

Is the state of the SA chocolate industry 'unhealthy'?

Issued by [Insight Survey](#)

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Over the past few years, the global health revolution has managed to firmly entrench its 'clean-eating' dogma into the minds of Mzansi consumers. As a result, we have witnessed a marked decline in SA chocolate consumption.

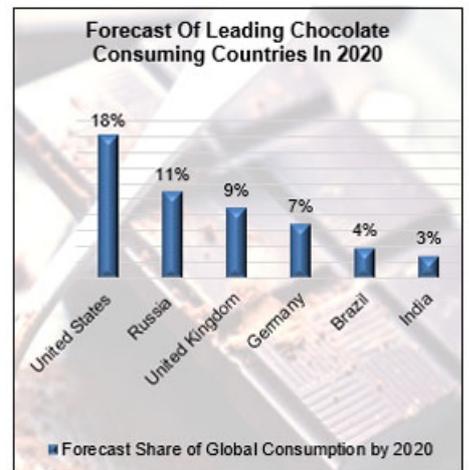
However, it is not only the rise of such dietary dogma that has seen chocolate sales wane, but also the increasing pressure that the current economic climate is putting on the ability of consumers to exercise confectionary indulgence.

Insight Survey's latest SA Chocolate Landscape Report 2016 addresses the impact that this is having on the industry, by unpacking the direct correlation between the aforementioned restraints and volume sales; in so doing providing a comprehensively nuanced understanding of the current industry environment and market dynamics.

This decline in consumption which South Africa is experiencing is not in line with the global trend. 7.2 million metric tons of chocolate was consumed globally in 2015, with average year-over-year demand growth since 2008 being steady at just over 3%.

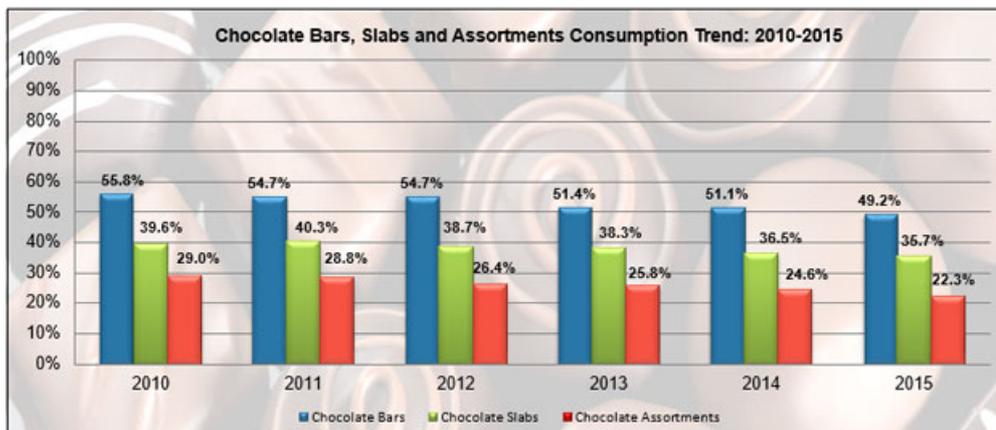
One of the primary drivers of this 3% increase is the growing middle class in China, India, and Brazil. Thus, this would suggest that the primary reason for the marked decline in SA chocolate consumption is in fact the economic climate (with the 'health trend' playing a more peripheral role).

South Africa has one of the most well-established chocolate confectionary markets in Africa, valued at R5.03 billion and with a per capita consumption of about 1.3 kg in 2015. However, South Africa does not produce its own cocoa and as a result, it is reliant on the importation of cocoa from West Africa. Due to a slackening in the global supply of cocoa, the cost of the raw material has increased, adding pressure to price increases. This, in addition to the influence of the health trend, has certainly become an unhealthy turn of events for the SA chocolate industry.



Source: [World Cocoa Foundation](#), [Insight Survey](#),
Graphics by [Insight Survey](#)

As illustrated in the graph below, the proportion of South African chocolate bar consumers declined between 2010 and 2015, from 55.8% to 49.2%; similarly, the percentage of South Africa's chocolate slab consumers declined from 39.6% to 35.7%; while purchasers of chocolate assortment boxes in the past four weeks have decreased from 29.0% to 22.3%.



Source: [AMPS](#), [Insight Survey](#); Graphics by [Insight Survey](#)

It is evident that this trend of decline provides an indication of the interplay between the ongoing recession period and consumer purchase dynamics. However, it also gives us an indication of the impact that the dubious health trend is having on consumer behaviour.

Therefore, the average chocolate may not only be reverting back to being a 'luxury FMCG', but also a scrutinised symbol of dietary sacrilege.

The **South African Chocolate Landscape Report** (79 pages) provides a dynamic synthesis of industry research, examining the local and chocolate industry from a uniquely holistic perspective, with detailed insights into the entire value chain – from manufacturing to retail and consumption.

Some key questions the report will help you to answer:

- What are the current market dynamics of the global chocolate industry?
- What are the SA chocolate industry trends, drivers, and restraints?
- Who are the key retail players in the SA chocolate industry?
- What are the prices of popular chocolate brands at various retail outlets in SA?
- What are the statistical volume trends for chocolate purchasing (2010-2015)?

Please note that the 79-page PowerPoint report is available for purchase for R25,000 (excluding VAT). Alternatively, individual sections can be purchased for R7,500 (excluding VAT). For additional information simply contact us at info@insightsurvey.co.za or directly on (0)21 045-0202.

For a full brochure please go to:

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We offer B2B market research solutions to help you to successfully improve or expand your business, enter new markets, launch new products or better understand your internal or external environment.

Our bespoke Competitive Business Intelligence Research can help give you the edge in a global marketplace, empowering your business to overcome industry challenges quickly and effectively, and enabling you to realise your potential and achieve your vision.

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