy of Haribo. Thus, after a brief back about the key dates in the construction of this empire, we will address the four elements of the marketing mix of the business including :

- How Haribo is worldwide recognized with its brand and its products, and how it remains the leader on the confectionery market thanks to innovation and quality,
- Which is the pricing strategy of Haribo with the factors of the company and the factors of the confectionery market,
- In which network distribution Haribo's products are sold and
- How Haribo manage to reach all its target with its numerous advertising campaigns.



1. Company History / Background

1920 Creation of the German brand Haribo which takes its name from its inventor and his hometown of Bonn : **H**Ans **R**iegel **B**onn.

1922 :The first product to great success, the Golden bear, is marketed by Haribo.



1925 :The second famous product which is launched by Haribo is the liquorice.

1934 :Haribo is one foot abroad with an acquisition of holdings with a capital of a Danish manufacturer of licorice.



1939 : With the beginning of the war, production decreases. In addition, Hans Riegel died in 1945. Waiting the return of her son's forehead, his wife, Gertrud Riegel, took over the reins.

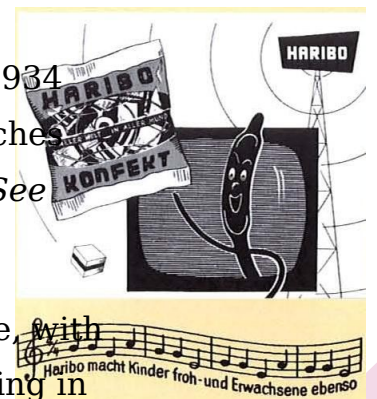
1945 : Death of the inventor of the brand : Hans Riegel and recovery

Hans Riegel of the brand by his two sons, Hans and Paul.

1946 :Since their arrival at the head of the company, the two sons of Hans Riegel haven't left over the direction of Haribo. Hans Junior is the head of management, new product development and marketing. ~~Responsible~~ Responsible for technical aspects. After the war, production resumed with difficulty, the raw materials are still missing.

1962:The company, which added the slogan created in 1934 « Haribo makes children happy », « and adults too » launches into television advertising. An innovation for this time. (See

Appendix 1 : *Haribo's slogans in all languages*)



1967: Haribo continues its expansion in France this time, with the acquisition of the "Lorette" family business specializing in the manufacture of confectionery licorice.



1985 : Acquisition of Vittel society, of Ricqlès Zan. The merger of the two will born in 1987 and will be called Haribo France Ricqlès Zan.

1971: The company goes out of its traditional business with the acquisition of a manufacturer of gingerbread Baren Schmidt, allowing Haribo to appear on the gingerbread market.

1972 : The growth continues with acquisitions and mergers, and Haribo resumed 70% of the British brand Dunhill.

1988 : Haribo continues to expand abroad with Austria, Spain, Belgium, Ireland and Hungary.

1990: The fall of the Berlin Wall mark a milestone for the company to West Germany : 20 million potential new customers willing to buy products from the West. Thus, Haribo bought the company Wesa.

1999 : Nearly 70 years after its birth, the company still controls the market : it accounts for more than 50% market fruit gummies.

2000 : At 76, Hans Riegel has no plans to release the reins of the company. Childless, he should step down in three years and pass the reins to the three sons of his brother, Paul, all assets within Haribo.



For more information, discover the history of a century of candy confectionery at Uzes Museum, dating from 1996. Museum of 1800m², now approaching the 300,000 annual visitors, it traces the history of confectionery.



2. Market Segmentation & Targeting

The target is a policy choice of people and products on which to focus efforts of the company. It's important to know that the offer is different depending on the target.

Haribo sweets are consumed by children but by adults as well. That's why there are four main targets :

- **Children (4 to 14 years)**

Children are the heart of target of Haribo.

Confectionery for children represents a multitude of bright colors, flavors extreme associations of taste and texture. Formatting candy, colors, texture and taste appealing to attract smaller. (Ex : candy shaped teddy)



For the child, the candy is synonymous with feeling, sharing, transgression, secret, freedom, power, comfort and culture.

For them, this purchase is also an element of socialization because the sweets are the first purchase made by children alone.

Faced with this customers few faithful and fond of novelties, we can assist to a permanent renewal of the range : launch of lipstick taste sweet, line of clothing and shoes...



● **Teenagers (14 to 18 years)**

Experienced as a moment of greed, many are the teenagers who eat sweets. Moreover, it is from this age that people start to become brand loyal. Therefore, Haribo has also decided to concentrate its efforts on this target.

● **Adults (more than 18 years)**

From this target follow two other :

- *Young adults adultes (19 to 24 years)*
- *Parents (25 to 49 years).*

Confectionery for adults must identify profits « welfare » and « health » : fresh, white teeth, no sugar... Their concerns for hygiene and healthy diets are taken into account.

The adult market is less subject to the law of product innovation : this type of customer research essentially the concepts quality, well-being and health (ie : white teeth, low sugar content, nutritional balance).

But a return to childhood is possible thanks to Haribo by buying a packet of chocolate teddy bear for example; adults can find the sweet scent of their childhood.



● **Family**

A package suitable for any festive event including : family packs, multi-packs, piece goods answering to the need of snacking-related with group or family outings.

Special packaging for the target :

As we have seen previously, Haribo sweets are aimed at different target type. That's why Haribo try to adapt its packaging of its products regarding its target.

We can identify four packages :

- Family packs : ideal for birthday parties or parties with with friends.
- The mini bags and the small confectionary bag that meets the trend of “snacking” and anti stress behavior of the adult target, practical because you can take it everywhere with you, even at work.
- The multi-packs : to match the target adult and the target children with a mix of sweets.
- Items one by one, allowing you to choose according to your preferences.



