



## **SELLING CHOCOLATE**

# **OPPORTUNITIES AND CHALLENGES FOR FOOD MANUFACTURERS**

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21 NOVEMBER 2012

## THE QUESTION

A SNAPSHOT ON CHOCOLATE

CASE STUDIES: BRAZIL AND CHINA

CASE STUDY: US

CASE STUDIES: SPAIN AND UK

KEY CONCLUSIONS

Q&A



# Money Is Tight... So Is It All Over For Chocolate?



## Living In Uncertain Times

+5.2%



2010

+3.8%



2011

+3.3%



\*2012

+3.6%



\*2013

*\*GDP Growth in 2012 and 2013 is forecasted*

*Source: IMF World Economic Outlook. July 2012*

## Not Only In Developed Economies...

Eurozone Sentiment  
Dampened by Debt  
Worries

US Unemployment  
above 8%

Domestic Demand in  
China Weakens

Economy in Brazil and  
Argentina Cools Down

THE QUESTION

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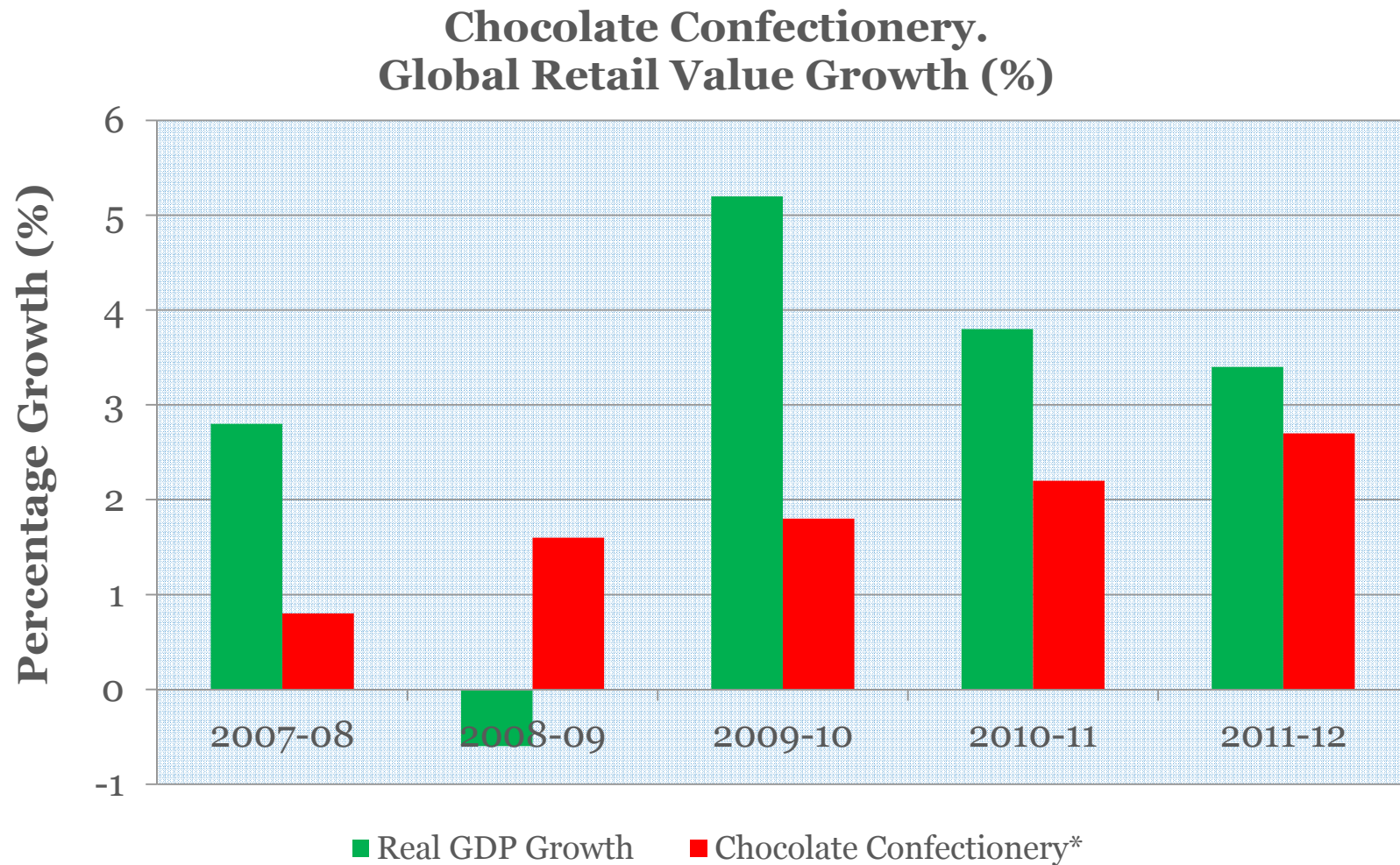
CASE STUDIES: SPAIN AND UK

