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GENERIC PROMOTION OF COCOA CONSUMPTION IN JAPAN

FINAL EVALUATION OF THE PROJECT

I. INTRODUCTION

1. The project on Generic Promotion of Cocoa Consumption in Japan, initiated by the International Cocoa Organization, aimed, in accordance with the project proposal, at increasing consumption of cocoa-based products through a generic promotion campaign. The project was designed to counteract the negative image of cocoa in Japan and to promote instead a positive image by increasing the awareness of the positive nutritional and health aspects of cocoa. The negative image was that cocoa, linked to its sugar content, was fattening and unhealthy. The project proposal recognized that children were the main traditional consumers of chocolate, and the project would, therefore, specifically target adults.

2. The overall objective of the project was to expand the market for cocoa and chocolate in Japan and, eventually, in other countries. The immediate goal was to increase annual consumption of cocoa products in Japan by 20,000 tonnes in beans equivalent, over a four-year period.

3. The project formally started in September 1993 and was scheduled to be completed over a four-year period. The total cost of the project, as approved by the Common Fund for Commodities (CFC), was SDR 353,600, of which SDR 203, 600 was being financed by CFC on a grant basis. The balance of SDR 150,000 was financed by the Chocolate and Cocoa Association of Japan (CCAJ), the Project Executing Agency (PEA). The project was extended for three months, until November 1997, to allow the completion of the Third International Symposium on Chocolate and Cocoa Nutrition and other project activities.

4. The interim evaluation of the project took place in the autumn of 1996. The objectives of the interim evaluation were to evaluate progress in the implementation of project activities; to assess how many people were reached by the project; to assess the achievements of the project in terms of effectiveness of its activities; and to set priorities for the remainder of the project. The main conclusions of the interim evaluation were that the project had been successful beyond all expectations, as it had succeeded in reaching the great majority of the Japanese consumers; and that this had resulted in a considerable increase in cocoa and chocolate production, consumption and imports in a period of slow growth of the economy.

5. At the time of the interim evaluation of the project it was decided to defer the final evaluation until all relevant statistics for the 1997 calendar year were available. Accordingly, and in close coordination with the Director-General of the Chocolate and Cocoa Association of Japan, the final evaluation was conducted during the week of 10 to 16 May 1998. The evaluation was performed by a representative of ICCO and a representative of the Common Fund. The work was based on agreed terms of reference, and arrangements for implementation of the evaluation programme were kindly made by the secretariat of the CCAJ. The programme included interviews and discussions with the Chairman, as well as with the Public Relations Committee of the CCAJ; with Government officials; with representatives of the cocoa and chocolate trade and industry; with a consumers organization; with managers of convenience stores and supermarkets; with the specialized Press; and with Secretaries of sister organizations of the CCAJ in the confectionery sector. The evaluation team also had the opportunity to visit the Iwate Confectionery Exposition, the largest confectionery exhibition in Japan, which is held once every four years.

6. The terms of reference of the final evaluation consisted of the following components :

- An assessment of the **implementation of planned activities**, including an evaluation of the **concept and strategy** followed in the implementation of the project;

- An appraisal of the **outreach of the project** to establish how many people were reached by the messages contained in the project's promotional events, including the outreach to special target groups;
- An evaluation of the **impact of the project** on the perception of consumers; this was to include an assessment of the **sustainability of the impact of the project**, as this would seem to be directly related to the strength of the impact of the project;
- An appraisal of the impact of the project on the **consumption of cocoa and chocolate**, in the perspective of the quantitative target of the project to increase annual cocoa consumption by 20,000 tonnes per year; and
- An evaluation of the **lessons to be drawn from the experiences** of the project, including an identification of the factors which facilitated or inhibited the achievements of results in the project; the specific situation in Japan for the implementation of the project would have to be taken into account in this respect.

7. The evaluation team would like to express its sincere thanks to the many business people and government officials who generously gave of their time to discuss many issues and to answer a large number of questions. Special thanks are due to Mr. Akira Sasai, President of the Chocolate and Cocoa Association of Japan and to the Chairman and members of the Public Relations Committee of the CCAJ, for their support and assistance. Mr. Fumio Sukegawa and his staff arranged all the visits and interviews, provided statistics and answered many detailed questions on the implementation of the project. Mr. Sukegawa was also the perfect host and companion throughout the team's stay in Japan. Without his support, the evaluation could not have been done efficiently and effectively. The team is very grateful to him.

