



JUGGLING GROWTH PRIORITIES IN CHOCOLATE

JACK SKELLY, FOOD ANALYST

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ASSESSING CHOCOLATE GLOBALLY THE JUGGLING ACT



JUGGLING GROWTH PRIORITIES IN CHOCOLATE

Chocolate in a nutshell



US\$101
billion

GLOBAL CHOCOLATE
RETAIL SALES

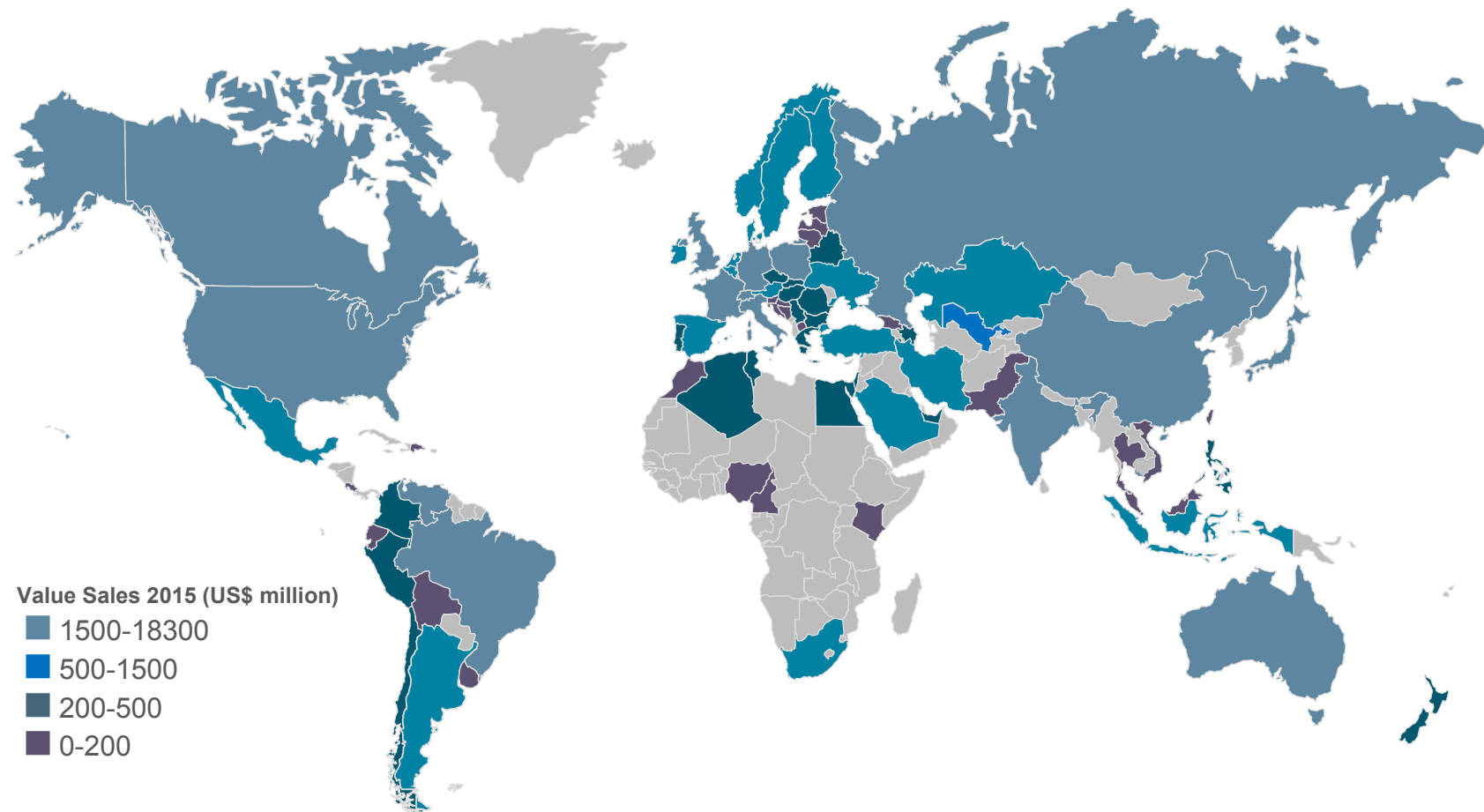
US\$237 per
capita

HIGHEST -
SWITZERLAND

33%

GROWTH IN GLOBAL
SALES 2010-2015

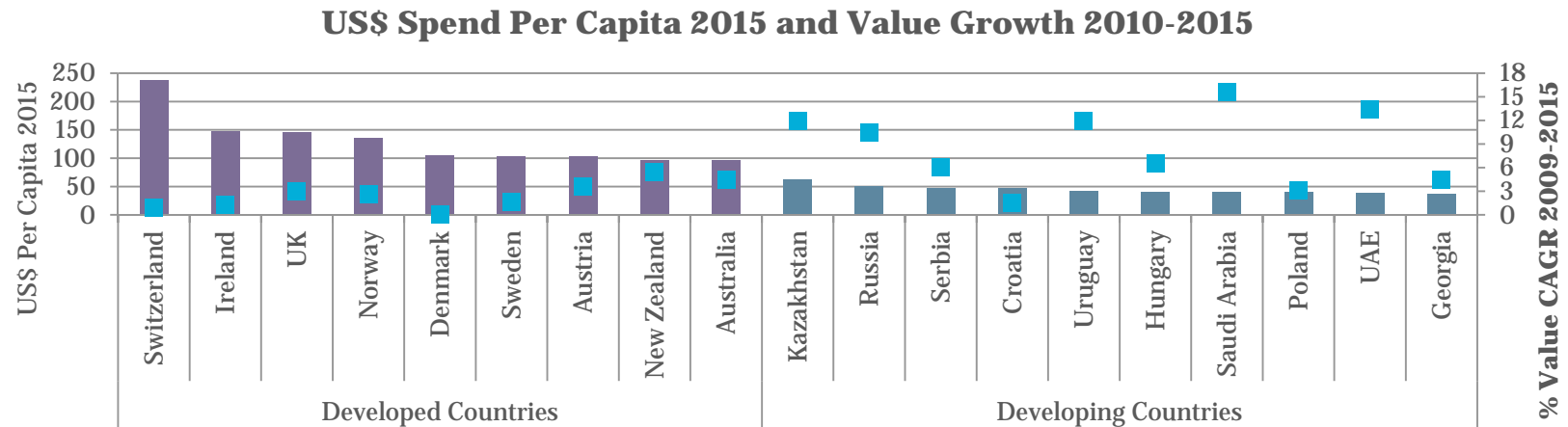
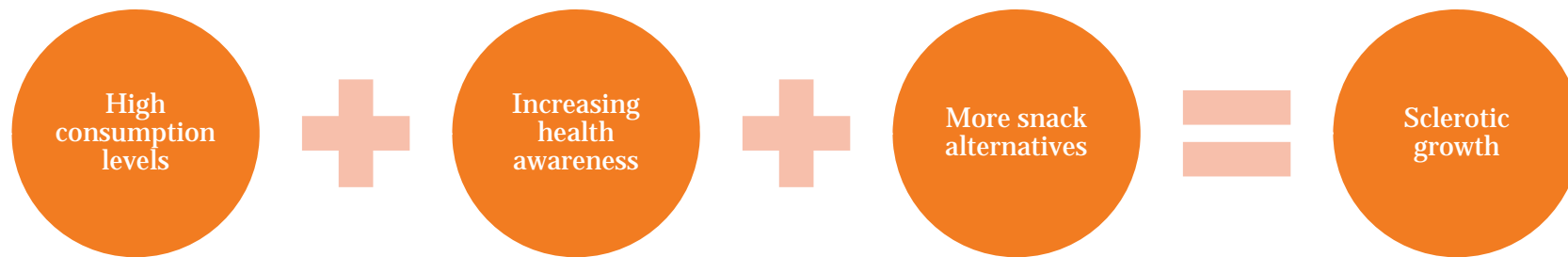
The Good News: Value Sales of Chocolate Have Grown