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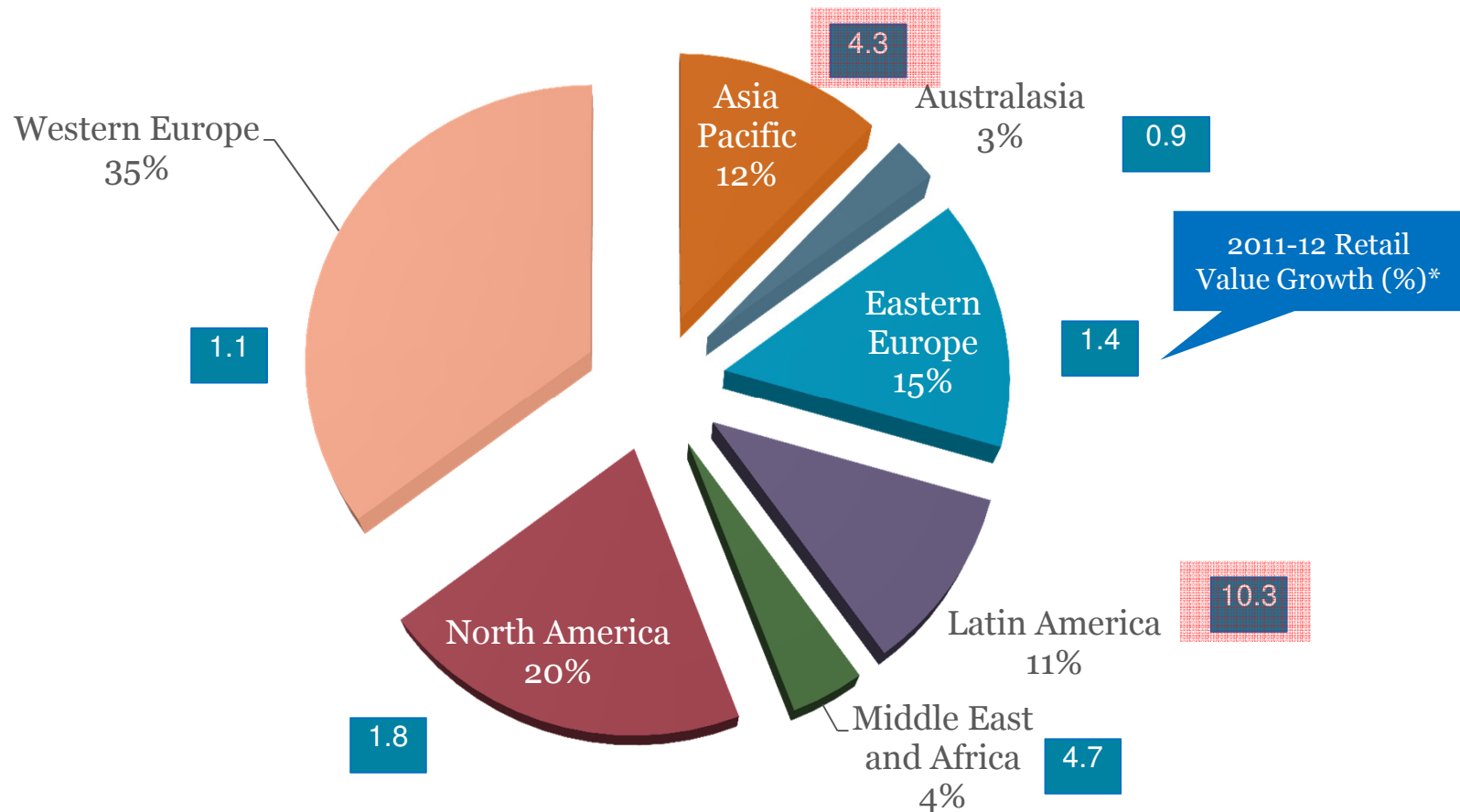
## Chocolate Growth Accelerates In 2012



\* Constant 2012 Prices Fixed 2012 Exchange Rates. Year-on-Year Growth (%). 2012 is partially estimated

## Emerging Markets Lead Growth

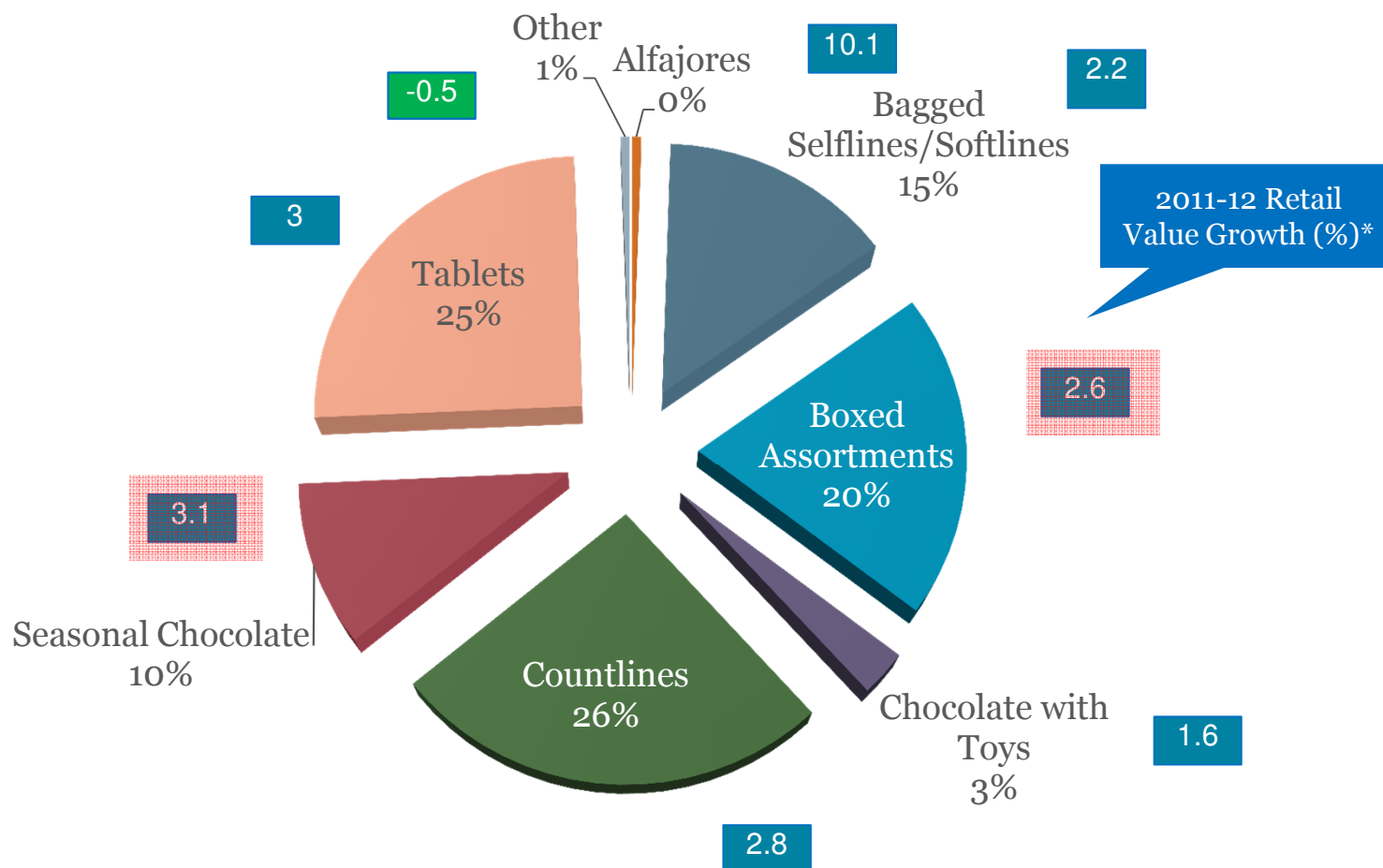
### Chocolate Confectionery. Retail Value Sales Breakdown by Region. 2012





