



Passport

Chocolate Confectionery in India

Euromonitor International

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CHOCOLATE CONFECTIONERY IN INDIA

KEY DATA FINDINGS

- Retail value sales rise by 11% in current terms in 2022 to INR155 billion
- Boxed assortments is the best performing category in 2022, with retail value sales rising by 15% in current terms to INR7.6 billion
- Mondelez India Foods Pvt Ltd is the leading player in 2022, with a retail value share of 57%
- Retail sales are set to grow at a current value CAGR of 9% (2022 constant value CAGR of 4%) over the forecast period to INR237 billion

2022 DEVELOPMENTS

The snacking habit continues even after the pandemic

As the initial COVID-19 lockdowns led consumers to be secluded at home and spend a lot more time at home than usual, they turned to snacking as a source of comfort. The number of consumption occasions increased, and consumers started replacing meals with snacks. This has trickled down into 2022, even though educational institutes and some offices have reopened and resumed operations. Indians now prefer smaller meals throughout the day, and the trend of replacing at least one meal with a snack is on the rise, driving retail growth. Indulgence is another reason snacking is becoming increasingly popular. However, consumers in India have also become more aware of their sugar intake and are mindful about portion intake; because of this, chocolate pouches and bags witnessed stronger sales during the pandemic, and retail volume and current value growth are set to continue in 2022.

Omnichannel development for chocolate confectionery

The pandemic disrupted the distribution landscape for chocolate confectionery and gave impetus to e-commerce. As consumers started shopping online because of the restrictions on movement, this led many manufacturers to also focus on their online channels. Despite the easing of the pandemic, consumers continue to purchase chocolate confectionery online, citing convenience as a main reason. Platforms such as Swiggy and Blinkit, with their quick service and short delivery times, are becoming a popular choice for customers demanding convenience.

However, due to the nature of chocolate confectionery, which requires temperature-controlled storage, hypermarkets and supermarkets are also becoming popular amongst consumers, catering especially to the demand for dark chocolate and premium chocolate. With the easing of lockdowns and the situation in the country returning to normality, and educational institutions resuming their operations, out of home consumption is also expected to regain its strong growth momentum in 2022, driving sales through traditional channels. Along with this, rapid digital transformation will lead kirana stores (small local grocers) to remain the most prominent channel in chocolate confectionery in 2022.

Mondelez continues to lead, due to strong brand recall and trust amongst consumers

Mondelez India Foods is expected to remain the leader in chocolate confectionery in 2022, and will continue to extend its value share. This can be attributed to strong brand recall and trust amongst consumers. The pandemic saw consumers gravitate towards trusted brands, which is also boosting the sales of the company. It benefits from its strong brand portfolio, which includes Cadbury Dairy Milk, Cadbury Dairy Milk Silk, Cadbury Celebrations, Bournville, 5 Star, Cadbury Perk, and Cadbury Gems. The company is also witnessing healthy sales riding on the back of its vast product range, as it has products across all price segments and pack sizes. The company also continues to launch new products. The latest addition was Cadbury Dairy Milk Silk Bubble-gum, a product with bubble gum filling and chocolate outer coating. Mondelez is quick to understand evolving consumer preferences, and launches new variants to tap into demand. Such innovations keep the company relevant amongst consumers.

Another reason for strong brand recall is the marketing campaigns and activations carried out by Mondelez. Following its new launch Cadbury Dairy Milk Silk Bubble-gum, the company supported it with the #BubbledUpWithFun campaign, which was a 360 degree campaign which involved increasing in-store visibility and outdoor activations. The company also tapped into the superhero fandom and comic culture, which has recently seen huge growth. With the release of the film The Batman, the company collaborated with DC to offer consumers an immersive trip to Gotham City in Warner Bros World in Abu Dhabi. The company also understands its customers and target audience. One such example is the “Do Nothing” campaign, which aimed to fight the pressure of celebrating Valentine’s Day for single people. At the same time, the company also ran the campaign #HowFarWillYouGoToMakeThemBlush, which used personalised augmented reality technology, which the company claimed was the first in the country, enabling customers to send messages secretly to their loved ones. The company also turns to consumers for input on new flavours; the company runs a campaign Madbury, whereby consumers can post about ideas for new products or flavours. Moving forward, the company aims to penetrate rural areas with smaller pack sizes.