II. CHARACTERISTICS OF THE CONFECTIONERY AND CHOCOLATE MARKETS

8. The Japanese confectionery market is characterized by a highly sophisticated and competitive environment with an enormous variety and a strong historical and cultural heritage of traditional confectionery products. The long history of the traditional Japanese confectionery products, stretching back over 1,000 years, has thus posed a serious constraint to increasing chocolate consumption in Japan. There is, as vividly demonstrated at the Iwate Confectionery Exposition, an enormous choice of substitute confectionery products on the market. Like "tea time" in the West, there is an ancient snacking custom in Japan, called "o-yatsu". O-yatsu snacks might be a combination of green tea and senbei, a traditional rice cracker, or youkan, a confection made from sugar and beans, or it could be a cup of coffee or a fruit juice, with cakes, cookies or chocolate. Recently, hot chocolate has become more popular.

9. All in all, the Japanese industry distinguishes 10 types of confectionery (plus a category "others"), namely : candies, chocolate, chewing gum, senbei, biscuits, rice crackers, Japanese traditional confectionery, Western-style confectionery, snack confectionery and oil-treated cakes. The market share of the very typical Japanese confectioneries - senbei, rice crackers and Japanese-style confectioneries - has been well over 30% of total retail value, and does not show any perceptible sign of decline. Among the different categories of confectioneries, the market share of chocolate is about 12%. It has been suggested that the confectionery market as a whole has reached its saturation point and that, if one wants to increase chocolate consumption, it has to be done at the expense of the market share of other substitute confectioneries. In this situation, the

competitive environment is particularly fierce. For chocolate, the situation has become more difficult, because, after Western-style foods made significant inroads into Japanese society, the attention of Japanese consumers shifted back towards traditional Japanese foods and increasing health consciousness has resulted in trends towards more *natural* products.

10. Japanese chocolate manufacturing is highly concentrated with the five largest manufacturers, *Meiji Seika*, *Lotte*, *Morinaga*, *Fujiya Confectionery* and *Ezaki Glico*, accounting for 70% of chocolate confectionery manufacturing. The leading producers of cocoa drinks are *Morinaga* and *Meiji Seika*, although the large diversified beer breweries, *Kirin* and *Asahi*, and coffee suppliers such as *UCC* also have significant shares, particularly in distribution. There are approximately 25 members of the CCAJ. The main growth segment in the market has been composite and filled chocolate, while solid chocolate has gradually been losing market share, reflecting the main successes in the "gift" chocolate assortments and the tendency for manufacturers to differentiate their products from competitors by using a variety of fillings and flavours. Among the latter, strawberry-flavoured chocolate is very popular in Japan.

11. New product development is a typical feature of the Japanese industry, both due to prevailing fierce competition from other manufacturers and competition from overseas. While foreign manufacturers normally concentrate on their best selling brands, Japanese companies are quick to exploit opportunities presented by fashionable trends, as consumers are relatively indifferent to the price of fashionable novelties. Manufacturers are also quick to exploit ideas which originate outside Japan, such as the *Tiramisu* chocolate boom in the early 1990's, which stemmed directly from a feature on Tiramisu as a unique Italian desert in "Hanako", a trend-setting magazine.

12. However, most new products do not last long. It is estimated that 3,000 new confectionery articles are launched on the market every year. However, with shelf-space very expensive in supermarkets, only products with a high turnover will remain on the shelves. Consequently, it is estimated that 2,960 articles disappear again within one year. But every manufacturer has to participate in the launching of new products, or he will be penalized by losing market share.

13. Extensive advertizing is an essential component of manufactures in brand promotion and in the introduction of new products. Television is the most representative media for advertisements on confectionery by established brands, although other media, including papers and magazines, are also intensively used. Television advertizing is mainly used for the introduction and launch of new products and for special occasions such as Valentine's Day. As advertizing is very intensive, the effects of advertizing do not typically last much beyond the short term. Thus, the short life-cycle of confectionery products on the market induces a constant need for new product development and innovation, which, coupled with repeated advertizing, increases the cost of competition significantly.