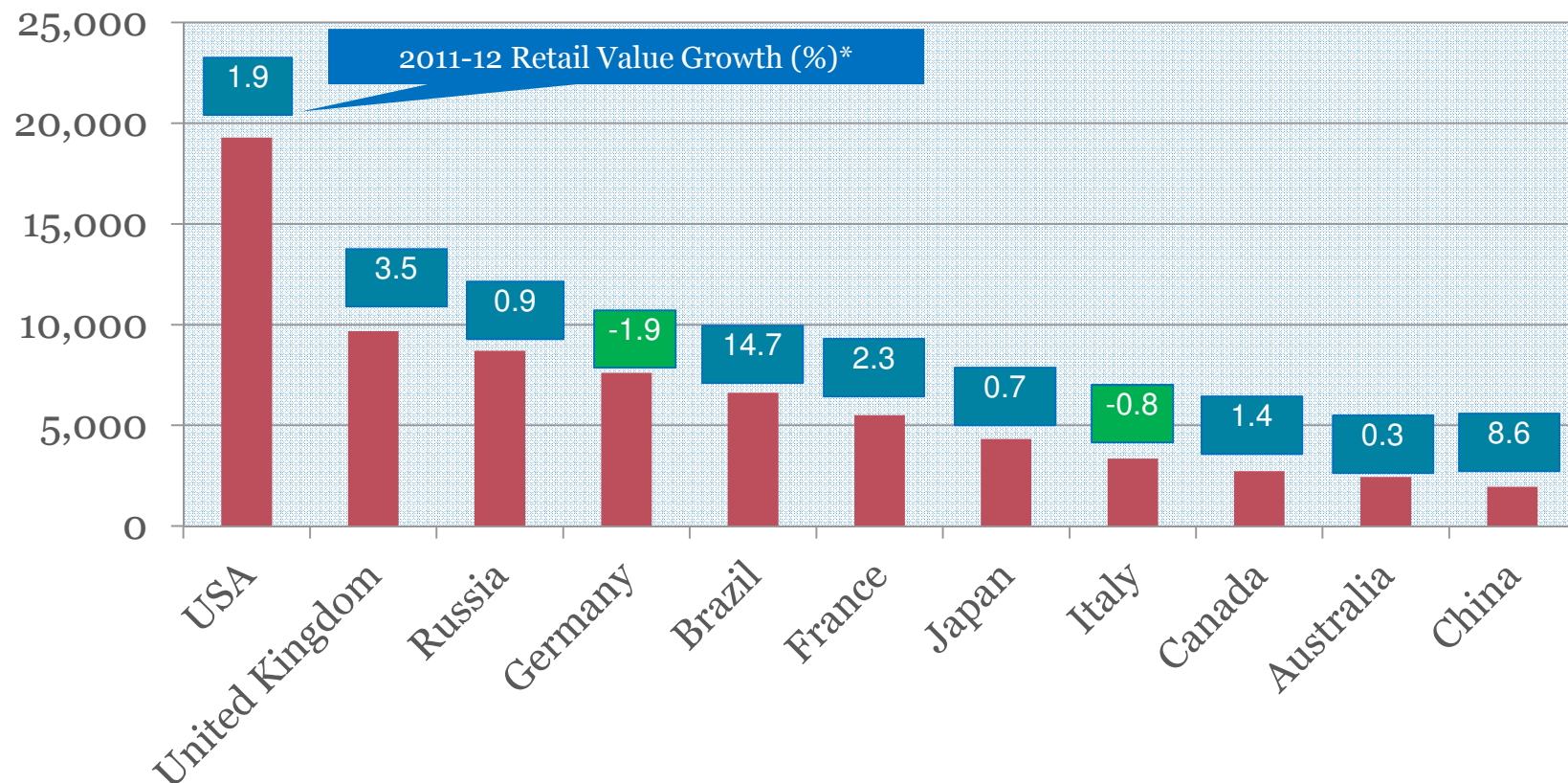
## Boxed Assortments And Seasonal Chocolate Stand Out

### Chocolate Confectionery. Retail Value Sales Breakdown by Category. 2012



## Hot Market Opportunities In Brazil And China

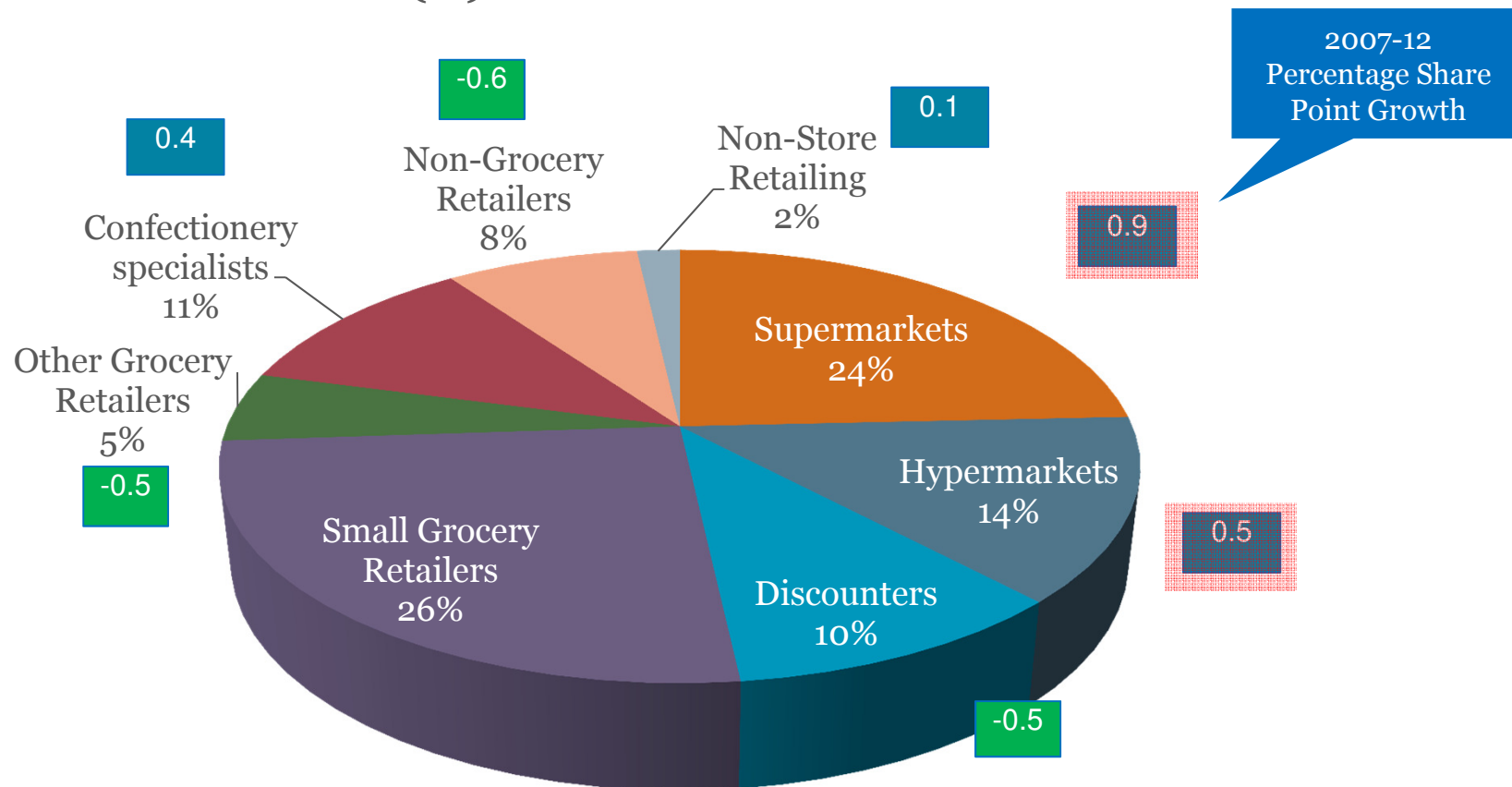
### Chocolate Confectionery. Retail Value Sales. (Top Ten Markets) US\$ million. 2012