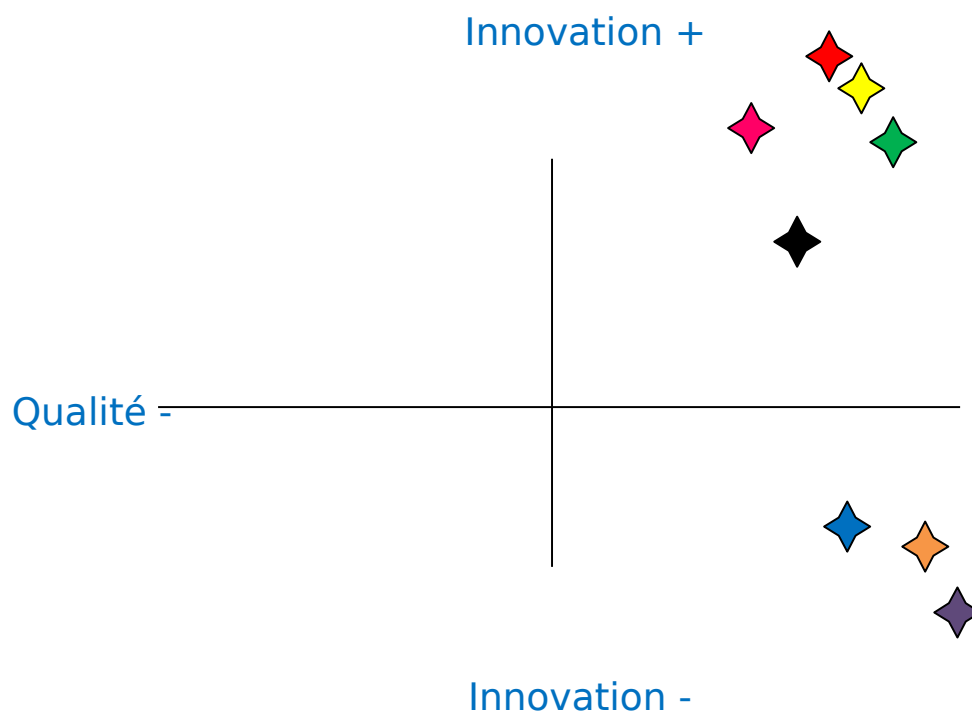
3. Market Positioning

Haribo has chosen a high sales price, higher than the average. Thus, the company uses a skimming strategy, that's to say it is placed on a high end positioning. It's a strategy of differentiation by the high end.









To manage to develop itself on a market where competition is fierce, Haribo has deployed a strategy of differentiation and therefore must constantly innovate by creating new products to remain the favorite brand of the consumers. Due to the acquisition of a many patents, Haribo is the father of a lot of innovations in the world of confectionery: this strategy of differentiation, immediately followed by competitors, gives a unique advantage to Haribo and obliges competitors to invest a lot of money to follow the company.

To illustrate this speech, I decided to establish a pattern as an interpretation of the analysis of Haribo positioning against its competitors.

Namely, two elements are very important when choosing a position on the market where is Haribo. This is the degree of innovation and quality degree of the products and services offered by the various stakeholders.



Légend :

			
Wrigley		Haribo	Kraft Foods
			
Cémoi		Lamy Lutti	Chupa Chups
		Nestlé	
Ferrero			

Thanks to this pattern, we can see that Haribo is leader regarding innovation side. Thus, he has a higher place than all of its competitors. However, he is closely followed by Lamy Lutti, its main competitor in the market.

Among its follower's competitors on the market, we can find Nestlé, Kraft Foods and Chupa Chups. Finally, we can observe brands such as Ferrero, Cémoi and Wrigley which challenge Haribo concerning quality despite their low level of innovation.

Finally, it's important to notice the innovative policy of Haribo regarding tool production : several millions per year are invested in production facilities. Quality charter on each machine, team autonomy, profit sharing, 35 hours paid like 39 hours...



PRODUCT

a) New product development

As mentioned above, the success of Haribo is mainly due to its active policy of innovation and product quality.

For over 20 years, it's Haribo which launch, in each product family, the reference which becomes the "standard" of the market. Tagada strawberry, Marshmallows... didn't exist before Haribo.

Haribo candy is fashionable, so it responds to new needs (adapted packaging, multivitamin recipes...) and new patterns of consumption (individual, family or social). The company must constantly innovate.

Riegel brothers show on marketing plan creativity uncommon in the profession. At every international exhibition of confectionery, Haribo brings thirty news : new flavors, new shapes, ne textures...



Today, the range Haribo includes 300 references continuously tested by marketing teams. In Haribo Company, we don't do any market research. Hans Riegel trusts his own taste, his instinct and is inspired by the news. Over time, a lot of candies are created by Haribo; thus, we can see sweets with shape of Maya the Bee and other fashion dinosaurs.



In terms of new, more recently, we can cite the bag Asterix, the red Orangina bottles and Tonic (Schweppes), the pink Tagada or Maoam, a dye-free candy flavored cherry, strawberry, raspberry, orange and lemon.

Tagada pink





Haribo's sheets

Recognized as the favorite brand of 6-13 years, Haribo has developed an extensive program of licensing.

By the end of 1999, the company was associated with bedding Blatt and Alpac items for breakfast and lunch.

In 2001, Haribo has launched a lipstick with a taste of candy very popular with children.

The brand also attract the clothing, as shown in the collection of Haribo shoes, boots and sneakers manufactured by Humeau Beaupréau, a collection gay and adapted to children.



Similarly, the company New Guillot offers clothing declined in the bold colors of Haribo : blue, red, yellow... This is a collection of tracksuits, jackets, not forgetting the unique Hariboy's dress : red overalls and yellow tee-shirt. For girls, the line Miss Tagada includes dresses in soft colors.

Finally, the company doesn't hesitate to venture into new fields. It granted an exclusive license to commercialize Senoble yogurt flavored with Tagada strawberry and Hari Croco.



b) Branding & Brand strategy

Branding

Haribo is primarily an iconic and compelling character : Hariboy, with his red overalls and his yellow shirt. When we speak of the brand Haribo, we think directly to that character. The colors used, red and yellow, represent sun and love, so, by extension, life and joy.



