

TURKISH BRANDS

Every
country
is as rich
as its
brands.

TM

ÜLKER



FOUNDATION OF ADVERTISING

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Founders of
Ülker
(1944),
Asim and
Sabri Ülker
brothers in
the 1980s

"Everyone deserves a happy childhood,
where ever they might be on the globe."

Sabri Ülker

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Quality, Wide Distribution and Attainable Prices... ÜLKER

The Brand in Brief

Sabri Ülker, who was born in Crimea in 1920, arrived in İstanbul by boat with his family in 1929. The family had decided to immigrate to Turkey, leaving all their assets behind, a few years after the Russian Revolution.

Upon arrival in İstanbul, they were faced with harsh economic conditions. In spite of all the hardships they encountered, Sabri Ülker continued his education and graduated from the Faculty of Economics and Commerce in İstanbul, Turkey. Meanwhile, Asım, his elder brother, took on the responsibility of the family and started working at the Besler biscuit factory. Sabri Ülker also joined him over the summer holidays. Following graduation, the two brothers started a new business in the Fall of 1944 in Eminönü, İstanbul, on the 3rd Floor of Nohutçu Han, with 6-7 boilers, a small oven and three workers. Their initial production capacity was 200 kg biscuits/day. Within a short period of time, this capacity was proven to be insufficient, forcing them move to a medium-sized facility in Topkapı, İstanbul in 1948, where their daily production increased to 1,000 kg. From time to time, they also sent biscuits in crates to other cities in Anatolia. However due to poor protection of the crates, the loss and damage to products was often as high as 50 %. Therefore, in 1955, they decided to buy a van and distribute their products directly to wholesalers at their original factory prices and without any additional charges that might have been expected to cover the cost of distribution. This was a major step for the Ülker brand and as a consequence sales started to increase. What was earned from extra sales, was used in the purchase of new machinery. From very early on, Ülker believed very strongly in advertising and brand communication. As the Ülker family welcomed new developments, Sabri Ülker closely followed and kept up to date with new trends on his travels abroad, taking note of any new machinery being used in the sector and trying to make best use of the latest technology available at that time.

All of the executives who were interviewed, stressed the fact that Ülker's decision to enter the biscuit production business back in 1944 was a critical one. Although biscuits are a staple food; compared to bread, they have some additional value.

Ülker originally gave priority to the production of petit beurre as the most basic biscuit and then over the years, expanded its product portfolio.

There had been a severe shortage of foreign exchange and difficulties in obtaining raw material imports in Turkey back in the 1970s, so when Ülker decided to move into the packaging sector in 1979, it exhibited one of the first examples of vertical integration. In the 1990s, as well as being active in the biscuit and chocolate markets, Ülker began expanding its operations into other areas, such as dairy products, like margarines and milk, which, within a short amount of time, also proved to be a market success for them in the dairy sector. Subsequently, the other companies belonging to Ülker were gathered under the umbrella of Yıldız Holding .

Sabri Ülker became Ülker's Honorary Chairman in 2000, when his son Murat Ülker was assigned as the Chairman of the Board. Almost immediately a series of new steps were taken, to lead Ülker into the 21st century, converting its national power to a wider regional one. As a result of these actions, a conglomerate emerged, active in five sectors such as food, packaging, computer technology, real estate and banking, with 65 companies and 42 factories, 9 of which are located outside of Turkey, with a total of 29,000 personnel (including Godiva) according to 2007 figures. In 2007, Ülker had more than 2,700 SKUs (Stock Keeping Unit) in 36 different product categories, with a total of 160 brands. Furthermore, Yıldız Holding, including all its companies, had total net sales of 9.1 billion USD, 80 % of which, had been taken from the food sectors. The conglomerate's targeted net sales for 2008, was to exceed the \$ 10 billion mark. Moving beyond these figures, Ülker's acquisition of Godiva for \$ 850 million in December 2007, gave the first signal that the Holding company was ready to compete in the international arena, setting an example for other Turkish brands.

From the Ülker Umbrella Brand to Individual Brands

Necdet Buzbaş, who has been with Ülker since 1974 said

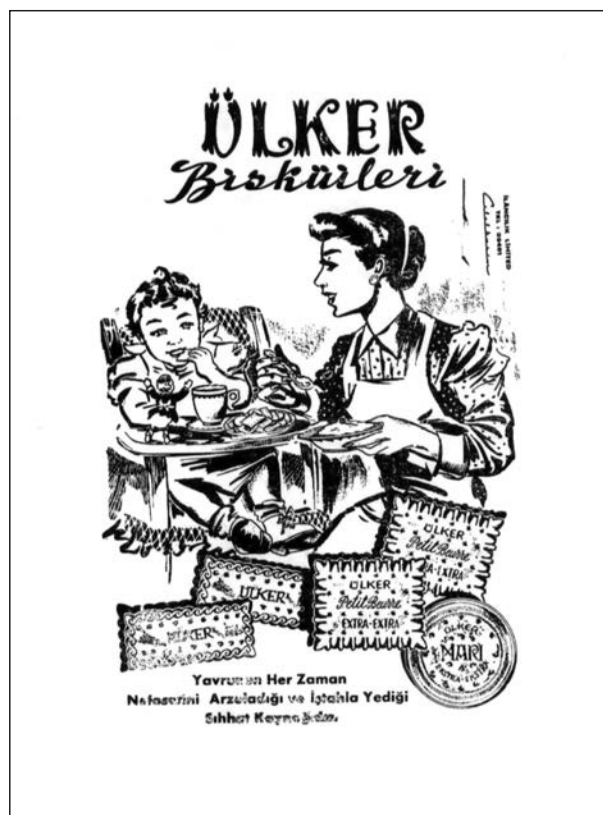
- Although in general, brands are known by their founders' names, interestingly Ülker has given its name to its founder! The original name of the family was Berksan. They named their brand as Ülker, meaning 'star' and very quickly the brand became known by the masses. As it was customary for the founders to name their brands after themselves, wholesalers wrongly started making bank transfers to the name of 'Sabri Ülker' or 'Asım Ülker'. Therefore the family decided to change their own name and adopted the 'Ülker' surname instead. ▶

(Necdet Buzbaş worked at Ülker as a Production Manager, an Operations Manager and as Deputy to the General Manager for many years, before being appointed as the General Manager of Ülker Biscuits and Chocolate in 1986. At the time when he was interviewed, in 2007, he had become a member of the Advisory Board).

As Ülker only produced biscuits until 1974, every new product launched was named Ülker. Brand choices were most probably made automatically, without over pondering on the matter. The name Ülker, was the product's guarantee, reassuring consumers of the product's quality. Therefore for many years, the Ülker name's usage was continued to diversify and expand the product portfolio of the umbrella brand.

Ülker continued to expand, either through a conscious decision or due to necessities, into new sectors, broadening its product portfolio. As it continued to grow and expand, it began to notice that, the consolidation of all brands belonging to the different sectors under the single Ülker brand name, was bringing some disadvantages to the brand management. As well as causing confusion in the minds of consumers, each and every Ülker sub-brand was finding itself unable to be as strong in its own sector as the Ülker main brand. Being a brand meant being able to stand on your own feet. Therefore when needed, sub-brands needed to be able to act independently from Ülker and be open to new partnerships. Hence Ülker started to cease using a single brand for all its products in different sectors, instead moving towards the use of individual brands.

In addition to the aforementioned points, Ülker's acquisition of the US brand -Godiva in December 2007 was a further indication of its increased presence in international markets as well as the importance of the individual brands' flourishing under the Ülker brand name. Ali Ülker, who is an Ülker Board Member and the President of Ülker Division (incorporating Biscuits, Chocolate and Confections), stressed that Godiva would have a positive impact, especially on value added products and on branding. In addition, efforts in transforming Biskrem from a national brand to an international one, would increase with the Godiva acquisition.



In the magazine ads advertised in 1950, Ülker was already talking about its tasty and healthy product attributes (İlançılık)

With these concerns in mind, Ülker has since tried to have more brands not necessarily carrying the Ülker prefix, when building its brand architecture following 2007. In doing this, Ülker adopted an organizational structure which enabled an integrated marketing approach for its national and international brands. Well-known professionals of the marketing sector, both with national and international experience, joined Ülker and Marketing started to be represented at a general manager level. In March 2008, Ülker's marketing team consisted of more than 80 professionals, controlling approximately, a total marketing budget of \$ 100 million. In all of the interviews that were conducted with the top executives at Ülker, it has become clear that as international markets gain more significance, the Ülker brand will retract to the guarantor producer position, paving the way for individual brands more easily.



Ülker was talking about the product's quality and children's healthy development back in the 1970s. In this advertisement the Ülker logo, derived from Sabri and Asım Ülker's initials, can be seen.



