

# sweet surrender

GIVING IN TO YOUR SWEET TOOTH HAS NEVER BEEN HEALTHIER



There is no doubt that premium dark chocolate is the latest trend to affect the confectionery industry in North America and manufacturers including Cadbury Adams Canada Inc. are importing and producing products to meet the growing market demand. ¶ According to Cadbury, the largest confectionery manufacturer in Canada, premium dark chocolate sales are up 42 per cent over the past year, from \$16 million to \$23 million. ¶ To meet this demand, Cadbury launched its Poulain range of chocolate across Canada earlier this year. Imported from France, it is considered to be the most decadent new premium dark chocolate.

One of the oldest and most loved brands in France for more than 150 years, Poulain is a rich luxurious dark chocolate.

"Canadian tastes are becoming more sophisticated," says John Vares, director, innovation for Cadbury Adams Canada. "They're eating more dark chocolate and they're buying more premium chocolate, with the premium category worth more than \$38 million."

According to Vares, Canadians are turning to dark chocolate, not just for its antioxidant-rich health benefits, but for its premium taste and quality. "More consumers and younger consumers are selectively trading up to 'new' and 'better' products or services."

Cadbury, the exclusive distributor of Poulain, offers four types of Poulain products: Poulain Ultime Noir; Poulain Noir; Poulain Noir Café; Poulain Lait Volupté.

Research is key to determining market trends. "As a global leader, we invest heavily in research, insight and technology to deliver relevant products to our consumers," says Martin Parent, vice president, total confectionery and seasonal. "For instance, we spoke to 4,000 Canadians to better understand their chocolate and confectionery needs. We know that health and dietary concerns play an important role in product development," he says.

Cadbury is meeting the needs of this untapped market with

Canadian firsts like Cadbury Dairy Milk Thins, with only 100 calories. Launched last year in milk chocolate and premium dark varieties, Cadbury recently added Toffee to the Dairy Milk Thins lineup.

"Dairy Milk Thins was one of the most successful chocolate launches of 2005," says Parent. "Thins is performing incredibly well and adding incremental sales in the chocolate category."

Cadbury's messaging on Thins is consistent and visible to the consumer. This includes 100 calories prominently displayed on packaging.

To further cater to this market segment, Cadbury introduced Cadbury Minis in Peanut Butter and Caramilk, which are bite-sized pieces of the chocolate bars. Cadbury Minis Caramilk and Minis Peanut Butter are offered in convenient take-home bags that are ideal for sharing and portion control.

"With take-home bags outpacing category growth by eight per cent, Cadbury Minis Caramilk and Peanut Butter are the perfect small indulgence at home, at the office or on the go," says Parent.

ASTI HOLDINGS, the manufacturers of Golden Bonbon™ Almond Nougat Candy, is in the process of expanding its share of the Canadian confectionery market.

"We are a company that has very deep roots in Northern Italy and

we bring quite a depth of European tradition in manufacturing," says Dr. Marco Mazzucco, Asti's vice president. "But, adapting it to this North American market, we use different flavours, sizes and ideas to introduce a candy that is a fairly new product to the market."

A third-generation family business, Asti Holdings set up shop in Canada in 1991 and has secured a place in the industry. With 50 per cent of its product being exported to the U.S. and Asia, the company plans to have its product sold in mainstream stores while still retaining a large share of sales in Asian markets, across the country.

Almond nougat, a traditional Italian candy, is taking on a Canadian flavour with additives such as maple syrup and cranberries. A blueberry nougat will soon be launched.

"Maple has proven to be a consistent performer," says Mazzucco, who adds that Golden Bonbon™ nougat can be found in stores such as London Drugs, Urban Fare and Costco, as well as smaller independent stores.

"We make a very high-end nougat – half the weight of product is almonds and 30 per cent is Canadian clover honey," says Mazzucco. It is cholesterol-free, has no trans fats and is gluten free. We are also launching nougat with orange peel from oranges imported from Italy. We are very fussy about our ingredients."

While almond nougat is traditionally sold in large blocks and often consumed during the Christmas season, Asti offers a variety of packaging to retailers, including 100-g bags that sell for between \$3 and \$4, gift boxes for the holidays and 500-g bulk bags for club stores.

**BROOKSIDE FOODS** has been manufacturing panned chocolate since the 1970s and, in terms of market share, its chocolate almonds are the top-selling brand in Canada.

"We have nearly 90 per cent of the national branded market," says Alan Whitteker, Brookside's vice president of sales. "We recently introduced a dark chocolate almond to complement our very popular milk chocolate because of the increasing consumer demand for dark chocolate. Our new dark chocolate almond is selling very well and continues to grow rapidly as we increase its distribution."

Also very popular with consumers is Brookside's dark chocolate cranberry. It combines great tasting, healthy, dark chocolate and nutritious dried cranberries.

