It was during the nineteenth century that methods were developed in Western European countries such as France, Switzerland and the Netherlands to manufacture chocolate products as they are known today. New techniques and approaches were developed which affected chocolate manufacture and in turn led to the creation of products such as milk and moulded chocolate. The world's first milk chocolate bar was launched in Switzerland in 1875, while Cadbury launched its first milk chocolate bar in the UK more than 20 years later, as the nineteenth century was coming to an end. It was made from ingredients such as milk paste, cocoa butter and sugar but, by the company's own admission, it was too coarse and dry to gain widespread popularity.

The first two decades of the new century saw the launch of some of the now-familiar chocolate brands – for example, Cadbury introduced Dairy Milk in 1905, followed by Bournville in 1908 and Milk Tray in 1915. In the USA, meanwhile, the Hershey's Kiss brand from Hershey made its debut in 1907. With the appearance of these brands, the chocolate confectionery market started to develop, as a result of which consumption increased in parts of the world such as Europe, North America and the former British dominions. During World War II, in several Allied countries the special virtues of confectionery were recognised by its inclusion in food rationing schemes. Meanwhile the American and British armies introduced confectionery products to many other countries in the world.

From a promotional perspective, advertising within the chocolate industry started to take off in the years leading up to World War II – one of the pioneers in this area was Cadbury, whose iconic "glass and a half" message first appeared in the 1920s. Chocolate manufacturers were also at the forefront of developing better welfare and development opportunities for employees, partly as a result of the strong religious and philanthropic beliefs of some of the company founders. Notable examples included Cadbury and Rowntree in the UK, as well as Hershey in the USA.

The post-war period witnessed a period of significant expansion for the chocolate industry in many parts of the developed world, as well as the appearance of the first television adverts. With greater quantities of chocolate being exported and manufacturing bases being established in overseas countries, the industry became steadily more global in nature. At the same time, consumption in parts of the world such as Western Europe and North America rose significantly as income levels rose and diets became more varied.

More recently, growth in consumption has begun to level off throughout the developed world. Reasons for this include greater competition from other forms of snacks, health concerns over chocolate's sugar and fat content and, from time to time, adverse economic circumstances. Faced with this situation, many of the world's leading chocolate suppliers have been looking towards developing regions for growth, with countries such as Russia, China, India and Brazil being notable examples.

Table 27.1 Chocolate brands carrying Fairtrade status. Source: Leatherhead Food Research (2011, 2013).

Brand	Manufacturer	Year of Fairtrade conversion
Green and Black's	Mondelez International	1994
Cadbury's Dairy Milk	Mondelez International	2009
KitKat (four-finger)	Nestlé	2010
Maltesers	Mars	2011
KitKat (two-finger)	Nestlé	2012

In recent years, the chocolate industry has also made something of a return to its philanthropic roots by seeking better conditions for those employed in cocoa production. This was first addressed by UK and European firms during the early part of the twentieth century – more recently this concern for the livelihoods of cocoa farmers and workers in key growing regions such as Africa and Latin America has been reflected in a greater usage of cocoa carrying some form of certification. Many leading chocolate suppliers now work in partnership with the various certification bodies, in order to secure a sustainable and environmentally friendly future for the cocoa industry (see Chapter 2).

This trend has been evidenced by the conversion of several leading brands to Fairtrade status (Table 27.1). One of the pioneers in this sector was Green and Black's (which is now part of Mondelez International) in 1994, and it has since been joined by the likes of Cadbury's Dairy Milk, Maltesers and KitKat. In addition to chocolate confectionery, other products such as cocoa powder have also gained accreditation.

As can be seen from Table 27.1, multinational chocolate suppliers such as Mondelez International, Nestlé and Mars all now own brands carrying Fairtrade accreditation. The possibility exists that more will enter into the category in the future; assuming supplies of Fairtrade cocoa can be assured.

From a regulatory standpoint, chocolate confectionery is usually defined as containing cocoa and its derivatives, as well as milk, sugar and many other ingredients. The chocolate industry is a major user of many types of agricultural products, owing to the wide range of different flavours, tastes and textures – examples of the latter include dried fruits, nuts (e.g. hazelnuts, peanuts and macadamia nuts) and coconut.

27.2 The global chocolate market

In 2012, the global confectionery market was valued at US$ 190bn. The chocolate sector accounted for US$ 105bn of this, having grown by an estimated 25% in value terms during the years since 2007. The remainder of the global confectionery market is made up of sugar confectionery and chewing gum, which were worth US$ 59bn and US$ 26bn respectively in 2012. The importance of the chocolate