14. The chocolate market in Japan is dominated by "gift" and "special occasion" chocolate and the Japanese consumers typically purchase the largest quantities during the month of February, in connection with Valentine's Day, and in December, the festive season and the period of the traditional end-of-year exchange of gifts. Up to 40% of total chocolate consumption can occur in these two months alone. This concentration of demand is also related to the fact that *snacking* in the streets is not considered polite in Japanese culture and most chocolate is thus consumed at home or in the office.

15. The great majority of chocolate confectionery is consumed in metropolitan areas, which account for almost half of the total population. Close to 85% of all chocolate confectionery is consumed during the eight months between October and May and the remaining 15% is consumed during the summer season, when high temperatures and humidity levels lead to sharp declines in consumption.

16. The primary consumers of chocolate in Japan were - at least until the implementation of the project - and mainly still are children and young people, in particular young women. This is probably the result of earlier marketing strategies that emphasized chocolate as "children's candy". This could, with the recent sharp declines in the birth rate, seriously affect the growth potential of the chocolate market.

III. CONCEPT AND STRATEGY OF THE PROJECT

17. The concept and strategy for the project were developed by the Public Relations Committee (the former "Sales Promotion Committee") of the CCAJ, in which all major private companies in the cocoa and chocolate sector were represented. The Committee developed the concept and strategy for the project in extensive discussions prior to the implementation of the project. The Committee directly reported to and communicated with Mr. Sasai, the Chairman of the Association.

18. The concept and strategy developed for the project were directly derived from the characteristics of the chocolate market, from the perceptions of consumers, and from a notion of how to really reach the consumer. From the market characteristic that chocolate is mainly consumed by children, the objective was derived to reach adults, first of all women and young females and eventually males. To change the negative image of chocolate - the image of chocolate was that, although the taste was delicious, it caused cavities and acne and it was fattening, partly related to its association with sugar - became the second objective of the project. Together they became the project concept : to spread consumption to older age-groups, and to create new intellectual product values by turning the negative health and nutrition image of chocolate into a positive one, to continue to be combined with the good taste of chocolate.

19. The strategy for the project adopted was that of a "vertical" approach, making use of the fact that the Japanese consumer is sensitive to a "message" coming from an authority, in this case an academic authority. So the strategy was to have the "messages" related to the health/nutrition image of chocolate developed or at least backed by independent scientists and to reach a large number of nutritionists in the country so as to influence and change their views of chocolate. On this basis, a way had to be found to reach the public. It was decided to do that mainly through symposia, which would be attended by the mass media. To this end, efforts were made from the beginning, through statements and Press releases, to feed the Press with information and to establish contacts with journalists and with TV people and stations. In this strategy of a vertical approach, the "upstream" layer of academic symposia has to generate the messages, which, through the mass media - Press and TV - had to reach the "downstream" consumers.

IV. THE PROJECT ACTIVITIES AND THEIR IMPLEMENTATION

20. The activities in the project have been implemented under the guidance of the Public Relations Committee, which, throughout the project, met at least once per month, and once a week when the date of a Symposium came closer. The cooperation of the members of the Association in this Committee resulted, with the full support of the secretariat of the Association and sometimes the staff of member companies, in a well

coordinated, effectively-managed and efficiently-implemented promotion campaign. One of the most important aspects of this cooperation between manufacturers, engaged in a fiercely competitive market, is that, without the project's support and external finance, it would have been extremely difficult, if not impossible, to foster this mutually-beneficial generic promotion campaign. The need for aggressive and expensive marketing by domestic chocolate manufacturers meant that - before the start of the project - they were categorically opposed to financing any generic promotion activities themselves. By encouraging manufacturers, in the project, to share their market research and experience for the wider benefit of the industry as a whole, through the collective medium of the CCAJ, promotional efforts could be more effectively targeted, focused and concentrated on issues and constraints which had a more common or generic origin.

21. The "regular" activities of the project, such as the Newsletters, the Chocolate Weeks and the Symposia, have been extensively reported in the progress reports of the project and in the report on the interim evaluation. The reporting on these activities will be summarized and updated. However, before that is done, it seems relevant to deal briefly with a few less well known, but very important activities in the project.

22. One of the first activities undertaken in the project was to bring in a leading researcher in the field as an advisor and consultant for the project, at a modest but attractive fee. Without such a leading advisor, one could not have expected any future findings to be considered academically legitimate. Having such an advisor also helped to legitimize the project in the eyes of journalists, nutritionists and consumers. The advisor engaged also had good relationships with the Press and was a well known TV personality in the area of nutrition.