Hariboy

The brand name rings true and strong, it is easy to remember it in all languages with only 6 letters and 3 simple syllables.

The slogan, which includes both children and adults : “Haribo makes children happy, and adults too” has a very recognizable song. The musical notes are communicative and recognizable in an instant.

What’s more, Haribo makes advertising partnership actions to sensitize the target family, but also organizes evening discos to educate teens and young adults.

The brand carries a lot of operations including sponsorship in the festival and sport but also equities sponsorship of various TV programs are settled to try to reach all segments of the population.

Finally, the brand Haribo has a very strong reputation, as evidenced by this fact : Haribo is the first brand of candy in the minds of consumers. 96% of respondents to a brand of candy will first say Haribo.

Haribo success is mainly due to the proven quality of its products. Products such as strawberry, crocodiles and cokes are copied, but consumers recognize the difference, the texture is not the same.

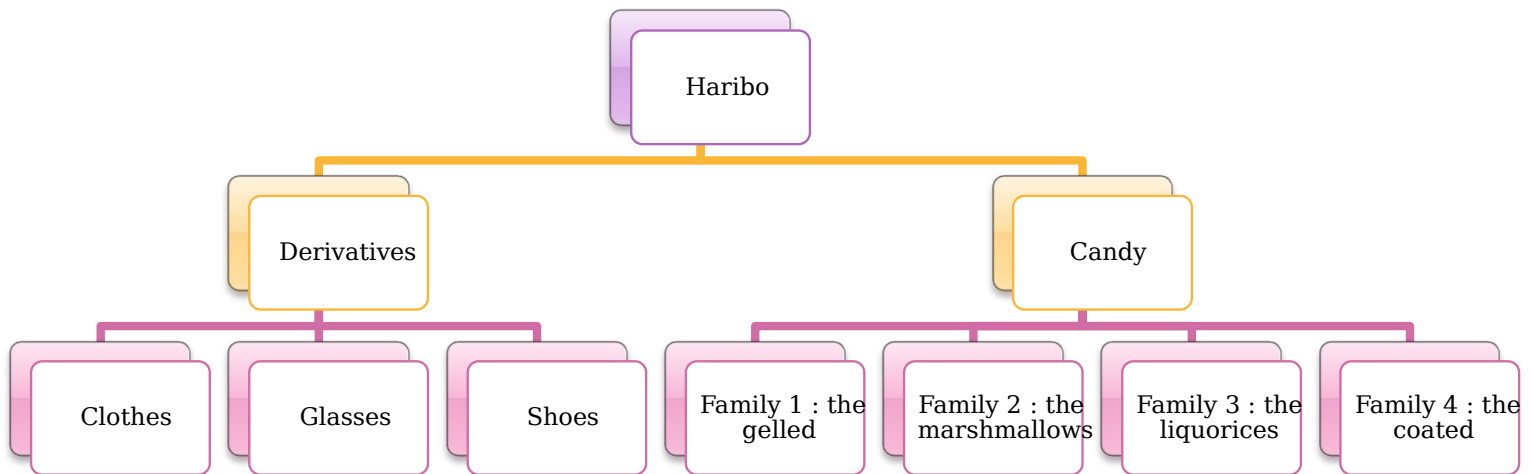
Haribo is the industry standard because the company is particularly vigilant about the quality of its components, which guarantees stability and product preservation;



aging tests and resistance to temperature and humidity are conducted regularly to monitor products and always make sure that they are of excellent quality.

 **Brand strategy**

Haribo is what is called an “umbrella brand”, that’s to say a single brand used for different products, so as to receive these products from the reputation and image of the umbrella brand.



Regarding the candies, Haribo offers four families that are essential for the whole family :

● **The gelled**

They are leading the market; they are the most consumed before the boiled sugars and chewing gums. They have all shapes and colors; the most famous one is the Golden Bear, the Hari Croco and the Happy Cola.



Hari Croco





Tagada strawberry

- The marshmallows

Including Tagada strawberry and marshmallows are best sellers in the world.

- The liquorices

There are four kinds of liquorice : the *flexible liquorice* (meters rolled Zigoto, Twisted), the *hard liquorice* (Zan bread Zan), the *liquorice casting* (Mouse, Head negro) ; the *liquorice filled* (Cocobat, Haribat).



Cocobat



Dragibus

- The coated

They have an ever increasingly important market : it contains the Cracks (with a sparkling powder inside), the Starmint and the famous little balls in colors : Dragibus.



From there, there are four branding strategies:

		Product category	
		Existing	New
Brand name	Existing	Line extension	Brand extension
	New	Multibrands	New brands

Thanks to this table, we can see that Haribo is found in two cases:

- Regarding the introduction of new sweets products, it's in the "*line extension*" situation and,
- Regarding the launch of derivatives products, it's in the "*brand extension*" situation.

● **Line extension (for new candy)**

The company will introduce new products variants under the brand name Haribo. The danger of cannibalization is real and the marketing manager must consider whether the extension of the range leads to additional sales volume or a redistribution of revenue.

● **Brand extension (for derivatives products)**

The company will launch a new product line under the same existing brand name. The attractiveness of the new range is enhanced by the existence of the original brand, launch costs are lower and the risk taken by the consumer is reduced.



However, the product launched may disappoint, the choice of brand new product to be unsuitable.

Any strategy of brand extension requires prior to verify, under penalty of danger of diluting the brand, the evocations attached to the brand and new products are compatible.

The problem of the brand extension strategy is determining how far the brand can extend itself without devaluing the brand or without losing customers.

The interest is to devote resources to marketing and communication about a unique brand rather than several.



PRICING : Internal & External factors

a) Internal factors

In 1991, Haribo is implementing a European policy of harmonization on communication and packaging, but also on price. With its notoriety, Haribo has no more necessity to spend a lot of money to be placed at the checkout. This economy affects sales prices.

