# On location: Lindt GTR unveils category vision with focus on adding confectionery to every basket



The entrance to the Lindt Home of Chocolate in Kilchberg, Switzerland

Tucked neatly into the western coast of Lake Zurich in Kilchberg, Switzerland proudly stands the Lindt Home of Chocolate. Opened in 2020, the building houses a museum, café, an enormous chocolate fountain, Lindt & Sprüngli's largest retail store and several corporate offices.

Located on the same grounds as Lindt & Sprüngli's original headquarters and factory, which were

established in 1899, the grand Lindt Home of Chocolate is the ideal backdrop for unveiling an energetic new approach to the global travel retail confectionery category.

Last week, <u>Lindt Global Travel Retail</u> (GTR) hosted a media event at the Lindt Home of Chocolate where the brand presented its new category vision for TR which focuses on adding confectionery to every basket.

"We enchant the world with chocolate. Our mission is to create premium chocolate for the global confectionery market based on consumer preferences and extensive research," said Peter Zehnder, Head of Lindt GTR, during the press presentation. "We are very proud that over the last year we did more and more research specifically for travel retail and adapted shopper studies for the travel retail world."

Reporting a "strong rebound" in GTR with triple-digit growth of +109% in 2022, the vision is ambitious but clear.



From left to right: The Lindt GTR team, Stephanie Schmidle, Peter Zehnder and Florence Benguerel at the Lindt Home of Chocolate in March 2023

#### **Category growth**

Lindt & Sprüngli partnered with Ehrenberg-Bass Institute for Marketing Science to conduct a deep dive study into the confectionery category and its growth drivers. The study includes 17 countries, five continents and more than 100,000 consumption occasions and shopper interviews.

"Understanding the key thoughts, needs and occasions of shoppers will guide us to success," explains Zehnder.

Noting that "chocolate is a resilient category," the findings reveal that more than 64% of shoppers say they love chocolate and 65% say they are never without chocolate in their house. Furthermore, 66% say they would buy their favorite brand even if not on sale.

Premiumization remains a relevant "growth engine" of the confectionery category, even in a recession, with research highlighting that 55% of shoppers are willing to pay more for premium

chocolate.

The POLARIS Category Research study concludes that the versatile and impulse-based role of the category makes adding confectionery to every basket a very realistic undertaking.

# Demand moments, needs and occasions

The study indicates that reasons why people purchase chocolate in global travel retail fit within five categories called demand moments: "Treat," "Indulge," "Recharge," "Connect" and "Delight." Within these demand moments are common needs and occasions that come up during travel – which are major growth drivers of premium chocolate.

Travelers looking for something quick and easy to eat falls under the "Treat" demand moment (accounting for 11% of sales). Something enjoyable that offers a momentary escape is categorized under the "Indulge" demand moment (22% of sales). A practical bite that quickly combats hunger, low energy and boredom fits within "Recharge" (leading at 32% of sales). Travelers looking for something to share with others falls under "Connect" (also accounting for 11% of sales). Those seeking something to gift fits in the "Delight" demand moment (which rings in at second place accounting for 25% of sales).

The research confirms that more than 90% of gifting purchases occur outside of key gifting periods. Finding the right format and delivering engagement at the point of sale during key gifting periods can fuel sales growth, Zehnder tells *GTRM*, referencing last year's Diwali promotions in partnership with Delhi Duty Free and Dubai Duty Free which led to double-digit percentage sales growth.



The enormous chocolate fountain in the center of the Lindt Home of Chocolate

## Adding confectionery to every basket

The study points to four action items – or growth platforms - that can lead to conversion and have potential to add confectionery to every basket.

The growth platforms, categorized as "Say it with chocolate," "Taste discoveries," "Sharing the adventure" and "Be seen," encompass gifting and festive occasions, channel exclusive editions and ingredient discovery, enchanting experiences and activations, formats and sense of place, multiple touchpoints, traffic generation, and ease of shopping and navigation.

Lindt GTR has created TR exclusive products for gifting in 2023: The LINDOR Gift Box (287 grams) personalized with the gifting message "FOR YOU," wrapped in lace-embossed packaging, adorned with a golden bow; the Napolitains Destination Sleeves Carrier Box (500 grams) unique to the destination; Gold & Silver Tablets (300 grams) serving as the "fail-safe gift that speaks for itself," and the newly-introduced Nuxor Milk and Assorted (165 grams).

Playing into confectionery impulsivity and key visibility, Lindt GTR is bringing the art of gifting to life at Heathrow Airport this spring with freshly made LINDOR truffles from one of its Master Chocolatiers. To enhance the shopping experience, extras such as gift wrapping, personalized cards and bags are available to create an unforgettable memory. With the theme of "Bring home the gift of bliss," the activation runs at Terminal 4 from March 30 to April 26. Lindt GTR highlights that the focus on growing the confectionery category reaches industry wide with a better-together approach. Growing the category benefits retailers (strategic partnerships that increase value), suppliers (move away from stealing share to growing the category and value overall), shoppers (focus on relevant and engaging experiences) and consumers (meeting all demand moments, needs and occasions with a complementary portfolio).



While a popular spot for tourists, locals also visit the café inside the Lindt Home of Chocolate regularly

## Lindt Home of Chocolate homage to history

Lindt & Sprüngli tells *GTRM* the Lindt Home of Chocolate welcome 500,000 visitors last year and expects to easily exceed that figure in 2023. Located just south of Zurich proper and its Altstadt (Old Town) tourism hub, Zehnder says the Lindt Home of Chocolate has quickly become an attraction for both explorers and locals alike.

The architecture inside the Lindt Home of Chocolate resembles the conche, a grinding tool that gives Lindt & Sprüngli chocolate the smooth-melting taste and texture it has become known and loved for. Happened upon as a happy accident by Rodolphe Lindt in 1879, Lindt & Sprüngli became known for its use of the conche which is now a chocolate industry standard, but as Zehnder highlights, "Lindt has the most experience conching."

Currently Lindt & Sprüngli enjoys a global presence in more than 120 countries with 500 shops worldwide, 100 distributors, 31 subsidiaries and 11 production facilities.