23. At the start of the project, considerable attention also had to be given to increasing the research on the health and nutrition aspects of cocoa and chocolate. Some of the research is done by the manufacturing companies themselves. However, most of the research is done by academic researchers, but sponsored by companies. This is a remarkable feature of the project; individual companies sponsor research and the research findings are subsequently presented by the researchers at the symposia. At present, about 20 scientists regularly do research on the nutrition aspects of cocoa and chocolate. All this research is sponsored by companies. The independence of the researchers has, however, to be preserved, as the research findings have to be presented at the symposia by independent academic researchers.

24. The major more "visible" activities under the project, fully in line with the planned activities, were :

- The "Chocolate Story" pamphlet. The coloured "story" gave a brief history of cocoa and chocolate, and a short overview of the production process for cocoa and chocolate, indicating the wide variety of cocoa products and the major nutritional aspects of cocoa and chocolate. As regards the latter, the original pamphlet concentrated on refuting the alleged negative nutritional aspects of chocolate, while a later insertion paid more attention to positive aspects. 50,000 copies of the pamphlet were printed and distributed. The cost of the pamphlet amounted to less than US\$ 15,000.
- Production and distribution of a video film, entitled "Chocolate, the Food of the Gods". The video presents Chocolate's History, the Making of Chocolate, and the first International Nutrition Symposium on Chocolate and Cocoa. 1,300 copies of the video were distributed, mainly to member companies, to schools and to subscribers to a certain academic journal. The total cost of producing and distributing the video was less than US\$ 100,000.

- Participation in the Kanazawa and Iwate Confectionery Exhibitions in, respectively, 1994 and 1998. On both occasions the Association had a small stand at the exhibition. About 750,000 people visited the Kanazawa Exhibition, while the number of visitors to Iwate was probably somewhat lower, at least partly due to bad weather. Although brand promotion is much in evidence at these exhibitions, they can also be considered as a generic promotion event *par excellence* for confectionery in general.
- Four issues of a Newsletter, issued between January 1994 and October 1995. The Newsletter were targeted to the members of the Japan Nutritionists' Society. They aimed at presenting to nutritionists recent findings in the area of nutritional aspects of cocoa and chocolate. The printing and distribution costs of the Newsletters came to about US\$ 50,000. The series was discontinued in late 1995, partly due to the heavy workload of the CCAJ secretariat. The Public Relations Committee of the Association intends to resume the publication of a Newsletter.
- The Chocolate Weeks at the "Consumers' Room" in the Ministry of Agriculture, Forestry and Fisheries (MAFF). The first "Chocolate Weeks" were held around Valentine's Day, the peak for chocolate sales in Japan, in February 1995. Due to its success - the "weeks" drew 7,000 visitors and TV-coverage - the weeks became an annually recurring tradition, with good publicity every year. The cost of this activity is low.
- The International Symposia on Chocolate and Cocoa Nutrition. While the first symposium was held in September 1995, the fourth symposium will be held in September 1998, long after the termination of the project. The symposia, which have been reported upon extensively in the progress reports, have been a resounding success. The themes presented at the symposia covered a very wide range of subjects related to nutritional aspects of cocoa and chocolate consumption, introduced by renowned scientists from both Japan and abroad. An interesting aspect is that, after the first symposium, it was realized that only specialists could understand the papers presented. This resulted in a new task for the Public Relations Committee, namely to explain the research findings, as much as possible, in layman's language, in particular to ensure that the material could be used by journalists.
- Expenditure on publicity by the project had only been planned to a limited extent, the budget amounting to less than US\$ 30,000. But publicity did become a major activity when the members of the Association created a Special Fund for this purpose under the project, after the first International Symposium. Total expenditure from the Special Fund during the project amounted to well over US\$ 500,000. The first major activity financed by the Special Fund was a double-page advertisement summarizing the results of the first Symposium on Chocolate and Cocoa Nutrition in the Yomiuri Shimbun, the most widely read newspaper in Japan.