The company announces that it will practice net prices: finished invoice discounts, participation in marketing costs and rebates for being in checkout. A new way to approach the supermarkets with a single rate applied to all distributors.

Thus, the conditions of sale change: the difference is noticed on the purchase volume. Discounts are granted depending on the quantities ordered. In exchange, Haribo then provides to the entire distribution lower prices between 10 and 15%.

Costs are tight and productivity driven up production to achieve lower prices.

Today this pricing policy is still valid. Faced with these new directives, referrals have all been maintained. Now, based on the weight, Haribo products are cheaper than private brands. A policy that does not please everyone...

Thus, if the Tagada strawberries and other Hari Croco still adorn the shelves of supermarkets, Haribo still not be referenced in most stores Intermarché, which can be an obstacle to the brand now worldwide known.



b) External factor

To list the different prices that are practiced on the candy market, I decided to make a table with main competitors and Haribo itself, to finish by establishing a comparison.

Name	Packaging	Price	Taste	Picture
Fresh milk caramel lollipop (Pierrot Gourmand)	Pack of 12 lollipops	3,00 €	Flat lollipop caramel with fresh milk	
Lollipop (Lollie)	Box with 40 lollipops	5,60 €	Fantasy lollipop not wrapped in pastel colors and sweet taste	
Lion (Nestlé)	Box with 24 chocolate bars of 45g.	13,50 €	Chocolate biscuit caramel	
Tic Tac Lime and Orange (Ferrero)	Pockets of 6 packs	5,10 €	Lozenges taste lime and orange.	
Harlequin (Lamy Lutti)	Bulk bag of 500G	4,07 €	A carnival of tastes sour fruit	



Kinder Bueno (Ferrero)	Single	1.20€	Thin wafers coated with milk chocolate, filled ground hazelnuts and milk.	
Smarties (Nestlé)	Pack with 6 rolls	4.40€	The lozenges are seeing that in all colors: chocolate taste	
Tagada strawberry (Haribo)	pocket of 120G	1,50 €	Marshmallow flavored strawberry	
Dragibus (Haribo)	Pocket of 120g.	1,10 €	Sugar- coated confection flavored fruit.	

Thanks to this table, we can easily see that the prices applied in the confectionery world are quite high.

Thus, Haribo manages to stand out with ever lower prices than its competitors.



DISTRIBUTION STRATEGY

Regarding the confectionery market, there are many distribution networks.

Regarding Haribo, the brand made a mass distribution by being present on all the distribution channels. Its only weakness is to be absent in all “Intermarché”. Similarly, the company now faces the hard discounters. Aldi has decided to terminate all contracts with major brands such as Haribo and replace them with its own brands.

Haribo, which represents over 50% market share of fruit gummies enjoying a balanced presence in all the distribution channels : hypermarkets, supermarkets and retailers.

The Haribo brand is present in the world where it operates its plants and its subsidiaries (see section about international marketing).

On the logistic side, Haribo France has two platforms (one in Marseille, the other in Uzès) and each one possesses a cell controller that allows customers to have a rapid reassortment.

The distribution strategy follows two modes of distribution :

- **The traditional channel**

There are wholesalers who then distribute the products to tobacco, bakeries, petrol stations... The company voluntarily retains much of its sales in the traditional circuit.

- **The short circuit**

There are GMS. Haribo brand is qualified as a brand of distributors. Indeed, with its four product line and leading references, Haribo ensures the distributors a high turnover on shelves.



The company proposes to the distributors some displays, merchandising software or decorating kits to ensure the advertising on the sale place and the animation of the radius in the various marketing channels.



Finally, to boost the sales, Haribo set up throughout the year special offers, direct premium, contests...

The commercials from Haribo have an imperative; they must reference the basic products that can generate a large turnover. They must also insist on new products carrying hopes (like the "Tagada Pink" recently launched). To implement these new products in supermarkets, Haribo has an advantage : experience and results gained in the traditional circuit.



PROMOTION: Advertising

You should know that Haribo is the first advertiser in the sector of the confectionery.

The name Haribo rings true and strong. It's easy to remember it in all languages, with just three syllables which gave the brand an international reputation. In addition, some notes of music and the family message have made the slogan "Haribo makes children happy, and adults too" spot advertising indestructible.

The recognition rate assisted for the 15-34 age group is 98%, and the recognition rate among children under 24 years is 64%.

Haribo regularly puts up operations to promote its products, including through partnerships and sponsorship. Haribo also produces massive advertising campaigns focused on a single brand by using a very large number of communication media and other.

a) Communication media

Haribo's website

The historical website of the brand, platform on which fans can find information about candy product, the presentation of news, any news Haribo, the history of the brand, the group's news, entertainment dedicated to Maoam, information about the museum, the Club, etc...

Haribo also developed a whole universe of games that children play with their favorite candies and a planet "teens".



Tv campaigns

Haribo sponsoring different types of TV programs allowing them to reach any segment of the population. It is present in variety shows, TV games, TV programs, sports and entertainment.

In 2008, Haribo expands its target and will try to touch first the mothers, adolescents and young adults, in addition to its historical target.

The budget for TV advertising is multiplied by two for tremendous efficiency. TV spots will be broadcast mainly in prime time and in access prime time, to significantly increase the visibility of the campaign.

A diffusion wave is scheduled, that is to say in spring, summer, in the start of academic year and for Halloween.



2010 TV advertising campaign

Display

In France, at all, a national large scale was initiated : 15 000 faces of Decaux bus were used to present to all the French people the news which were approved by the Ministry as official candies for successful parties.

Advantages of the display :

- A cover of cities with more than 200 000 people, mostly in city centers.
- Very good performance on the housewives target.
- A network 100% illuminated for a better visibility.

(See **Appendix 2** : Haribo's print ads)



Display advertising campaign for Dragibus



Radio

Haribo's messages are disseminated for all the key moment of the year and reveal to the public the Haribo's news (news, products...) and all promotional plans. Five waves of spots of the Ministry are aired in prime time to relay the NRJ events. In January for the NRJ Music Awards, in March, June and November for the NRJ Music Tour and in August for the concert NRJ Back to School.