**GOURMET NANTEL**, founded in 1979, is a family-run business, manufacturing Tradition Ste.-Julie cream fudges and sweets

that are made in Quebec and sold across Canada and select outlets in the northeastern United States.

The fudge comes in five flavours – cream fudge, cream fudge with nuts, fudge, fudge with nuts and maple cream fudge.

"Our top-selling flavour in Central and Eastern Canada is cream fudge," says Eric Nantel, Gourmet Nantel's executive manager, "but in Western Canada our maple syrup cream fudge is our best-selling flavour. We are the number-one manufacturer of cream fudge in the world and we are best positioned and have the capability and know-how to supply all major grocery chains in North America.

"It's a very good energy boost and one without trans fat," says Nantel, who adds that his fudge is low in cholesterol and saturated fat and is a source of vitamin A.

The cream fudge comes in a variety of packaging and sizes that allows for creative displays on shelves and tables. For impulse purchases, the fudge comes in 33-g chocolate bar-sized packages; attractive burgundy, off-white and black vertical 200-g stand-up bags; and resealable 240-g plastic trays.

"We have state-of-the-art facilities and an avant-garde approach to food production," says Nantel. "Combined with advanced production processes, we have rigorous quality-

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# CONFECTIONERY

	Dollar Sales	Dollar Sales % Change	Unit Sales	Unit Sales % Change
<b>NATIONAL GROCERY BANNER EXCLUDING NEWFOUNDLAND</b>				
Boxed Chocolates	64,217,835	0%	12,900,793	1%
Consumable Single Chocolate	83,705,007	3%	109,635,033	5%
Consumable Candy	100,540,152	2%	56,180,880	7%
Gum	107,779,503	4%	141,563,852	-1%
<b>MAN/SASK GROCERY BANNER</b>				
Boxed Chocolates	5,175,187	-9%	1,011,370	-6%
Consumable Single Chocolate	6,115,047	1%	7,973,608	1%
Consumable Candy	7,634,355	2%	4,351,221	10%
Gum	7,529,677	6%	10,053,388	1%
<b>ALBERTA GROCERY BANNER</b>				
Boxed Chocolates	10,340,300	-5%	1,943,292	0%
Consumable Single Chocolate	12,747,103	7%	15,448,740	5%
Consumable Candy	15,961,580	7%	8,570,003	8%
Gum	15,451,457	11%	19,250,071	2%
<b>BC GROCERY BANNER</b>				
Boxed Chocolates	10,744,411	-5%	2,037,169	-2%
Consumable Single Chocolate	12,061,126	-2%	13,944,981	-4%
Consumable Candy	14,159,847	10%	8,294,250	21%
Gum	14,400,814	11%	17,932,364	4%

Source: ACH Nielsen, MarketTrack, All Channel, National, Man/Sask, Alberta & BC - Latest 52 weeks ending April 15, 2006

control systems. All our cream fudges are made with superior ingredients that are carefully selected for maximum quality.

"In addition," he says, "we've built a strong network of partners, distributors and retailers to meet an ever increasing demand for our products. All of our Tradition Ste-Julie cream fudges can be produced on demand and distributed to the four corners of the world."

"INNOVATION DRIVES growth," says Stan MacLachlan, vice president, gum, cough and candy, Cadbury Adams Canada. "We continually look for new flavours and long-lasting flavour and the strength of any gum brand is based on that. Innovation in gum must satisfy a consumer's desire and bring new users into the category.

"An explosion in innovation offering greater variety in flavour, packaging, formats, taste and benefits such as fresh breath is a major driver in the category's dollar and volume growth," he says.

Earlier this year the company opened its new Science and Technology Center in New Jersey, a move that has brought together global expertise on product and packaging, with an emphasis placed on consumer knowledge and insight.

Although sugar-free is a growing trend, consumers are also turning to liquid centre-filled pellet gum like Trident Splash and new Dentyne Ice Wild Winter and Hypermint, which will all be available in stores this June.

"One of the main reasons people chew gum is for fresh breath," says MacLachlan. "With Dentyne Ice, the additional burst of a cool liquid centre intensifies the flavour and the breath freshening experience, providing for longer-lasting flavour and fresh breath."

Trident Splash comes in Strawberry with Kiwi, Vanilla Mint and new Apple with Raspberry.

Trident Splash was the biggest confectionery launch of 2005 and contributed to 60 per cent of the category growth last year. Trident Splash Strawberry with Kiwi became the number-one SKU in just seven weeks and remains there today. "Gum is critical to the front of the store," says MacLachlan, "which is the last chance to sell both single packs and multi-packs. Research shows that consumers spend less than eight seconds looking for their products on the rack, so it's critical for retailers to have the proper planogram that is easy for consumers to shop. Sugar-free gum is also driving the category, both in the gum and cough sectors." GT

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