PROSPECTS AND OPPORTUNITIES

Healthy chocolate confectionery set to see demand in the future

Premium chocolate confectionery is gaining traction in India. Consumers are becoming portion-conscious and prefer bite-sized chocolate, whilst dark chocolate is also seeing rapid consumer acceptance. This type of chocolate confectionery, which is considered healthier, appeals to the mindful eating trend amongst Indian consumers. Another reason for the rising popularity of dark chocolate is that it is perceived as guilt-free by consumers owing to the reduced sugar content. According to Euromonitor International’s health and nutrition survey, 60% of survey respondents think avoiding sugar is better for them, while 58% say that avoiding sugar makes them feel healthier, whereas 57% say that they avoid sugar for weight management. The purported health benefits of dark chocolate include reducing the risk of blood pressure and lowering cholesterol, which makes it ideal for health-conscious consumers. Considering the demand for this type of chocolate amongst health-conscious consumers, many companies are adding dark chocolate variants to their portfolios. In addition, new companies, such as Wellversed under its brand Ketofy, as well as Zevic, Bogatchi, Ditch The Guilt and Mojo Thins, alongside many other brands, have started selling on online marketplaces such as Amazon. Moving forward, the demand for healthy chocolate confectionery is expected to see rapid growth.

Rural areas remain key to future growth

Sales of chocolate confectionery in India are largely driven by urban consumers, due to accessibility and availability, along with having the spending power to consume premium chocolate confectionery. However, the urban market is now fairly saturated, and manufacturers are now turning towards semi-rural and rural areas for further growth. The penetration of chocolate confectionery is still very low in these areas due to the lack of infrastructure and the nature of the product, which requires temperature control or refrigeration. According to Euromonitor International, the per capita consumption of chocolate confectionery is 360g per person, which is very low compared with developed countries, where per capita consumption is in the range of 5-10kg per person per annum. This provides huge potential for manufacturers to grow. Manufacturers such as Mondelez and Mars are looking to expand in rural areas to maintain growth, with their strategy being to offer products at a lower price point to gain share from unorganised players. Distribution in these areas also remains an area for improvement for manufacturers in India, and such companies plan to strengthen their distribution in these regions.

CATEGORY DATA

Summary 1 Other Chocolate Confectionery by Product Type: 2022

Product type

Milkybar Choos – Nestlé India Ltd

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 1 Sales of Chocolate Confectionery by Category: Volume 2017-2022

'000 tonnes	2017	2018	2019	2020	2021	2022
- Chocolate Pouches and Bags	13.7	14.6	15.6	15.8	17.7	18.7
- Boxed Assortments	6.6	6.7	6.9	6.9	7.0	7.6
- Chocolate with Toys	5.5	5.6	5.7	5.7	5.9	5.9
- Countlines	43.5	44.3	44.6	40.3	47.2	49.8
- Seasonal Chocolate	-	-	-	-	-	-
- Tablets	53.3	53.7	53.7	52.6	55.2	56.8
- Other Chocolate Confectionery	0.1	0.1	0.1	0.1	0.1	0.1
Chocolate Confectionery	122.7	125.1	126.5	121.3	133.0	138.9

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 2 Sales of Chocolate Confectionery by Category: Value 2017-2022

INR million	2017	2018	2019	2020	2021	2022
- Chocolate Pouches and Bags	9,921.4	11,118.0	12,347.5	12,991.7	15,013.3	16,699.3