These five waves will break down each time in three stages :

- A high-profile music event sponsored by Haribo
- A contest supported by the Ministry of Party to win prizes with a relay on the NRJ website, site visited monthly by more than 4 million users
- A campaign a hundred spots to promote new products or support the promotion of the moment.



To conclude this part, this is the advantages of the communication by media:

- *Reach mass audiences*
- *Efficiency to promote the brand*
- *Rapid effect on the reputation and sales*
- *Communication controlled by the company: message fully respected by the media*
- *Impress the various distributors*



b) The other ways of communication

Sponsoring



The brand carries many sponsoring operations (Roller Tour 2002, Tour de France, 2002 World Championships of freestyle, Olympics Games in Salt Lake City...)



Haribo has chosen two priority axes of communication : party and sport.

The main theme which remains the basis for the communication of Haribo is the party. Traditional festivals such as Carnival, Easter, holidays, Halloween, or Christmas themes are used and retains by Haribo's distribution partners.

The second theme chosen by Haribo is the sport. The festival of sport which, besides providing a real closeness to consumers, now enables the group to give legitimacy to the political struggle for the health young people.

The goal number one of the company's investment in sport is to reinforce the positive image of sweets in the diet, with the slogan "Haribo, the energy of the victors".

Associate the image and values of sports products to the sweets in the range of Haribo is truly a strategic choice to communicate with a large audience. This works well as the distributors of the products Haribo and consumers always associate the image of the company in Olympic sporting events. Indeed, Haribo is cited among the top three brands recognized by the French as a sponsor of the Olympic Games.



Advertising partnership

Haribo makes advertising partnership actions, such as the Club Med, Parc Asterix, Orangina, educative software Adibou, or Mc Donalds. The partnership allows the brand to raise the target family. Other actions of an educative character are settles to pediatricians, childcare, schools and families. The last operation of cross-promotion was for the launch of the limited edition Tino Haribo of Nissan, in 2002, which is a compact family monospace with many convenient facilities for children.

Haribo museum

The candy museum opened its doors in 1996 at Uzès, in the south of France, and always delights both the young and old lovers of sweets.

Behind the doors of the museum are hidden the treasures of information and goodies, to discover without moderation!

Show, explain, make understandable the complexity of the manufacture of candy, this is the objective of this magical place.

Taken to the heart of the story of candy, you can explore family saga from the creators of the famous brand, while admiring posters and old boxes, first witnesses of the advertisement and the evolution of the packaging.

During the visit, videos, touch screens, machines configured specifically for the museum or treasure hunt for youngsters are all interactive tools to learn while having fun.



Promotional activities

Haribo also carries out promotional activities related to current events, like the “Soccer Day” for the 2002 World Cup, or “Halloween”.

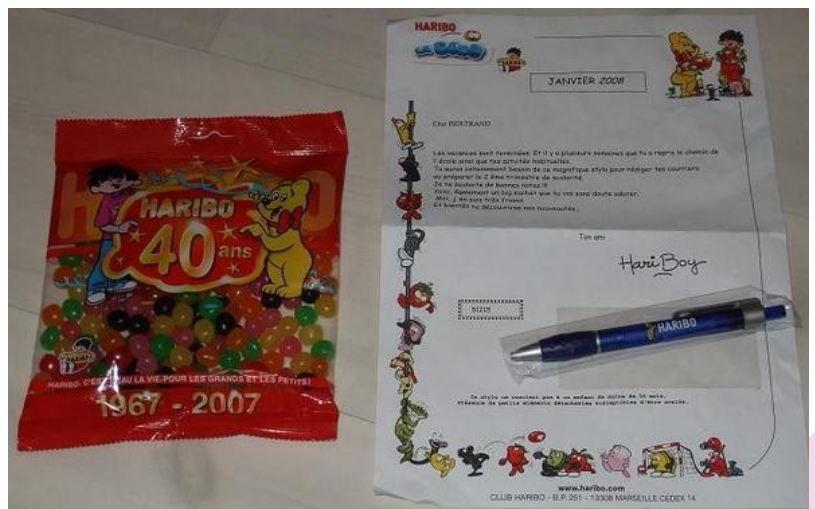
The company enjoys Halloween for proposing a special offer : a multipack bag of 12kg with specific shapes (of Dragibus black and orange, jelly-like ghosts and witches...), accompanied by a scary gadget.

A strategic operation for the company, because beyond the commercial performance, Halloween is an opportunity to seek new targets. Indeed, Haribo products usually turn to ages 7-11. But by organizing 300 parties in nightclubs on this theme, the brand affects older teenagers and young adults. Night clubs participating, the company sells a complete kit that includes special candy, costumes, make-up and decoration.



Haribo club

In terms of promotion for the public and stimulation of professionals, Haribo is very active. Thus, there is the Haribo Club. This is a club paying club that has yet more than 7000 members. Magazine, mailings and gifts, the Haribo club takes care of its fans.



Ha ! Magazine

For retail professionals, the Haribo club services and Ha! magazine inform them about new products, new presentations, trade shows... In addition, Haribo implements operations for distributor loyalty, for example with Haribo bingo gold to win shopping vouchers credited to the jewelry catalog Maty.

Through its films and TV ads, its radio spots, press announcements, its poster campaigns, its sponsorship activities and numerous promotions, Haribo makes a very active support of its sales throughout the year.

The brand develops a lot the communication of its candy in order to reach as many people as possible and present its new products as quickly as possible. Communication is one of the most appropriate pillars of its strategy.

Haribo neglects no means of communication to promote its products to the general public and uses the most expensive as television, radio, always with the goal to reach as many people as possible. So, the brand has a large budget in communication area.



4. International Marketing

Believing that to conquer a new market, it's essential to establish itself on it, Haribo is fast becoming an international affair. The strength of Haribo's group is undoubtedly its ability to innovate, to implant and its European dimension.