\* Constant 2012 Prices Fixed 2012 Exchange Rates. Year-on-Year Growth (%)

## Size Matters... For Chocolate At Least

### Chocolate Confectionery. Distribution Breakdown (%). Global Retail Value. 2012



\* Constant 2012 Prices Fixed 2012 Exchange Rates. Year-on-Year Growth (%)

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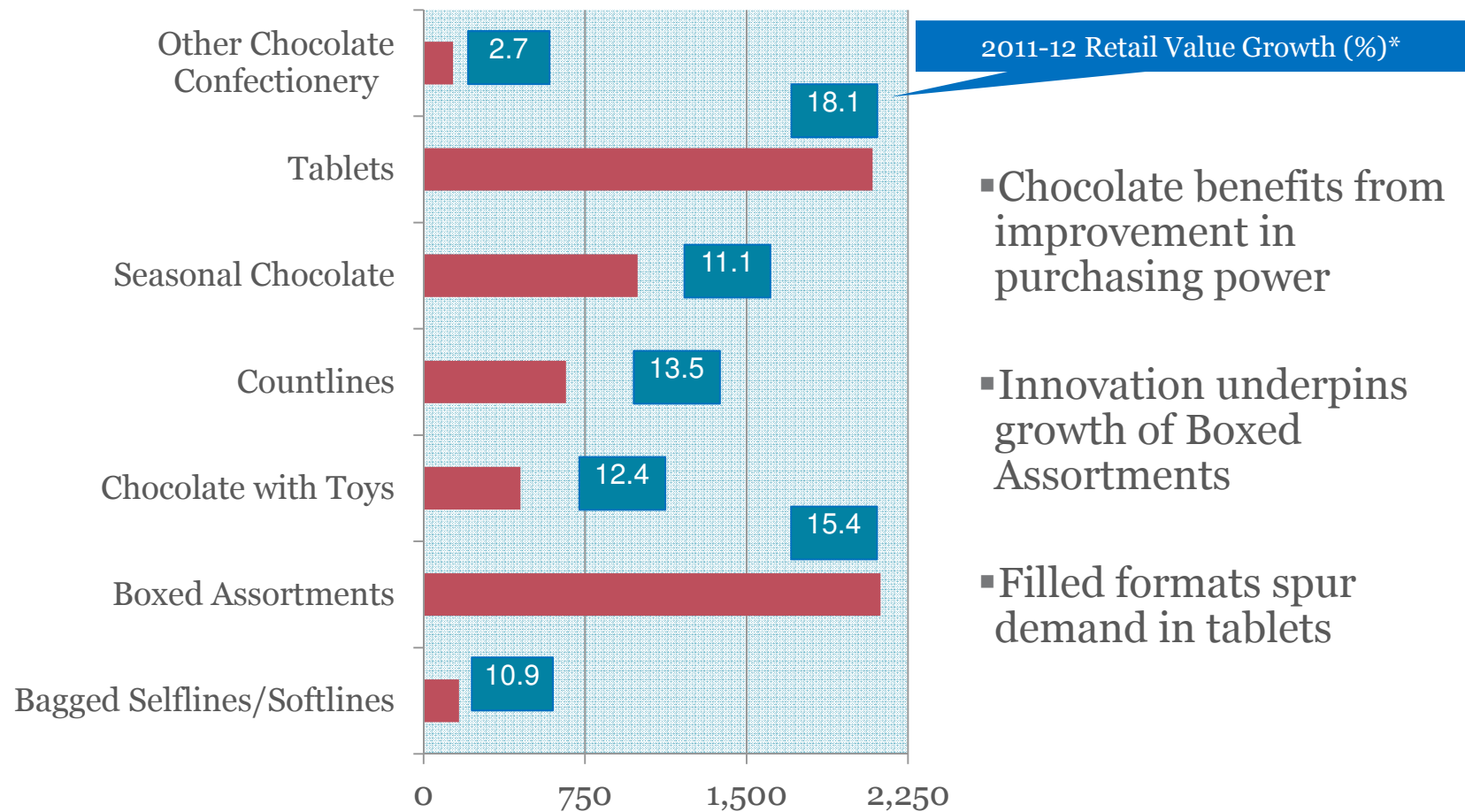
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## Case Study: Chocolate Confectionery In Brazil

### Chocolate Confectionery in Brazil . Retail Value Sales. US\$ Million. 2012



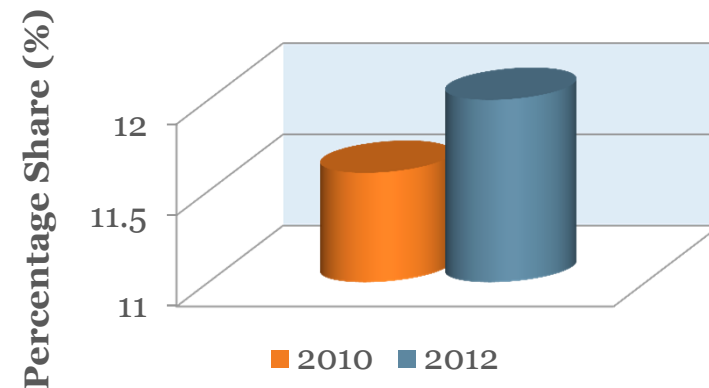
\* Constant 2012 Prices Fixed 2012 Exchange Rates. Year-on-Year Growth (%)

- Chocolate benefits from improvement in purchasing power
- Innovation underpins growth of Boxed Assortments
- Filled formats spur demand in tablets

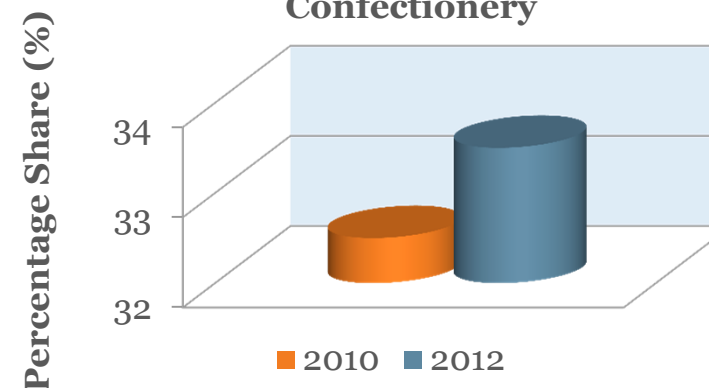
## Distribution And Premiumisation Are Key For Success

Hershey benefits from Joint Venture  
with Pandurata Alimentos

**Hershey Co. Retail Value Share  
(%) in Brazil. Tablets**



**Kraft Foods Brasil. Retail Value  
Share (%) in Brazil. Chocolate  
Confectionery**

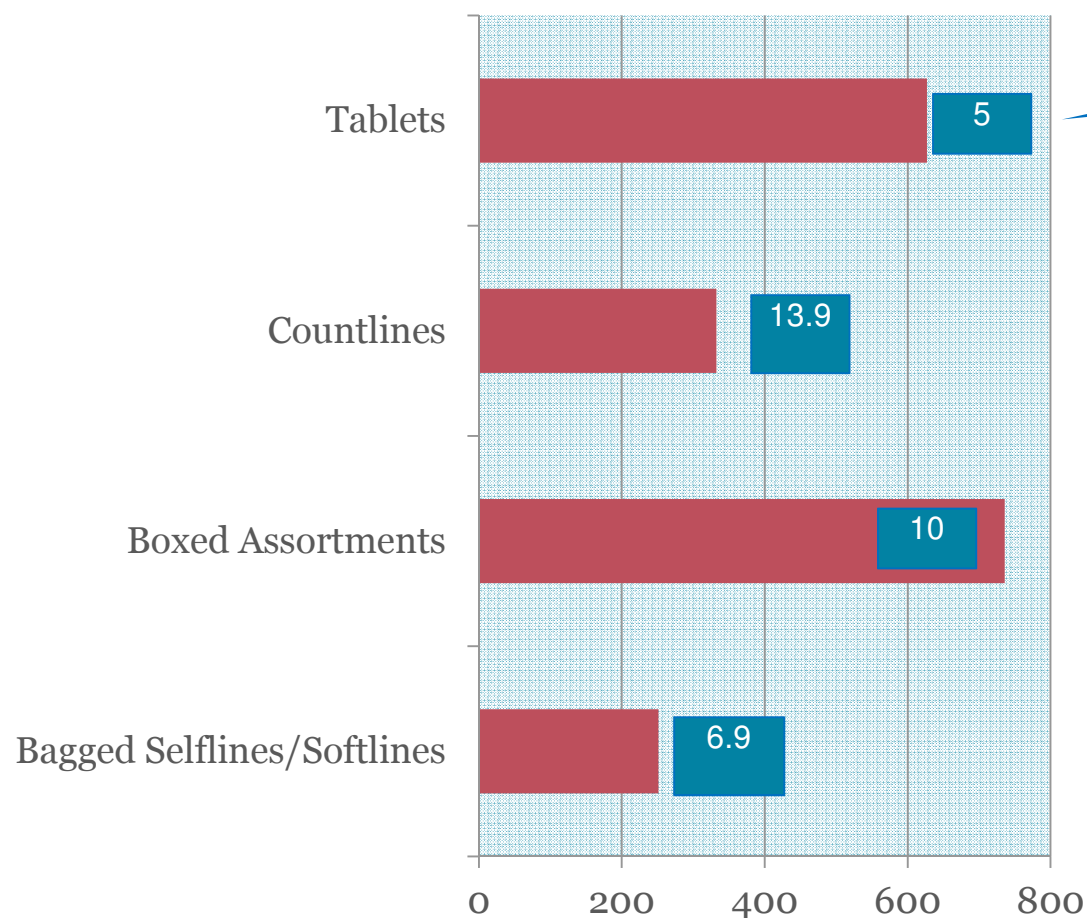


Sonho Valsa  
Kraft Foods Brasil



## Case Study: Chocolate Confectionery In China

### Chocolate Confectionery in China. Retail Value Sales. US\$ Million. 2012



2011-12 Retail Value Growth (%)\*

- Countlines benefit from new launches
- Premium chocolate specialists drive growth of Boxed Assortments
- Bagged Selflines bank on 'affordable snacking' trend

## Luxury And Positioning Drive Demand In China

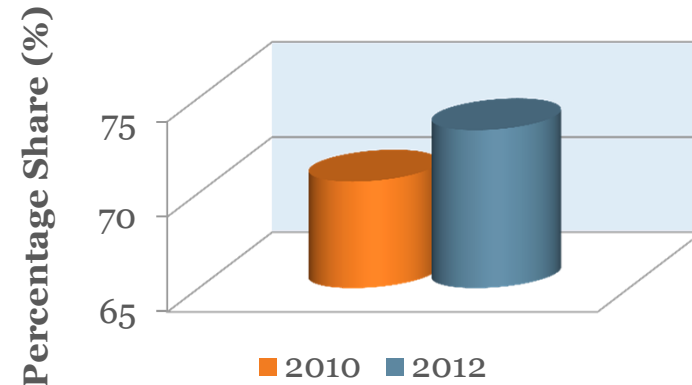
Crispy Shark  
Wafer  
Nestlé China



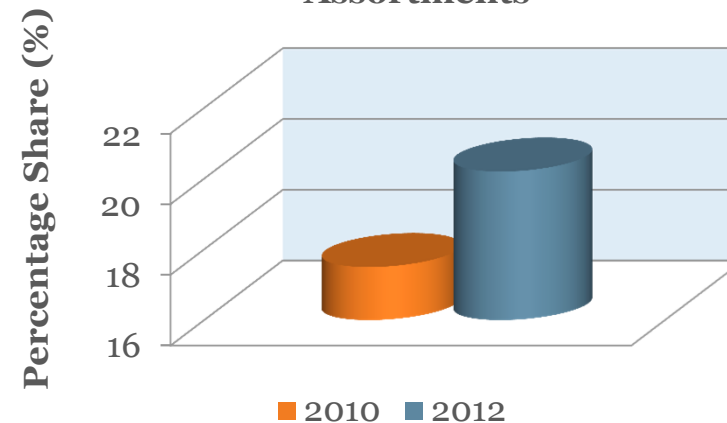
Ferrero  
Rocher  
Ferrero China  
Ltd



**Nestlé SA. Retail Value Share (%)  
in China. Countlines**



**Ferrero Rocher Group. Retail  
Value Share (%) in China. Boxed  
Assortments**





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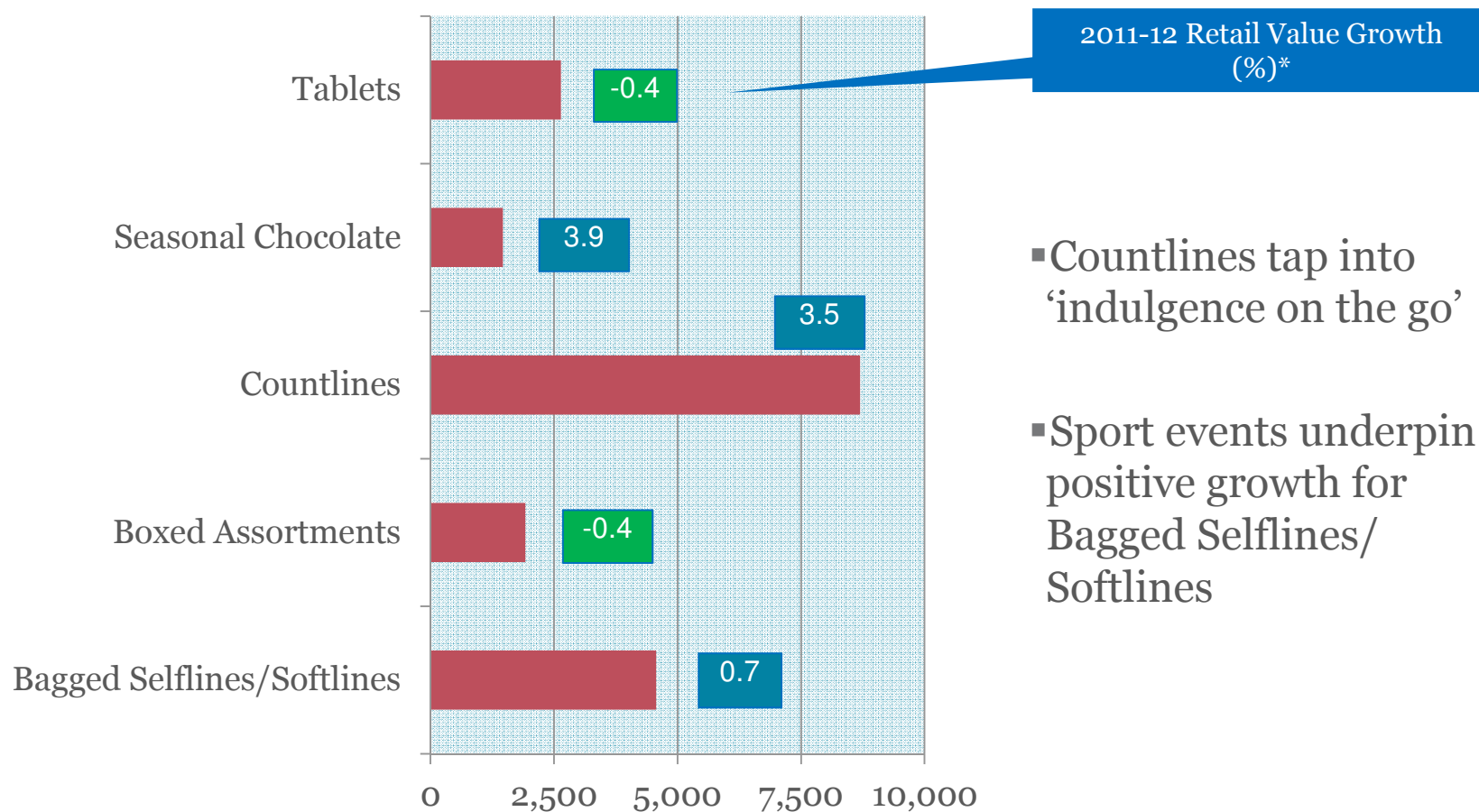
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## Case Study: Chocolate Confectionery In US

### Chocolate Confectionery in US . Retail Value Sales. US\$ Million. 2012

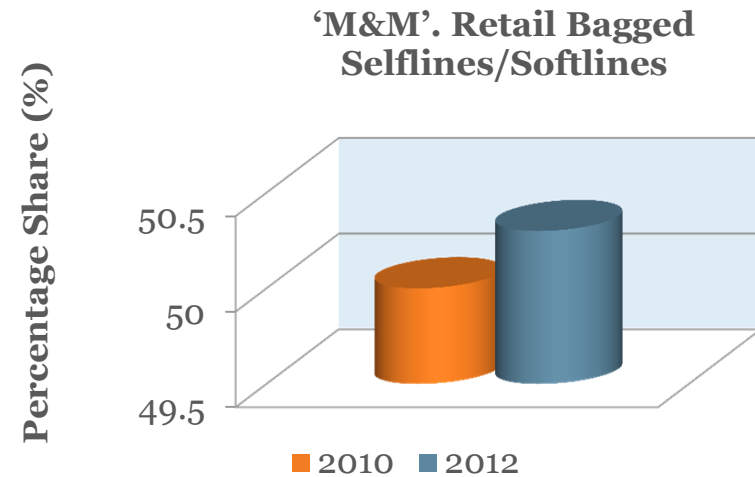
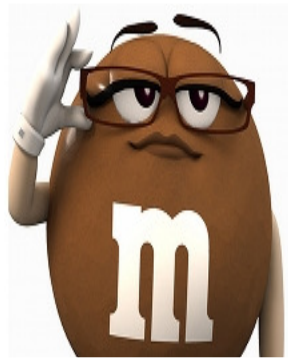


## Convenience, Price...And Mrs Brown

Snickers  
'2-to-Go'  
Mars Inc



'Mrs Brown'  
Mars Inc



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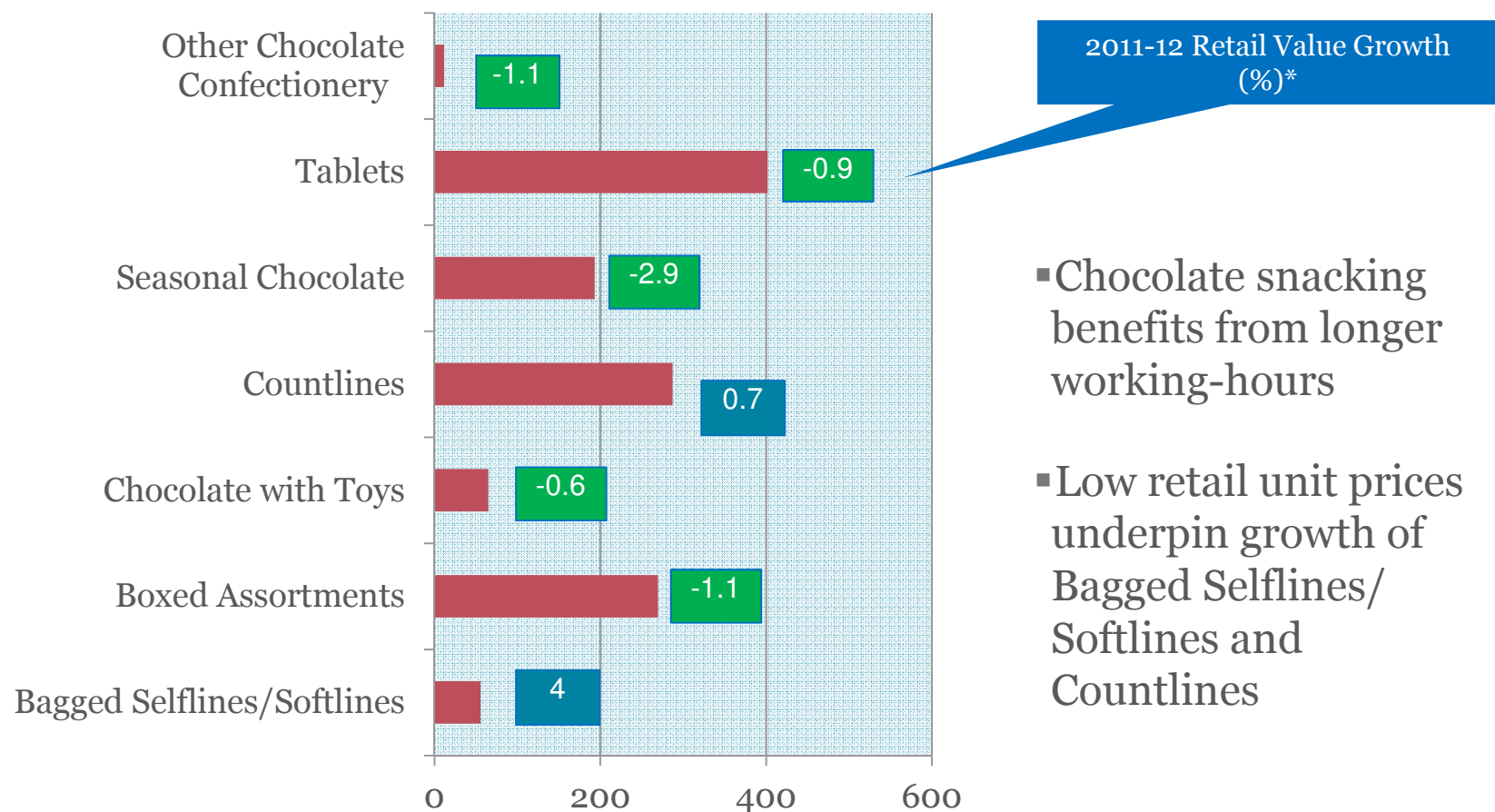
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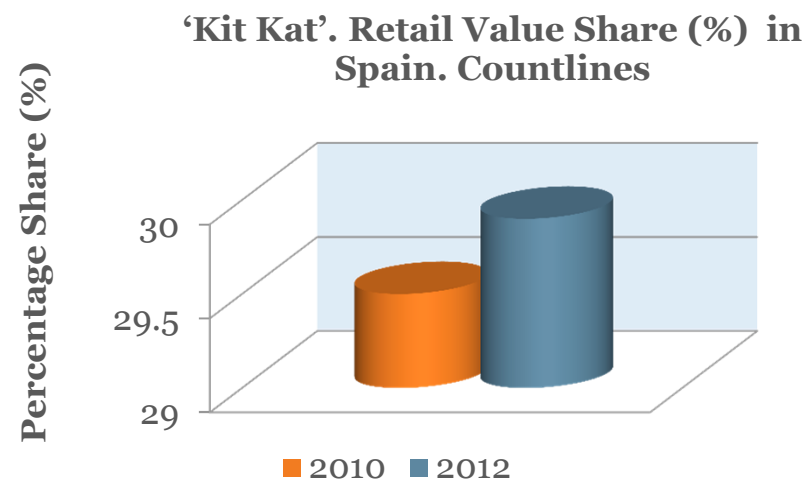
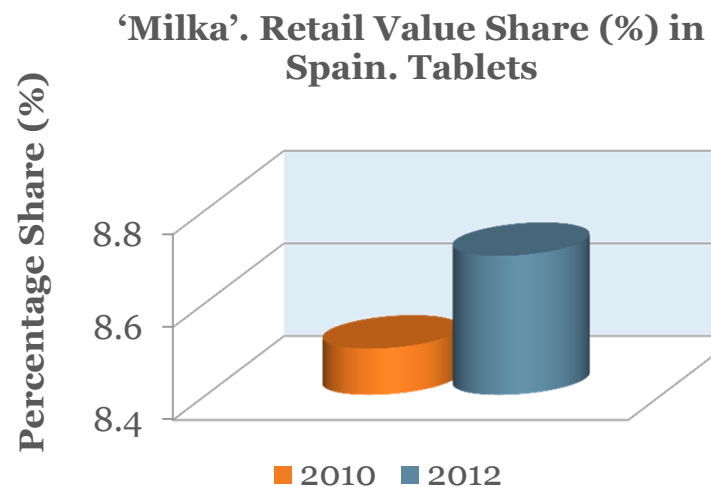