- Boxed Assortments	5,256.4	5,640.1	5,984.2	6,176.3	6,566.6	7,571.3
- Chocolate with Toys	11,828.6	12,491.0	13,265.5	13,610.4	14,775.5	15,860.0
- Countlines	29,153.4	31,660.6	33,940.2	32,280.5	40,027.9	45,055.3
- Seasonal Chocolate	-	-	-	-	-	-
- Tablets	47,224.7	51,286.0	54,927.3	56,904.7	63,420.3	69,914.5
- Other Chocolate Confectionery	22.3	22.5	22.6	22.4	22.6	23.4
Chocolate Confectionery	103,406.8	112,218.2	120,487.4	121,986.1	139,826.1	155,123.8

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 3 Sales of Chocolate Confectionery by Category: % Volume Growth 2017-2022

% volume growth	2021/22	2017-22 CAGR	2017/22 Total
- Chocolate Pouches and Bags	5.9	6.5	36.8
- Boxed Assortments	9.5	3.0	16.0
- Chocolate with Toys	0.7	1.4	7.0
- Countlines	5.4	2.7	14.3
- Seasonal Chocolate	-	-	-
- Tablets	2.9	1.3	6.6
- Other Chocolate Confectionery	1.8	-0.3	-1.2
Chocolate Confectionery	4.4	2.5	13.2

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 4 Sales of Chocolate Confectionery by Category: % Value Growth 2017-2022

% current value growth	2021/22	2017-22 CAGR	2017/22 Total
- Chocolate Pouches and Bags	11.2	11.0	68.3
- Boxed Assortments	15.3	7.6	44.0
- Chocolate with Toys	7.3	6.0	34.1
- Countlines	12.6	9.1	54.5
- Seasonal Chocolate	-	-	-
- Tablets	10.2	8.2	48.0
- Other Chocolate Confectionery	3.5	1.0	4.9
Chocolate Confectionery	10.9	8.4	50.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 5 Sales of Chocolate Tablets by Type: % Value 2017-2022

% retail value rsp	2017	2018	2019	2020	2021	2022
Filled	30.5	30.5	30.5	30.8	31.1	31.1
Plain Dark	6.5	6.5	6.5	6.8	7.2	7.7
Plain Milk	60.0	60.0	60.0	59.5	59.0	58.5
Plain White	3.0	3.0	3.0	2.9	2.7	2.7
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 6 NBO Company Shares of Chocolate Confectionery: % Value 2018-2022

% retail value rsp Company	2018	2019	2020	2021	2022
Mondelez India Foods Pvt Ltd	54.0	52.5	53.3	54.7	57.4
Nestlé India Ltd	13.4	13.7	14.6	15.7	16.1
Ferrero India Pvt Ltd	9.7	9.5	9.3	8.8	8.4
Mars International India Pvt Ltd	3.0	3.1	2.6	2.5	2.5
Global Consumer Products Pvt Ltd	1.1	1.3	1.4	1.3	1.2
Hershey India Pvt Ltd	1.2	1.2	1.2	1.2	1.2
Gujarat Co-operative Milk Marketing Federation Ltd	1.1	1.2	1.2	1.2	1.1
Chocoladefabriken Lindt & Sprüngli AG	0.2	0.3	0.3	0.3	0.3
Buttercup Confectionery Ltd	0.2	0.2	0.2	0.2	0.2
Cadbury India Ltd	-	-	-	-	-
Others	16.2	17.1	15.8	14.2	11.7
Total	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 7 LBN Brand Shares of Chocolate Confectionery: % Value 2019-2022