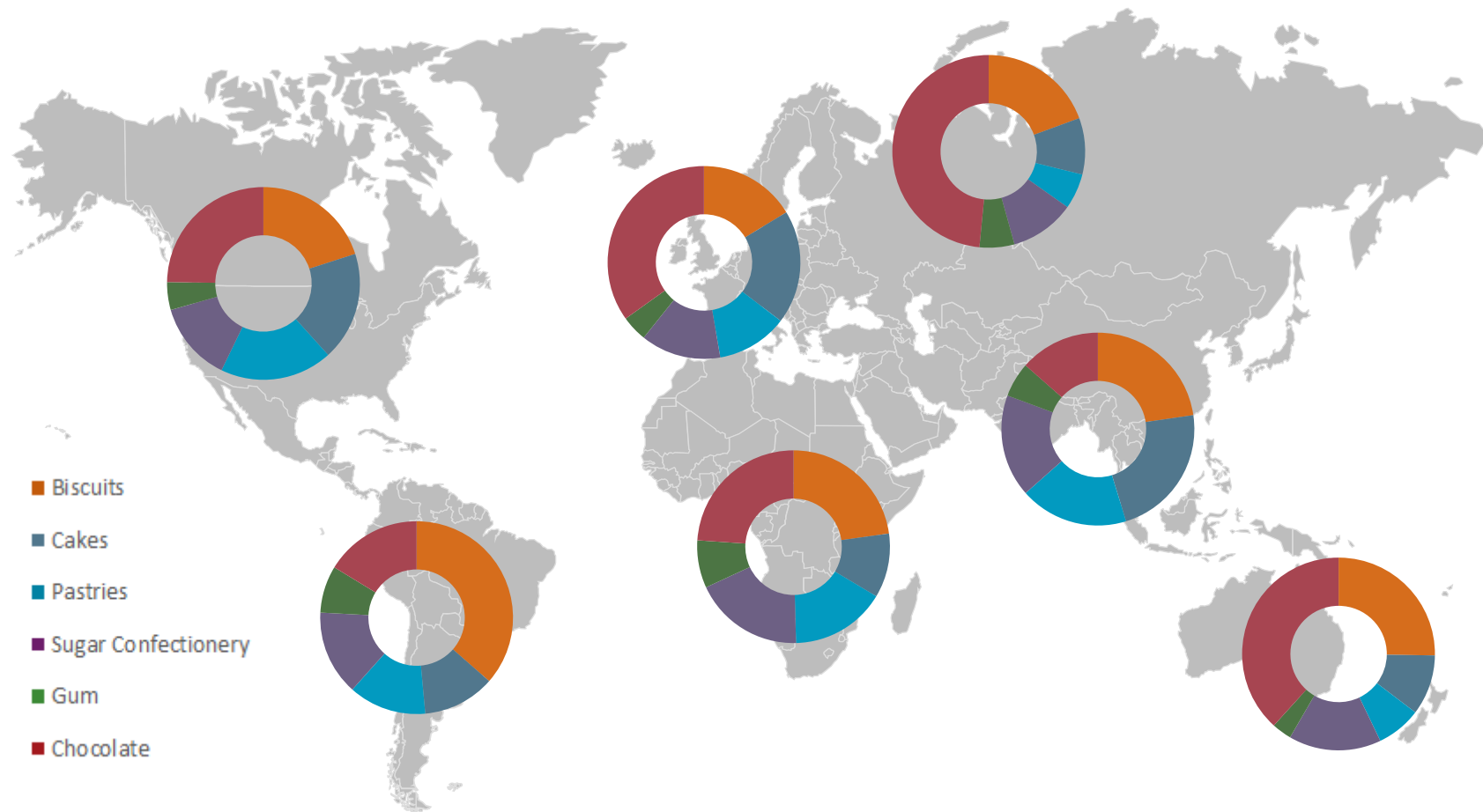
The Bad News: Consumption Is Stalling



Explaining Developed Market Woes



