

Sugar confectionery players remain proactive during the pandemic

Predicting how things will transpire in the post-Covid-19 world is difficult, but this has not stopped the likes of Cloetta, Ferrero, Fauchon and Loacker from pressing ahead with key projects and at least trying to prepare for the new normal. *Andrew Pentol* reports.

Like with all DF&TR product categories and sub-categories, sugar confectionery has been rocked by the outbreak of the coronavirus (Covid-19) pandemic.

Brands enjoyed positive starts to 2020, as highlighted in our respective profiles on Ricola (41-43) and Haribo (44-45), but their momentum was halted by the deadly virus.

Duty free and travel retail has demonstrated its resilience on numerous occasions in the face of crises such as Severe Acute Respiratory Syndrome and the 2008/2009 global economic crash.

In undertaking interviews for this report, there appears a similar sense of resilience, grit and determination among the key DF&TR sugar confectionery players, as they prepare for the eventual recovery.

Cloetta Global Travel Retail, for example, which experienced an extremely successful 2019, like many other sugar confectionery players, has used the enforced break in travel and trade wisely.

New website launch

The company, whose travel retail exclusive Pop-A-Bean product is a finalist in the Best Confectionery Product category at the 2020 consumer-voted Travel Retail Awards, has launched a new website (www.cloetta-gtr.com). The site provides details of its updated product portfolio and public relations activities.

While some DF&TR stakeholders have high hopes for the second half of the year, Cloetta believes it will be some time before the industry recovers and the



new normal manifests itself.

That said, it hopes to see some light at the end of the tunnel later in the year. This will enable it to discuss the way forward with its business partners.

Berend-Jan van Egmond, Senior Global Travel Retail Manager, Cloetta International Markets tells *TRBusiness*: “This year is unfortunate and very challenging for everyone in DF&TR.

“We were hoping to meet everyone in Cannes again, but unfortunately the event has been cancelled which appears to be the right decision.

“Let’s hope 2021 will be the year of recovery. I truly believe we can overcome this crisis if the whole industry

works together.”

The Cloetta Group in general has implemented various measures

to mitigate against the impact of the pandemic. These have revolved around ensuring the health and safety of employees, customers and consumers.

“For Cloetta Global Travel Retail in particular, our priority was and remains to stay in touch with our business partners,” Van Egmond remarks. “There is not much more we can do. It is difficult to predict what will happen in the future.”

Forecasting category trends is easier said than done, but the trend for healthy products is likely to remain. “People are increasingly looking for raw materials with positive health benefits. There is also continued interest in natural and genuine raw materials.”

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**Berend-Jan van Egmond,
Senior Global Travel Retail Manager,
Cloetta International Markets**

Above:

French gourmet food brand Fauchon will continue striving to develop in the retail, airline catering and food and beverage segments.

Left:

Ferrero has remained in close contact with data specialists during lockdown.

Various types of additives and artificially produced substances are being questioned in favour of natural materials, according to Van Egmond. “We aim to follow this trend with our travel range, especially to respond to the increasing consumer interest in natural ingredients.

“The Jelly Bean Factory brand, for example, uses a very clean recipe. We are working to remove artificial flavourings and colourants for other products.”

Re-engaging the industry

As far as sugar confectionery is concerned, Van Egmond believes there is further room for growth in travel retail, especially when comparing the share of sugar confectionery in the channel (20% sugar versus 80% chocolate) with the share in domestic markets (40% sugar versus 60% chocolate).

Pinpointing confectionery as the most impulse driven category in travel retail, Van Egmond, says strong availability and visibility in stores, alongside brands with high recognition and loyalty will remain critical. “We will discuss the opportunity to re-engage the confectionery category with our partners, in order to ensure the industry recovers fast.”

Another company which has been working hard on several projects during the pandemic is French gourmet food brand Fauchon. “We have a superb Fauchon corner ready to open at the new Bahrain International Airport [which is yet to open itself – Ed],” Alexandre Antuszewicz, Travel Retail Director, Fauchon Paris tells *TRBusiness*.

“This will be the first major operation to launch once the Covid-19 crisis is over.”

The brand will also showcase its new self-service fresh macarons and chocolate display concept once the crisis passes. “This new way of selling our iconic products, without staff being required to serve customers, meets post Covid-19 social distance norms.”

Fauchon’s DF&TR strategy remains the same despite the pandemic. The aim is to develop in the retail, airline catering and food and beverage segments. “We will

continue developing exciting offers to closely meet customers’ needs. Offers will be adjusted in accordance with emerging constraints and habits and we will look closely at new consumption trends.”

In terms of the recovery, visibility will be ‘very complicated’, in the months ahead, according to Antuszewicz. “Our main market is French airports with a strong share of foreign tourists.

“With the visibility we have today, it is fair to think that summer will still be very slow and that the recovery will start in September or October 2020.

“Should airlines emerge in reasonable shape, we will implement a process which will result in us slowly returning to normal and landing at around -10%/15% versus 2019, by the end of 2021.”

During the crisis, the food segment has demonstrated its resilience and met people’s essential needs. Moving forward, food will be even more of an impulse category, he emphasises. “There will always be an interest [in food] from customers. The question, is how we make the offer exciting, with sufficient customers and retailers.”

Offering an insight into Fauchon’s discussions with retailers during the crisis, Antuszewicz, says the focus has been on creating ‘exciting’ promotions to sell excess stock. He says: “Once retailers’ stocks are ‘cleaned’, we will work on new developments.”

Meanwhile, stock management has also been a priority for Ferrero Travel Market, which experienced double-digit growth at the start of the year. This followed the roll-out of its new Tic Tac Travels communication platform.

Sergio Salvagno, General Manager, Ferrero Travel Market, explains: “As a supplier of products with limited shelf-life, stock management has been our key focus, working closely with our trade partners and internally within Ferrero Group.

“Simultaneously, we have continued working on upcoming campaigns and developing products which can increase shopper engagement and improve the overall



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Travel Retail Director,
Fauchon Paris



The Loacker assortment at Milan Malpensa International Airport.