

Launching Royal Crown Cola in the Czech Republic & Slovakia

> Royal Crown & Cola International a division of Cott Beverages LLC

A SUCCESS STORY:

MAXIMIZING REVENUE WITH ROYAL CROWN

By partnering with RC Cola International, the Czech Republic beverage company Kofola ČeskoSlovensko a.s. was able to penetrate the attractive but highly competitive HORECA market segment in both Czech Republic and Slovakia. Together they created Royal Crown Cola, a new premium craft cola with incredible branding that capitalizes on using the RC Cola brand's history and legacy of almost 115 years. In the Czech Republic alone, Royal Crown's sales grew 200% and by 290% in the Slovak region since introducing the product at the end of 2017.

230%

Revenue growth in the CZECH REPUBLIC

320%

Revenue growth in the SLOVAK REGION



THEIR STORY:

A NEED TO REACH NEW MARKETS

In 2003, Kofola – a pan-European complete beverage company with a full portfolio that includes leading local and international brands – began its partnership with RC Cola International. Fast forward to the year 2016, Kofola found that their growth and profit margins had become difficult to maintain. It was then that the company started to look for new business opportunities that would allow them to return to their previous growth levels.

By partnering with RC Cola International, they were able to reimagine Royal Crown Cola, taking advantage of RC's historically powerful brand and reputation to target new market segments successfully with the re-introduction in September 2017.

More recently, increasing demand in the international beverage market for premium craft beverages revealed another opportunity to take this partnership to the next level. RC Cola International's legacy as a leading American brand would pave the way for the creation of premium, craft cola – Royal Crown Cola.



THEIR GOAL:

PENETRATING THE HORECA MARKET

Their key objective: to successfully enter the HORECA segment by launching a premium beverage.

THEIR CHALLENGE:

UP AGAINST THE BIG GUYS

Being positioned against some of the world's most iconic brands, the main hurdle to success was penetrating the highly competitive HORECA market segment as previous attempts did not see the results they were hoping for. The partners knew they needed to convince buyers that they were able to move from a mainstream brand to a premium brand at a premium price. For that, they would need to bring their A-game.



THEIR SOLUTION:

MORE THAN JUST A DRINK-CREATING AN EXPERIENCE

Approaching the popular trend of premium craft beverages head-on, Royal Crown was marketed as an elite craft cola with a signature recipe made with real cane sugar. This new positioning and re-branding took Royal Crown a step above the standard choices – and by adding Royal Crown Slim with stevia, made the brand a more attractive choice for consumers satisfying their need to be both authentic and calorie conscious at the same time.

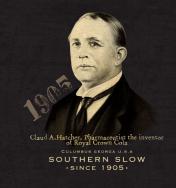


However, simply offering a product was not enough for the highly competitive HORECA segment. What Royal Crown needed was a brand story with an emotional component that consumers would be able to experience when drinking this cola, solidifying Royal Crown as the preferred premium beverage over the other competitors. And this type of marketing strategy meant that not only would this product attract attention, it would also harness customer loyalty.

Creating the emotional component was not difficult at all; the inspiration was already embedded in RC Cola International's brand legacy based on an original American southern cola that was first developed in 1905.

Leveraging this unique element of the brand, Royal Crown paid homage to the history by prominently displaying pharmacist Mr. Claud A. Hatcher, creator of the true southern cola known for its rich, full flavor. Packaged in a distinctive amber-colored bottle, Royal Crown Cola was served in a branded glass on a wooden tray symbolizing an era of authenticity in a culture of fine service. The signature claim "Royal Crown Cola, Southern Slow Since 1905" was adopted to garner up images of an era where time slows down to enjoy the simple pleasures of life like a quiet moment with an ice-cold Royal Crown Cola.

"Creating the emotional component was not difficult at all: the inspiration was already embedded in RC Cola International's brand legacy based on an original American southern cola that was first developed in 1905."





THEIR SUCCESS:

COMPANY GROWTH

Offering Royal Crown has led to significant growth for Kofola:



BRAND AWARENESS IS GROWING:

23% in Czech Republic

06% in Slovakia

PROMOTED BRAND AWARENESS IS:

79% in Czech Republic

38% in Slovakia



PRODUCT AWARENESS IS GROWING:

08% in Czech Republic

10% in Slovakia

42% of respondents who know about the product have tasted it



MARGIN LEVELS ARE HIGH:

Margins are at 60%

*very high in this portfolio



OVERALL REVENUE INCREASED BY:

122% in Czech Republic

300% in Slovakia

THEIR SUCCESS:

COMPANY GROWTH

Offering Royal Crown has led to significant growth for Kofola:



SALES & REVENUE INCREASED COMPARED TO LAST YEAR*

IN CZECH REPUBLIC:

200% sales increase

230% revenue increase

IN SLOVAKIA:

290% sales increase

320% revenue increase

*(1-5/2017 vs. 1-5/2018 in the glass bottles .25 liter)



DISTRIBUTION IS STRONGER

Numeric distribution increased by:

234% in Czech Republic

340% in Slovakia



ROTATION INCREASED

Numeric distribution increased by:

70% in Czech Republic

65% in Slovakia

LOOKING TOWARD THE FUTURE:

DREAM BIG

"As our beverage market began to change, our consumers were demanding something different, more sophisticated. We found the RC Cola team open and eager to collaborate in developing innovative concepts; this is very unusual as the traditional corporate environment is usually very strict in terms of brand guidelines. Our trusting and open relationship with the team gave us the freedom to venture into new business ideas."

Lucia Tarbajovská, Marketing Manager at Kofola

RC Cola International provides a strong foundation for its partners. It is no secret that branding is pivotal in the beverage industry and can be the making, or breaking of a product. With RC Cola International, distributors have the opportunity to take an already proven and successful brand to add to their portfolio.

In the case of Kofola, the outcome of their Royal Crown launch and initial campaigns completely surpassed expectations. And that's not all. The success of this launch, and the continually improving brand awareness and sales, proves that Royal Crown Cola is a ready for (a) wider geographical distribution and (b) further product varieties.

The support of RC Cola International means that Kofola can dream big and plan for the future. And so can you. Are you ready for the future? Contact us for more information on how you can add Royal Crown to your portfolio.





ROYAL CROWN®









THANK YOU

contact us to learn more

