SWEET INSIGHTS

Getting to Know Chocolate Consumers 2021

Exploring Consumer Demographics, Consumption Preferences and Shopping Habits for Mainstream, Premium & Fine Chocolate

EXECUTIVE SUMMARY
The National Confectioners Association (NCA) is the leading trade organization for the U.S. confectionery industry, which generates more than $37 billion in retail sales each year. Making chocolate, candy, gum and mints, the industry employs nearly 58,000 workers in more than 1,600 manufacturing facilities across all 50 states. NCA advocates for an environment that enables candy makers to thrive and works to ensure that chocolate and candy are celebrated for their contributions to culture, society, the economy and everyday moments of joy. America’s leading chocolate and candy companies support the Always A Treat Initiative, a commitment to transparency, portion guidance, choice and consumer education. Learn more at CandyUSA.com.

NCA’s Sweet Insights provides access to timely performance data, market research and thoughtful analysis of the trends essential to understanding the confectionery market. In addition to primary research, NCA synthesizes information from a wide variety of industry sources to help confectionery trade customers and NCA members grow their businesses.

The Fine Chocolate Industry Association (FCIA) is an international industry association supporting professionals throughout the fine chocolate supply chain. Through educational events, advocacy, strategic partnerships, and an online marketplace, FCIA provides a collective voice on quality and innovation, and promotes the art of fine chocolate. The association has nearly 350 company members. Learn more about FCIA on www.finechocolateindustry.org and their online marketplace: www.makeminefine.com.

Barry Callebaut is the world’s leading manufacturer of high-quality cocoa and chocolate products, known to be the heart and engine of the chocolate industry. The company’s proven expertise, together with their focus on innovation and R&D, enable them to cater to the many different customer needs and shape chocolate experiences throughout the world. Learn more at www.barry-callebaut.com.
Study Highlights

Chocolate Performance
In 2021, chocolate continued to build on its 2020 strength, with increases in dollars, units and volume. Sales growth continues to accelerate, driven by more frequent trips and larger baskets. Everyday chocolate has been dominating sales, with above-average strength for larger pack sizes, gift boxes and sugar-free and premium chocolate.

Chocolate and Lifestyle
Consumers widely agree that chocolate belongs in a happy, balanced lifestyle. For most consumers, chocolate is an occasional treat, enjoyed two to three times per week. Additionally, chocolate is beloved across demographics, evoking strong positive associations, including “yummy,” “delicious,” “sweet,” “tasty,” “love” and “happiness.”

Chocolate Consumer Segmentation
Consumers’ chocolate preferences, consumption and shopping vary as widely as the chocolate offerings themselves. With thousands of different brands, flavors and sizes, chocolate items range from some of the world’s most iconic brands to small batch, artisan producers. Most consumers purchase many brands and types.

The survey explored three chocolate segments: mainstream, premium and fine chocolate. Eighty percent of consumers purchase at least two out of those three segments.

- Mainstream chocolate, such as Hershey, Snickers and Baby Ruth, is purchased by 83% of chocolate consumers. Half say mainstream is their typical chocolate choice.
- Premium chocolate, such as Lindt, Ghirardelli or Ferrero, has the second-widest audience, at 67%, and 27% say premium is their typical chocolate choice. This is up from 23% in 2018.
- About three in 10 chocolate consumers (29%) also treat with fine chocolate, but only 5% say that is their typical choice.

Chocolate Preferences
Milk is America’s most popular chocolate type. The preference for dark chocolate rises with age. Among those who prefer dark or a mix of chocolate types, 41% say the cacao percentage influences their purchase decision. A cacao percentage range of 71% to 75% is most popular, followed by 66% to 70%.

In a very tight top three grouping, almonds edge out peanuts/peanut butter and caramel/toffee as the top ingredient consumers like to combine with chocolate. Mint and coconut tie for fourth. Only 3% of consumers prefer no inclusions at all.

Among consumers who mostly purchase mainstream and premium chocolate, manufacturer brands easily win out as the top preference over store brands. Manufacturer brands represent the vast majority of sales, at 98% of chocolate dollars.

American-made chocolate gained on European-made chocolate when consumers shared which they believe is better: 46% report there is no difference, 29% believe European is better and 25% give the edge to American-made.
Cacao Sourcing and Chocolate Production
More consumers have a preference in where cacao is sourced, up from 16% in 2018 to 25% in 2021. Central America and Africa share first place in the top sourcing preferences. The sourcing country or region matters significantly more to premium and fine chocolate consumers. Among the latter, 58% prefer a specific cacao sourcing region or country.

The importance of traceability, transparency and sustainability when purchasing chocolate grew between 2018 and 2021. Engaging in responsible labor practices has the widest demand, at 63%, followed by sustainable sourcing (59%) and transparency of the production process (58%). All these areas matter significantly more to the Millennial generation. As majority spending is shifting from Boomers to Millennials, this points to a growing role for transparency, traceability and sustainability in chocolate production and labels.