Buying chocolate less commonplace in developing regions

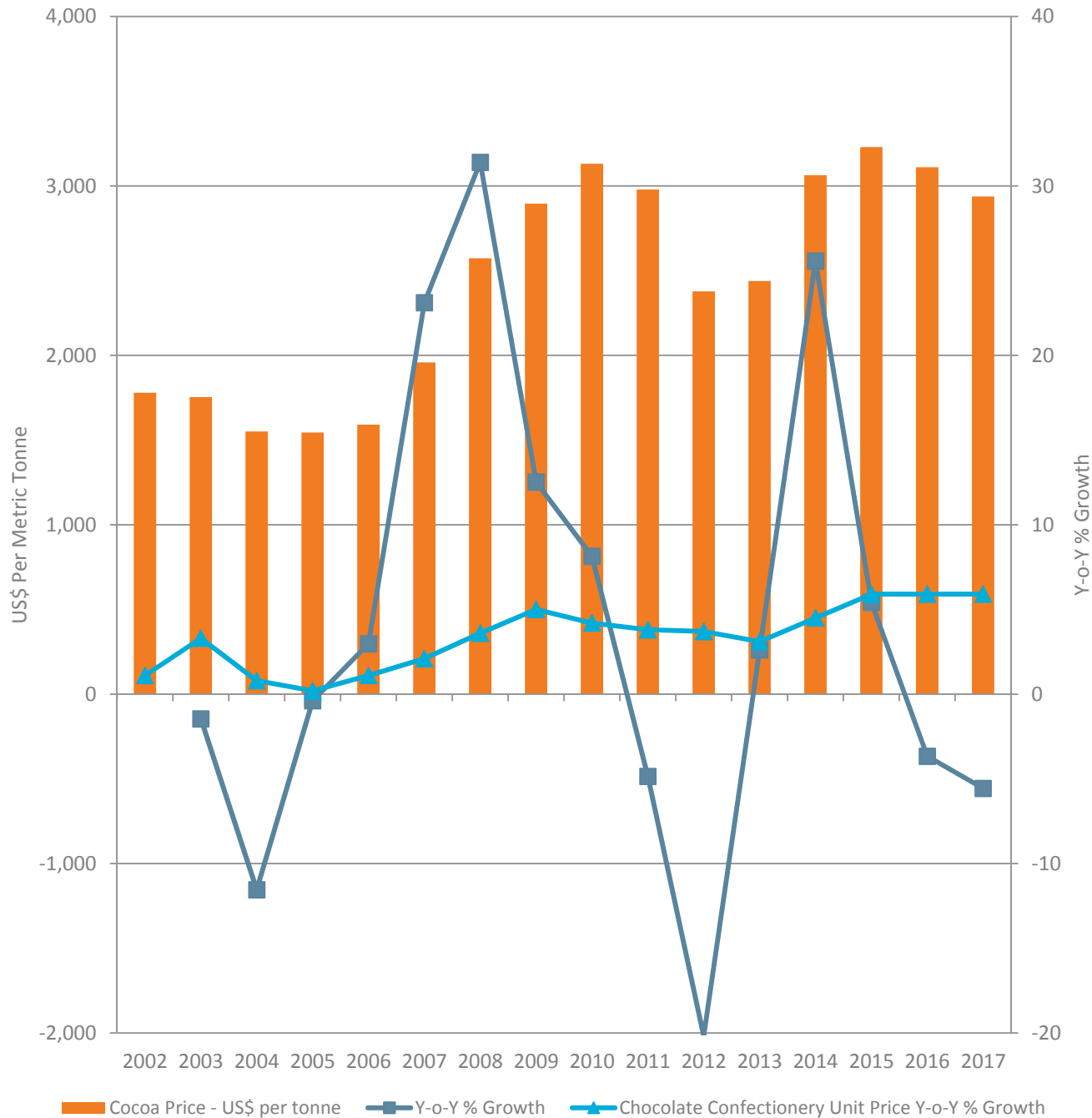


Retail Sales of Snacks 2015 (US\$ Fixed Exchange Rates)