İçimde çocukluğum var.
Boyun kadar tezgâhin ardında fıldır fıldır gözlerin.
Kese kağıdına 200 gram, bakkal amca!
Kuruşlar avucunda sıcağık, bu belki de ilk alışverişin.
İçimde çocukluğum var. Sen çıktan evin yolunu tutmuşsun.
Çaya bir tatlıp çikler yoksa dağılır demiş annen.
Bir çarpıda öşrenivermişsin.
İçimde çocukluğum var, var da.
Hiç büyüdük mü dersin?

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Ülker

The same visual was used in Ülker's corporate ad years later in 2007, in an ad created by the Grey advertising agency

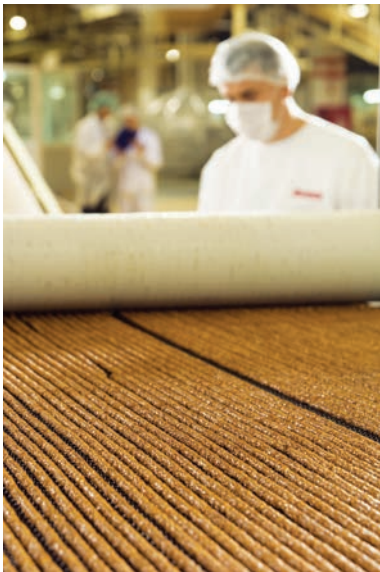
In this marketing case, we will be looking into Ülker Biscuit and Chocolate in depth, as they have a special significance in Ülker's branding story. However for the other individual brands, parallel to their independent status, we have referred to them as "belonging to the Ülker family" and have refrained from going into any lengthy explanation. Mainly because we know that all of these brands have a unique branding story and deserve to be treated as separate marketing and branding cases.

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Ülker and the Importance Assigned to Quality

Metin Yurdagül, who joined the Ülker Group in 1992, and later became an Advisory Board member in 2008, mentions that after the Second World War, Turkey was suffering from severe production shortages in almost every product group, highlighting the problems encountered in finding foreign exchange for importing raw materials. Similarly the procedures required for importing machinery was very cumbersome in those years. In the 1st Five Year Development Plan, covering the 1962-1968 period, published by the State Planning Organization in Turkey, it was stated that the right to transfer the amount of 250.000 USD would be allocated for a possible investor in the flour category. Sabri Ülker obtained this permission for a foreign exchange transfer and went abroad to purchase machinery. When he realized that he would only be able to buy one single piece of machinery with this amount, he decided to purchase only the vital parts of three different pieces of machinery, producing the remaining parts locally and assembling them in Turkey. Hence, he had made the best use of his permitted amount of US dollars for importing the needed machinery, enabling him to maximize his production capacity.

Ülker's
biscuit and
chocolate
production
line in 2008



In the 1970s, biscuits were not sold in packaged form in Turkey, but instead they were kept in big tin can boxes in grocery shops, where customers would ask for their choice of biscuits and the grocery shop owner would weigh the required amount and charge by the weight. These tin cans had transparent lids, enabling the customers to see the product inside these boxes. Ülker replaced these lids frequently, assigning a special importance to display, even in its early days. Furthermore, sometimes these tin boxes were placed next to display windows in the grocery shops, being exposed to extra sunlight. Products which were exposed to extra sunlight would lose their crispness quicker. Therefore Ülker would replace its own products at regular intervals to ensure that customers would be purchasing freshly baked biscuits at all times.

Şener Astan, who has been the General Manager of both Della Gıda Sanayi ve Ticaret A.Ş. (a soft drinks production company) and Esas Pazarlama ve Ticaret A.Ş. (soft drinks' marketing and sales) since the end of 2006, stressed that in those days Ülker's company motto was:

☛ don't consider your product sold, until it is consumed ☛

and that they were frequently reminded of this statement by their managers. (Şener Astan had started working at Ülker in 1979 as Field Sales Manager, becoming the Deputy Managing Director of Atlas Marketing in 1988, and the Managing Director in the same company between 1996-1998, holding the Managing Director position at Kar Gıda between 1998-2003 - all under the Ülker roof). He added that they have never let retailers stock more Ülker products than their selling capacity, believing that it was their brands' liability until they were sold. Similarly in the 1980s, when coolers at retailers were not very widespread, in order not to compromise on product quality, Ülker halted the production and distribution of chocolate based brands, such as Dido, Çokomilk, Çokonat over the summer months.

All this anecdotal evidence supply tangible examples, to what Ülker top executives coin as:

☛ Our consumers, match the word 'trust' every time Ülker brand is mentioned ☛

whether it be the look of the display stand or the freshness of the product at the time of consumption. Therefore, the Ülker brand, which has been tested by retailers and consumers over the years and without disappointment either, has been named as "the brand that does not let me down".

Zeki Ziya Sözen, who started work at Ülker as the Akgıda Managing Director, set up the milk operation back in 1996, and later became the Business Development, R&D and International Investments Division President in March 2008, mentioned that Ülker has managed to hold a position in the top 10 brands, of the "Brands" research undertaken by the Nielsen research



Sabri Ülker in the factory with the workers, in the 1950s

company over many years, stressing that there were no other food brands in the top ten list. He added:

☛ Ülker is a brand that has increased its brand power over the years. When we question 'what is it that keeps Ülker in this position and what is its brand perception?', we realize that Ülker's most prominent feature- whether it be among consumers, retailers or wholesalers- is its 'trustworthiness'. Consumers think that: 'If it is Ülker, I can consume it without a hesitation and I can have my children eat it without a second thought. It will not contain anything that will be harmful. Even if it is not cheap, it is not overly priced. It will not cheat on me. When I evaluate it on the basis of quality-value-cost attributes, I will be at an advantage. If I have a problem with any of its products/brands, I will always find somebody who will listen to me.' Wholesalers and retailers also feel that: 'I will not lose with Ülker. Even if prices go down, Ülker will be on my side. If I have a problem, I will always have somebody to solve that problem for me.' All these thoughts and feelings have contributed Ülker to be found as trustworthy at an increasing rate. ☛

Zeki Z. Sözen stressed that for brands to be trustworthy, they need to belong to well established corporations, adding that:

☛ for your brand to be considered as 'trustworthy', you should not have made any mistakes over the years. You should have sustainable market success. Ülker is such a brand, which has become one of Turkey's most loved brands. ☛

Distribution's Added Value for Ülker Brand

Undoubtedly one of the most fundamental factors, assisting Ülker in its market success was the distribution network it established and continuously developed over the years.

Sabri Ülker not only anticipated consumer needs, but also assigned a special importance to the distribution system. Most probably his common sense told him that, his first line of customers were grocery shops found in every neighborhood.

Metin Yurdagül mentioned that distributors were always considered as business partners and this attitude never altered under any condition. Many executives who were interviewed, told us that Sabri Ülker always personally administered any complaints raised by any retailer, as well as conducting personal visits himself, listening and taking note of what was being said. Similarly Sabri Ülker was known for interrupting his daily program, if a wholesaler or a retailer appeared in his office to talk to him, always giving the priority to the distribution network. **Metin Yurdagül**, repeated Sabri Ülker's words of:

every customer complaint is a blessing for us

adding that all customer complaints are taken very seriously and replied to within a short amount of time, accompanied by a complimentary box of Ülker products. He added:

This tradition is strictly followed to this day.

Actually, customer letters accumulated over the years and currently kept in the Ülker archives, supply further evidence regarding this.

Ülker took on the distribution costs and started to distribute its products directly to wholesalers, throughout Turkey back in 1955. Ülker also started the retailer distribution in the three biggest



In 2008, Ülker vans visited more than 200.000 points throughout Turkey every week, at least once a week.

cities in Turkey -İstanbul, Ankara and İzmir- In 1962, after visiting grocery shops in every neighborhood once a week with the Ülker delivery vans. Şener Astan, pointed out that this retailer distribution system had been one of Ülker's major advantages over its competitors, when he joined the company in 1979. He added that through this system they had been able to make sure that the grocery shops were never out of stock, as well as keeping in close contact with consumer needs and wishes. In the 1970s, a new publically owned distribution company was formed, where some wholesalers also had shares. Furthermore at the end of the 1970s, Ülker opened 5 warehouses in cities like Ankara, Sivas, İzmir, as well as having 5 agents in cities such as Denizli, Adana, Kayseri and Bursa, distributing its products with the help of these warehouses and agents. In those years, Ülker's exclusive distribution system had not yet been formed, but the idea was being tested. In areas falling outside of these 5 warehouses' and 5 agents' assigned regions, Ülker products were continued to be supplied by wholesalers.