Major efforts will be made to relocate abroad. (See Appendix 3 : Historic of the Haribo's development abroad)

Major efforts will then be made to relocate abroad.

It has 16 plants in Europe including :

- 5 in Germany (Bonn, Solingen, Neuss, Mainbernheim, Wilkauhasslau)
- 3 in France (Marseille, Uzès, Wattrelos)
- 2 in Spain (Girona and Alicante)
- 1 in Denmark (Fax)
- 1 in Great Britain (Pontefract)
- 1 in Ireland (Dublin)
- 1 in Austria (Linz)
- 1 in Holland (Hoogezand)
- 1 in Turkey (Istanbul)
- Some subsidiaries in Finland, Norway, Sweden, Italy, USA, Czech Republic...



Haribo in Europe

Today, Haribo is present not only throughout Europe but also in the world, exports in 83 countries worldwide and employs some 6000 people. European factories producing for the domestic market and also to neighboring countries.

Austria supplies such as Slovenia, Poland, Switzerland, and Czech Republic. The Spanish plants are supplying Portugal and Latin America. South Africa, Canada and Australia are provided by England.

As for France, its exports are mainly Mediterranean (Italy, Lebanon, Egypt, Morocco, Tunisia, Algeria...)



Consequence of all these locations? Haribo is a leader in Europe. Indeed, with its European productions and its distribution organization in various markets where the company is present, it realized a consolidated turnover of over one billion euros (in 2006)

The company has a strong cash flow which has proved a real strength. Indeed, Haribo has financed its growth without foreign aid, protected from bank, and thus remain the property of the founding family, which makes the brand the undisputed leader in the sale of jelly confectionery in Europe (350 000 tons per year). In addition, Haribo has bought a number of its competitors, including Ricqlès.

Through this European concentration, Haribo find undoubtedly benefits which can be translated in terms of costs and opportunities. We can distinguish the productivity gains, which show economies of scale and gains of negotiation power, related to a phenomenon of domination.

Indeed, the company owns several plants in Europe, which reduces firstly costs for labor and logistics secondly since it distributes to neighboring countries (small distance) the production. In addition, it keeps a high profile and brand image as it remains on the European territory and away from off shoring in Asia, for example, often damaging the image of a company.

Haribo wishes, through its offices, strengthen its leadership in Europe, where its offer represents almost 350 000 tons, expand and improve its offering in the United States and in Eastern Europe.



Conclusion & Recommendations

Despite the presence of major players, the confectionery market is still occupied by aggressive players such as brand of distributors or hard discount. In addition, with the slowdown in consumption of sweets and speeches anti-obesity, the market shows a net income decrease in 2005. Only the segment of the chewing gum doesn't follow the trend. We are also seeing a significant drop in prices in this sector which is representing by promotional offers and recurrent falling prices per kilo. The players must then make every effort to enhance their offerings and not be overtaken.

Haribo has very well integrated this absolute necessity of differentiation. Indeed, it is the only one to grow in 2005 on the bags, betting on innovation and communication. However, competition is still fierce between Wrigley, Cadbury and the king of little pocket candy Solinest which represents nearly 65% market share in this sector.

As for Haribo, it is the first confectionery brand in the minds of consumers in aided or spontaneous notoriety. Because of this high notoriety, it was able to distinguish itself from its competitors and remain its leading position in the confectionery market both nationally and internationally. Indeed, Haribo has become an international affair thanks to its presence in the European and overseas countries. It's the leader in Europe.

For several years, the company was more or less the only manufacturer of candy, but today, many companies try to penetrate this segment. Haribo preserves despite their efforts its leading position.

Haribo has established itself as a reference point on the candy market with essential products such as bears, Tagada strawberry or Dragibus.

But the brand strategy does not stop there. The brand actually deploys an important marketing plan throughout 2005 with a massive communication in press, radio, sponsoring of sporting events...



With a consolidated turnover of over one billion euros, which remains the property of the family, we can wonder how the family management, adopted by Haribo, which represents the strength of the company, will spend the obstacle to the transfer of power. Does its problems of succession threaten the group ?

Haribo is the leader on the confectionery world, so there are not many recommendations to do...

The brand has to remain vigilant to always innovate to surprise its customers. However, it has to be careful not to be spread out and remain in the production of candy, because for the moment, its derivatives products are quite distant from the basic Haribo world. I think too much ranges of different products can harm the brand.

Haribo should always try to be sold in all distribution channels and should try as much as possible to keep its pricing policy, even if it must to make war with the distributors brands and the hard discount.

In pursuing its strategy of internationalization, the company could develop its notoriety and establish itself in areas where it is not yet present or not well represented. These areas are located in Eastern Europe, North America, Australia, New Zealand and Japan.

In the same vein as the Haribo Museum at Uzes, the brand could develop parallel activities with still a link with its starting activity. In markets where the brand enjoys a high reputation as French and German markets, it could engage in the creation of parks Haribo. These parks would represent the universe of Haribo featuring famous products of the brand, with rides shaped candy for example. This strategy would help to maintain its reputation; it would target children, teenagers or young adults. In the case of the children target, it would represent an investment for the future as these parks would ensure the sustainability of the reputation and positive image of the brand.

Need I say more ? Haribo is the best, it is !



Appendix

1. Appendix 1 - Haribo's slogan in all languages

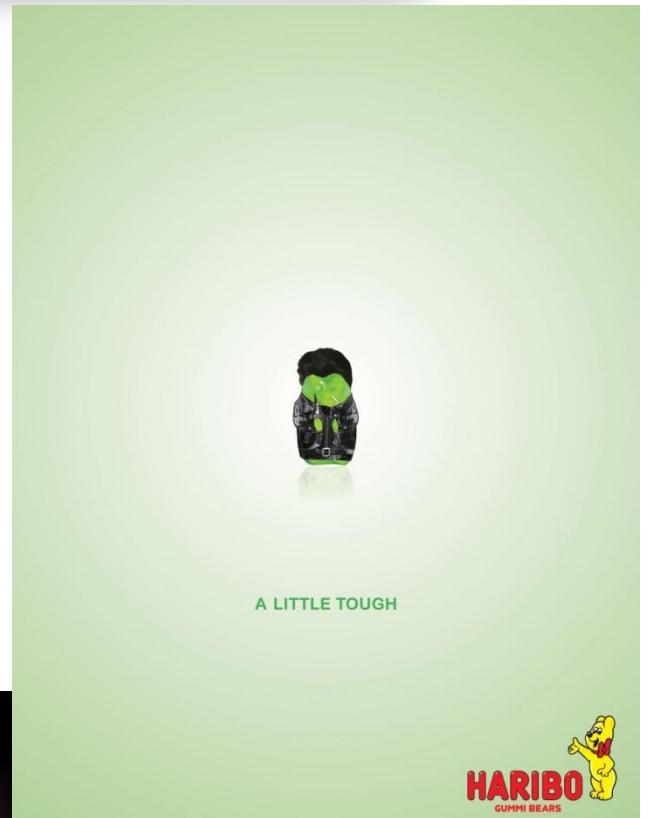
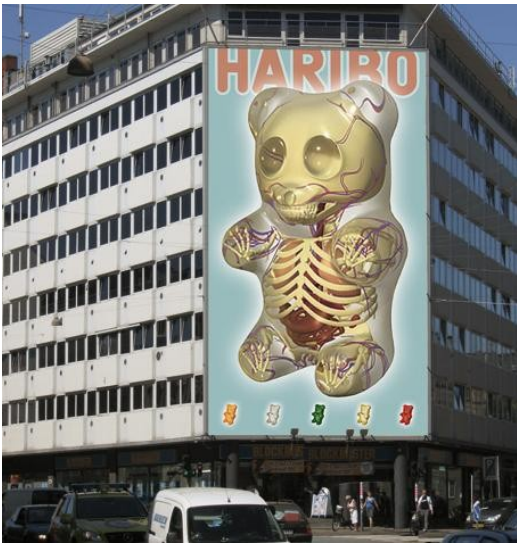
Language	Slogan	English translation
Bulgarian	<i>С Харибо сме радостни, Харибо обичаме</i> (S Haribo sme radostni, Haribo obichame)	With Haribo we are happy, Haribo we love
Czech	<i>Haribo chutná malým, stejně tak i dospělým</i>	Haribo tastes good to children, and also to adults
Danish	<i>Haribo... den er go'</i> (old: <i>Luk op for noget godt, luk op for Haribo</i> <i>den er go'</i>)	Haribo... it's good (Open up for something good, open up for Haribo - it's good)
Dutch	<i>The happy world of Haribo</i> (old: <i>Haribo maakt kinderen blij - volwassenen horen ook daarbij</i>)	(Haribo makes children happy - and that includes grown-ups)
English	<i>Kids and grown-ups love it so - the happy world of Haribo</i>	
Estonian	<i>Haribo teeb lapsed rõõmsaks, isad, emad rõõmsaks</i>	Haribo makes children happy, fathers, mothers jolly
Finnish	<i>Kids and grown-ups love it so - the happy world of Haribo</i>	
French	<i>Haribo, c'est beau la vie - pour les grands et les petits</i>	Haribo, life's beautiful - for grown-ups and little ones
German	<i>Haribo macht Kinder froh - und Erwachsene ebenso</i>	<i>Haribo makes children happy - and adults too</i>

