

# BOXED CHOCOLATES



***Shaped by changing lifestyles, consumer expectations, and innovative formulations and presentations, boxed chocolates are making their presence known — and they're not just for gifting.***

## Think Outside The Box

THINKING OF BOXED CHOCOLATES only in connection with festively wrapped parcels at the holidays means missing more than 350 additional occasions to provide consumers with gift solutions, sharing opportunities and personal enjoyment.

With Information Resources, Inc. data indicating 2.5 percent growth and year-on-year dollar sales approaching \$330 million across channels for gift boxes as a share of the chocolate segment, it's clear holidays aren't the only times consumers seek out this segment.

In fact, growth is being led by exploration, expanded flavor combinations, truffles, individually wrapped items, and classic products, according to NCA data. (See sidebar *Boxed Chocolates Build The Category*) The research also reveals two-thirds of the top 100 items in the segment reported sales gains accounting for nearly \$57.5 million for the year ending July 12, and

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top-selling assorted chocolates contributed \$15 million to the total, reflecting consumers' desire to enjoy the adventure of variety year round.

"Our product is heavily seasonal, driven by retailers putting out seasonal products with seasonal themes. Retailers accept that

Thanksgiving, Mother's Day and Valentine's Day will be key seasons, but thank-you, thinking-of-you and hostess and entertaining gifts are important all year," Michael Cobb, CEO of Guylian Belgian Chocolates, asserts.

"Everyday gifts are also relevant during seasonal periods," agrees Melanie Leyden, director of marketing for seasons, gifts and baking at Ghirardelli Chocolate Co.

"Consumers don't shop according to 'everyday' and 'seasonal' designations; they're open to everything," she argues. "We develop gift packs from an everyday sales perspective, so for all boxed items, especially in the premium set, it's the attention to details that allow them to work as gifts at any time."

According to Mark Sesler, vice-president sales & marketing for Russell Stover Candies, Inc., which also produces the Whitman's Sampler line, the ubiquitous nature of boxed chocolates belies the amount of thought and effort invested in their design.

"It's a reasonably mature segment, but there's value in the marketplace," he argues, and points out gift boxes of chocolates not only "compete within the subsegment, but also hold their own against other types of gift items."

Everyday gift packs are important for candymaker-retailer Fannie May Confections Brands, Inc., according to President Kevin Coen. "The key is how you play outside of seasonal that has the most impact."

Coen says because younger people have more experience with premium quality in all