At the beginning of the 1980s, some wholesalers in Turkey started controlling large sales volumes. Ülker noticing this change in the market place early, started having at least one or more Ülker exclusive distributors, according to the sales potential of every city and initiated distribution to retailers through these exclusive distributors in 1992. The structuring of the exclusive distribution system continued until 1996. Hence all sales points throughout the country were recorded, identifying the potential sales of retailers according to location and geography. In the light of this information gathered, Ülker products were distributed in 99.9 % of all accounted sales points. Initially Ülker had 128 exclusive

distributors. Ali Ülker stated that after 2000, as a result of Ülker'e expanding product portfolio, they visited over 180,000 grocery shops, having more than 200,000 recorded retailer visit points every week. We learned that Ülker's need for an alternative distribution network increased, as it entered sectors like dairy products and margarines. **By the time the interview sessions took place, in March 2008, Ülker already had, more than 15 different retailer companies, including catering and private label goods, as well as working with 250 distributors.**

Kuthan Erginbilgiç, Ülker Food and Beverage Division Marketing General Manager, in March 2008, stated that Ülker was not only the pioneer in distribution, but also envisioned a different role for itself in the control of distribution. When converting to the exclusive distribution system, one had to have a good grip of the market's needs, strictly adhering to exclusivity requirements once the switch has been made. Erginbilgiç, stressed that other big national and international companies also followed along Ülker's path, adding:

◀ When everyone was thinking in regional terms, Ülker was planning everything nationally. ▶



Ülker Biscuits, Chocolate and Confectionery factory in 1948 at Topkapı, İstanbul, Turkey

Ülker

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Ülker's Pricing Strategy

Ülker brand, while determining its pricing strategy, always assigned top priority to the trust factor. Metin Yurdagül, gave us an authentic example on how Ülker acted, when there were reductions in consumer prices in 1950-1960 in Turkey. First of all Sabri Ülker, sent a cable to all wholesalers, asking them to let him know about their stock levels. Then he calculated their stock value from reduced prices and deducted the difference in their next invoices. Hereafter wholesalers started to believe that buying Ülker products would probably be one of the best ways in investing their extra cash. Because even if prices were reduced, Ülker would be returning the difference to them.

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Ali Ülker, stated that Ülker produced its first chocolate in 1974 under the Napoliten name, adding that during those years, in Turkey, chocolate was actually considered to be a luxury item. Mainly due to that the profit margins were quite high in chocolate retail sales at that time, leading to relatively high consumer sales prices. **Chocolate's luxurious image only changed after Ülker's interesting pricing strategy was put into practice.** As a result, the chocolate market in Turkey grew by 3-4 times. Ülker started to print consumer sales prices on packaging. When we consider the double digit inflation figures which were valid in Turkey throughout the 1970s and the 1980s, the extra operational and financial costs that such a decision would have brought to the company is apparant. However, most probably Ülker considered it as a long term brand investment and did not hesitate to undertake the extra costs. Ali Ülker, stressed that they were honored to receive various consumer awards during those years, for expanding the chocolate market and for offering the one time luxury goods to consumers at attainable prices. Ülker continued to announce their consumer prices even during high inflation periods with the help of press advertisements.

İzmir Tolga, one of the founding partner's of Birleşik Reklamcılar advertising agency, contributing to the Ülker brand over the years, mentioned that Sabri Ülker made the final adjustments to its products' consumer prices according to the average weekly allowances that children received from their parents, adding:

◀ Sabri Ülker used to remind us that 'prices need to be in line with children's allowances' ▶

Ali Ülker repeated that a similar pricing strategy is followed even to this day and that Ülker still tries to produce goods that will be purchased with the small change that adults are eager to get rid of -such as 10 kuruş, 25 kuruş or 50 kuruş (100 kuruş is 1 Turkish Lira). In addition in January 2005, when six zeros were reduced from Turkish Lira (TL), converting to New TL, Ülker rounded off some of its products' consumer prices to lower figures. Furthermore to make sure that consumers got used to the New TL, they used price tags on the packages for a while (Ülker, 'Aşağı Yuvarlarım' dedi, 600 milyon Bozuk YTL İstedim", Hürriyet, 30/09/2004, s. 10).

The press ad, announcing the Golden Medal awarded to Ülker in December 1990 by the Turkish Consumer Protection Organization

Ülker and its Advertising

İzmir Tolga, stated that Ülker has been utilizing radio advertising since the 1950s. However they applied each and every element in their marketing-mix with great care, more like a marketing textbook case. As Ülker radio advertising was usually aired after the 7 PM main news bulletin on the Turkish State Radio and since in those days, most of the production was undertaken by the state enterprises, the misconception that "Ülker is the state's biscuit" was quite widespread among the general public! Later on, Ülker radio advertising was accompanied by a famous jingle. This jingle was created in 1971, following a request from Sabri Ülker himself, with lyrics written by Nuri Gamsız and the music composed by Süheyl Denizci and was probably used over the next thirty years. Its lyrics were : "First comes sun, air, water and plenty of food. Dearest papa. On your way back home, don't forget but bring Ülker." This jingle acted as the mainstream communication for Ülker for many years. Even when TV broadcasting started in Turkey in 1968, this same jingle was adopted for TV commercials. Nuri Gamsız recalls seeing primary school children singing the jingle as a chorus in the school playgrounds right across Anatolia. Similarly the slogan of "No teatime without Ülker" was also used over an extended period of time.



The music notes of the well-known Ülker jingle

One of the TV commercials where the same jingle was used



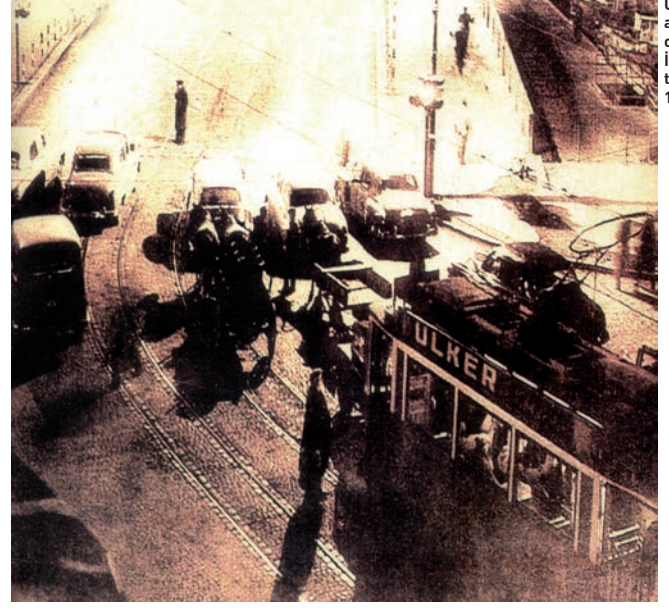
We see boy scouts carrying a tin can box of Ülker biscuits in one of their expeditions and then eventually eating them at a stopper. The film's director was Tunç Başaran.



"Dearest papa. On your way back home, don't forget but bring Ülker" ads were recreated once again in 2007 by Grey

Ülker did not only use radio advertising but also utilized outdoor advertising widely. Ali Ülker recalls seeing Ülker advertising often as a child, where there were crowded pedestrian traffic such as Kabataş Ferry Harbour or the Galata Bridge.

Şener Astan stated that Ülker assigned a special importance to outdoor advertising at the end of the 1970s. In those years outdoor advertising was limited to small size boards hung on electric poles. Specialized outdoor advertising companies were not yet in operation. Therefore the controls and checks on these lit boards were not regularly reported to advertisers. However Ülker would make lists of these lit boards according to different areas within the city and make sure that they are all lit and in good condition with the help of their new recruits. Şener Astan said that he had had his share of these control duties when he first joined Ülker.



Ülker advertising on one of Istanbul's trams in the 1950s

Metin Yurdağül, named Ülker as a visionary brand, starting its communication efforts as early as the 1950s, becoming one of the few advertisers; adding:

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- Ülker never ceased its communication in any of the economic crises faced. Actually when all brands cut their advertising spending sharply, Ülker brands were still one of few brands appearing in commercial slots. Mainly because Ülker talks to masses. It needs to feed new generations and have continuous communication with the newly appearing target groups.▶
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Numerous advertising agencies, including Ankara Reklam, Fulmar Reklam, Birleşik Reklamcılar (Reklamcılar Ltd), Repro, Markom, Ultra contributed to the Ülker brand over the years. Nuri Gamsız, mentioned that the Ankara Reklam and the Ülker cooperation lasted for 12 years over a period between 1968-1980. Reha Erkal who was working at Fulmar then also added that Fulmar was Ülker's advertising agency between 1975-1980.