Manufacturers face two different challenges



At a Time when Input Costs Are Increasing



51%

INCREASE IN
CHOCOLATE
CONFECTIONERY
PRICES 2002-2015

82%

INCREASE IN COCOA
PRICES 2002-2015

70%

INCREASE IN PALM
OIL PRICES 2005-2015

Time Taken to Earn Enough Money to buy
100g Chocolate

Egypt, 49.3 Mins

Germany, 2.2 Mins

Japan, 6.7 Mins

Saudi Arabia, 15.7 Mins

Mexico, 25.5 Mins

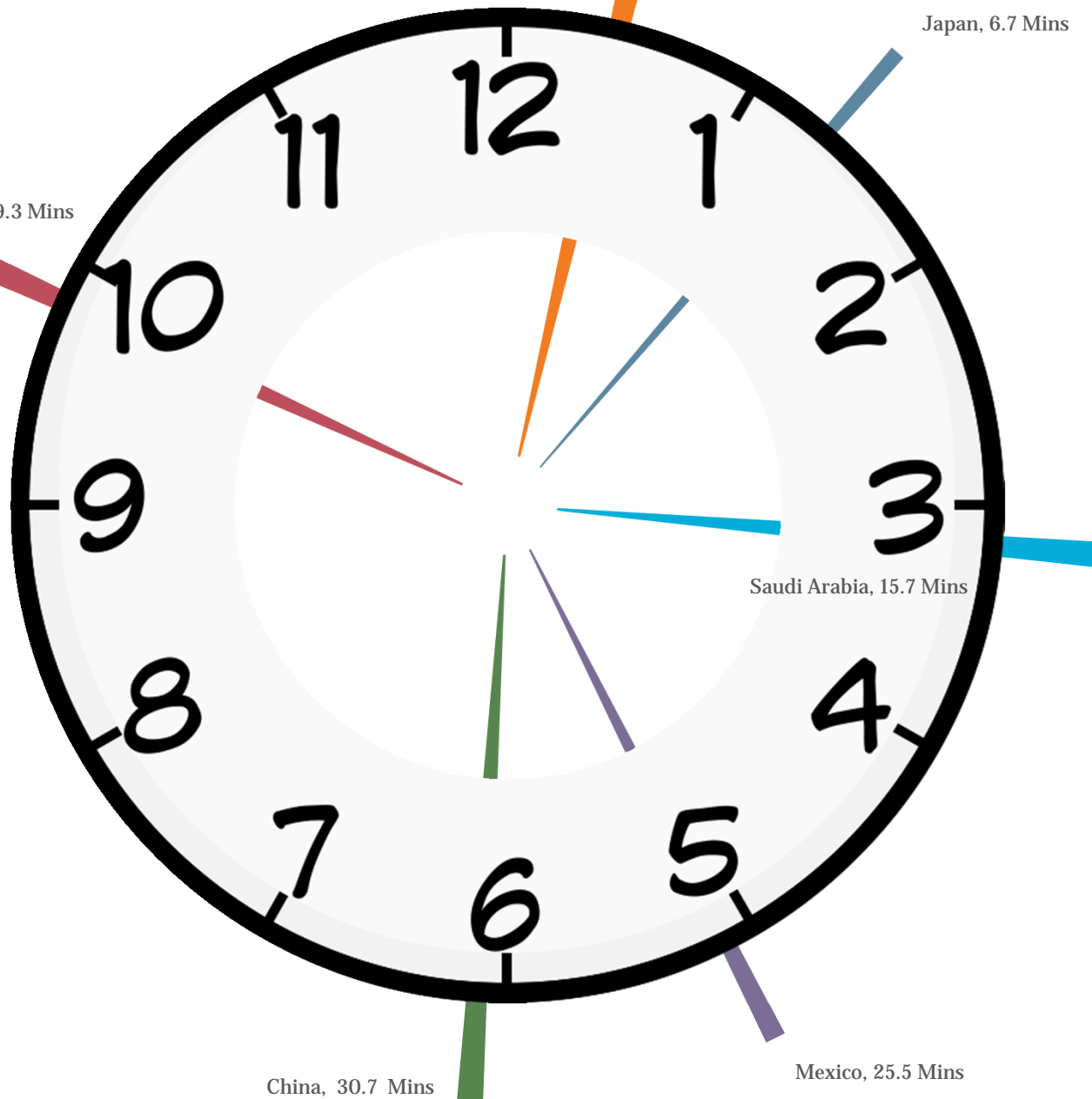
China, 30.7 Mins

7.3
minutes

AVERAGE TIME TO
PURCHASE 100G IN
DEVELOPED
COUNTRIES

US\$2.15
PRICE PER 100G
CHOCOLATE IN ASIA
PACIFIC

US\$1.50
PER CAPITA SPEND
ON CHOCOLATE IN
INDIA



How to drive value: focus on premium in developed markets

Advantages of premium chocolate

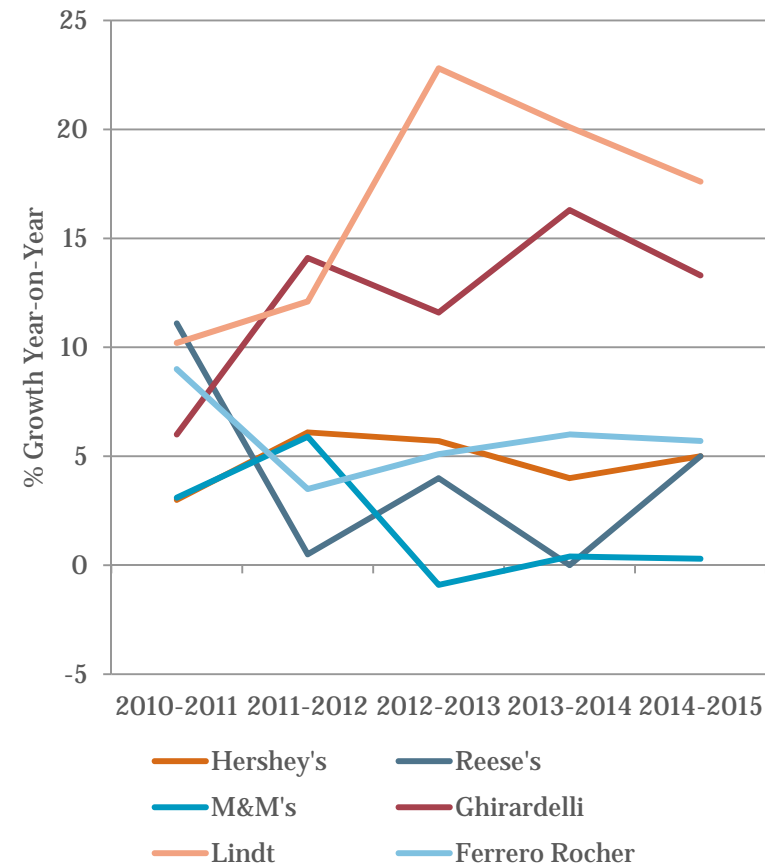
- Appeals to more demanding consumers
- Stands out in saturated markets
- Retains greater brand loyalty
- Justifies higher price points
- Achieves higher margins

Existing Examples...

- Hershey's Brookside; Lindt Hello; Divine Chocolate; Mondelez Coco



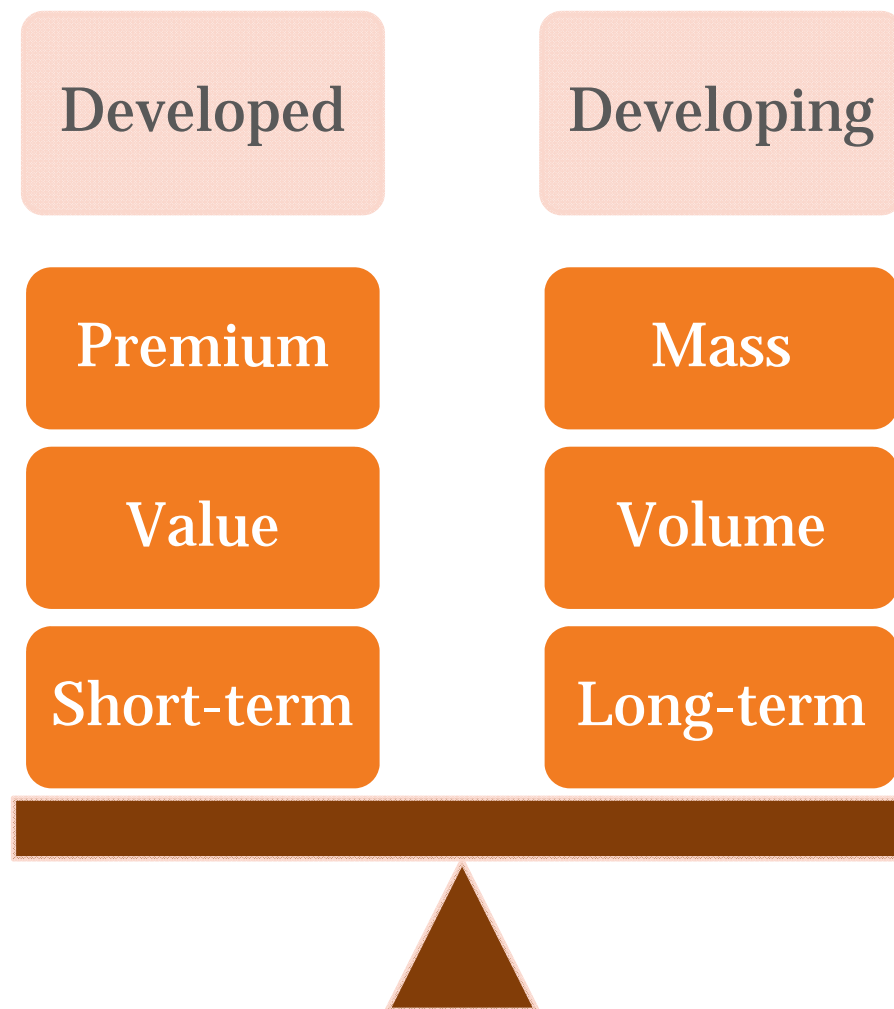
US Chocolate Confectionery Sales 2010-2015



Major players creating new price points in developing markets



The Juggling Act





THANK YOU FOR LISTENING

Jack Skelly

Food Analyst

Jack.skelly@euromonitor.com

Linkedin: [Jack Skelly](#)

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