% retail value rsp Brand (GBO)	Company (NBO)	2019	2020	2021	2022
Cadbury Dairy Milk (Mondelez International Inc)	Mondelez India Foods Pvt Ltd	29.7	29.9	30.0	30.5
Kinder Joy (Ferrero & related parties)	Ferrero India Pvt Ltd	8.4	8.1	7.7	7.3
Cadbury Gems (Mondelez International Inc)	Mondelez India Foods Pvt Ltd	6.1	6.3	6.7	7.0
5 Star (Mondelez International Inc)	Mondelez India Foods Pvt Ltd	6.5	6.5	6.4	6.9
Kit Kat (Nestlé SA)	Nestlé India Ltd	4.9	5.3	5.9	6.1
Munch (Nestlé SA)	Nestlé India Ltd	4.7	5.1	5.6	5.8
Cadbury Celebrations (Mondelez International Inc)	Mondelez India Foods Pvt Ltd	2.7	2.7	2.8	3.3
Cadbury Perk (Mondelez International Inc)	Mondelez India Foods Pvt Ltd	2.7	2.7	2.7	2.9
Nestlé Premium Milk Chocolate (Nestlé SA)	Nestlé India Ltd	2.5	2.6	2.5	2.5
Snickers (Mars Inc)	Mars International India Pvt Ltd	2.1	1.7	1.6	1.6
Dairy Milk	Mondelez India Foods	1.0	0.9	1.3	1.5

(Mondelez International Inc)	Pvt Ltd				
LuvIt	Global Consumer Products Pvt Ltd	1.3	1.4	1.3	1.2
Brookside (Hershey Co, The)	Hershey India Pvt Ltd	1.2	1.2	1.2	1.2
Cadbury Fuse (Mondelez International Inc)	Mondelez India Foods Pvt Ltd	0.5	0.6	0.8	1.1
Amul	Gujarat Co-operative Milk Marketing Federation Ltd	1.1	1.2	1.1	1.1
Ferrero Rocher (Ferrero & related parties)	Ferrero India Pvt Ltd	1.2	1.2	1.1	1.1
Bournville (Mondelez International Inc)	Mondelez India Foods Pvt Ltd	0.7	0.8	0.8	0.9
Milkybar (Nestlé SA)	Nestlé India Ltd	0.8	0.9	0.9	0.8
Bar One (Nestlé SA)	Nestlé India Ltd	0.3	0.4	0.4	0.4
Nestlé Dark Chocolate (Nestlé SA)	Nestlé India Ltd	0.3	0.3	0.3	0.3
Lindt	Chocoladefabriken Lindt & Sprüngli AG	0.3	0.3	0.3	0.3
Mars (Mars Inc)	Mars International India Pvt Ltd	0.2	0.2	0.2	0.2
Choco Swiss	Buttercup Confectionery Ltd	0.2	0.2	0.2	0.2
Galaxy (Mars Inc)	Mars International India Pvt Ltd	0.2	0.2	0.1	0.1
5 Star (Mondelez International Inc)	Cadbury India Ltd	-	-	-	-
Bournville (Mondelez International Inc)	Cadbury India Ltd	-	-	-	-
Cadbury Celebrations (Mondelez International Inc)	Cadbury India Ltd	-	-	-	-
Cadbury Dairy Milk (Mondelez International Inc)	Cadbury India Ltd	-	-	-	-
Cadbury Gems (Mondelez International Inc)	Cadbury India Ltd	-	-	-	-
Cadbury Perk (Mondelez International Inc)	Cadbury India Ltd	-	-	-	-
Others	Others	20.5	19.4	18.1	15.6
Total	Total	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 8 Distribution of Chocolate Confectionery by Format: % Value 2017-2022

% retail value rsp	2017	2018	2019	2020	2021	2022
Retail Channels	100.0	100.0	100.0	100.0	100.0	100.0

