

market remains a niche sector in most parts of the world, a situation unlikely to change at any time soon.

Given that further reformulation along health grounds appears to be unfeasible and not accepted by consumers, chocolate producers have instead been opting for portion control as a way of countering accusations that they are indirectly partly responsible for the obesity crisis. As an example of this trend, several of the world's most well-known brands have undergone some kind of shrinkage in terms of size, thereby reducing the amount of calories consumed. This is one of the current goals of world leader Mondelez International – its website states that the company aims to increase the number of individually-wrapped products that are 200 calories or less in its portfolio, to help consumers manage calorific intake and be mindful of portions.

Related to the healthy eating trend is the growing consumer demand for more natural ingredients, largely at the expense of artificial additives. Although this has been much more apparent within the sugar confectionery sector (as evidenced by the recent new product activity from the likes of Haribo and Nestlé), there are implications for chocolate confectionery manufacturers. The prospects for chocolate products marketed as containing only natural flavours, for example, would appear to be favourable, while artificial and/or synthetic colours are also falling out of favour in confectionery manufacture. The trend towards natural food ingredients may also result in the appearance of more chocolate products sweetened with steviol glycosides, although their usage has to date been largely skewed towards other sectors, for example soft drinks.

From a consumer perspective, the chocolate industry also faces significant challenges in terms of maintaining its share of grocery expenditure. In western markets such as Western Europe and North America, frequency of purchase for the confectionery sector has for the most part declined over the last decade, with people more inclined to trade up to more premium products which are not bought quite so regularly. However, the recent development of the bite-sized chocolate confectionery sector in countries such as the UK serves as a good example of how innovation within the industry can maintain consumer interest, seek out new opportunities and take advantage of wider social trends, such as the tendency of people not to stay in more frequently.

On a related note, growth rates for the consumption of chocolate confectionery are expected to remain higher across the developing world, as rising disposable income levels in emerging economies enable greater frequency of purchase. Perhaps the most important demographic trend in less developed markets such as China and India is large-scale migration of consumers to urban areas – for example, India's urban population is expected to soar from 340 million in 2008 to 590 million by 2030, and this consumer base is likely to account for a steadily growing share of food expenditure. Future growth in demand in parts of the world such as these are also likely to be driven by development of the retail industry, which is expected to result in higher numbers of modern outlets and hence greater availability of chocolate confectionery.

Also worthy of note is the changing way that chocolate and other forms of confectionery are being marketed and/or promoted. It is thought that this trend will shape the chocolate confectionery market in the future, especially given the advent of social media and its usage amongst younger consumers in particular. While the importance of more traditional forms of advertising and marketing is not expected to diminish, manufacturers are likely to use social media more often to attempt to engender a greater relationship with their consumers, especially to help maintain brand share.

In summary, the chocolate sector is expected to retain its position as the largest within the global confectionery market, at least in value terms. The global consumer base for products such as countlines, moulded chocolate bars and tablets and chocolate gifts is expected to remain large, with high penetration levels existing in most parts of the world. On the supply side of the industry, further consolidation cannot be ruled out, given the high cost of raw materials and production and the ongoing pressure on margins.

## References

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