Despite the cross-population importance, not all consumers need to see third-party certifications or labels for sustainability practices. Fair trade has the highest influence on the purchase, appealing to 49% of chocolate consumers. About one-quarter of chocolate consumers is willing to pay more for a product with a third-party certification or label, but most (43%) would only be willing to do so if they are clear on the process and benefits. Ingredient claims, such as dairy or nut-free, have relatively little influence on purchase behavior.

Shopping for Chocolate
More consumers purchase chocolate at their primary store now (55%) than they did in 2018 (45%) — in line with pandemic shopping patterns that consolidated trips and moved more spending online. Even so, chocolate is purchased in many other channels, ranging from convenience stores to chocolate festivals. Chocolate benefits from planned and unplanned purchases, and mood ranks highest in the purchase decision tree, ahead of brand and price. Brand has the highest impact on purchases among Boomers but ranks third among Gen Z shoppers.

Online chocolate engagement grew dramatically over the past three years, rising from 25% of shoppers in 2018 to 40% in 2021. Additionally, brick-and-mortar grocery stores with online ordering capabilities became the biggest outlet for online chocolate purchases, jumping over general online retailers and chocolate-specific websites. Online shoppers are motivated by convenience and specialty items and frequently make chocolate part of a larger grocery order. Fine chocolate consumers also leverage e-commerce to order from specific chocolate makers.
Fine Chocolate

Engagement with fine chocolate is growing. Among Americans who consume fine chocolate at least on occasion, 19% consume fine chocolate frequently or almost exclusively. This is up significantly from 11% in 2018. On the other end of the spectrum, 45% do so rarely. This is unchanged from 2018.

Core fine chocolate consumers recognize the quality and taste of fine chocolate and have overcome the general chocolate consumers’ perception of “expensive.” They opt for fine chocolate because they believe it tastes better (59%), is more satisfying (43%) and you can eat a little and enjoy a lot (42%). Many also purchase it for gifting.

Experimentation across makers is commonplace, and there is no clear time of the day when fine chocolate consumers enjoy their treat. The largest share of core fine chocolate consumers (44%) enjoy fine chocolate by itself. If paired, coffee, water and wine are the top three beverages.

Fine chocolate consumers are split between gourmet and fine as the best nomenclature for chocolate made by artisan chocolatiers and bean-to-bar chocolate makers.

Fine chocolate consumers skew younger, tend to live in urban areas and earn above-average incomes. They are very socially and environmentally engaged. Fine chocolate consumers are a growing group.

- Asian Americans (26%)
- Urbanites (25%)
- Millennials (23%)
- Above-average income earners (23%) or affluent households (27%)

Shopping and chocolate preferences among core fine chocolate consumers are as follows:

- Tend to prefer dark or a mix of dark, milk and white
- Believe the cacao percentage is important and lean toward the higher cacao percentages
- Have an outright preference for specific cacao sourcing region and within the region they often prefer a particular country
- Very socially and environmentally engaged, rating fair labor practices, traceability, transparency, organic, non-GMO and waste/water/energy reduction as being very important
- Often willing to pay a price differential for various certifications when buying packaged chocolate
- Shop online at specialty chocolate/candy stores as well as buy chocolate at festivals and farmers’ markets
Getting to Know Chocolate Consumers 2021

Chocolate has been a consumer favorite during ordinary and pandemic times. Many consumers treat themselves and others with chocolate in support of their emotional wellbeing. Accounting for about 60% of all confectionery sales in the U.S., chocolate had a very strong year in 2020, and sales are rapidly accelerating in 2021.

Consumer preferences, consumption and shopping habits vary as widely as chocolate offerings themselves. Ranging from some of the world’s most iconic brands to hand-crafted products made by micro producers, chocolate offerings include mainstream, premium and fine chocolate. Additionally, majority spending is slowly but surely moving from Boomers to Millennials, which further affects brand, flavor, texture and ingredient preferences and innovation.

This second edition of Getting to Know Chocolate Consumers aims to bring an understanding of the consumer perceptions, attitudes and behaviors regarding chocolate to help our industry optimize production, marketing, merchandising and branding decisions. The term “fine chocolate” represents artisan, gourmet and craft products.

The study aims to understand both the interplay between the three chocolate areas and their differences. Additionally, the research delves into preferences, such as cacao sourcing, added flavors, consumption occasions, certifications and shopping channels. The research also includes a specific look at fine chocolate through consumers’ eyes.

Methodology: A Shopper-Centric Approach

Getting to Know Chocolate Consumers is based on a survey of 1,506 consumers conducted in August 2021. The attitudinal survey findings are complemented by retail measurement and household panel data provided by insights firm IRI. For more details, definitions used and a sample overview, please refer to the Methodology chapter.

Retail measurement and household panel data overlay were provided by insights firm IRI. For questions or comments, please contact: Dan Sadler at daniel.sadler@iriworldwide.com
Innovation drives engagement — Chocolate sales reflect some of the world’s most iconic brands hand-in-hand with small batch fine chocolate. It is the range of items and continued innovation in flavor, texture, ingredients, packaging and branding, reflecting changing consumer preferences, that drives the continued high consumer engagement in household penetration, trips and spending.

Variety is the spice of life — More than 80% of consumers partake in at least two out of the three chocolate segments. Additionally, preferences for dark, milk or white, cacao percentages and inclusions vary widely. Mood is the biggest purchase driver, putting variety in the driver’s seat.

A rising tide lifts all boats — Most consumers purchase chocolate across the entire range of offerings. As such, industry support to help reinforce chocolate’s positioning as a permissible, beloved treat in a happy and balanced lifestyle is something that helps all manufacturers, regardless of size or product.

Education can drive experimentation — Consumer education about the product and process can result in greater appreciation of chocolate’s many textures and flavors. This may move consumers past the price point hurdle. Subsequent experimentation — a key characteristic among premium and fine chocolate consumers — will increase consumers’ exposure to a wide variety of chocolate makers and product types.

Elevating the profile of American-made chocolate — Many consumers either see no difference between American and European-made chocolate, or believe European chocolate is superior. Elevating the profile of American-made items is another area of joint interest among U.S. chocolate producers.

Social and environmental stewardship matters — About five to six in 10 consumers care about how their food is made, what’s in it, who made it and having shared brand values. Using the Gen Z and Millennial response as a barometer for future interest, the importance of social and environmental stewardship in chocolate production and packaging will increase further.

E-commerce is now a must — Chocolate e-commerce has been a big area of growth. Yet there remains opportunity on the unplanned side of the business. Access, preferred consumer status and high top-of-mind awareness are key elements in driving further e-commerce growth.

Takeaways

1. Innovation drives engagement — Chocolate sales reflect some of the world’s most iconic brands hand-in-hand with small batch fine chocolate. It is the range of items and continued innovation in flavor, texture, ingredients, packaging and branding, reflecting changing consumer preferences, that drives the continued high consumer engagement in household penetration, trips and spending.

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3. A rising tide lifts all boats — Most consumers purchase chocolate across the entire range of offerings. As such, industry support to help reinforce chocolate’s positioning as a permissible, beloved treat in a happy and balanced lifestyle is something that helps all manufacturers, regardless of size or product.

4. Education can drive experimentation — Consumer education about the product and process can result in greater appreciation of chocolate’s many textures and flavors. This may move consumers past the price point hurdle. Subsequent experimentation — a key characteristic among premium and fine chocolate consumers — will increase consumers’ exposure to a wide variety of chocolate makers and product types.

5. Elevating the profile of American-made chocolate — Many consumers either see no difference between American and European-made chocolate, or believe European chocolate is superior. Elevating the profile of American-made items is another area of joint interest among U.S. chocolate producers.

6. Social and environmental stewardship matters — About five to six in 10 consumers care about how their food is made, what’s in it, who made it and having shared brand values. Using the Gen Z and Millennial response as a barometer for future interest, the importance of social and environmental stewardship in chocolate production and packaging will increase further.

7. E-commerce is now a must — Chocolate e-commerce has been a big area of growth. Yet there remains opportunity on the unplanned side of the business. Access, preferred consumer status and high top-of-mind awareness are key elements in driving further e-commerce growth.
Methodology and Study Definitions

Methodology
Shopper data was collected using an online survey, conducted in August 2021 among a national sample of 1,506 consumers between the ages of 18 and 75. The margin of error associated with the survey is 2.5% at the 95% confidence level. Percentages may not always add to 100% due to rounding.

Definitions

Generations
- Generation Z: ages 18 to 24
- Young Millennials: ages 25 to 30
- Older Millennials: ages 31 to 40
- Generation X: ages 41 to 56
- Young Boomers: ages 57 to 67
- Older Boomers: ages 63 to 75

Millennials: ages 25 to 40

Boomers: ages 57 to 75

Food spending
- Low weekly grocery spending: <$95
- Average week grocery spending: $96-$150
- High weekly grocery spending: >$151

Household income
- Lower-income households: <$35,000/annually
- Medium-income households: $35,000<$75,000
- Higher-income households: $75,000<$125,000
- Affluent households: >$125,000

Shoppers
- Make the majority of decisions on food and beverages for the household, or
- Decide jointly on food and beverage decisions for the household together with spouse, partner, roommate or kids

Additional data tables:
In addition to the tables and insights provided in this report, data based on Census region, area, ethnicity, household size, the presence of children, household income, store choice and spending are available. Furthermore, data can be presented by preferred chocolate type, social/environmental segmentation and other chocolate purchasing preferences.

Please contact Anne-Marie Roerink of 210 Analytics, at aroerink@210analytics.com for further information.
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For top quality you can trust, each and every batch is evaluated by Barry Callebaut’s sensory panel BEFORE it is released for delivery. We ensure product consistency for you.

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