- Retail Offline	98.7	98.3	97.9	97.0	96.1	95.8
-- Grocery Retailers	96.3	95.9	95.4	94.6	94.0	93.9
--- Convenience Retail	0.6	0.6	0.6	0.6	0.6	0.5
---- Convenience Stores	0.2	0.3	0.3	0.3	0.2	0.2
---- Forecourt Retailers	0.3	0.4	0.4	0.4	0.3	0.3
--- Supermarkets	7.0	7.4	7.7	7.6	7.2	7.0
--- Hypermarkets	5.5	5.8	6.0	6.0	6.0	6.0
--- Discounters	-	-	-	-	-	-
--- Warehouse Clubs	-	-	-	-	-	-
--- Food/drink/tobacco specialists	3.8	3.8	3.8	3.4	3.2	3.1
--- Small Local Grocers	79.5	78.4	77.3	77.0	77.1	77.2
-- Non-Grocery Retailers	2.4	2.4	2.5	2.4	2.1	1.9
--- General Merchandise Stores	-	-	-	-	-	-
--- Apparel and Footwear Specialists	-	-	-	-	-	-
--- Appliances and Electronics Specialists	-	-	-	-	-	-
--- Home Products Specialists	-	-	-	-	-	-
--- Health and Beauty Specialists	-	-	-	-	-	-
--- Leisure and Personal Goods Specialists	-	-	-	-	-	-
--- Other Non-Grocery Retailers	2.4	2.4	2.5	2.4	2.1	1.9
-- Vending	-	-	-	-	-	-
-- Direct Selling	-	-	-	-	-	-
- Retail E-Commerce	1.3	1.7	2.1	3.0	3.9	4.2
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Table 9 Forecast Sales of Chocolate Confectionery by Category: Volume 2022-2027

'000 tonnes	2022	2023	2024	2025	2026	2027
- Chocolate Pouches and Bags	18.7	19.8	21.0	22.2	23.4	24.6
- Boxed Assortments	7.6	8.2	8.6	9.0	9.2	9.4
- Chocolate with Toys	5.9	5.9	5.9	5.9	5.8	5.7
- Countlines	49.8	51.7	53.4	55.0	56.3	57.0
- Seasonal Chocolate	-	-	-	-	-	-
- Tablets	56.8	58.4	59.8	61.0	61.9	62.3
- Other Chocolate Confectionery	0.1	0.1	0.1	0.1	0.1	0.1
Chocolate Confectionery	138.9	144.1	148.9	153.1	156.7	159.1

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 10 Forecast Sales of Chocolate Confectionery by Category: Value 2022-2027

INR million	2022	2023	2024	2025	2026	2027
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- Chocolate Pouches and Bags	16,699.3	17,382.0	18,193.3	19,053.6	19,971.3	20,775.3
- Boxed Assortments	7,571.3	8,062.9	8,528.6	8,978.3	9,429.6	9,782.1
- Chocolate with Toys	15,860.0	15,947.1	16,142.7	16,402.4	16,684.9	16,893.2
- Countlines	45,055.3	47,271.1	49,437.1	51,666.2	53,743.9	55,289.9
- Seasonal Chocolate	-	-	-	-	-	-
- Tablets	69,914.5	72,208.6	74,805.4	77,578.9	80,104.2	81,948.1
- Other Chocolate Confectionery	23.4	22.6	21.9	21.3	20.8	20.3
Chocolate Confectionery	155,123.8	160,894.2	167,128.9	173,700.7	179,954.8	184,708.9

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 11 Forecast Sales of Chocolate Confectionery by Category: % Volume Growth 2022-2027

% volume growth	2022/23	2022-27 CAGR	2022/27 Total
- Chocolate Pouches and Bags	6.1	5.6	31.5
- Boxed Assortments	7.2	4.3	23.6
- Chocolate with Toys	0.2	-0.9	-4.2
- Countlines	3.8	2.8	14.6
- Seasonal Chocolate	-	-	-
- Tablets	2.8	1.9	9.6
- Other Chocolate Confectionery	0.3	1.2	5.9
Chocolate Confectionery	3.8	2.7	14.5

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources

Table 12 Forecast Sales of Chocolate Confectionery by Category: % Value Growth 2022-2027

% constant value growth	2022/2023	2022-27 CAGR	2022/27 Total
- Chocolate Pouches and Bags	4.1	4.5	24.4
- Boxed Assortments	6.5	5.3	29.2
- Chocolate with Toys	0.5	1.3	6.5
- Countlines	4.9	4.2	22.7
- Seasonal Chocolate	-	-	-
- Tablets	3.3	3.2	17.2
- Other Chocolate Confectionery	-3.6	-2.8	-13.3
Chocolate Confectionery	3.7	3.6	19.1

Source: Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources