

EXPANSION

AN INTERNATIONAL GROUP WITH SWISS ROOTS

Progressive globalization of the markets and consumer habits, ongoing changes in the social structures of many new and fast-growing markets in the emerging countries, and the accompanying improvement of purchasing power and life style enjoyed by increasingly broad sectors of society open up great opportunities for Lindt & Sprüngli. These must be grasped through expansion plans to ensure that, once these change processes have been completed, Lindt & Sprüngli is well placed in future to benefit from the investments made today.

When the present management took over responsibility for the Group back in 1993, geographical expansion was one of its clearly defined priorities. That is why, over the past 20 years, Lindt & Sprüngli has organized the expansion of its business in the traditional mature European markets and so achieved profitable growth by deploying its own resources; at the same time, it has driven forward its global presence through external acquisitions and the incorporation of its own distribution companies. The initial focus was placed on markets with an established chocolate tradition to which Lindt & Sprüngli systematically imparted new dynamism through innovations and new distribution concepts, together with targeted and constantly enhanced marketing measures across the years. Wherever Lindt & Sprüngli wished to establish its presence, it succeeded in strengthening the LINDT brand and lastingly positioning it; thus generating strong growth over a period of many years while also constantly increasing profitability.

Lindt & Sprüngli made its first strategic acquisition when it took over Hofbauer in 1994. At that time, this Austrian confectioner was a byword for high quality and outstanding workmanship, thus perfectly reflecting our brand values. Just three years later, the traditional Turin-based company Caffarel was acquired with its “Gianduia 1865” product that was already known well beyond the national borders. To exploit the potential of the North American chocolate market still more effectively, the oldest and most traditional US chocolate maker, Ghirardelli Chocolate Company in San Francisco, was integrated into the Group in 1998. Its most popular signature product range, the SQUARES, is named after the town’s landmark “Ghirardelli Square” which was the historical manufacturing site of Ghirardelli.

To make use of global growth opportunities and make LINDT still more widely known all over the world, not only new markets but also new distribution channels had to be found. In the permanent search for additional growth opportunities, it became clear that a successful own sales concept has enormous potential to enhance familiarity with the brand, and is an ideal way of gaining access to new markets with little or no chocolate tradition. The systematic implementation of this new direct distribution model with its different conceptual facets required a professional management structure. In 2009, a centralized global retail organization was founded at Group level for this purpose. The stated aim is to generate additional sales by setting up our own global network of sales outlets and so creating sustainable growth opportunities for the future, without impairing relations with the retail trade. At present there are around 200 LINDT shops worldwide, including around 20 Ghirardelli Chocolate & Ice Cream Shops.