25. As indicated above, generic promotion activities are being continued under the auspices of the CCAJ after the project had been completed. This is the clearest proof - in addition to the additional contribution by members to the project of more than half a million dollars - that the strategy of generic promotion was and remains effective and successful. If it were not expected to pay off handsomely, the members of the Association would not continue the activities. Thus, it is ensured that the strategy under the project is sustainable and that the momentum established under the project will be maintained. The manufacturers of cocoa and chocolate have recognized the synergy established under the project and have committed

themselves to continuing to fund research on the nutritional aspects of cocoa and chocolate, to organize annual events such as the International Symposia and the Chocolate Weeks, and to produce and distribute newsletters, posters and pamphlets for promoting the nutritional and health aspects of cocoa and chocolate.

26. A special activity that will take place in the near future is a presentation in March 1999 by the CCAJ of the research findings on health and nutrition aspects of cocoa at the Medical Assembly in Japan, which is held every four years. 300,000 people are expected to attend the assembly. The invitation to CCAJ is in recognition and appreciation of its International Symposia. It is the first time that an "outsider" organization has received an invitation to give a presentation at the Medical Assembly.

V. OUTREACH OF THE PROJECT

27. The outreach of the project progressed from being satisfactory to really good during 1994 and most of 1995. Apart from the activities developed (Chocolate Story, Newsletters and Kanazawa Exhibition), this was also due to the systematic efforts from the beginning of the project to reach and involve the mass media, both the Press and TV. People were reached by the activities themselves and the "spread" effect was achieved through articles in specialized newspapers and periodicals. The project reached tens of thousands of people, albeit most of them not intensively.

28. The TV exposure on the occasion of the first Chocolate Weeks in February 1995 would seem to constitute a "lift to another platform" of the outreach of the project. On Valentine's Day, the Tokyo Broadcasting System included the Chocolate Weeks exhibition in its early morning television programme. This was the start of the powerful medium of TV spreading the messages of the generic promotion campaign. The project by now was reaching hundreds of thousands of people.

29. But the real breakthrough for the project only came after the first International Symposium on Chocolate and Cocoa Nutrition. In early December 1995, Nippon TV broadcast the by now famous programme on the "surprising effects of cocoa", during its popular lunch programme and presented by a famous anchor-man. The programme, the production of which was "stimulated" by the CCAJ, was directly based on the health and nutrition messages included in the presentations at the first International Symposium. In consultation with the project sponsors, the TV programme involved housewives, the prime target-group to be reached by the project. In a "question and answer" game with the audience of housewives, the programme dealt, *inter alia*, with the positive effects of dietary fibres and polyphenols in cocoa. The programme focused on the properties of cocoa beans and hot chocolate. From this moment onwards, the outreach of the project had to be counted in millions.

30. The "cocoa boom" had arrived and the publicity and TV coverage following the arrival of the cocoa boom was enormous, as described in the progress reports and summarized in the report on the interim evaluation of the project. Many TV stations ran the story of the cocoa boom, as did the national and international Press, including the *International Herald Tribune* and the *Financial Times*. It is estimated that the project reached between 60 and 70 % of Japanese consumers.

31. It is most important to note that the massive publicity around the project was not limited to the "cocoa boom". It is remarkable and commendable that the CCAJ managed to maintain a high profile for the activities and findings of the project. The most recent example of this achievement is the TV coverage during the first half of 1998. Seven TV programmes devoted all or part of their time to health and nutrition aspects of cocoa

and chocolate. In January, the national channel 1 ran the famous programme, with Mr. Takeuchi, now 102 years of age and still Chairman of Daito Cacao Co. Ltd., conveying the message of longevity through cocoa. In February, five TV programmes devoted time to cocoa and chocolate, all related to health and nutrition, around Valentine's Day. Most programmes were talk shows; several had invited speakers from the third International Symposium; and they covered subjects like cavities, dietary fibres and polyphenols in cocoa and chocolate. The role of the CCAJ in this was that the Association sent information to TV stations after the symposium and towards Valentine's Day, inviting the stations to spend time on the subject. Finally, a TV station broadcast a programme in May, including a visit to a large chocolate factory.

32. Recently the project has reached a large number of consumers on the theme of polyphenols in cocoa and chocolate. A large part of the publicity consists of advertizing by companies, which publicize their products by making use of the findings presented at the International Symposia. This "polyphenol-in-chocolate" campaign was initiated by Meiji and Lotte, when they started producing high-quality chocolate with a high percentage of chocolate solids and a high polyphenol content. These initiatives followed a surge in Japan in red wine consumption, because of its polyphenol content. The chocolate advertisements emphasize that chocolate is delicious and healthy and that it contains 22 times as many natural phenols as red wine per unit weight. These advertisements, run in newspapers with nation-wide coverage, reach very large numbers of consumers. So far, the products have been selling well.