The 1970's and “Ads that Sell”

Ülker was mostly engaged in corporate advertising in the early 1970s, when there was only black and white TV in Turkey; but started airing specific brand commercials, such as Çokomel, Çokomilk, as its product portfolio expanded during the second half of the 1970s. In these ads, well-known theatre and cinema actors such as Hüseyin Baradan, Levent Kırca were taking part. İzmir Tolga, mentioned that Ülker started working with few assigned ad agencies especially after 1975-78, and actually for a period of time Repro was their sweet products ad agency and Birleşik Reklamcılar was their savoury products' ad agency.

Tolga, explained that all these products launched at that time, were innovative products then, adding that:

- during that time most of the products were targeted for children. Therefore we made wide use of riddles and rhymes in order to be able to address to the target group easily and for quick brand recall. In this period's ads, Haluk Mesci and Ali Taran contributed a lot. Once we used La Fontaine's fable for Çokoprens. Also, the well-known Turkish trio - Mazhar-Fuat-Özkan-- composed and sang a rock jingle for Çokonat. ▶

We learned that Sabri Ülker was personally involved with the advertisements in the 1970s. İzmir Tolga recollected those years as:

- We all had great respect for Sabri Ülker and always valued his opinion a great deal. Probably due to our young age and the excitement we felt towards our profession, we were looking for innovative, creative and new applications that we could use in Ülker advertisements. Once Sabri Ülker in his usual calm manner said, 'we don't want exceptional ads, we want ads that make our brands sell.' We have never forgotten what he said that day. We had also witnessed a similar incident between Sabri Ülker and one of the distributors. The distributor was complaining about the ad, saying he did not like it. Sabri Ülker's reply was again straightforward. He said to the distributor: 'Do you have any problems in selling Ülker products? The rest does not count.. ▶

İzmir Tolga, expressed that in those years

- the brand to be advertised was decided by checking brands' stock levels. Cash registers were as important then, as TV viewership ratings are today! ▶

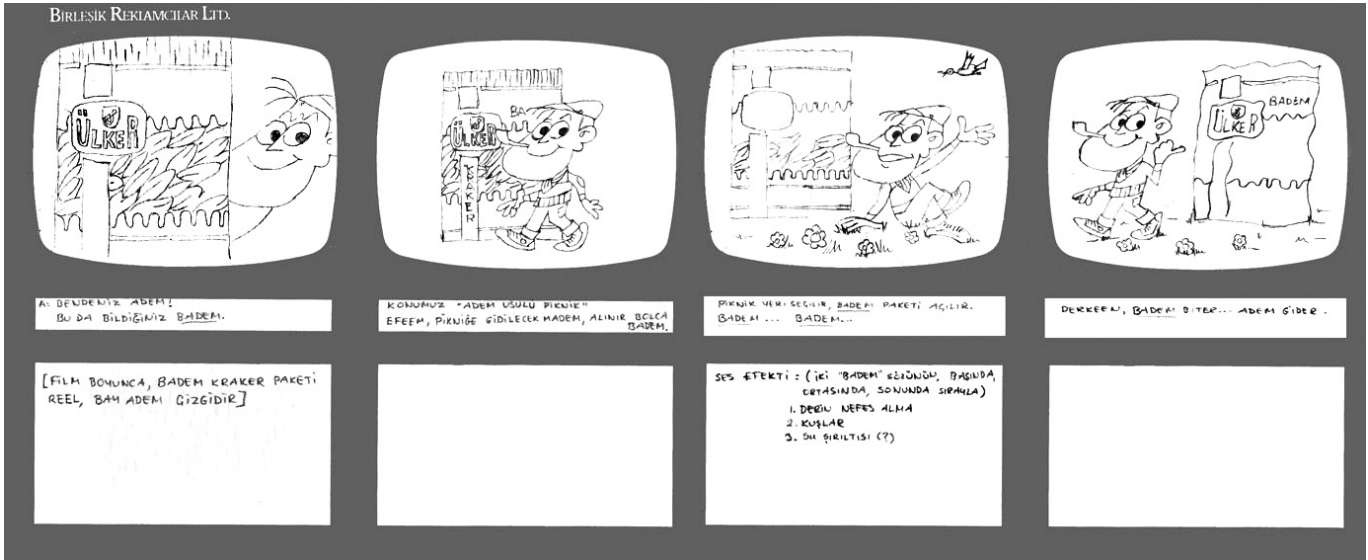
The Çokoprens TV commercials where La Fontaine's fables were referred to. The animations were created by Derviş Pasin and Ateş Benice, the crow was dubbed by Erol Günaydın - the famous Turkish theatre actor. In one of these commercials, we see the crow eating Ülker Çokoprens. All of a sudden, a fox appears and says: “Hi, my dear brother crow. Just stopped by to say hello. Is Çokoprens delicious?” The crow, first takes out Çokoprens from its bill, before replying and says: “Of course. If you have got Ülker Çokoprens, you must be careful. Ülker Çokoprens” (Birleşik Reklamcılar - second half of the 1980's)



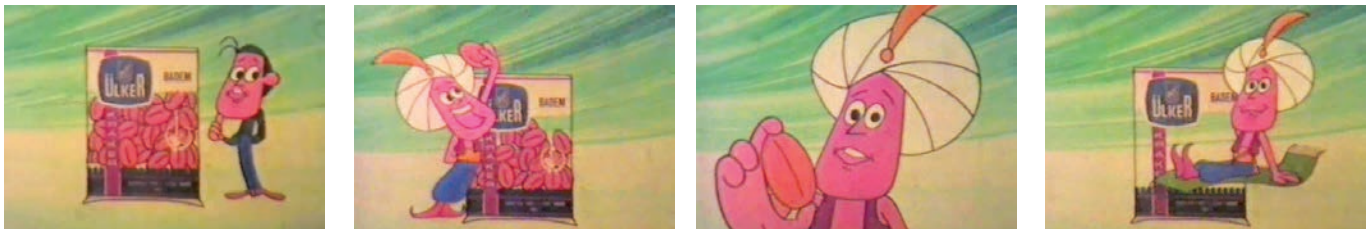
Haluk Mesci, one of the founding partners of Birleşik Reklamcılar explained that in the TV film series called "Adem Badem", the rhyme was used extensively, where Turkish cinema's well-known actors such as Cevat Kurtuluş and Mehmet Bozkuş had put in a lot of effort. The copy in one of these commercials ran as:

My name is Adem. And this is famous Badem. Our topic is the Badem tale. Don't know where to start. Once upon a time, there was Badem and then all of a sudden it was all gone. There were a lot of Badem. And Adem had it all. Once Badem was gone, so was Adem." The voice-over at the end of the film said: "Ülker Badem Crakers. Dissolves in your mouth."

The storyboard of one of "Adem Badem" TV commercials hand-drawn by Aydın Ülken and script was written by Haluk Mesci (Birlesik Reklamcilar)



Shots from "Adem Badem" TV commercial (Birlesik Reklamcilar -second half of the 1980's)



The Development of the Logo

Ülker brand's visual identity was created by making use of Sabri and Asım Ülker's initials as the Ülker logo in the early 1950s. The logo was in light navy-blue. This same logo was used even in the 1970s advertising. Furthermore most of the advertising done by Ankara Reklam during the period of 1966-1974 was created by Yüksel Ertan, using the Ülker logo also drawn by him.

Ülker was using the slogan of "No teatime without Ülker" in the newspaper ads, created by Ankara Reklam in 1965



The logo created by Yüksel Ertan and which was used starting with the end of the 1960s



Ülker's logo as used in 2008

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Switching the Focus from Production, to Being Marketing Oriented

We know that Ülker has assigned the primary focus on production for years. **Necdet Buzbaş** pointed out that the Advertising Department was formed in 1978 at Ülker, leading to the formation of Product Management in 1985, adding that:

- In those years we realized that our main shortcoming was our lack of marketing orientation and therefore we started taking the necessary precautions. •

In 1995 Murat Ülker became the CEO, creating new positions and assigning professionals to managerial positions at an increasing pace. In an article published in the *Ekonomist* (not the Economist) in January 3, 1999; it was reported that Sabri Ülker resigned from his position as the Board Chairman of his 17 companies and all the top executive positions in all of his 22 companies were delegated to professionals. Hence the "2000 Project" took off, carrying Ülker into the next century.

At the beginning of 1999, the total sales of all Ülker companies were \$ 1.2 billion, having an export figure of \$150 million and 6,500 personnel. In 1999, Ülker was producing 260,000 tons of biscuits, cakes, chocolate and confectionery; 93,000 tons of starch and glucose; 130,000 tons of industrial oil and margarine; 180,000 tons of wheat flour; 140,000 tons of packaging material; 7,000 tons of milk. In total 75 % of this production was sold within Turkey. Furthermore every year, 30 new products were launched on average ("Ülker Beş Kitada Yatırım Yapacak", *Ekonomist*, 03/01/1999).

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Ülker's Brand Architecture

Biscuits & Cakes

Biscuits

Petit Beurre
Biskrem
Biskrem Dark
Biskrem Dolgulu Çubuk
İkram
Hanımeller
Hanımeller Burma
Hanımeller Negrita
Çizi
Çizi Çubuk
Çizi Vic
Canpare
Rondo
Ülker Kremalı
Piknik
Rulokat
Finger
Probis
Haylayf
Krispi
Ülker Çubuk Kraker
Başak
Tempo
Grissini
Altınbaşak
As Kraker
Susamlı
Hasat
Mix Kraker
Krim Kraker
Cici Balık
Badem Kraker
Pretzel
Mavi Yeşil Light
Çokoprens
Çokoprens Turta
Ülker Paket Gofret
9 Kat Tat
Kat Kat Tat

Cakes

Kekstra
Dankek
Dankek Pöti
Dankek Islak Kek
Dankek 8 Kek
Dankek Magma
Dankek Choco
Dankek Luxury
Peki
Peki Mini Pasta
Peki Maxi
Peki Rulo Pasta
Peki Mini Rulo Pasta

Chocolate & Chocolate Coated Products

Chocolate

Ülker Golden
Ece
Caramio
Gusti
Toto
Chat
Karmen
Damla Çikolata

Chocolate Coated

Products

Ülker Çikolatalı Gofret
Halley
Albeni
Albeni Chocco
Metro
Metro Nut
Çokonat
Cocostar
Rodeo
Piko
Hobby
Dido
Çokomel
Çokomel Pofti
King Top
Çokomisket
Bianko
Chat Gofret

Gifting

Ece
Koncerto
Buklet
Gökkuşayı
Dolmabahçe
Sedef
Ülker Çikolatin
Amante
Beylerbeyi
Caramio
Dore
Göksu
Jübile
Lalezar
Savoy
Sırma
Topkapı
Ülker Mini Çikolata
Golden Mini Çikolata
Güldeste
Hobby
Ülker Draje
Dual
İstanbul Hatırası
Napoliten
Adora

Cream Chocolate

Ülker Çokokrem

Dairy Products & Alpella

Dairy Products

İçim
Smartt
Fidella
Peyno
Pasifik
Dolcia

Alpella

Alpella Balmond
Alpella Alpeltane
Alpella Rio
Alpella Riva
Alpella Ole
Alpella 3gen
Alpella Harby
Alpella Çokomilk
Alpella Ring
Alpella Rullo
Alpella Kanky

Culinary/Oil/Functional Products

Culinary

Bizim Mutfak
Bizim Bakliyat
Ülker Soyet
Piyale

Vegetable Oils /

Margarines

Bizim
Teremyağ
Kalbim
Kalbim Benecol
Altınhasat

Functional

Doğa

Ice Cream

Ülker Golf

Bravo
Roko
Fantasia
Super Fantasia
Lungo
Metro
CocoStar
Maras
Hobby
Hobby Taraftar
Hobby Cup
Link
Venus
Ay
Yıldız
Mixico
İçim
Sütbeyaz
Gülpembe
Maç
Çokokrem
Kitymilk
Strong
Strong Roket
Woopie
Royal
Royal Class
Royal Special
Royal Türk Tatlıları
Royal Cup
İkram
İkram Cup
İkram Gold
Sizim İçin
Choxx
Venexia

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Hot Drinks**Instant Coffee**

Cafe Crown
Cafe Crown Gold
Cafe Crown Klasik
Cafe Crown 3'ü 1 Arada
Cafe Crown Cappuccino
Cafe Crown Buzz
Cafe Crown Milky

Tea

Oba
Deren

Cereals**Ülker Kellogg's**

K-Flakes
K-Bar
Coco Pops
Coco Pops Bar
ÇokoTop

Baby Food

Hero Baby
Lactum
Gogly

Soft Drinks

Cola Turka
Cola Turka Light
Cola Turka Sıfır
Cola Turka Cappuccino
Çamlica
İçim Nektar
Oranj
Link
Ateşsuyu
Allstar
Maltana
Flores

Home & Personal Care

Paper Products
Rozi
BabyStar
Personal Care
Komili
Pam

Chewing Gum/Candy**Chewing Gum**

Chewy
Chewy Black
Chewy Red
Chewy Blue
Chewy Pink
Chewy Morello
Chewy Kırmızı-Beyaz
Yıldız
Yıldız Soft
Dubix
Dubix Sihir Mix

Candy

Kremini
Kremini Gold
Viva
Ufo
Yupo
Stars
Gallery
Ülker Bonbon
Ülker Lolipop
Toy Pop
Zum



Murat Ülker became the Chairman of the Board in 2000 and started taking innovative steps, which would carry the Ülker brand to the world league of companies. In 2003, Ülker was already the 12th largest biscuit and chocolate producer in the world, with a total sales of \$2.255 billion, having \$258 million worth of exports, with a total personnel of 17.000 (Andrew Finkel, "Rüyaları Bile Gözleri Açık Gördüren Patron", Milliyet Business, 22/02/2004, p. 9; Ebru Fırat, "Sektörlerin Korkulu Rüyası", Capital, October 2003, pp. 140-144; "İnsana Daha Çok Önem Vereceğiz", Capital, December 2003). Published sources point out that most probably since 1998, the main focus within the Ülker Group has switched to the commercial side rather than production.

Ülker as a Biscuit Brand

Ülker as a petit beurre producing company since its initial days, continues to give support to its leading brand. The petit beurre campaign created by Medina Turgul DDB in 1999 led to a word-of-mouth campaign shortly after it had been aired. In the commercial we saw, a group of Turkish pop singers, such as Mirkelam, Ege who had entered the studio for recording, were having tea and petit beurre. As they took a bite from petit beurre, the sound of "kırt-kırt" made the singers start an improvised music jam session. This commercial had a high recall rate, as it was stressing the brand quality and its freshness with a new look. At the end of the commercial, the voice-over said: "Ülker petit beurre, real petit beurre, the best petit beurre." It is important to note that Ülker is continuing to invest in its first brand, after 55 years of its launch.

Shots from the Ülker petit beurre commercial aired in 1999 (Medina Turgul DDB)



Biskrem which was introduced to the market in 1991 was an innovative product of its time. Biskrem was also the first biscuit with a chocolate filling introduced to Turkey and shortly after, it was started to be known on its own, without the Ülker tag-name.



Year 1991. An example of Biskrem advertising

The "What If I Give a Biskrem?" campaign which was created by Alametifarika in 2004, actually carried the brand to a very different position in the market. The brand strategy's main theme was: "Biskrem is so good, that you can make use of Biskrem in solving simple problems." The film music was composed by Nil Karaibrahimgil.



The "What If I Give a Biskrem?" campaign and shots from one of the TV commercial of this series - "Taxi Driver" (Alametifarika)

The same strategy was also continued in 2008, this time on its "forgiveness" attribute. The husband who forgot his own anniversary and came home to watch his favorite soccer team's match with his friends, was saved by Biskrem, as his wife forgave him after a Biskrem! This campaign was also created by Alametifarika.



"Will You Forgive Me, If I Give You a Biskrem" campaign was aired in October 2008 (Alametifarika)

Biskrem has a recall rate of 6.1 % just by itself, leading the biscuits category, in the "Brands" research conducted by Nielsen in Turkey in 2007. Furthermore Ülker Division (including Biscuits, Chocolate and Confectionery) Marketing General Manager Şebnem Nasi, stated that Biskrem's aided recall rate was as high as 98 % in the "Usage and Attitude" research done by Bileşim in April 2007. Biskrem's last 12 month market share figure in the summer of 2008 was 4.4 % and with this percentage, Biskrem had the second highest market share in the biscuit category, after petit beurre.

The market value of Ülker Biscuit as a company was given as \$ 893 million as of April 4, 2007 (Ülker Food Industries and Commerce PLC, Annual Report, 2006). Ülker Biscuit's 2006 net sales had increased by 32 %, reaching to 1.7 billion TL. According to 2007 Nielsen "Brands" research, Ülker brand had the second highest rate in the top-of-mind brand list, with a 6.6 % recall rate. In the biscuit category, Ülker biscuits are by far the first brand that pops into mind, with a 53.7 % recall rate (The second biscuit brand is recalled by 20.1 % and the third brand is Biskrem with a 6.1%). Ülker with its 26 brands and 135 SKUs, had a market share of 56 % within the biscuit market in Turkey in 2007.

The Ülker Chocolate Wafer magazine advertisement created by Birleşik Reklamcılar in 1982



Ülker on Chocolate Covered Biscuits

Ülker Chocolate wafer is one of Ülker's best known and is one of the leading brand's on the chocolate covered product's market. The advertising created for Ülker Chocolate Wafer by Birleşik Reklamcılar in 1982, exhibited the product's claim very clearly.

On the other hand, the latest wafer campaign created by Alametifarika in 2005, was based on the idea that Ülker Wafer is liked by all and found irresistible. In the ad, we saw a person faced with a problem and in order to calm everybody in the crowd and dissolve indifferences, the person shouted out : "Is there anyone who doesn't like Ülker Wafer?", hence overcoming the problem.

Şebnem Nasi mentioned that in the "Usage and Attitude" test done in April 2007, Ülker Wafer had a 37 % spontaneous brand recall, having an aided recall as high as 98 %. Ülker Chocolate Wafer's market share among chocolate covered biscuits was 8.2 % in 2007. With this figure, it can be seen that Ülker Chocolate Wafer is the leading brand both in tonnage and in value in its own category.

Year 2005. The "Is There Anyone Who Doesn't Like Ülker Wafer?" campaign and shots from "School bus service" commercial created by Alametifarika

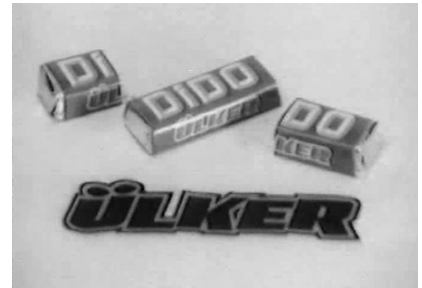


Another important player in the chocolate covered biscuit's category is Dido, launched in 1982. Dido was also launched by Birleşik Reklamcılar, starting off with a teaser campaign and then continuing with a TV campaign.



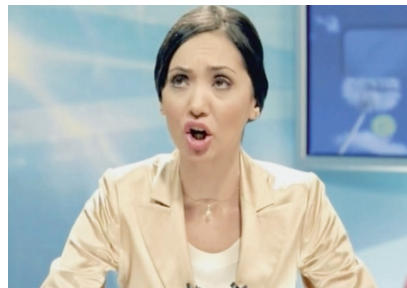
The newspaper advertising created by Birleşik Reklamcılar in 1982 for Dido's launch

TV commercial shots for Dido in 1982 (Birleşik Reklamcılar)



Ülker 21

Dido's most recent campaign, "Have a Dido, If You Have a Dodi" was aired in 2006 and was again the work of Alametifarika. This small budgeted campaign also became very popular, as a result of word-of-mouth among its young adult target group, adding value to the brand.



Year 2006. Shots from "Have a Dido, If You Have a Dodi" TV commercial (Alametifarika)

Ülker As a Chocolate Brand

Necdet Buzbaş, stated that although chocolate production had started after the 1950s, the chocolate production in Ülker actually increased after 1975, as a result of a new production line which was installed with the latest technology. However Ülker valuing its brand and having a visionary outlook, got the Ülker Chocolate brand registered as early as 1964.

A magazine ad for Ülker Chocolate, titled "A Sweet Exam" published in 1984 (Markom)

tatlı bir sınav



1. Ülker + Çikolata = işleminin sonucu aşağıdakilerden hangisidir?
A. Ülker Çikolata!
B. Mmmh!
C. Olsa da yesek..
D. Yukarıdakilerin hepsi.

2. İyi bir çikolatanın bölümlerini işaretleyiniz.
A. Ülker markası!
B. Halis kakao.
C. Nefis antep fıstığı.
D. Gerçek karadeniz fıstığı.
E. Sütozu, şeker vb.
F. Yukarıdakilerin hepsi.

3. Ülker Çikolata nerelerde bulunur?
A. Bakkallarda.
B. Kuruyemişçilerde.
C. Marketlerde.
D. Ülker ürünü satılan yerlerde.
E. Çantamda bir tane var. birazdan yiyeceğim.
F. Yukarıdakilerin hepsi.

4. "Ülker Çikolata" denince aklınızda ne geliyor?
A. Ağzım sulanıyor.
B. Hapır hapur yemek!
C. Sütlü, antep fıstıklı, fındıklı.
D. Yukarıdakilerin hepsi.

LUXS ÇİKOLATA
ÜLKER
SÜTLÜ
ÜLKER
"Ülker'in çikolata'sı"

Kaliteyi
uzaklarda
aramayın!



Ülker, birbirinden değişik ürünleriyle 51 yıldır Türkiye'ye benzersiz tatlar sunuyor. Hepimizin güvendiği kalitesinden asla ödün vermeyerek.

'Olağanüstü tadı ve kaliteyi bir arada arayan herkes, beklediğinden daha fazlasını hemen yanı başında Ülker'de buluyor.

Bugün, gerek yurtdışında gerek zevkine önem verenler ağız birliğiyle 'Ülker' diyor. Ve Ülker bu sevgiyi, bu beğeniyi hak ediyor. Adıyla... Tadıyla...

ÜLKER
Türkün Sesi Kıbrıslı Agustus 1997

The Ülker Chocolate used the slogan of "Don't Look for Quality in Far Away Lands" for many years. In 1997, it was also used as the title of a magazine ad (Markom)

Şener Astan on the subject of Ülker's leadership during 1992-1993, stated that the slogan that they used in those years was: "Don't Look for Quality in Far Away Lands". Because in the 1990s, there was fierce competition in the Turkish chocolate market, mostly created by international brands. Therefore Ülker adopted "Don't Look for Quality in Far Away Lands" as a slogan right away and made use of it until the end of the 1990s. Ülker Chocolate's advertising agent was Markom then. As Ülker was the market leader in chocolate covered biscuits, it also became the market leader in chocolates after 1993. Furthermore new covered chocolate products launched, such as "Metro", "Albeni" were also the first in their own sub-category.

In the 1980s Ülker Chocolate was known as, "Ülker's Chocolate". The magazine ad titled "A Sweet Exam" is an example of an advertisement, belonging to that period and was created by Markom.

Ülker Chocolate started working with Ajans Ultra in 2002. The Agency's Co-Chair and Creative Director Hakkı Mısırlıoğlu, explained that they started working, looking for a fresh look, which would reflect Ülker Chocolate's market leader position in the chocolate market both in the minds and hearts of consumers. The communication target was to make consumers own the brand, establishing an emotional bond.

Hakkı Mısırlıoğlu, said:

Therefore we have positioned chocolate as the source of 'joy' and we have converted the physical properties of chocolate and the emotional effects it creates on consumers as our slogan.

For this campaign, newspapers, magazines, TV and outdoors were utilized as the media, running five different executions. The slogan used in all advertisements was: "Find out about the inner joy"

Ajans Ultra, with its "Broken Hearts" TV commercial in the "Find Out About the Inner Joy" campaign for Ülker Chocolate in 2002, received the Bronze Apple on TV at the 15th Crystal Apple Creative Awards [a Turkish creative advertising contest held annually since 1987]



The "Find Out About the Inner Joy" campaign also received a Bronze Apple with its press advertisement at the 15.th Crystal Apple (Ultra)



Hakkı Mısırlıoğlu continued expressing his views as:

- Actually chocolate is a very lucky product. Because it has been proven that chocolate consumption makes human beings happy. Therefore in our 2002 campaign, we first showed unhappy individuals and then explained how they could be happy after eating chocolate. However in 2007, we created a campaign, highlighting the Golden brand and used the slogan of "Now, is just the right time." Because there is no specific time for eating chocolate and we should not have limited it to any occasion. And that is what we have done. Therefore instead of turning a negative incident to a positive; we have chosen to go from positive to positive. ▶

As a result of press ads, titled "If You Are In Love or Have Just Fallen In Love", "If You Have Got a Gift or Flowers" were published in 2007, with corresponding TV commercials. Ultra Agency Deputy Chair Eser Bozkır Yavuz explained that Ülker Chocolate acquired the Golden brand in 2007 and after this date they started to put the emphasis in all their communications on the Golden brand. Similarly new packaging design for Golden was also done by Ultra in 2007.

TV shots from Ülker Golden Chocolate "Now, is just the right time" campaign aired in 2007 (Ultra)



Ülker had 55 brands and 188 SKUs in the chocolate and chocolate coated products category at the end of 2007. Şebnem Nasi, stated that Ülker Chocolate is the leading top-of-mind brand with 62 % in the "Attitude and Usage" test in 2007; adding that Ülker Golden Chocolate had a 22 % market share in 2007.

Aşık
ya da aşık
olduysan

Şimdi tam zamanı



İçindeki mutluluğu keşfet.

ÜLKER

Güzel bir hediye
ya da çiçek
aldıysan

Şimdi tam zamanı



İçindeki mutluluğu keşfet.

ÜLKER

"Now, is just
the right
time"
commercials
aired for
Ülker Golden
Chocolate in
2007
(Ultra)

Ülker 25

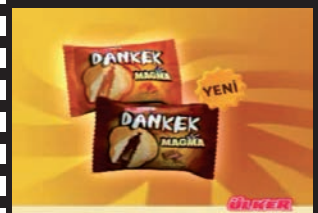
Ülker Brand in the Cake Market

Client Services Director, Gözde Yılmaz, at Medina Turgul DDB, started by saying that Dankek was launched in 2001 and that their aim was to create brand awareness as an initial target. As this product was mainly addressing to young adults, a specific advertising style and language was used, so that the target group would be able to feel closer to the brand. At the opening scene of the commercial, we can see two lads sitting on a couch, repeating the brand name as "Dan - Kek - Dan - Kek". 12 different commercials were shot in the same series. As a result of these commercials, fan clubs were formed for the two lads.

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Shots from
"Pele" TV
commercial,
created for
Dankek
Magma, won
the Crystal
Apple at the
20th Crystal
Apple in the
Biscuits,
Chocolate and
Confectionery
category
(Medina
Turgut DDB)



In 2007 Dankek Magma was introduced to the market. One of the films created for Dankek Magma was called "Pele". In this commercial, we saw two young men sitting on the benches of a soccer playfield and talking. One of them said: "If I were a soccer player, I would top them all... One day we were playing. Then I noticed a tanned, thin man watching us from a distance. After the match he came and introduced himself. Who do you think it was?" The other one asks: "Who?" "Pele! He told me come and start playing fort the Brazilian National Team on monday..." Then we hear Cem Ceminay as the voice-over shouting in his usual style: "Wait a minute. We have also exaggerated but we put in extra chocolate and then made the cake rise for Dankek Magma. And everyone had it." The commercial ended with the: "Dankek, the only one in the world of cakes" as the super.

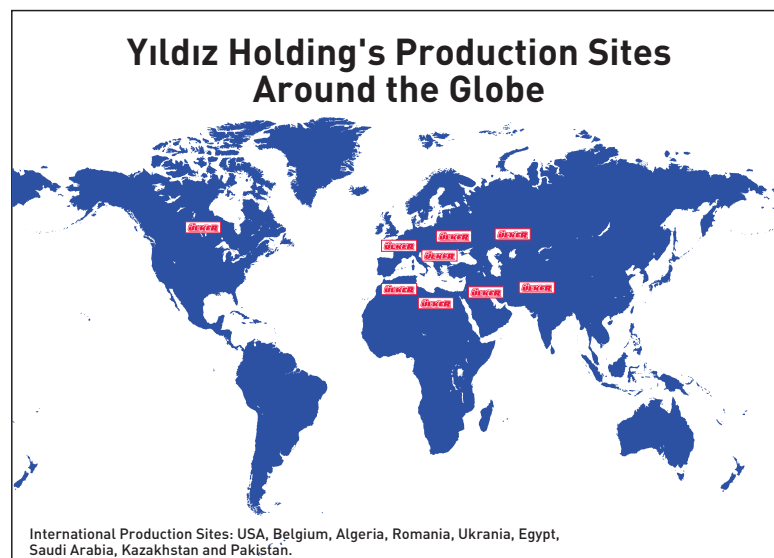
©Nükhet Vardar

Ülker is the largest cake producer company in Turkey with its 2,500 ton/month production capacity. It has nearly a 50 % market share in the cake category, with its 13 brands and 65 SKUs. Şebnem Nasi, said that Dankek had a recall rate of 23 % within the cake category according to the "Brands" research, conducted by Nielsen in 2007, having a 22 % market share at the end of 2007.

From Having Regional Targets Towards Being a Global Player

Ülker has been actively engaged in activities to become a regional company following 1990, having its headquarters in Turkey and extending over to neighboring countries as an initial step. As a result, Ülker had nine different production units with various partnerships around the world by March 2008, all of which are managed by Ülker. These locations are in: Pakistan, Kazakhstan, Ukraina, Saudi Arabia, Romania, Egypt, Algeria, the USA and Belgium. In 2008 Ülker was evaluating each and every market's potential and consumer purchasing power, assessing its production units' efficiencies. Ülker's strategy in international markets in the near future can be summed up as: "being in right spots, rather than in many locations."

As Murat Ülker pointed out in one of his interviews, Ülker moved from being a "regional power", towards becoming a "global player". As a result of this decision, Ülker which had only mass products in its product portfolio for years, also included niche products to its portfolio by acquiring Godiva. Godiva is a premium priced international chocolate brand, mostly manufactured in the USA and in Belgium, famous for its chocolate boutiques and internet sales, with a total turnover of \$ 479 million in 2007. In this cooperation, Ülker will bring in its ability to communicate with the masses as well as its experience in the Middle East, Turkish Republics and the Balkans; whereas Godiva will add its marketing expertise in premium priced brands together with its presence in the USA and the Far East markets. We can say that as a result of this acquisition, Ülker will start to be known as "the brand that purchased Godiva", hence as a natural consequence, elevating the Ülker brand's awareness in international markets. We were also informed in our interviews that after this acquisition, Ülker and Godiva operations will continue in their separate paths and that their logos will never be seen next to each other. In 2008, Godiva's turnover is anticipated to increase by 38 % compared to 2007 figures, reaching to \$ 660 million (The Associated Press, "Campbell Soup Selling its Godiva Chocolatier to Turkish Company," International Herald Tribune, December 21, 2007; "Ülker: Godiva Türkiye'ye Bayram Hediye Olsun", Hürriyet, 22/12/2007, p. 9; "Nohutçu Han'da Doğan 7,5 milyar Dolarlık Dev", Hürriyet, 22/12/2007, p. 8; Songül Hatisaru, "Ülker de, Yönetim de Globalleşecek", Milliyet, 23/12/2007, p. 8).



As Ülker is moving towards bigger ideals, it continues to adhere to its home market priorities, which are having quality goods delivered to every corner of the country and presented to consumers at attainable prices. The importance of this target is self apparent especially in 2008, when Ülker's global moves have attracted special attention.

Increased Social Responsibility Under the Yıldız Holding Corporate Identity

Communication General Manager position was established in August 2006. Zuhul Şeker Tucker who was appointed to this position, stressed the challenges faced when gathering 160 brands under the same identity, adding that this task also assigns a great responsibility to the Holding company.

Yıldız Holding tries to concentrate its social responsibility campaigns around the theme of "within life and next to sports", paying special attention especially to children and improving their life quality, supporting the issues related with nature, sports and education, all of which are what their founders Sabri Ülker had pointed out, back in the early days of Ülker. With these thoughts in mind, Ülker, aiming to make soccer playing more widespread among all, especially the young, started a special Grassroots project (SoccerForAll) with the Turkish Football Federation. As a result of this project, by November 2008, 5,000 children had a chance to join and play soccer in the 6-12 age group, in the Grassroots Centers established in İstanbul, Adana, Trabzon and Diyarbakır. Furthermore, Ülker organized Soccer Villages, starting with Van in August 2007, and continuing in other cities such as Sinop, Bolu, Sivas, Isparta; offering 1,200 children sports activities, training as well as entertaining them. In addition, numerous sports activities have been organized by Ülker, including for 9,000 physically and mentally disabled people. Yıldız Holding, had had one to one communication with approximately 24,000 children by November 2008 via various sports activities. Yıldız Holding also enabled 125,000 children to watch the film of "Nim's Island" in 33 cities and in 123 cinemas for free on April 23, 2008 (April 23rd has been celebrated as "Children's Day" in Turkey since 1920).



The Ülkersports Basketball Team members, together with the Ülker Vice-Chairman, Orhan Özokur

TÜM ÇOCUKLARA ÜLKER'DEN HEDİYE!

Macera Adası filminin biletleri 19-20 Nisan'da ücretsiz!

Sinemalar neşeyle dolsun, 23 Nisan Ulusal Egemenlik ve Çocuk Bayramı kutlu olsun!

Ücretsiz biletler salon kapasitesiyle sınırlıdır.

ÜLKER

Ülker sponsored the "Nim's Island" film and 123,000 children watched the film for free on April 23, 2008

The Ülker group of companies started giving support, mainly for youths to be engaged in sports through Ülkerspor in 1975. Later on, as Ülker obtained NASA Sports Club's rights in 1993, its involvement in sports were deepened. After 2005, with the thought of creating fans via its brands, four teams in the Turkish Basketball League were renamed as Fenerbahçe Ülker, Beşiktaş Cola Turka, Galatasaray Cafe Crown and Alpella. Similarly Ülker continues its support for soccer through the Turkish National Soccer Team as well being the sponsor of Beşiktaş, Fenerbahçe, Galatasaray and Trabzonspor.



A general look to Ülker's involvement with sports



Ülker 29

Last but not least, Ülker financed the development of three villages in Edirne and Kırklareli by cooperating with TEMA (The Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats). The project's aim was to give support to villagers, whose source of income were badly restricted as a result of diminishing fertile land. Therefore, first of all, land was detoxicated, fruit shoots were planted, as well as training villagers on keeping vineyards, bee-keeping and alternative product growth techniques.

The results obtained for the development of three chosen villages in Edirne and Kırklareli, as a result of cooperation between TEMA-Ülker, were announced to consumers with the help of newspaper advertisements



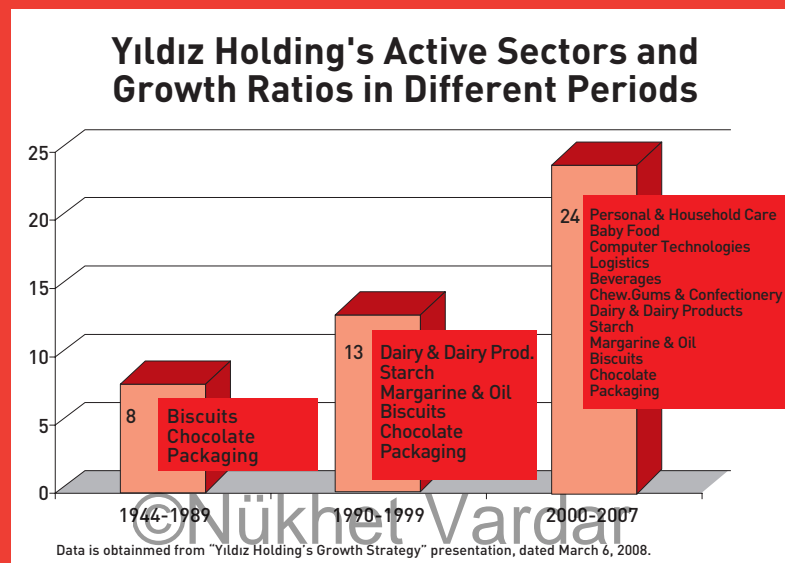
What Does the Future Hold?

determined to concentrate on its own area of expertise, which is "food" and in a more general sense in "fast moving consumer goods" in 2008 and beyond. Food accounts for a 80 % share within Yıldız Holding's total turnover. Therefore the Holding has decided to restrain its activities in sectors such as packaging, logistics, computer technologies and banking. As a reflection of this decision, Yıldız Holding sold its majority shares in companies such as Tire Kutsan Corrugated Board, Box and Paper Industry Inc, Türkiye Finans Katılım Bank and Fon Leasing Inc. in 2007. The extra cash created, was utilized in the acquisition of Godiva in 2007, in international markets and for the purchase of various food companies in Turkey including Vatan Canned Food, Uno Bread, Doğa and Obaçay in 2007 and 2008. Zeki Z. Sözen, pointed out that only 10 % of the Holding's total growth came from acquisitions, the rest being accounted for by new investments and internal growth. Hence the target of "concentrate the power in few areas" which was set years ago by the Holding, has already been put into application. Zeki Sözen explained that Yıldız Holding, while realizing its set targets, has always assigned top priority in following the latest trends around the globe, building innovations upon existing structures and opting for the best solutions. The Holding, with an investment budget of \$ 356 million for 2007, was expected to exceed the \$ 400 million mark in 2008 (İbrahim Ekinci, "Murat Ülker, Godiva'nın Başında, Cem Kozlu Yönetimde", Milliyet, 04/05/2008, p.15). Furthermore, Ülker has 50-50% partnerships with Cargill, in starch, with Hero Baby, in baby food and with Kellogg's, in corn flakes. In addition, for reasons of corporate governance and for expanding their financial base, Ülker Çikolata A.Ş. (chocolate) and İdeal Kek A.Ş. (cake) are anticipated to go public in 2009, depending on the general economic outlook.

In our interviews we learned that the Holding, both in chocolate and in biscuits, aims at attaining market average growth rates. It is apparent that stable foods such as biscuits and chocolate will continue to have an important growth potential in Turkey. However Ülker expected to have a higher growth rate in cakes in 2008, as there had been a cake production shortage in 2007, due to insufficient production capacity. As there was a capacity increase in 2008, it is anticipated that the competition in the cake market will get more fierce in the near future.

Ülker's story which started at Eminönü Nohutçu Han, İstanbul, Turkey in 1944, has gone from a small business, only producing 200 kg biscuits per day; to emerging before our eyes into a big conglomerate in 2007. Being active in five different sectors with its 65 companies, 42 factories - 9 of which are located in international markets, with its 29,000 personnel and with a turnover (excluding Godiva) as high as 10.9 billion TL (approximately \$ 9.1 billion). The Holding aims at exceeding the \$10 billion turnover target in 2008.

Yıldız Holding's active sectors and growth ratios in different periods

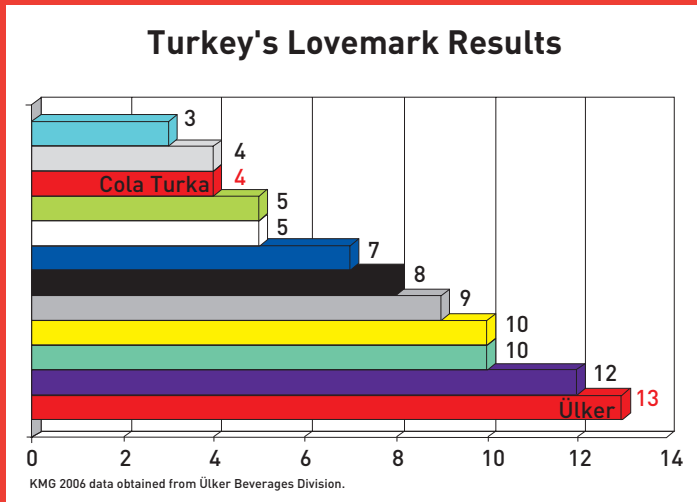


Their total foreign trade volume was \$ 664 million TL in 2007. The Holding's 2007 net sales have increased by 23 % and earnings after tax by 51 %. When we analyzed Ülker's main growth areas over the years, we saw that Ülker's annual growth rate was 8 % on average during the 1944-1989 period. This growth rate increased to 13 % when the Group started to enter different sectors between 1990-1999. However the growth rate reached to 24 % per annum between 2000-2007 as a result of new investments and acquisitions ["Yıldız Holding's Growth Strategy" presentation, 06/03/2008].

Ülker continues to sustain its top brand position in various researches conducted by different research companies. One of these studies is "Turkey's Lovemarks" research conducted by KMG in 2006. Here, Ülker is in number one position with 13 %, whereas Cola Turka is in the 10th rank with 4 %.

In addition to all these impressive figures, we can easily say that Ülker's move of acquiring Godiva in December 2007 was not only important for Ülker but also set an example for other Turkish brands on their way to internationalization. We know that Ülker's founders -Asım and Sabri Ülker's visionary outlook, the urge to follow innovations, the wish to deliver quality goods to all consumers everywhere in Turkey at attainable prices, and to set the pace for the development of the Ülker brand. However Ülker today, under the leadership of second and third generation of Ülker family members, together with the support of an increasing number of professionals, has reached a position where it could create brands that can easily compete in international markets. As Ülker's ideals continue, fulfilling them would only be matter of time.

Turkey's
Lovemark
results



October 2008

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Ülker Product Categories

- Biscuits
- Chocolate Coated Products
- Chocolate
- Candy
- Baby Food
- UHT Products
- Soft Drinks
- Cake
- Coffee
- Coffee Creams
- UHT Dairy Products
- Salt, Spices and Culinary
- Chewing Gum
- Margarines
- Soups
- Other Snack Food
- Vegetable Oil
- Cream Chocolate, Peanut and Pistachio Nut Butter
- Ready-to-Cook Dessert Mixes
- Fruit Juices
- Legumes (Pulse)
- Ingredients for Cake Baking
- Cereals
- Ketchup/Mayonnaise and Other Dressings
- Tea
- Flour
- Herbal Drinks and Other Drink Powders
- Ready-to-Serve Meals
- Crisps, Dried Fruit
- Jam, Marmalade, Honey
- Iced Tea
- Energy and Sports Drinks
- Canned Food
- Pickles and Other Pickled Products
- Baby Diapers
- Other

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- Eser Bozkır Yavuz
- Necdet Buzbaş
- Kuthan Erginbilgiç
- Reha Erkal (telephone interview)
- Nuri Gamsız (telephone interview)
- Haluk Mesci
- Hakkı Mısırlıoğlu
- Şebnem Nası
- Zeki Ziya Sözen
- Yasemin Sümer
- Zuhâl Şeker Tucker
- İzmir Tolga
- Ali Ülker
- Gözde Yılmaz
- Metin Yurdağül

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