## Case Study: Chocolate Confectionery In Spain

### Chocolate Confectionery in Spain . Retail Value Sales. US\$ Million. 2012

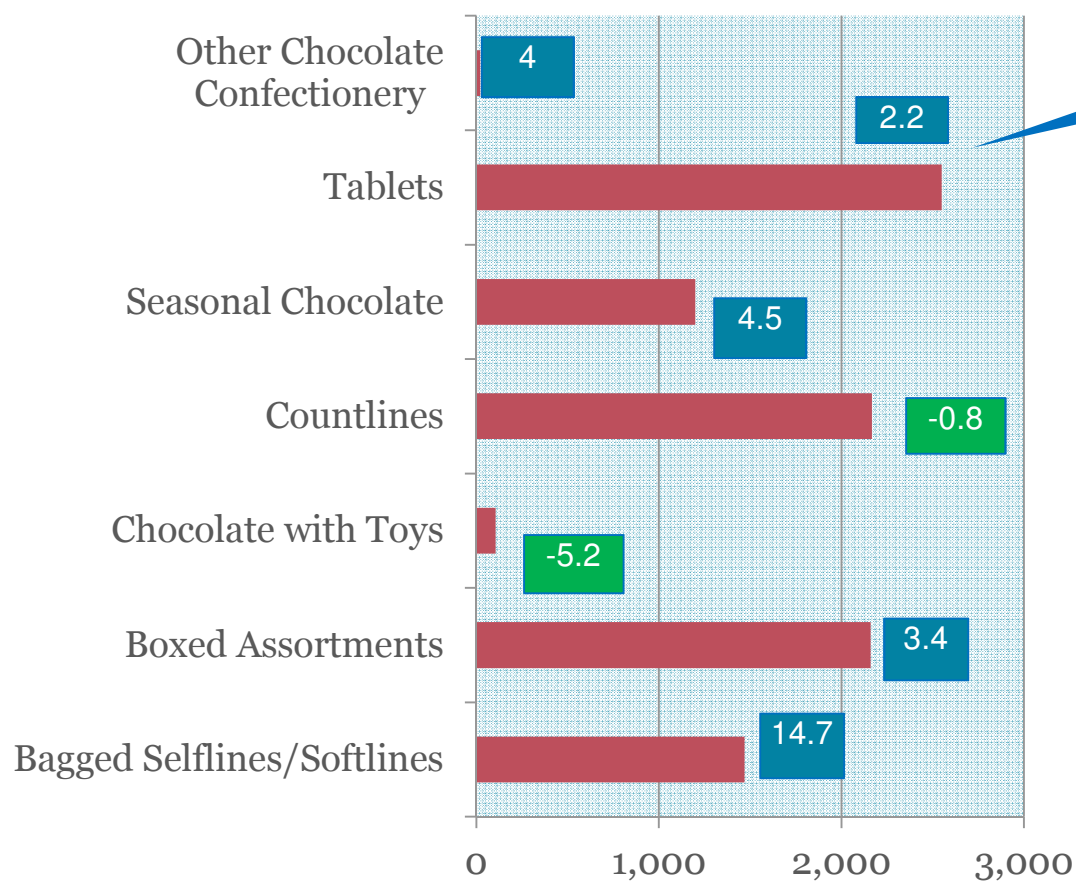


## 'Dare To Show Your Soft Side'



## Case Study: Chocolate Confectionery In UK

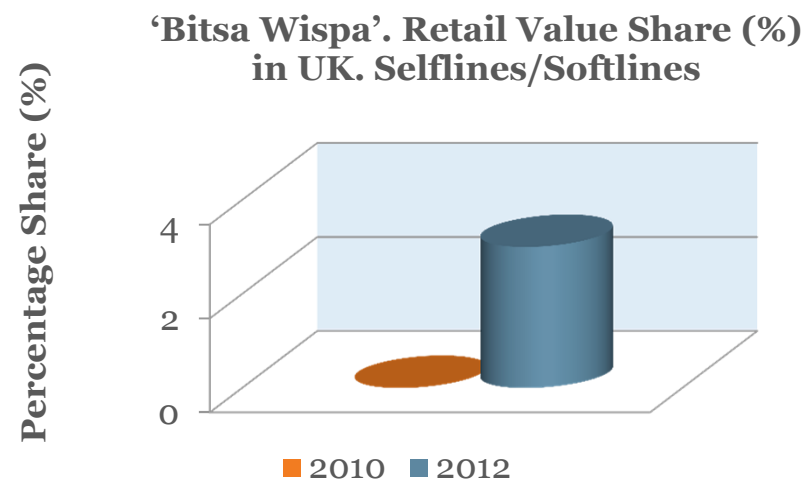
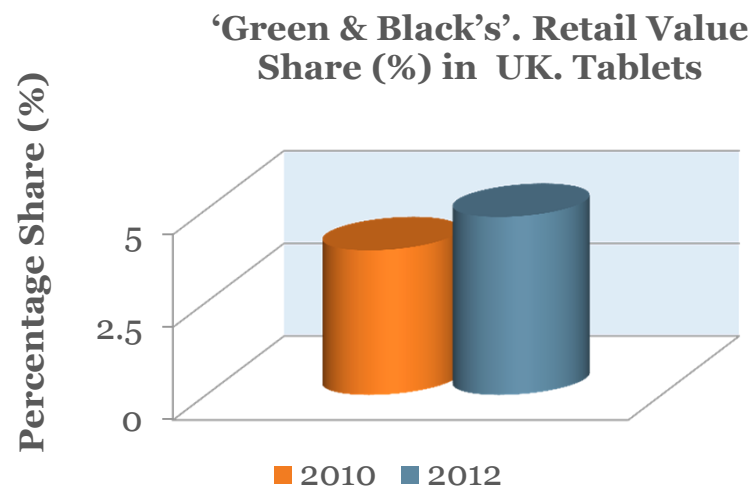
### Chocolate Confectionery in UK . Retail Value Sales. US\$ Million. 2012



2011-12 Retail Value Growth (%)\*

- Low-priced chocolate snacks benefit from major celebrations in 2012
- Bag-sharing snacking thrives during sports events, national celebrations

## All You Need Is Sharing...





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## Chocolate Is (Still) For Everyone



Demand Booms In Emerging markets



Indulgence And Quality Rule In 'Intermediate Economies'



Affordable Snacking And 'Emotion' Thrive In EU Countries

## THE QUESTION

# Money Is Tight... So Is It All Over For Chocolate?



## THE QUESTION

# Money Is Never Tight For Chocolate!





**THANK YOU FOR LISTENING**

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