VI. EFFECTS ON THE PERCEPTION OF CONSUMERS

33. With regard to the impact of the project on the perception of consumers, a distinction has to be made between hot cocoa on the one hand and chocolate on the other. The reason for the need for this distinction is that, in Japan, large numbers of consumers do not seem to link hot cocoa as a drink with solid chocolate. However, this compartmentalization does not seem to be watertight as a link appears to be made between hot cocoa and milk chocolate.

34. There seems to be a unanimous view among experts that the perception of the public vis-à-vis cocoa as a drink changed dramatically as a result of the generic promotion campaign. The earlier negative image of cocoa seems to have been wiped out, in particular with housewives. It was this group, and more specifically housewives over 50, that participated in the T.V. show on the "surprising effects of cocoa". The message regarding the positive attributes of dietary fibres in hot chocolate seems to have been most relevant in this respect.

35. As a result, cocoa appears now to have become a product for adults, where housewives are the constant and stable factor in the buying of the product. In the cocoa boom, the consumption of cocoa powder for making hot chocolate increased five-fold. In the meantime, the situation has stabilized at a level of consumption twice that of the pre-boom period. This level is sustainable, in the view of market experts and analysts, as there is a stable group of consumers.

36. Regarding chocolate, expert opinion on the change in the perception of the public as a result of the project is more subtle. A description used is that consumer perception is changing, but that it has not changed dramatically; and that it takes time to change the negative image of chocolate, in particular with respect to its alleged fattening effect, related to the sugar content. It is also noted that the general mood with respect to

chocolate has changed for the better; that one observes a gradual recognition of the real and positive attributes of chocolate; that chocolate now starts to reach adults; and that, after the symposia, in particular women feel assured that it is good for one to eat chocolate. On the other hand, the opinion is voiced that the old beliefs on chocolate - it is fattening and causes cavities and acne - still persist with about 50% of the public.

37. To the extent that the project succeeded in reaching adult males, this was, according to market experts, not visible in consumption. Maybe the image improved to a certain extent with males, but the challenge remains, it is recognized, to make them chocolate consumers. Perhaps the recently launched high-quality polyphenol rich chocolate could reach a certain number of men. This is, however, uncertain and this product could - although it is not likely for this high-quality product - even be among the many new confectioneries that disappear within one year. In view of the challenge of making men chocolate consumers, several experts stress the importance of having products with a very good taste on the market. They seem to indicate that the emphasis on health and nutrition aspects needs to be balanced by more emphasis on good taste. With the already considerably improved general image of chocolate with respect to health and nutrition, this would seem to provide a good starting-point for generic promotion efforts in the future.

VII. IMPACT ON COCOA AND CHOCOLATE CONSUMPTION

38. The project did not succeed in reaching the quantitative target of increasing cocoa and chocolate consumption by 20,000 tonnes per year, in beans equivalent terms, over a period of four years. In late 1996, at the time of the interim evaluation, it still seemed feasible to reach this objective. However, adverse economic conditions have made it impossible to accomplish this, and chocolate consumption declined somewhat in 1997. The following figures provide a more complete picture, placing the performance of chocolate consumption against the background of economic growth and developments in other segments of the confectionery market.

39. In 1991, cocoa consumption in Japan reached an all-time record of 70,200 tonnes (defined as grindings plus net imports of cocoa products, converted to beans equivalent, using the following conversion factors : cocoa butter 1.33; cocoa powder and cake 1.18; cocoa paste/liquor 1.25) and consumption of chocolate products reached a record volume of almost 208,000 tonnes. Subsequently, however, cocoa consumption declined to 69,900 tonnes in 1994, under the impact of both economic stagnation and of the apparently increasingly negative image of chocolate, related to the increasing health-consciousness of consumers. The latter factor is derived from the fact that the consumption of all other confectioneries hardly showed any decline during this period, despite adverse economic conditions. So, during the early 1990's, prior to the implementation of the project, chocolate was **losing market share** to other confectioneries.