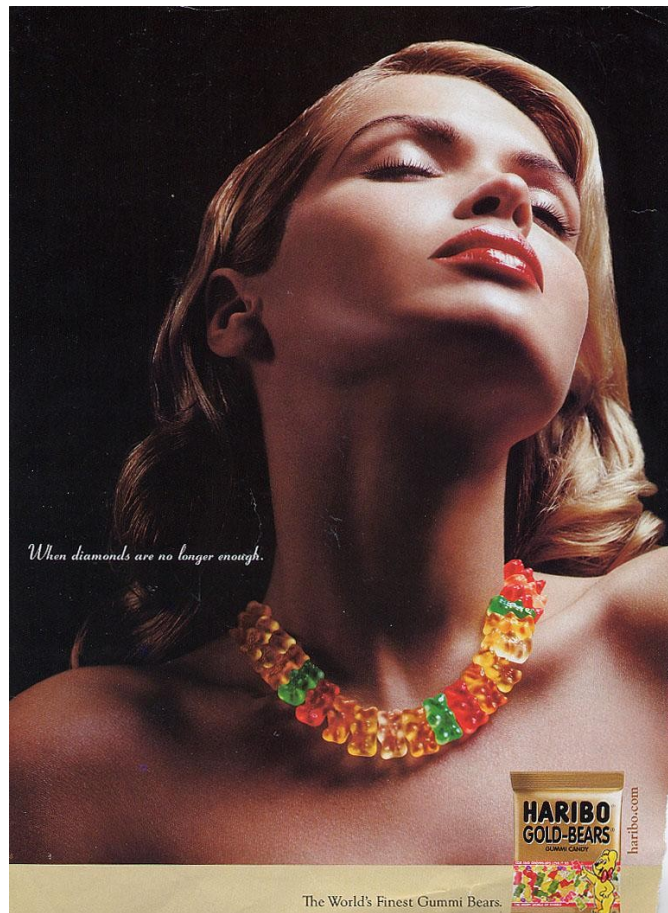


Greek	<i>Haribo δίδει χαρά - σε μεγάλους και παιδιά</i>	Haribo gives happiness - to adults and children
Hungarian	<i>Gyermek felnőtt kedve jó - édes élet Haribo</i>	Kids and grown-ups are in a good mood - sweet is life Haribo
Italian	<i>Haribo è la bontà - che si gusta ad ogni età</i>	Haribo is the goodness - you can enjoy at any age
Norwegian	<i>Haribo... den er go'</i>	Haribo... it's good
Polish	<i>Haribo smak radości</i>	Haribo The taste of joy
Portuguese	<i>Haribo doces sabores - para os pequenos e maiores</i>	Haribo sweet flavours - for young and old
Russian	<i>Детям, взрослым повезло - радость дарит Харибо (Detyam, vzroslym povezlo - radost darit Haribo)</i>	Kids, adults are lucky - happiness is given by Haribo
Slovak	<i>Haribo chutí malým, rovnako i dospelým</i>	Haribo tastes good to little ones, and to adults as well
Slovene	<i>Haribo za otroke bo, in odrasle prav tako</i>	Haribo will be for children, and adults too
Spanish	<i>Haribo, dulces sabores - para pequeños y mayores or Vive un sabor mágico - ven al mundo Haribo</i>	Haribo, sweet flavours - for young and old Live a magical flavour - come to the Haribo world
Swedish	<i>Haribo det smakar bäst - Det gör livet till en fest</i>	Haribo taste the best - it makes life a party
Turkish	<i>Çocuk ya da büyük ol, Haribo'yla mutlu ol</i>	(Be) Young or old, be happy with Haribo
Croatian	<i>Haribo veseli sve, velike i malene</i>	Haribo makes everyone happy, grown-ups and little kids



2. Appendix 2 - Haribo's print ads





When diamonds are no longer enough.

The World's Finest Gummi Bears.

SWEET ESCALATOR

BRIEFING:
The brand name HARIBO ROTELLA is to be reinforced and the cult status of the licorice fruit wheel is to be developed and extended.

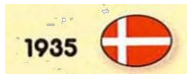
IDEA:
The two handrails of an escalator look like enormous strings of licorice that end up in an over-dimensional licorice fruit wheel. The wheels turn and roll up the strings of licorice.

RESULT:
Regardless of whether you are a child or a grown-up, the experience with the rolling licorice fruit wheel puts a smile on everyone's face. And soon HARIBO ROTELLA is on everyone's lips.





3. Appendix 3 - Historic of Haribo's development abroa



By the late 20's, Haribo establishes its first business relations with foreign countries by establishing contacts with Christian and Ekhof Hansen, which melt with Hans Riegel the "Haribo LAKRIDS A/S KOPENHAGEN" in 1935.

1957

Haribo takes over the company "Kleugten & Meier" of Golderberg, the first employer of its founder Hans Riegel. Its fruity gummy candy is distributed under the brand name "Monarch".



Haribo takes over the "Bonera Industry in Handelsmaatschappij N.V" in Breda, Netherlands, which takes the name of "Haribo Nederland B.V".



Haribo acquired shares in the French confectionery factory "Loreto", renamed "Haribo France S.A". The company headquarters are in Marseille. In 1985, Haribo acquires "Ricqles Zan", also located in the south of France. In 1987, the merger of two companies creates a new company : "HARIBO-RICQLES ZAN". Production takes place in Marseille and Uzès. It's from these cities that are delivered France and other markets in southern Europe.

1968

Haribo acquires shares of the Solingen's society "Dr. Hillers AG". It will buy the rest of the shares in 1979.

1971

Haribo becomes the major shareholder of the Franconie's traditional company "Bären-Schmidt", producer of gingerbread hearts, of "dominosteine" and other German traditional biscuits.



Haribo buys share of the "Dunhills" society in England (Pontefract). This company, rich of traditions, makes among other things a regional specialty, the "Pontefract Cakes". In 1994, the company becomes the property of Haribo in totality.



Haribo sets in Sweden a distribution organization which is located in Helsingborg.



Haribo sets a distribution organization in Austria. Austria will be one of its producer countries after the repurchase of the society "Panuli Bonbon Ges.m.b.H" in 1988.





Haribo crosses the Atlantic. The headquarters of the new production company is based in Baltimore, in Maryland's state.



Haribo buys the society "Stella", at Wattrelos (in the vicinity of Lille), in France.

1986

Haribo buys the society "Edmund Münster GmbH & Co. KG" which has the license of the MAOAM chewing gum.



Haribo sets in Norway a distribution organization which is located in Oslo.



Haribo acquires all the shares of the Italian company "SIDAS DOLCIARIA S.p.A" and creates the Haribo society "HARIBO Italien S.p.A", which is locate in Milan.



Haribo sets in Finland a distribution organization which is located in Helsinki.

1993

Haribo takes over the famous brand of chewing gum for oral care and candy for the cough "Vademecum".



Haribo had previously established a distribution society in Spain in 1985. In 1995, it creates a new site of production.



Haribo opens "the candy museum", in Uzès, France. The history of the manufacture of candies, liquorice, coated, and gelled (and the history of Haribo as well) is presented to the public.



Haribo takes over the Belgium Company "Dulcia" and start by standardizing the presentation of all the range of Speck candies.



Haribo opens a new plant of production in Dublin, Ireland, to approach closer all its consumers.





In the middle of June, Haribo takes over the Spanish producer of confectionery “Geldul S.L”, in Alicante, and thus acquires a second fulcrum in Spain, with its first plant in the north of the country.



The markets of Easter Europe become more and more important. Haribo creates in Brno its subsidiary of distribution for the Czech Republic.



The building of production site in Hungary is finished in 2000.



Haribo takes over the Netherland society “Hoepman” in Hoogezand, manufacturer of liquorices and marshmallows.



Haribo takes over the Turkish manufacturer of fruity jelly and marshmallows “Pamir Gida Sanayi A.S” Through this acquisition, the company opens an access to new territories in the Arabic world.



Haribo signs with the Russia the biggest market of Eastern Europe. A distribution subsidiary is created in Moscou.



Haribo establishes a distribution organization in Slovakia.



With “Haribo Australia Pty Ltd.”, the confectioner of Bonn creates its own distribution network in Australia.



A new organization distribution is created in Portugal.



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