40. Cocoa consumption in Japan reached a low point of 67,200 tonnes in 1995, increasing to 85,400 tonnes in 1996 and falling back to 72,400 tonnes in 1997. The increase in 1996 seems both related to the impact of the project, as well as to the fact that economic growth, at a rate of almost 4%, was at its highest for the 1990's. In 1997, cocoa consumption declined considerably, under the influence of an apparent stock drawdown (not reflected in the cocoa consumption figure) and economic stagnation.

41. Consumption of chocolate products, in relation to consumption of confectionery in general, would appear to give the best picture of the performance of the chocolate sector under the project. The following

indices (1994 = 100) give a picture of the recent developments in consumption of chocolate products and all confectionery (both in volume terms) :

	Chocolate	Confectionery
1994	100.0	100.0
1995	103.3	100.1
1996	106.3	100.7
1997	105.0	99.9

While confectionery consumption stagnated, consumption of chocolate products expanded, and the chocolate sector thus **increased market share**. It seems justified to attribute this to the project. The generic promotion campaign succeeded in turning the situation around : from losing market share to gaining market share.

VIII. CONCLUSIONS AND LESSONS DRAWN

42. The overall conclusion regarding the project is that it has been a resounding success in terms of efficiency and effectiveness of the implementation of activities, in terms of outreach to consumers and impact on the perception of consumers, and finally in terms of growth of consumption of cocoa -based products. The success of the project is clearly demonstrated by the fact that the Association added very substantial funds to the project during implementation and that the CCAJ will continue with generic promotion activities along the lines developed under the project.

43. There were two factors that made it difficult to achieve in full the envisaged quantitative result of the project. The first one was the unique and highly crowded confectionery market in Japan, with a very strong position and high market share of traditional confectionery. The second factor was the adverse general economic situation and developments in the 1990's. It may also be argued that these factors made the implementation of the project all the more desirable and its positive results all the more commendable.

44. The positive factors, which contributed to the success of the project, were all man-made and related to the planning and implementation of the project. The first positive factor was the development of a thorough concept and strategy for the project, prior to its implementation, by representatives of the industry. This exercise gave the project a clear sense of direction, in particular, in terms of the target-groups to be reached and the type of action to be undertaken, including the so-called "vertical" approach.

45. The second positive factor was that the project was geared towards a major preoccupation of the consumer : the health and nutrition aspects of cocoa and chocolate consumption. It should be noted, however, that this required - at least in the way it was done in Japan with rather elaborate nutrition-related messages - a highly-educated average consumer. However, it was always explicit or implicit in the project activities that chocolate is first of all consumed because it is delicious and has a delicate and fine taste. This aspect has recently come more prominently to the forefront in the promotion activities.

46. The third positive factor was that under the project, right from the start, due attention was paid to strengthening contacts with the mass media, the Press and TV in particular. To facilitate these relations and to enhance the credibility of the project with the media and the general public, the project engaged a high-calibre advisor.

47. The project made full use of the high standing and strong authority of academic scientists to generate, introduce and back the messages of the project. The independent status of these scientists was carefully preserved. The prevalence of this situation in Japan is probably rather specific, although it might, at least to some extent, apply to other countries in Asia.

48. The major lessons that may be drawn from the Japanese experience for generic promotion activities in other countries are :

- The need to develop a clear concept and strategy for the project, prior to the start of implementation. This is required to clearly set the objectives of the project, including the target group or groups to be reached, and to establish how one wants to generate and disseminate the messages of the project.
- The project should be guided by the industry itself, as was done in Japan by the Public Relations Committee of the CCAJ. Only in this way will the industry be fully involved. This has the practical advantages that the experience of the industry can be fully brought to bear; that it will provide (additional) inputs to the project; and that it will make use of the output or findings of the project.
- Engage, whenever a message has to be brought across in a certain specialized area, a high-calibre advisor for the project to ensure the credibility of the project and to facilitate the relations and communications with the mass media.
- Make arrangements and provision in the project for building up and strengthening relations with the Press and people from other mass media.
- Whatever the special theme of the promotion campaign, project activities should always take into account that chocolate products are first of all consumed for their fine and delicate taste; because people like and enjoy chocolate. Other properties are an additional asset only.

These lessons would appear to be of a general nature and applicable to possible future campaigns in other countries. When developed with these lessons in mind, and implemented with the same vigour and dedication as in Japan, such projects could be similarly successful.